

SB

89

<target><bill>SB 89</bill><subject>SB
89</subject><comm>SF26</comm></target>

SENATE FINANCE COMMITTEE REPORT First Committee of Referral

DATE: 1/28/09

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/23/09

Finance Committee considered SENATE BILL NO. 89

SB 89 RETIREMENT BENEFITS: TERRITORIAL GUARD

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

and recommends:

- be replaced with SCS or CS SB 89 (FIN)
- adopt previous SCS or CS _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

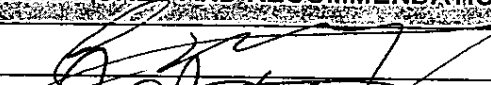

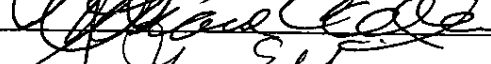
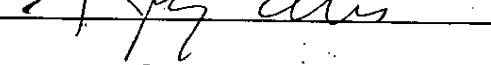
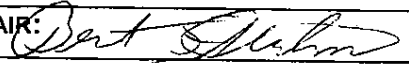
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
MVA	3-20	✓			1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR: 	STEWART	✓			
CO-CHAIR: _____					

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 89 (FIN)
 () Publish Date: _____

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 _____ Component Number 421
(S) Finance

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required		Information					
	FY 2010	FY 2011	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
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
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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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

WORK DRAFT

WORK DRAFT

WORK DRAFT

*Adopted
3/23/09*

26-LS0432/S
Bannister
3/21/09

CS FOR SENATE BILL NO. 89()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 ALASKA TERRITORIAL GUARD INTERIM BENEFIT. (a) The department shall
7 pay an interim benefit each month to an individual resident of the state whose monthly federal
8 retirement payment was reduced in April 2009 because the individual's service in the Alaska
9 Territorial Guard was not treated as active service under federal military law.

10 (b) The amount of the interim benefit to be paid under (a) of this section is the amount
11 by which the individual's monthly federal retirement payment in January 2009 was reduced in
12 April 2009 because the individual's service in the Alaska Territorial Guard was not treated as
13 active service under federal military law.

14 (c) To be eligible for an interim benefit, an individual shall submit to the department

WORK DRAFT

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26-LS0432\8

1 an application on a form established by the department and provide the department with the
2 information that the department determines is necessary to determine whether the individual
3 is eligible for the interim benefit and to calculate the amount of the interim benefit.

4 (d) The department shall pay the interim benefit to the individual each month until the
5 federal government begins paying to the individual a monthly federal retirement payment that
6 treats the individual's service in the Alaska Territorial Guard as active service under federal
7 military law.

8 (e) If an individual receives for the same month both the interim benefit and a federal
9 retirement payment that treats the individual's service in the Alaska Territorial Guard as active
10 service under federal military law, the individual shall reimburse the department for the
11 interim benefit paid for that month.

12 (f) In this section,

13 (1) "department" means the Department of Military and Veterans' Affairs;

14 (2) "federal military law" means 10 U.S.C. 1401 - 1414, 3991 - 3992, or
15 12731 - 12741;

16 (3) "federal retirement payment" means a retirement payment under 10 U.S.C.
17 (Armed Forces);

18 (4) "interim benefit" means the interim benefit authorized under (a) of this
19 section.

20 * Sec. 2. Section 1 of this Act is repealed February 28, 2010.

21 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 RETROACTIVITY. Section 1 of this Act is retroactive to April 1, 2009.

24 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

CSSB 89()

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New Text Underlined (DELETED TEXT BRACKETED)

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.

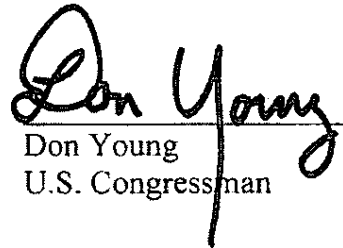
Sincerely,



Mark Begich
U.S. Senator



Lisa Murkowski
U.S. Senator



Don Young
U.S. Congressman