

SB

89

<target><bill>SB 89</bill><subject>SB
89</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
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Official Business

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Sponsor Statement CS for SB 89

Senate Bill 89 would continue providing retirement benefits to the Alaska Territorial Guard veterans whose pensions were reduced by the federal government due to a new interpretation made by the U.S. Department of Defense. SB 89 provides for state funding of benefits beginning April 2009 and ending February, 28th 2010 or until the federal government resumes its full responsibility of the pensions. This funding is a temporary patch meant to give Alaska's Congressional Delegation the time they asked for to reverse the ATG pension reduction.

In January 2009, 26 World War II Alaska Territorial Guard veterans received letters from the U.S. Army Human Resources Command informing them that their pensions will be reduced on February 1st. The pension reduction is based on a legal interpretation that does not classify the time these men spent in the ATG during World War II as applicable toward retirement credit. The people of Alaska have overwhelmingly come out in support of our World War II veterans and believe they should receive their full retirement benefit for their honorable service.

SB 89 supports the honorable men and women of the Alaska Territorial Guard and enacts the overwhelming will of the people of Alaska by funding the difference in what the ATG pensions used to be and what they are now.

Changes made in the CS for SB 89

The changes made in Senate Finance in the CS for SB 89 are as follows:

- The State of Alaska will no longer pay a set amount to each member of the Alaska Territorial Guard deserving a pension. The State will pay the difference between what DOD calculated ATG pensions to be last January and what DOD is now calculating them to be. This difference in pay is described as the “interim benefit.”
- If DOD begins paying the full pension benefit then Alaska will be reimbursed for any overlapping payments.
- The State of Alaska will pay the ATG interim benefit until DOD begins paying the full pension or until February 28, 2010.

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 27, 2009

FURTHER REFERRALS:

Date of Committee Action: 3/30/09

The FINANCE Committee considered:

CS FOR SENATE BILL NO. 89(FIN)

"An Act relating to retirement benefits for members of the Alaska Territorial Guard; and providing for an effective date."

SB 89 RETIREMENT BENEFITS: TERRITORIAL GUARD

Recommends it be replaced with HCS or CS for _____ (_____)

For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for:
 Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 DHS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
MVA	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
<i>William Bell</i>	Thomas	✓			
<i>Harry Crawford</i>	Gave	✓			
<i>Att. Allen Austin</i>	CRAWFORD	X			
<i>Anna Fairclough</i>	Joule	X			
<i>Abraham Salmon</i>	AUSTROMAN	X			
Chair: <i>Bill Steffen</i>	FAIRCLOUGH	✓			
Chair:	Salmon	X			
Chair:	Steffen				

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 89(FIN)
 (S) Publish Date: 3/23/09

Identifier (file name): SB89-DMVA-VS-3-20-09 Dept. Affected: Dept of Military and Veterans Affairs
 Title: An Act relating to retirement benefits for members of the RDU: Military and Veterans Affairs
Alaska Territorial Guard; and providing for an effective date Component: Veterans Services
 Sponsor: Senate Finance Committee
 Requester: (S) Finance Component Number: 421

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	83.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	83.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	83.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	83.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: 31.3

POSITIONS

Full-time	0	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill provides for the Department of Military and Veterans Affairs to pay eligible individuals, each month, who served for in the Alaska Territorial Guard. Monthly pay to each eligible individual is calculated according to the attached spreadsheet (2009 Pay Delta column).

This fiscal note calculation is based on 3 months of payments in FY09 (April 09-June 09) and 8 months of payments in FY10 (July 09-Feb 10) at \$10,437.00 per month to 26 eligible individuals. The department anticipates minimal time and cost to process the 26 monthly payments using existing staff.

Prepared by: McHugh Pierre, Legislative Liaison/Director of Communications Phone 465-4402
 Division: National Guard Military Headquarters/Office of the Commissioner Date/Time 3/20/09 @ 11:30 am
 Approved by: Commissioner Craig Campbell Date 3/20/2009
Department of Military and Veterans Affairs

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
 Attachment to Fiscal Note SB89 (FIN) - March 20, 2009
 Current Eligible Alaska Territorial Guardsmen Monthly Retirement Pay

Soldier	2008 Retired Gross Pay without Alaska Territorial Service	2008 Retired Gross Pay with credit for time served in Alaska Territorial Guard	2009 Retired Gross Pay without Alaska Territorial Service	2009 Retired Gross Pay with credit for time served Alaska Territorial Guard	2009 PAY DELTA
HA	\$344.00	\$850.00	\$363.00	\$899.00	\$536.00
CA	\$449.00	\$892.00	\$475.00	\$943.00	\$468.00
JA	\$652.00	\$1,119.00	\$689.00	\$1,183.00	\$494.00
RA	\$370.00	\$859.00	\$391.00	\$908.00	\$517.00
GB	\$641.00	\$839.00	\$678.00	\$887.00	\$209.00
IB	\$473.00	\$925.00	\$500.00	\$978.00	\$478.00
WB	\$392.00	\$598.00	\$414.00	\$632.00	\$218.00
OF	\$546.00	\$1,020.00	\$577.00	\$1,079.00	\$502.00
VG	\$509.00	\$1,035.00	\$538.00	\$1,095.00	\$557.00
DG	\$270.00	\$595.00	\$285.00	\$629.00	\$344.00
SJ	\$404.00	\$862.00	\$427.00	\$912.00	\$485.00
WJ	\$460.00	\$919.00	\$486.00	\$972.00	\$486.00
PJ	\$251.00	\$544.00	\$265.00	\$575.00	\$310.00
PK	\$856.00	\$1,194.00	\$905.00	\$1,263.00	\$358.00
BM	\$640.00	\$941.00	\$677.00	\$995.00	\$318.00
JN	\$399.00	\$729.00	\$422.00	\$771.00	\$349.00
PN	\$609.00	\$1,089.00	\$644.00	\$1,152.00	\$508.00
NN	\$604.00	\$1,127.00	\$639.00	\$1,192.00	\$553.00
FP	\$627.00	\$822.00	\$663.00	\$869.00	\$206.00
JP	\$201.00	\$439.00	\$212.00	\$464.00	\$252.00
CP	\$567.00	\$1,032.00	\$599.00	\$1,091.00	\$492.00
JP	\$271.00	\$592.00	\$286.00	\$626.00	\$340.00
RP	\$557.00	\$1,048.00	\$589.00	\$1,108.00	\$519.00
CS	\$595.00	\$1,073.00	\$629.00	\$1,135.00	\$506.00
JW	\$235.00	\$519.00	\$248.00	\$549.00	\$301.00
WW	\$1,057.00	\$1,181.00	\$1,118.00	\$1,249.00	\$131.00
			TOTAL PAY LOSS:		\$10,437.00

Congress of the United States
Washington, DC 20515

March 18, 2009

The Honorable Bill Wielechowski
Co-Chair, Joint Armed Services
Committee
State Capitol, Room 115
Juneau, AK 99811

The Honorable Nancy Dahlstrom
Co-Chair, Joint Armed Services
Committee
State Capitol, Room 411
Juneau, AK 99811

Dear Senator Wielechowski and Representative Dahlstrom:

We write to follow up on the issue of the retirement pay for 26 former members of the Alaska Territorial Guard (ATG).

As you know, in June 2008 these individuals were issued military retirement credit for the period of their service in the Territorial Guard and they began receiving a modest increase in their retirement pay. However, in January 2009, the Defense Finance and Accounting Service (DFAS) stopped the retirement payments, based on a finding that they were erroneously awarded due to a misinterpretation of the law.

We immediately contacted the Secretary of the Army seeking a solution and to his credit, Secretary Pete Geren tapped the Army Emergency and Extraordinary Expense Fund to continue the retirement payments for two months. At the same time, we introduced legislation in Congress providing lifetime retirement pay to these Guardsmen. The regular order in the Congress is to consolidate all defense-related legislation into one defense authorization bill, followed by a defense appropriations bill. Accordingly, it is unlikely that the Congress will consider our legislation until later this year. These bills are usually sent to the President in the summer and fall.

We have been asked by members of the Alaska Legislature whether it would be appropriate for the State to consider a special appropriation representing the difference in retirement pay that each of the 26 would receive if his Territorial Guard service were credited toward military retirement and what each will receive as a result of the January 2009 DFAS reinterpretation for the remainder of calendar year 2009.

Senator Wielechowski and Representative Dahlstrom


March 18, 2009

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We think it is important to maintain the economic safety net for these 26 elders and are supportive of this approach. These payments would serve as a "bridge" so these Guardsmen can continue to receive the modest increase in retirement payments to which we all believe they are entitled while we continue to pursue a permanent solution.

On behalf of these Alaska Territorial Guardsmen, thank you in advance for your consideration of our views.

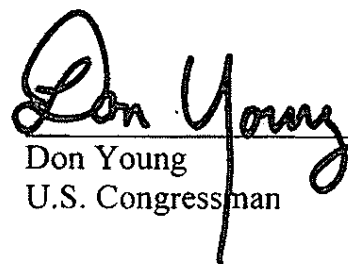
Sincerely,



Mark Begich
U.S. Senator



Lisa Murkowski
U.S. Senator



Don Young
U.S. Congressman

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2009 LEGISLATIVE SESSION

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