

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 651, 657, 669, 670



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

### Committee Report

HOUSE OF REPRESENTATIVES

4/19/72

5/2/72

Date

Mr. Speaker

The Committee on FINANCE has had HR 651

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HR 651 and that CS for HR 651 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>[Signature]</u>	recommends: <u>[Signature]</u>
<u>[Signature]</u>	recommends: <u>[Signature]</u>
<u>[Signature]</u>	recommends:
<u>[Signature]</u>	recommends:
<u>[Signature]</u>	recommends:

[Signature]  
CHAIRMAN

Original sponsors: Rose, Bradner, Chance  
and Guess

Offered: 4/19/72  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND  
EDUCATION COMMITTEE

2 CS FOR HOUSE BILL NO. 651

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Office of Child  
7 Development."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

10 (1) there exists a demand within the state for development oppor-  
11 tunities for children and lay and expert opinions hold that the availability  
12 of child development experience can be a significant and positive factor in  
13 the development of adult personality, talent and character;

14 (2) too little is known about the optimum type and content of  
15 this experience and in fact realizes that there may be no optimum, but rather  
16 a need for a variety of programs tailored to fit the needs of children from  
17 diverse backgrounds;

18 (3) because Alaska is geographically remote from major United  
19 States population centers where much existing research is in process in  
20 the field of child development, it is vital that Alaska provide various,  
21 diverse models for child development and that there needs to be established  
22 a clearinghouse for the exchange of information and ideas, and periodic  
23 state conferences on child development, and that progress be made toward  
24 periodic evaluation of model projects in this field; and

25 (4) availability of child development programs will permit more  
26 parents to participate in the economic life of the community, will thus  
27 make available new talent in our economic life, and will relieve some house-  
28 holds from a cycle of economic dependency upon government.

29 \* Sec. 2. AS 47 is amended by adding a new chapter to read:

1                   CHAPTER 45. ALASKA OFFICE OF CHILD DEVELOPMENT.

2                   Sec. 47.45.010. ALASKA OFFICE OF CHILD DEVELOPMENT. There is  
3 created in the Office of the Governor the Alaska Office of Child  
4 Development to act as a coordinating body for services for children  
5 from prenatal to age 18. The Office of Child Development is adminis-  
6 tered by a director appointed by the board of directors with the  
7 approval of the governor. Staff may be employed in accordance with  
8 appropriate budgets.

9                   Sec. 47.45.020. BOARD OF DIRECTORS FOR THE OFFICE OF CHILD  
10 DEVELOPMENT. There is created a board of directors for the Office of  
11 Child Development. The board consists of the State 4C Committee plus  
12 four youthful members not more than 18 years of age appointed by the  
13 governor for a term of two years each, or until the youthful member  
14 attains the age of 19 years.

15                  Sec. 47.45.030. POWERS AND DUTIES OF BOARD AND DIRECTOR. (a)  
16 The board of directors for the Office of Child Development shall  
17 determine policy and establish program priorities, and shall serve as  
18 a child advocacy agency in the state. The board shall

19                   (1) coordinate public and private programs and priorities  
20 which affect child development;

21                   (2) develop guidelines to improve child development services  
22 throughout the state, and coordinate the development of program stan-  
23 dards and the training of paraprofessionals and professional personnel  
24 and to monitor and evaluate procedures;

25                   (3) assist local communities in the initiation of child  
26 development programs including information about pertinent legislation  
27 and funding and consultant resources;

28                   (4) identify, coordinate and develop a comprehensive plan  
29 for the use of public and private resources, including the services

1 of volunteers;

2 (5) provide leadership in recommending legislative change  
3 which affects the provision of child development services;

4 (6) develop innovative approaches for involving parent-  
5 consumers on both the state and local level in program planning and  
6 policy making.

7 (b) The director shall carry out the policies and programs set  
8 out by the board of directors.

9 Sec. 47.45.040. COMPENSATION AND EXPENSES. Members of the board  
10 of directors for the Office of Child Development receive no salary,  
11 but are entitled to per diem and travel expenses authorized by law for  
12 other boards and commissions.

13 Sec. 47.45.050. DEPARTMENTS TO ASSIST OFFICE OF CHILD DEVELOPMENT.  
14 The Department of Health and Social Services, the Department of Educa-  
15 tion, the Department of Labor and all other departments and agencies  
16 of the state which have programs or services pertaining to children  
17 shall cooperate with the Office of Child Development and shall furnish  
18 technical assistance and personnel, if available, to the Office of  
19 Child Development upon request.  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 2/14/72  
Referred: Health, Welfare &  
Education and Finance

1 IN THE HOUSE

BY ROSE, BRADNER, CHANCE  
AND GUESS

2 HOUSE BILL NO. 651

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Office of Early Child-  
7 hood Development."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

10 (1) there exists a demand within the state for day care and pre-  
11 primary educational opportunities for children and lay and expert opinions  
12 hold that the availability of preprimary learning experience in small  
13 groups can be a significant and positive factor in the development of adult  
14 personality, talent and character;

15 (2) too little is known about the optimum type and content of  
16 such experience and in fact realizes that there may be no optimum, but rather  
17 a need for a variety of programs tailored to fit the needs of children from  
18 diverse backgrounds;

19 (3) because Alaska is geographically remote from major United  
20 States population centers where much existing research is in process in  
21 the field of early childhood development, it is vital that Alaska provide  
22 various, diverse models for day care and preprimary education and that  
23 there needs to be established a clearinghouse for the exchange of informa-  
24 tion and ideas, and periodic state conferences on early childhood development,  
25 and that progress be made toward periodic evaluation of model projects in  
26 this field; and

27 (4) availability of preprimary day care centers and learning  
28 centers will permit more parents to participate in the economic life of the  
29 community, will thus make available new talent in our economic life, and

1 will relieve some households from a cycle of economic dependency upon govern-  
2 ment.

3 \* Sec. 2. AS 47 is amended by adding a new chapter to read:

4 CHAPTER 45. ALASKA OFFICE OF EARLY CHILDHOOD DEVELOPMENT.

5 Sec. 47.45.010. ALASKA OFFICE OF EARLY CHILDHOOD DEVELOPMENT.

6 There is created in the Office of the Governor the Alaska Office of  
7 Early Childhood Development. The Office of Early Childhood Develop-  
8 ment is administered by a director appointed by the governor with the  
9 concurrence of the Advisory Board for Early Childhood Development.  
10 Staff may be employed in accordance with appropriate budgets.

11 Sec. 47.45.020. ADVISORY BOARD FOR EARLY CHILDHOOD DEVELOPMENT.

12 There is created an Advisory Board for Early Childhood Development.  
13 The board consists of 13 members appointed by the governor and serving  
14 at his pleasure. In making his appointments the governor shall appoint  
15 nine members of the Day Care Advisory Committee and four members of  
16 the State 4C Ccmmittee.

17 Sec. 47.45.030. POWERS AND DUTIES OF BOARD AND DIRECTOR. (a)

18 The Advisory Bcard for Early Childhood Development shall advise the  
19 director in determining policy and establishing program priorities.

20 (b) The director shall

21 (1) identify available funding sources for day care and  
22 educational centers;

23 (2) administer grants the legislature may from time to time  
24 appropriate for educational or day care programs at the elementary  
25 level, as well as act as the state agency for administering federal  
26 funds from grants and contracts that may become available;

27 (3) provide an informational clearinghouse for parents  
28 and communities wishing to start providing local day care or preprimary  
29 educational service on a nonprofit or cooperative basis;

1 (4) provide technical assistance to local communities,  
2 school boards, citizen groups, nonprofit corporations, community action  
3 agencies, and other similar groups with respect to early childhood  
4 training;

5 (5) at least biennially, conduct a statewide Governor's  
6 Conference on Early Childhood Development; and

7 (6) submit to the legislature an annual report, including  
8 recommendations for possible legislation pertaining to elementary  
9 children.

10 Sec. 47.45.040. COMPENSATION AND EXPENSES. Members of the Ad-  
11 visory Board for Early Childhood Development receive no salary, but  
12 are entitled to per diem and travel expenses authorized by law for  
13 other boards and commissions.

14 Sec. 47.45.050. DEPARTMENTS TO ASSIST OFFICE OF EARLY CHILDHOOD  
15 DEVELOPMENT. The Department of Health and Social Services and the  
16 Department of Education shall furnish technical assistance and person-  
17 nel, if available, to the Office of Early Childhood Development upon  
18 request.  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

STATE  
of ALASKA

# MEMORANDUM

House

TO:  Legislative Finance  
Room 407, Capitol Building

DATE : April 24, 1972

FROM: James F. McClain *James F. McClain*  
Administrative Officer  
Department of Health & Social Services

SUBJECT: HB 651 Fiscal Note

Pursuant to your request, attached is fiscal note pertaining to HB 651.

Please note that the Bill provides for establishment of the Office of Child Development within the Governor's Office, therefore, costs would not accrue to this Department. The attached fiscal note was prepared by the Division of Budget and Management.

JFM:mm

cc: Warren Wiley  
Office of the Governor  
(With Attachment)

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB 651  
 Title: Office of Child Development  
 Requested by: H.W.E. Date: April 17  
 Return Date Requested: April 19  
 Agency: Budget & Management Program: New

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		53.8	56.8	59.9	63.2	66.7
200 TRAVEL		27.6	29.1	30.7	32.4	34.2
300 CONTRACTUAL		8.0	8.4	8.9	9.4	9.9
400 COMMODITIES		3.0	3.2	3.4	3.6	3.8
500 EQUIPMENT		4.8	5.1	5.4	5.7	6.0
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>97.2</b>	<b>102.6</b>	<b>108.3</b>	<b>114.3</b>	<b>120.6</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	*11.8	13.2	14.6	16.1	17.6
FEDERAL FUNDS IV/A	-0-	*35.4	39.4	43.7	48.2	53.0
<del>XXXXXX</del> Fed. Funds US/HEW	-0-	*50.0	50.0	50.0	50.0	50.0
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS: \*US/HEW Grant fixed at \$50,000 (OCD)  
 Remaining funds split 25% General Funds - 75% Title IV/A Funds

PERMANENT/TEMPORARY	4 / 0	4 / 0	4 / 0	4 / 0	4 / 0	4 / 0
MAN MONTHS (P./T.)	48 / 0	48 / 0	48 / 0	48 / 0	48 / 0	48 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

100 Personal Services: Director, Range 22A, \$1,699 per month	\$20,388
Administrative Assistant II, Range 14A, \$943 per month	11,316
Clerk-Typist III, Range 8A, \$606 per month	7,272
Clerk-Typist II, Range 7A, \$584 per month	7,008
	<u>\$45,984</u>
17% fringe benefits	7,817
<b>Total Personal Services</b>	<b>\$53,801</b>

(Continued on attached sheet)

IV. ATTACHMENTS

V. DATE: April 19, 1972

PREPARED BY: M. A. Lehman

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

FISCAL NOTE - Continued

200	Travel		
	Director - 2 trips per month @ \$150 travel per trip		\$ 3,600
	10 days per diem per month @ \$30 per day		3,600
	Administrative Assistant - 1 trip per month @ \$150 travel		1,800
	5 days per diem per month @ \$30 per day		1,800
	Board Members - 19 members attending 4 meetings per year		
	@ \$150 per member per meeting		11,400
	2 days per diem per meeting per member		5,320
	(Although 5 meetings per year are planned, it is felt		
	funding for Board Travel will not exceed cost of 4		
	meetings as only 75% attendance is expected at each		
	meeting.)		
			<u>\$27,520</u>
300	Contractual Services		
	Rent & Utilities approx. 500 sq. ft. at \$.50 per sq. ft.		\$ 3,000
	Communications		3,000
	Printing and Xeroxing		2,000
			<u>\$ 8,000</u>
400	Commodities		
	Office Supplies and Stationery		
	\$500 per employee		\$ 2,000
	Other		1,000
			<u>\$ 3,000</u>
500	Equipment		
	Desks (4 each at \$200)		\$ 800
	Chairs (4 each @ \$50)		200
	Typewriters (2 each @ \$600)		1,200
	Files (2 each @ \$100)		200
	Calculator (1 each @ \$300)		300
	Supply cabinet		80
	Costumer		35
	Dictating Equipment (2 sets @ \$1,000 each)		2,000
			<u>\$ 4,815</u>

5.5% inflationary increase FY'74 through FY'77

\* Projected matching General Funds are currently budgeted costs under the Departments of Education and State-operated Schools and do not reflect additional monies required.



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

### Committee Report

HOUSE OF REPRESENTATIVES

2/29/72

4/5/72

Date

Mr. Speaker

The Committee on FINANCE has had HB 657

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for \_\_\_\_\_ and that

CS for \_\_\_\_\_ do pass

(and) recommends it be referred to the \_\_\_\_\_

committee

reports it back without recommendation

(other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature]  
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By FINANCE

To: \_\_\_\_\_ HOUSE BILL NO. 67

\_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

AMENDMENT: Page 1 Line 13

Change "purposes" to read "purpose"

Page 1 Line 13

Relate: "making available Federal matching funds for class"

Introduced: 2/14/72  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY MOORE AND FERGUSON

2

HOUSE BILL NO. 657

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act authorizing appropriations by the Department  
7 of Economic Development made under ch. 131, sec. 9,  
8 SLA 1971; and providing for an effective date."

9

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

10

\* Section 1. The Department of Economic Development is authorized to  
11 transfer appropriations made under ch. 131, sec. 9, SLA 1971 for municipal,  
12 civic convention, and community recreation center planning, in a sum not to  
13 exceed \$25,000 for application under ch. 114, SLA 1971 for the purpose of  
14 completion of the community civic and recreation center at Emmonak, Alaska.

15

\* Sec. 2. This Act takes effect on the day after its passage and approval  
16 or on the day it becomes law without approval.

17

18

19

20

21

22

23

24

25

26

27

28

29

Introduced: 2/14/72  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY MOORE AND FERGUSON

2

HOUSE BILL NO. 657

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act authorizing appropriations by the Department  
of Economic Development made under ch. 131, sec. 9,  
SLA 1971; and providing for an effective date."

7

8

9

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

10

\* Section 1. The Department of Economic Development is authorized to  
transfer appropriations made under ch. 131, sec. 9, SLA 1971 for municipal,  
civic convention, and community recreation center planning, in a sum not to  
exceed \$25,000 for application under ch. 114, SLA 1971 for the purposes of  
~~making available Federal matching funds for the~~ completion of the community  
civic and recreation center at Emmonak, Alaska.

11

12

13

14

15

16

\* Sec. 2. This Act takes effect on the day after its passage and approval  
or on the day it becomes law without approval.

17

18

19

20

21

22

23

24

25

26

27

28

29



Alaska State Legislature  
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman  
House Finance Committee

FROM: Rich Guthrie  
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE:

4/26/72

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
-----------------	--------------

HB 657

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

**MEMORANDUM**

OFFICE OF THE COMMISSIONER

**State of Alaska**

DEPARTMENT OF ECONOMIC DEVELOPMENT

TO: Legislative Finance  
Room 407  
Capitol BuildingTHRU: *J.R. Werner*  
John R. Werner, Deputy Commissioner  
Department of Economic Development

DATE : March 7, 1972

FROM:

*P.M. Schaaf*  
Paul M. Schaaf  
Administrative Officer

SUBJECT: H.B. 657

The City of Emmonak has applied to Federal Agencies and the State of Alaska for a total of \$460,900 detailed as follows:

EDA	Direct Grant	\$127,932
EDA	Supplimental Grant	76,759
HUD	Neighborhood Facilities Program	154,836
EDA	Suppliment to HUD Program	9,193
*State	Community Grant	20,000
EDA	Loan to Emmonak	<u>72,180</u>
		\$460,900

The project includes a multi-purpose recreation and meeting room, community health clinic, welfare office, library, small restaurant and hotel, all within one building complex. The Department of Economic Development has, on file, a complete set of documents concerning the total project as proposed.

\*The State portion of this project, amounting to \$20,000, is available from the balance of FY 1972 appropriation and is within the authority of Chapter 114, SLA-1971.

PMS : cds



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

# MEMORANDUM

OFFICE OF THE COMMISSIONER

State of Alaska  
DEPARTMENT OF ECONOMIC DEVELOPMENT

TO:  Legislative Finance  
Room 407  
Capitol Building

THRU: *J.R.W.* John R. Werner, Deputy Commissioner  
Department of Economic Development

FROM: *P.M.S.* Paul M. Schaaf  
Administrative Officer

DATE : March 7, 1972

SUBJECT: H.B. 657

The City of Emmonak has applied to Federal Agencies and the State of Alaska for a total of \$460,900 detailed as follows:

EDA	Direct Grant	\$127,932
EDA	Supplimental Grant	76,759
HUD	Neighborhood Facilities Program	154,836
EDA	Suppliment to HUD Program	9,193
*State	Community Grant	20,000
FDA	Loan to Emmonak	72,180
		<u>\$460,900</u>

The project includes a multi-purpose recreation and meeting room, community health clinic, welfare office, library, small restaurant and hotel, all within one building complex. The Department of Economic Development has, on file, a complete set of documents concerning the total project as proposed.

\*The State portion of this project, amounting to \$20,000, is available from the balance of FY 1972 appropriation and is within the authority of Chapter 114, SLA-1971.

PMS:cds

Introduced: 2/14/72  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY MOORE AND FERGUSON

2 HOUSE BILL NO. 657

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing appropriations by the Department  
7 of Economic Development made under ch. 131, sec. 9,  
8 SLA 1971; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The Department of Economic Development is authorized to  
11 transfer appropriations made under ch. 131, sec. 9, SLA 1971 for municipal,  
12 civic convention, and community recreation center planning, in a sum not to  
13 exceed \$25,000 for application under ch. 114, SLA 1971 for the purposes of  
14 making available federal matching funds for the completion of the community  
15 civic and recreation center at Emmonak, Alaska.

16 \* Sec. 2. This Act takes effect on the day after its passage and approval  
17 or on the day it becomes law without approval.

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 2/14/72  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY MOORE AND FERGUSON

2 HOUSE BILL NO. 657

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing appropriations by the Department  
7 of Economic Development made under ch. 131, sec. 9,  
8 SLA 1971; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The Department of Economic Development is authorized to  
11 transfer appropriations made under ch. 131, sec. 9, SLA 1971 for municipal,  
12 civic convention, and community recreation center planning, in a sum not to  
13 exceed \$25,000 for application under ch. 114, SLA 1971 for the purpose of  
14 completion of the community civic and recreation center at Emmonak, Alaska.

15 \* Sec. 2. This Act takes effect on the day after its passage and approval  
16 or on the day it becomes law without approval.  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29



# RECORDS



# GERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

"An Act relating to state aid for retirement of school construction debt; and providing for an effective date."

### Committee Report

HOUSE OF REPRESENTATIVES

2722/72

4/12/72

Date

Mr. Speaker

The Committee on FINANCE has had SB 663

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Warwick</u>	<u>Richard J. Smith</u>	_____
<u>Lawrence</u>	<u>John J. Smith</u>	_____
<u>Frank</u>		_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Richard J. Smith  
CHAIRMAN

Introduced: 2/14/72  
Referred: Health, Welfare &  
Education and Finance

BY WRIGHT, BANFIELD, BARBER, BRADNER,  
CHANCE, COLLETTA, DEGNAN, DITMAN,  
FARRELL, FINK, FISCHER, FLYNN, HARRIS,  
HILLSTRAND, HUBER, MCGILL, MCVEIGH,  
M. MILLER, MOORE, MORAN, NAUGHTON,  
ORBECK, PERATROVICH, RANDOLPH, REED,  
ROSE, SPECKING, SWANSON, TILLION,  
WARWICK, WHITTAKER AND FERGUSON

1 IN THE HOUSE

2 HOUSE BILL NO. 669

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for retirement of school  
7 construction debt; and providing for an effective  
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 43.18.100(b) is amended to read:

11 (b) The commissioner shall administer the program of reimburse-  
12 ment authorized under this section and shall provide by regulation  
13 for the filing of applications for reimbursement, the form of proof  
14 of costs for which application for reimbursement is made, and other  
15 regulations necessary to administer the program. [IN APPROVING  
16 APPLICATIONS FOR REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST  
17 THE AMOUNT OF REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY FUNDS DISTRI-  
18 BUTED TO THE BOROUGH OR CITY IN THE PRECEDING FISCAL YEAR FROM THE  
19 SCHOOL FUND PROVIDED FOR IN AS 43.50.140.]

20 \* Sec. 2. This Act takes effect on the day after its passage and approv-  
21 al or on the day it becomes law without approval.



Alaska State Legislature  
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman  
House Finance Committee

FROM: Rich Guthrie  
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 5/10/72

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
-----------------	--------------

HB669

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB 669 (Revised)  
 Title: State Aid for school construction debt  
 Requested by: Legislative Finance Date: 5/11/72  
 Return Date Requested: 5/15/72  
 Agency: Department of Education Program: Pre-Elem.-Secondary

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Financial Support Programs

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	*651,100**	1,600,000	1,760,000	1,950,000	2,150,000	2,350,000
TOTAL	*651,100**	1,600,000	1,760,000	1,950,000	2,150,000	2,350,000

B. FUNDING: (Thousands of dollars)

GENERAL FUND	*651,100**	1,600,000	1,760,000	1,950,000	2,150,000	2,350,000
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY MAN MONTHS (P./T.)	/	/	/	/	/	/
---	---	---	---	---	---	---

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. (FY 72 based on actual claims less actual amount paid.
2. (FY 73-77 based on cigarette tax @ approximately 10%/yr. increase.
3. See attached table for more detail on FY 72

B. See attached memorandums

\*FY 72 appropriation for debt service is 3,000,000, leaving a balance of 651,100 needed to fully fund HB 669 in FY 72.

\*\*Estimated need of 500,000 over House Finance appropriation bill for full funding in FY 73.

IV. DATE: 5/17/72

PREPARED BY: Nathaniel Cole

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

2/8/72 .

State of Alaska  
Department of Education  
CHAPT. 249, STATE AID FOR RETIREMENT  
OF SCHOOL CONSTRUCTION DEBT

Dist.	Debt Service 1969-70	Cig. Tax Incl. in Debt Serv.	Net Debt Serv.	1968-69 Cash Payments	1969-70 Cash Payments	1/10 of 68-69 Cash @ 6% Int.	1/10th of 69-70 Cash @ 6% Int.	Debt Service @ 50%	Cig. Tax FY-71	Entitlement	**2
Anch.	4,302,729	568,375	3,734,354	--	163,888	--	26,221	1,880,287	648,480	1,231,807	
Br. Bay	88,200	9,501	78,699	--	--	--	--	39,349	10,554	28,795	
Cordova	69,847	14,916	54,931	--	--	--	--	27,465	15,475	11,990	
Fairbanks	1,150,642	158,695	991,948	1,139,311	868,862	176,889	139,018	653,927	190,598	463,329	
Juneau	736,219	85,530	650,689	--	--	--	--	325,344	90,038	235,306	
Ketchikan	452,605	105,278	347,327	2,572,776	1,113,539	396,208	178,166	460,851	118,923	341,928	
Kodiak	241,918	62,484	179,434	--	--	--	--	89,717	66,447	23,270	
Kodiak	106,562	49,058	57,504	--	--	--	--	28,752	50,682	--	
Mat-Su	111,781	44,256	67,525	--	--	--	--	33,762	50,516	--	
Nenana	22,550	8,630	13,920	--	--	--	--	6,960	9,610	--	
Petersburg	103,969	7,963	96,006	--	--	--	--	48,003	18,722	29,281	
Sitka	157,259	43,951	113,316	--	--	--	--	56,658	46,155	10,503	
Skagway	8,830	32,500	--	--	--	--	--	--	8,322	--	
								3,651,075	1,324,522	2,376,209	

\*1 FY 72 debt service if fully funded should HB 669 become law.

\*\*2 FY 72 entitlement under present law (AS 43.18.100).

Note: The appropriation for FY 72 under AS 43.18.100 is 3,000,000. If HB 669 should become law and be fully funded for FY 72 it would require a \$651,100 supplementary appropriation, otherwise an 82.68% pro rate would be applied to the Debt Service @ 50% column.

## MEMORANDUM

State of Alaska

TO:  John Havelock  
Attorney General

FROM: Cliff R. Hartman  
Commissioner of Education

DATE : December 15, 1970

SUBJECT: Legislative RecommendationsTitle 43, Article 2, Section 43.18.100 (b)Proposed Amendment:

. . . In approving applications for reimbursement, the commissioner shall offset against the amount of reimbursement authorized the amount of any funds distributed to the borough or city in [the] any preceding fiscal year from the school fund provided for in AS 43.50.140 and which is being held in a reserve account and for which no specific obligations exist.

Rationale:

Under the present wording of paragraphs (a) and (b), the cigarette tax allocated to a district could be collected twice, if so interpreted.

The suggested amendment would require a deduction under paragraph (b) only if the cigarette tax funds held in reserve were not obligated. The amendment would also have the effect of requiring a district to use such funds before obtaining matching funds from the State.

# STATE OF ALASKA

*Homes*  
WILLIAM A. EGAN, GOVERNOR

## DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

POUCH F -- ALASKA OFFICE BUILDING  
JUNEAU 99801

February 15, 1972

### MEMORANDUM

TO: District School Superintendents

Anchorage  
Bristol Bay  
Cordova  
Fairbanks  
Juneau  
Kenai  
Ketchikan

Kodiak  
Matanuska-Susitna  
Nenana  
Petersburg  
Sitka  
Skagway

FROM: Marshall L. Lind *ML*  
Commissioner of Education

SUBJECT: Chapter 249, SLA 1970, State Aid for Retirement of School  
Construction Debt

---

The attached summary sheet of the computation of state aid for retirement of school construction debt as provided in Chapter 249, summarizes the allocation by district for those who had submitted claims.

Because of the changes in computation procedures from those that had been used in the prior year, it is perhaps desirable to provide an explanation of the change, as well as some of the background or historical reasons behind it.

When the bill was first under consideration, a great deal of discussion centered around the concept of the state reimbursing 50 percent of all expenditures from local sources. This would then have excluded the cigarette tax if these funds had been included as part of the total expenditures in the year for which the claim was being submitted. This would have resulted in what is represented by column 3, the net debt service, and presumably the state would have paid 50 percent of this amount. The bill, however, as finally enacted in 1970 contained the additional language, "In approving application for reimbursement, the commissioner shall offset against the amount of reimbursement authorized

the amount of any funds distributed to the borough or city in the preceding fiscal year from the school fund provided for in AS 43.50.140," i.e., the cigarette tax. To put it in another way, then, the net effect of the language was to pay 50 percent of the local expenditures for school construction but to really include the prior year tobacco tax as part of that payment. This language was not anticipated and the budget request to the Legislature and subsequent appropriation did not take this second cigarette tax deduction into account.

On the assumption, then, that the legislative intent was to only deduct the cigarette tax once, and that the language would subsequently be corrected, the 1971 appropriation was distributed on that basis. Although, to be strictly correct, it was the amount of the prior year's cigarette tax that was deducted rather than that of the second year, which would have been included in the debt service payments. This was done simply because there was no way at the time to separate tobacco tax expenditures from local expenditures in most of the school accounting systems.

The 1971 Legislature amended the chapter to provide for reimbursement of cash payments also and the department submitted corrective language that would have eliminated the second deduction of the cigarette tax. The final version of the chapter as amended, however, still required the exclusion of state and federal funds in the year of claim and also required the offset of the prior year cigarette tax in computing the reimbursement.

In making the computations and allocations for the 1972 year, it was the feeling of the department that since the bill as amended had not removed what we had originally thought to be an error (perhaps in drafting), it was our conclusion that a literal interpretation was required. The net effect is that in some cases districts with expenditures for construction from local funds will receive no reimbursement, since the prior year cigarette tax exceeds the 50 percent share. In those instances, I have included the computation sheets along with the summary page.

There has been a fair amount of legislative interest generated already and the department has again today submitted, at legislative request, amendatory language that would delete the requirement for the deduction of the prior year cigarette tax in computing the amount of reimbursement. We will try to keep you informed on the progress of any bills which may be submitted to amend the current statute.

MLL:cjb

Attachments

cc: The Honorable Joshua Wright

File: 331

## Article 2. Aid for School Construction.

## Section

100. State aid for retirement of  
school construction debt

**Sec. 43.18.100.** State aid for retirement of school construction debt. (a) During each fiscal year the state shall allocate to an organized borough or a city which is a school district one-half of the following sums, exclusive of any funds received from state or federal sources for school construction costs:

(1) payments made by the borough or city during the fiscal year two years prior for the retirement of principal and interest on bonds, notes, or other indebtedness incurred to pay costs of school construction;

(2) the amount of payments that would have been expended by a borough or city two years prior for the retirement of principal and interest on bonds, notes, or other indebtedness incurred to pay costs of school construction had the borough or city issued bonds, notes, or other indebtedness of 10 years duration bearing interest at the rate of six per cent a year to finance the costs rather than paying those costs through taxes or other local sources.

(b) The commissioner shall administer the program of reimbursement authorized under this section and shall provide by regulation for the filing of applications for reimbursement, the form of proof of costs for which application for reimbursement is made, and other regulations necessary to administer the program. In approving applications for reimbursement, the commissioner shall offset against the amount of reimbursement authorized the amount of any funds distributed to the borough or city in the preceding fiscal year from the school fund provided for in AS 43.50.140.

(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, such funds as are available shall be distributed pro rata among the eligible local governments.

(d) Money in the school construction account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this section reverts to the general fund.

(e) The commissioner shall annually provide a report to the legislature on allocations of state aid made under this section.

(f) In this section, unless the context requires otherwise,

(1) "commissioner" means the commissioner of education;

(2) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or fur-

partment, shall be preserved for three years, and shall be offered for inspection upon demand by the department.

(b) No licensee may issue or accept a written statement which falsely indicates the name of the customer, the type of merchandise, the price, the discounts, or the terms of sale.

(c) Where an invoice is given or accepted by a licensee (1) a statement which makes the invoice a false record of the transaction may not be inserted in the invoice; and (2) a statement which should be included in the invoice may not be omitted from the invoice if the invoice does not reflect the transaction involved without the statement.

(d) An invoice for the sale of cigarettes given or accepted by a licensee under §§ 10—180 of this chapter shall state whether the tax imposed by §§ 10—180 of this chapter has been paid. (§ 15 ch 187 SLA 1955)

C.J.S. reference.—53 C.J.S. Licenses § 42.

**Sec. 43.50.140. Disposition of proceeds.** The proceeds derived from the payment of taxes, fees, and penalties, provided for under §§ 10—180 of this chapter, and the license fees received by the department shall be paid into a state fund entitled "School Fund," and shall be used exclusively to rehabilitate, construct, and repair the state's school facilities, and for costs of insurance on buildings comprising school facilities during the rehabilitation, construction, and repair, and for the life of the buildings. (§ 16 ch 187 SLA 1955)

**Prerequisites to expenditure of tobacco tax funds.**—In order to insure that tobacco tax funds are used most effectively in being a part of major rehabilitation, construction and major repair projects, the law requires that expenditures from such funds be made only after study and concurrence by the city school board, the city council, and the commissioner of education (now Department of Education). 1962 Op. Att'y Gen., No. 24.

It is necessary for the city council to concur by resolution in any expenditure of tobacco tax funds. 1962 Op. Att'y Gen., No. 24.

In addition to the approval of the city council, any disbursement of tobacco tax funds must be made with the authorization of the local school board. 1962 Op. Att'y Gen., No. 24.

C.J.S. reference.—53 C.J.S. Licenses § 56.

**Sec. 43.50.150. Administration.** (a) The department shall (1) administer §§ 10—180 of this chapter, and (2) collect, supervise, and enforce the collection of taxes and penalties due under §§ 10—180 of this chapter.

(b) The department may publish regulations necessary for the administration of §§ 10—180 of this chapter, (1) to enforce §§ 10—180 of this chapter, and (2) to collect the taxes, fees, and penalties imposed by §§ 10—180 of this chapter. (§ 17 ch 187 SLA 1955)

**Sec. 43.50.160. Criminal penalties.** (a) A person is guilty of a misdemeanor, and upon conviction is punishable by a fine of not

§ 4:  
mor:  
or b:  
(  
fra:  
def:  
alty  
(  
mer:  
—J:  
(  
180  
(  
ter:  
mis:  
each  
C:  
cen:  
§ 1:  
§:  
oth:  
(  
for:  
fac:  
(  
ma:  
ad:  
cov:  
(  
the:  
ca:  
ci:  
lea:  
(  
ch:  
(  
pr:  
(  
ve:  
tie:  
po:  
(  
or:  
ce:

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session -- Seventh State Legislature

I. REQUEST

Bill Identification: HB 669  
 Title: School Construction Retirement  
 Requested by: Representative Genie Chance Date: 2/25/72  
 Return Date Requested: 2/28/72  
 Agency: Education Program: Pre-Elem. & Secondary Ed.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Financial Support Programs

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	1,275,000	1,600,000	1,760,000	1,950,000	2,150,000	2,350,000
TOTAL	1,275,000	1,600,000	1,760,000	1,950,000	2,150,000	2,350,000

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1,275,000	1,600,000	1,760,000	1,950,000	2,150,000	2,350,000
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 72 based on actual claims less actual amount paid.  
 FY 73-77 based on cigarette tax @ approximately 10%/yr. increase

IV. ATTACHMENTS

V. DATE: 2/28/72

PREPARED BY: Nathaniel Cole

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

MEMORANDUM

TO: Nat Cole, Director  
Administrative Services  
Department of Education

DATE: 5/11/72

FROM: LEGISLATIVE FINANCE  
ROOM 407  
CAPITOL BUILDING

SUBJ: FISCAL NOTE REQUEST

PLEASE COMPLETE THE ATTACHED FISCAL NOTE FOR HB 669,  
AND RETURN IT TO OUR OFFICE BY 5/15/72 (A.M.).

IN ADDITION TO THE GENERAL INSTRUCTIONS REGARDING FISCAL  
NOTE PREPARATION (REFERENCE OUR MEMO OF 12/15/71),  
PLEASE OBSERVE THE FOLLOWING:

Furnish more detail regarding your fiscal note to Genie Chance of  
2/25/72 as follows:

1. Distribution of the increased funds (by locality or school district and amount);
2. Rationale or history regarding the "offset" language being included within AS 43.18.100(b); and
3. Other comments or recommendations.

TIMELY RETURN OF THIS INFORMATION IS REQUESTED. HOWEVER,  
IF ADDITIONAL PREPARATION TIME IS REQUIRED, NOTIFY OUR OFFICE  
AS SOON AS POSSIBLE IN ORDER THAT DISCUSSION OF THE PROPOSED LEG-  
ISLATION MAY BE RESCHEDULED TO A LATER DATE.

ATTACHMENTS: (1) FISCAL NOTE  
(2) COPY OF BILL VERSION

CC: BUDGET & MANAGEMENT

Introduced: 2/14/72  
Referred: Health, Welfare &  
Education and Finance

BY WRIGHT, BANFIELD, BARBER, BRADNER,  
CHANCE, COLLETTA, DEGNAN, DITMAN,  
FARRELL, FINK, FISCHER, FLYNN, HARRIS,  
HILLSTRAND, HUBER, MCGILL, MCVEIGH,  
M. MILLER, MOORE, MORAN, NAUGHTON,  
ORBECK, PERATROVICH, RANDOLPH, REED,  
ROSE, SPECKING, SWANSON, TILLION,  
WARWICK, WHITTAKER AND FERGUSON

1 IN THE HOUSE

2 HOUSE BILL NO. 669

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for retirement of school  
7 construction debt; and providing for an effective  
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 43.18.100(b) is amended to read:

11 (b) The commissioner shall administer the program of reimburse-  
12 ment authorized under this section and shall provide by regulation  
13 for the filing of applications for reimbursement, the form of proof  
14 of costs for which application for reimbursement is made, and other  
15 regulations necessary to administer the program. [IN APPROVING  
16 APPLICATIONS FOR REIMBURSEMENT, THE COMMISSIONER SHALL OFFSET AGAINST  
17 THE AMOUNT OF REIMBURSEMENT AUTHORIZED THE AMOUNT OF ANY FUNDS DISTRI-  
18 BUTED TO THE BOROUGH OR CITY IN THE PRECEDING FISCAL YEAR FROM THE  
19 SCHOOL FUND PROVIDED FOR IN AS 43.50.140.]

20 \* Sec. 2. This Act takes effect on the day after its passage and approv-  
21 al or on the day it becomes law without approval.



# REGORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith  
Signature of Camera Operator

4/4/89  
Date

### Committee Report

HOUSE OF REPRESENTATIVES

3/13/72

\_\_\_\_\_ Date

Mr. Speaker

The Committee on FINANCE has had HB 670

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature]  
CHAIRMAN

In  
HB 4484 670

~~Introduced 2/14/72~~  
~~Referred to Judiciary~~

1 IN THE HOUSE

BY E. MILLER AND HUBER

CS HOUSE BILL NO. 670

Finance Comm

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the retirement of justices and  
7 judges; *and providing for an effective date.*"

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 22.25.010(d) is amended to read:

10 (d) A justice or judge may voluntarily retire at any time and  
11 shall have a vested right to his accrued retirement pay if he has  
12 served five or more years. Retirement pay shall not commence until  
13 he has reached age 60 [65]; except that an actuarially equivalent  
14 retirement pay may be commenced after he has reached age 55 [60] or  
15 upon his serving 20 years as a justice or judge. The provisions of  
16 (b) of this section are an exception to this rule. A justice or judge  
17 desiring to retire under this subsection shall file with the governor  
18 a notice of his desire, together with a sworn statement of the facts  
19 establishing his eligibility to retire. The governor shall certify  
20 those facts to the commissioner of administration and declare, in  
21 writing, the eligibility or ineligibility for retirement of the justice  
22 or judge. If a justice or judge is eligible to receive retirement pay  
23 at the time of his retirement, his retirement pay shall commence on  
24 the first day of the month coinciding with or after the date the  
25 written declaration of the governor is filed with the commissioner of  
26 administration. If a justice or judge is not eligible to receive  
27 retirement pay at the time of his retirement, his retirement pay shall  
28 commence on the first day of the month he reaches age 60 [65] or the  
29 month he becomes eligible for an actuarial equivalent if he has

applied for this option.

\*Sec. 2, AS 22.25.030 is repealed and reenacted to read:

Sec. 22.25.030. SURVIVORS' BENEFITS. (a) Upon the death of a justice or judge who is retired or whose right to ~~his~~ retirement pay has vested, his widow is entitled to receive during the remainder of her life or as long as she remains unmarried monthly compensation equal to one-half of the actuarial equivalent of the retirement pay the justice or judge was or would have been entitled to receive. However, in order to receive the compensation, his widow must have been his wife continuously for at least five years immediately before his death. In computing the justice's or judge's retirement pay if he was not actually drawing it, the amount shall be the actuarial equivalent of his vested interest at his death.

15 (b) If there is no surviving spouse, or if the surviving spouse  
16 does not meet the requirements of (a) of this section, or upon the re-  
17 marriage or death of the surviving spouse, the surviving dependent  
18 child or children of the justice or judge are entitled to receive in  
19 equal shares ~~50 per cent~~ of the amount of the survivors' benefits  
20 specified under (a) of this section.

21 (c) The surviving child or children are entitled to the sur-  
22 vivors' benefits under (b) of this section during the period of their  
23 dependency. Dependency exists with respect to any child of a justice  
24 or judge who is either (1) a minor under the laws of Alaska, (2) under  
25  
26  
27  
28  
29

1 the age of 23 and is a student attending on a full-time basis an  
2 accredited educational or technical institution recognized by the state  
3 Department of Education, or (3) so mentally or physically incapacitated  
4 as to be unable to provide for self care.

5 (e) If there are both an eligible surviving spouse and surviving  
6 dependent children, but who reside in separate households, the surviving  
7 spouse and dependent children will share equally in the benefits  
8 payable under (a) of this section.

9 \* Sec. 3. AS 22.15.170(b) is amended to read:

10 (b) The presiding judge of the superior court in each judicial  
11 district may appoint acting district judges as needed to serve at his  
12 pleasure for a term of no longer than 12 months or until succeeded by  
13 an appointment made under (a) of this section, whichever first occurs.  
14 An acting district judge shall be a citizen of the United States and  
15 of the state, at least 21 years of age, but need not be licensed to  
16 practice law in any of the United States and need not have established  
17 Alaska residence before his appointment. Service as an acting district  
18 judge is not considered as judicial service for the purposes of ch. 25  
19 of this title unless the judge is subsequently appointed under (a) of  
20 of this section.

21 \* ~~Sec. 4. -- This Act takes effect July 1, 1972.~~

22 \* Sec. 4. AS 22.25. is amended by adding a new section to read:

23 Sec. 22.25.080 TAX EXEMPTION.

24 *paid under*  
25 Benefits ~~of~~ this chapter are exempt from state and municipal  
26 income taxes.

27 \* Sec.5. This act takes effect July 1, 1972.  
28  
29

Original sponsors: E. Miller and Huber

Offered: 4/26/72  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 670

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the retirement of justices and  
7 judges; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 22.25.010(d) is amended to read:

10 (d) A justice or judge may voluntarily retire at any time and  
11 shall have a vested right to his accrued retirement pay if he has  
12 served five or more years. Retirement pay shall not commence until  
13 he has reached age 60 [65]; except that an actuarially equivalent  
14 retirement pay may be commenced after he has reached age 55 [60] or  
15 upon his serving 20 years as a justice or judge. The provisions of  
16 (b) of this section are an exception to this rule. A justice or judge  
17 desiring to retire under this subsection shall file with the governor  
18 a notice of his desire, together with a sworn statement of the facts  
19 establishing his eligibility to retire. The governor shall certify  
20 those facts to the commissioner of administration and declare, in  
21 writing, the eligibility or ineligibility for retirement of the justice  
22 or judge. If a justice or judge is eligible to receive retirement pay  
23 at the time of his retirement, his retirement pay shall commence on  
24 the first day of the month coinciding with or after the date the  
25 written declaration of the governor is filed with the commissioner of  
26 administration. If a justice or judge is not eligible to receive  
27 retirement pay at the time of his retirement, his retirement pay shall  
28 commence on the first day of the month he reaches age 60 [65] or the  
29 month he becomes eligible for an actuarial equivalent if he has

1 applied for this option.

2 \* Sec. 2. AS 22.25.030 is repealed and re-enacted to read:

3 Sec. 22.25.030. SURVIVORS' BENEFITS. (a) Upon the death of a  
4 justice or judge who is retired or whose right to retirement pay has  
5 vested, his widow is entitled to receive during the remainder of her  
6 life or as long as she remains unmarried monthly compensation equal to  
7 50 per cent of the actuarial equivalent of the retirement pay the jus-  
8 tice or judge was or would have been entitled to receive. However, in  
9 order to receive the compensation, his widow must have been his wife  
10 continuously for at least five years immediately before his death. In  
11 computing the justice's or judge's retirement pay if he was not actually  
12 drawing it, the amount shall be the actuarial equivalent of his vested  
13 interest at his death.

14 (b) If there is no surviving spouse, or if the surviving spouse  
15 does not meet the requirements of (a) of this section, or upon the re-  
16 marriage or death of the surviving spouse, the surviving dependent  
17 child or children of the justice or judge are entitled to receive in  
18 equal shares the amount of the survivor's benefits specified under (a)  
19 of this section.

20 (c) The surviving child or children are entitled to the sur-  
21 vivors' benefits under (b) of this section during the period of their  
22 dependency. Dependency exists with respect to any child of a justice  
23 or judge who is either (1) a minor under the laws of Alaska, (2) under  
24 the age of 23 and is a student attending on a full-time basis an  
25 accredited educational or technical institution recognized by the state  
26 Department of Education, or (3) so mentally or physically incapacitated  
27 as to be unable to provide for self care.

28 (d) If there are both an eligible surviving spouse and surviving  
29 dependent children, but who reside in separate households, the surviving

1 spouse and dependent children will share equally in the benefits  
2 payable under (a) of this section.

3 \* Sec. 3. AS 22.15.170(b) is amended to read:

4 (b) The presiding judge of the superior court in each judicial  
5 district may appoint acting district judges as needed to serve at his  
6 pleasure for a term of no longer than 12 months or until succeeded by  
7 an appointment made under (a) of this section, whichever first occurs.  
8 An acting district judge shall be a citizen of the United States and  
9 of the state, at least 21 years of age, but need not be licensed to  
10 practice law in any of the United States and need not have established  
11 Alaska residence before his appointment. Service as an acting district  
12 judge is not considered as judicial service for the purposes of ch. 25  
13 of this title unless the judge is subsequently appointed under (a) of  
14 this section.

15 \* Sec. 4. AS 22.25 is amended by adding a new section to read:

16 Sec. 22.25.080. TAX EXEMPTION. Benefits paid under this chapter  
17 are exempt from state and municipal income taxes.

18 \* Sec. 5. This Act takes effect July 1, 1972.  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

**MEMORANDUM****State of Alaska**

TO:  Mr. Jay Hogan, Fiscal Analyst  
House Finance Committee

THRU: Richard W. Freer  
Deputy Commissioner

FROM: Mary-Jean Hackwood  
Benefit Supervisor  
Department of Administration

DATE : March 23, 1972

SUBJECT: House Bill No. 670

In accordance with your request I have reviewed the provisions of House Bill No. 670 and note that the only changes which have possible cost implications are the reduction of the normal retirement age from 65 to 60 and the reduction of the early retirement age from 60 to 55.

It is impossible to determine the actual cost since each benefit payment requires an appropriation at the time the payment is made.

STATE  
of ALASKA

# MEMORANDUM

TO:  Honorable George H. Hohman, Jr.  
Chairman, State House Finance Committee

THRU: Richard W. Freer *WJF*  
Deputy Commissioner

DATE : March 16, 1972

FROM: Mary-Jean Hackwood *mjh/pb*  
Benefit Supervisor  
Department of Administration

SUBJECT: House Bill No. 670

I have received a request for a fiscal note on House Bill No. 670. As I mentioned in my comments on CSHB 448, the Judicial Retirement is an unfunded system and thus cost calculation information is not available in this office. I can only comment on the provisions of the legislation which would increase the amount charged to the general fund.

House Bill No. 670 reduces the normal and early retirement age by 5 years each. Thus a benefit would have to be appropriated a maximum of 5 years earlier than at the present time. The amount of the appropriation requirement would depend upon the Judge's service and the salaries being paid to the Judges at the time the appropriation was requested.

cc: Myrt Charney, Director  
Division of Budget & Management



Alaska Court System

State of Alaska

ADMINISTRATIVE DIRECTOR  
ROBERT N. REEVES

OFFICE OF ADMINISTRATIVE DIRECTOR

941 FOURTH AVENUE  
ANCHORAGE, ALASKA  
99501

April 6, 1972

The Honorable George Hohman  
Chairman  
House Finance Committee  
Alaska State Legislature  
Pouch V, Capitol Building  
Juneau, Alaska 99801

Dear Mr. Hohman:

This is to respectfully request that a new section be added to CSHB 448 regarding judicial retirement which is now in your committee.

(1) The Public Employees' Retirement System under AS 39.35.546 provides that:

Benefits of this chapter are exempt from state and municipal taxes.

This is construed the way it reads, i.e., retirement benefits are not subject to the state income tax, although they are subject to the federal income tax.

(2) The judiciary has its own separate Retirement Act - AS 22.25.010 to 22.25.070. There is nothing in that statute which states that retirement benefits are exempt from the state income tax.

(3) When the judiciary's Retirement Act was written, I do not know why a provision was not included to exempt the benefits from the state income tax as was done for the benefits payable to other state retired employees. I can find nothing

The Honorable George Hohman  
April 6, 1972  
Page 2

in the legislative history of the original statute or the subsequent amendment in 1967 which would throw any light on this problem.

(4) I appreciate the fact that judges appear to have a more attractive retirement system than other state employees. But when it comes to taxation, I cannot see the fairness in taxing one and not the other. Further, state employees have certain advantages that judges do not have. For example, they are allowed a cost of living allowance if they live in Alaska after they are retired, which is not true of judges.

(5) I would appreciate the addition of the following amendment to CSHB 448.

Sec. 4. AS 22.25 is amended by adding a new section to read:

Sec. 22.25.080 TAX EXEMPTION.  
Benefits of this chapter are exempt from state and municipal income taxes.

(6) I have enclosed an amended copy of CSHB 448 for your consideration.

Very truly yours,



Robert N. Reeves  
Administrative Director



Alaska State Legislature  
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman  
House Finance Committee

FROM: Rich Guthrie  
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 5/10/72

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
-----------------	--------------

CSHB 670

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

Mr. V. K. ...

JUDICIAL RETIREMENT SYSTEM

Approximate Costs of SCSCS HB 670

Increase in Retirement Benefits

Comparison of benefits paid assuming that all participants retire at age 60.

	<u>FY 1972- 1973</u>	<u>FY 1973- 1974</u>	<u>FY 1974- 1975</u>	<u>FY 1975- 1976</u>	<u>FY 1976- 1977</u>
Existing Law	*\$35.0	35.0	60.0	60.0	100.0
With SCSCS HB 670	\$45.0	45.0	75.0	75.0	130.0
Increase With SCSCS HB 670	\$10.0	10.0	15.0	15.0	30.0
 <u>Increase in Death Benefits</u> - Based on age and service records and mortality tables.					
Existing Law	\$ 0.7	1.1	1.5	1.8	2.3
With SCSCS HB 670	\$ 1.8	2.1	2.4	2.7	3.1
Increase With SCSCS HB 670	\$ 1.1	1.0	0.9	0.9	0.8
 GRAND TOTAL INCREASE	 \$11.1	 11.0	 15.9	 15.9	 30.8
 TOTAL SCSCS HB 670	 \$46.8	 47.1	 77.4	 77.7	 133.1

Prepared by Seattle Actuary Firm, 5/24/72.

\* (figures in thousands)



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James C. Smith  
Signature of Camera Operator

4/4/89  
Date

# Committee Report

SENATE

5/9

April 3 1972

Date

Mr. President:

The Committee on C Finance has had CHRB 670  
(Justices and Judges Retirement)  
under consideration. A majority of the members of the Committee

- recommends it ~~do~~ pass *As follows:*
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>Bill Kay</u>	<u>do pass if amended</u>	<u>and 20</u>
<u>Bill Kay</u>	<u>do pass</u>	
<u>Bill Kay</u>	<u>do pass</u>	<u>55</u>

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>John Buttner</u>	recommends:	<u>The Recommendation</u>
<u>John Buttner</u>	recommends:	<u>✓</u>
<u>John Buttner</u>	recommends:	
<u>John Buttner</u>	recommends:	
<u>John Buttner</u>	recommends:	<u>Buttner</u>

CHAIRMAN

MEMORANDUM

TO: Senator Groh

DATE: June 16, 1972

FROM: Milt Barker

SUBJ: Judges retirement;  
SCS CS HB 670

The following schedule compares age and service requirements for both normal and early retirement under the various State retirement plans.

	Years	<u>Normal</u> Age	Years	<u>Early</u> Age
Teachers	15* 30	or 60	15* 30	55
Public Employees	8** 30	or 60	8** 30	55
Peace Officers & Firemen	8** 20	or 60	8** 20	50
Judges	5	65	5 20	or 60

\* 5 years must be in-State

\*\* HCS CSSB 264, now in free conference, would change this to 5 years

Note: Judges make no contributions to their retirement; thus, there is no vesting or transferability of a pension. Judges receive a pension of 5% of a current judges salary for each year on the bench up to a maximum of 75%. The other plans provide 1%-2.5% of one's average salary (highest 3 consecutive years) for each year of service.

Original sponsors: E. Miller and Huber

Offered: 5/5/72  
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 670

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the retirement of justices and  
7 judges; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 22.25.010(d) is amended to read:

10 (d) A justice or judge may voluntarily retire at any time and  
11 shall have a vested right to his accrued retirement pay if he has  
12 served five or more years. Retirement pay shall not commence until  
13 he has reached age 60 [65]; except that an actuarially equivalent  
14 retirement pay may be commenced after he has reached age 55 [60] or  
15 upon his serving 20 years as a justice or judge. The provisions of  
16 (b) of this section are an exception to this rule. A justice or judge  
17 desiring to retire under this subsection shall file with the governor  
18 a notice of his desire, together with a sworn statement of the facts  
19 establishing his eligibility to retire. The governor shall certify  
20 those facts to the commissioner of administration and declare, in  
21 writing, the eligibility or ineligibility for retirement of the justice  
22 or judge. If a justice or judge is eligible to receive retirement pay  
23 at the time of his retirement, his retirement pay shall commence on  
24 the first day of the month coinciding with or after the date the  
25 written declaration of the governor is filed with the commissioner of  
26 administration. If a justice or judge is not eligible to receive  
27 retirement pay at the time of his retirement, his retirement pay shall  
28 commence on the first day of the month he reaches age 60 [65] or the  
29 month he becomes eligible for an actuarial equivalent if he has applied

1 for this option.

2 \* Sec. 2. AS 22.25.030 is repealed and re-enacted to read:

3 Sec. 22.25.030. SURVIVORS' BENEFITS. (a) Upon the death of a  
4 justice or judge who has served for at least two years, the surviving  
5 spouse is entitled to receive monthly compensation equal to one-half  
6 of the monthly retirement pay the justice or judge would thereafter  
7 have been entitled to receive if retired at the time of death. If at  
8 death the justice or judge was not yet entitled to retirement pay, or  
9 was or would have been entitled to less than 60 per cent of the monthly  
10 salary authorized for his office, the surviving spouse is entitled to  
11 monthly compensation equal to 30 per cent of the salary authorized for  
12 justices or judges, respectively, at the time each monthly payment is  
13 made.

14 (b) To be eligible for the survivors' benefits, the surviving  
15 spouse must have been married to the justice or judge for at least two  
16 years immediately preceding the death of the justice or judge. The  
17 benefits continue until the remarriage or death of the surviving spouse.

18 (c) If there is no surviving spouse, or if the surviving spouse  
19 does not meet the requirements of (b) of this section, or upon the  
20 remarriage or death of the surviving spouse, the surviving dependent  
21 child or children of the justice or judge are entitled to receive in  
22 equal shares 50 per cent of the amount of the survivors' benefits  
23 specified under (a) of this section.

24 (d) The surviving child or children are entitled to the survivors'  
25 benefits under (c) of this section during the period of their dependency.  
26 Dependency exists with respect to any child of a justice or judge who is  
27 either (1) a minor under the laws of Alaska, (2) under the age of 23  
28 and is a student attending on a full-time basis an accredited educational  
29 or technical institution recognized by the state Department of Education,

1 or (3) so mentally or physically incapacitated as to be unable to  
2 provide for self care.

3 (e) If there are both an eligible surviving spouse and surviving  
4 dependent children, but who reside in separate households, the surviving  
5 spouse and dependent children will share equally in the benefits payable  
6 under (a) of this section.

7 \* Sec. 3. AS 22.15.170(b) is amended to read:

8 (b) The presiding judge of the superior court in each judicial  
9 district may appoint acting district judges as needed to serve at his  
10 pleasure for a term of no longer than 12 months or until succeeded by  
11 an appointment made under (a) of this section, whichever first occurs.  
12 An acting district judge shall be a citizen of the United States and  
13 of the state, at least 21 years of age, but need not be licensed to  
14 practice law in any of the United States and need not have established  
15 Alaska residence before his appointment. Service as an acting district  
16 judge is not considered a judicial service for the purposes of ch. 25  
17 of this title unless the judge is subsequently appointed under (a) of  
18 of this section.

19 \* Sec. 4. AS 22.25 is amended by adding a new section to read:

20 Sec. 22.25.080. TAX EXEMPTION. Benefits paid under this chapter  
21 are exempt from state and municipal income taxes.

22 \* Sec. 5. This Act takes effect July 1, 1972.  
23  
24  
25  
26  
27  
28  
29



Supreme Court

State of Alaska

May 4, 1972

CHIEF JUSTICE  
GEORGE F. BONEY

ASSOCIATE JUSTICES  
JAY A. RABINOWITZ  
ROGER G. CONNOR  
ROBERT C. ERWIN  
ROBERT BOOCHEVER

941 FOURTH AVENUE  
ANCHORAGE, ALASKA  
99501

Honorable Robert H. Ziegler, Sr.  
Senate Judiciary Committee  
Alaska State Senate  
Juneau, Alaska 99801

Dear Bob:

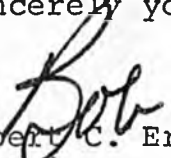
I have reviewed the Finance Committee Substitute for House Bill No. 670 which passed the House of Representatives last week and which has been sent to the Senate for their review. House Bill 670 contains a great number of the particular provisions which we were looking for with two major exceptions which had been incorporated into the original bill, House Bill 448.

These suggestions were made primarily to take care of the approximately 70 minor children of the present judges. Since the average age of the last ten judges appointed was approximately 36 years of age, and their minor children were between the ages of one and six or seven, it is obvious that even after the five-year period for vesting of the retirement the actuarial equivalent of the salary they will be entitled to would be a minor amount in the event of an accident or common death with their wife. Since the purpose of the survivor benefit is to insure that the children would receive college education, etc., the present structure would simply not be sufficient to accomplish this end. It is for this reason that we recommended that in the survivor benefit section that a floor of anywhere from 20% to 30% be put upon the amount which could be received by both the wife and the children. We would request that in section 2 of the bill that a section be placed in section (a) which specifically states that in any event the surviving wife or children shall not receive less than 25% of the annual salary of the particular judge. (Or any such figure that you could agree upon, but at least anything is better than the present actuarial equivalent for a judge who is under 40 years of age which would provide an extremely small amount of money to educate and raise the children under these particular circumstances.)

Honorable Robert H. Ziegler, Sr.  
May 4, 1972  
Page Two

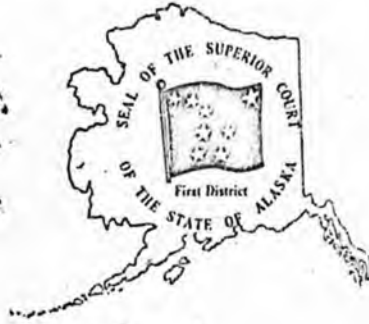
The other problem is that the bill has not been made applicable to women judges and that we again recommend that in section 2(a) and the preceding section that the word "wife" or "widow" be changed to "spouse". With these changes the retirement bill would be sufficient.

Sincerely yours,

  
Robert C. Erwin  
Associate Justice

RCE:kf

CC: Supreme Court Justices  
Honorable Victor D. Carlson



Superior Court

State of Alaska

FIRST JUDICIAL DISTRICT  
STATE CAPITOL BUILDING  
POUCH U  
JUNEAU, ALASKA  
99801

CHAMBERS OF  
VICTOR D. CARLSON, JUDGE

May 1, 1972

Mr. Richard B. Lauber  
700 Gold Street  
Juneau, Alaska 99801

Re: CS HB 670 House CS for CS and  
SB 264

Dear Mr. Lauber:

This letter first concerns the provisions of CS HB 448 which were not included in CS HB 670 which passed the House April 29, 1972. The most significant are:

1. The failure to include a minimum survivor's benefit of 30 per cent of the amount a judge in active service is receiving in compensation.
2. The need for a judge to have served for five years before his survivors are eligible for benefits.
3. The requirement that a widow had been married to the judge for five years.
4. The failure to make clear that a surviving spouse and not just a widow is eligible for benefits.

As a suggestion, it might be possible for the Senate to substitute the proposed amendment to AS 22.25.030 as found in CS HB 448 into CS HB 670 and for this amendment to be adopted in free conference or acceded to by the House.

The survivors' benefits provision is very important to the younger judges and is requiring a significant outlay in insurance

Mr. Richard B. Lauber  
May 1, 1972  
Page 2

on behalf of several.

In addition, CS HB 670 does not include the provision for full retirement after 20 years of service. This is a relatively minor omission and should not be given much effort.

The other subject of this letter includes the need of retired justices and judges for major medical and life insurance the same as other retired state employees will be given by House CS for CS SB 264, section 1. It is suggested that Section 1 of House CS for CS SB 264 be amended to read in AS 39.30.090(9), (10) and (11) ". . . under AS 39.35 and 22.25 . . .".

Thank you for your continued efforts on behalf of the Alaska Bar Association.

Very truly yours,

*Vic*  
Victor D. Carlson  
Judge

JUDICIAL RETIREMENT SYSTEM

Approximate Costs of SCSCS HB 670

Increase in Retirement Benefits

Comparison of benefits paid assuming that all participants retire at age 60.

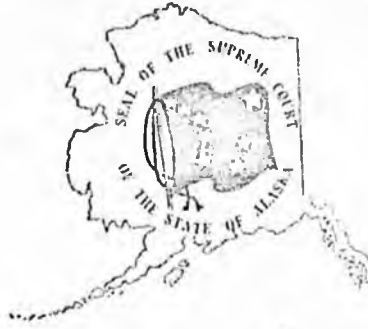
	<u>FY 1972-</u> <u>1973</u>	<u>FY 1973-</u> <u>1974</u>	<u>FY 1974-</u> <u>1975</u>	<u>FY 1975-</u> <u>1976</u>	<u>FY 1976-</u> <u>1977</u>
Existing Law	\$35.0	35.0	60.0	60.0	100.0
With SCSCS HB 670	\$45.0	45.0	75.0	75.0	130.0
Increase With SCSCS HB 670	\$10.0	10.0	15.0	15.0	30.0

Increase in Death Benefits - Based on age and service records and mortality tables.

Existing Law	\$ 0.7	1.1	1.5	1.8	2.3
With SCSCS HB 670	\$ 1.8	2.1	2.4	2.7	3.1
Increase With SCSCS HB 670	\$ 1.1	1.0	0.9	0.9	0.8
 GRAND TOTAL INCREASE	 \$11.1	 11.0	 15.9	 15.9	 30.8
 TOTAL SCSCS HB 670	 \$46.8	 47.1	 77.4	 77.7	 133.1

Prepared by Seattle Actuary Firm, 5/24/72.





Alaska Court System  
State of Alaska

ADMINISTRATIVE DIRECTOR  
ROBERT N. REEVES

OFFICE OF ADMINISTRATIVE DIRECTOR

941 FOURTH AVENUE  
ANCHORAGE, ALASKA  
99501

April 6, 1972

The Honorable George Hohman  
Chairman  
House Finance Committee  
Alaska State Legislature  
Pouch V, Capitol Building  
Juneau, Alaska 99801

Dear Mr. Hohman:

This is to respectfully request that a new section be added to CSMB 448 regarding judicial retirement which is now in your committee.

(1) The Public Employees' Retirement System under AS 39.35.546 provides that:

Benefits of this chapter are  
exempt from state and municipal  
taxes.

This is construed the way it reads, i.e., retirement benefits are not subject to the state income tax, although they are subject to the federal income tax.

(2) The judiciary has its own separate Retirement Act - AS 22.25.010 to 22.25.070. There is nothing in that statute which states that retirement benefits are exempt from the state income tax.

(3) When the judiciary's Retirement Act was written, I do not know why a provision was not included to exempt the benefits from the state income tax as was done for the benefits payable to other state retired employees. I can find nothing

The Honorable George Hohman  
April 6, 1972  
Page 2

in the legislative history of the original statute or the subsequent amendment in 1967 which would throw any light on this problem.

(4) I appreciate the fact that judges appear to have a more attractive retirement system than other state employees. But when it comes to taxation, I cannot see the fairness in taxing one and not the other. Further, state employees have certain advantages that judges do not have. For example, they are allowed a cost of living allowance if they live in Alaska after they are retired, which is not true of judges.

(5) I would appreciate the addition of the following amendment to CSHB 448.

Sec. 4. As 22.25 is amended by adding a new section to read:

Sec. 22.25.080 TAX EXEMPTION.  
Benefits of this chapter are exempt from state and municipal income taxes.

(6) I have enclosed an amended copy of CSHB 448 for your consideration.

Very truly yours,



Robert N. Reeves  
Administrative Director

Original sponsors: E. Miller and Huber

Offered: 4/26/72  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 670

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the retirement of justices and  
7 judges; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 22.25.010(d) is amended to read:

10 (d) A justice or judge may voluntarily retire at any time and  
11 shall have a vested right to his accrued retirement pay if he has  
12 served five or more years. Retirement pay shall not commence until  
13 he has reached age 60 [65]; except that an actuarially equivalent  
14 retirement pay may be commenced after he has reached age 55 [60] or  
15 upon his serving 20 years as a justice or judge. The provisions of  
16 (b) of this section are an exception to this rule. A justice or judge  
17 desiring to retire under this subsection shall file with the governor  
18 a notice of his desire, together with a sworn statement of the facts  
19 establishing his eligibility to retire. The governor shall certify  
20 those facts to the commissioner of administration and declare, in  
21 writing, the eligibility or ineligibility for retirement of the justice  
22 or judge. If a justice or judge is eligible to receive retirement pay  
23 at the time of his retirement, his retirement pay shall commence on  
24 the first day of the month coinciding with or after the date the  
25 written declaration of the governor is filed with the commissioner of  
26 administration. If a justice or judge is not eligible to receive  
27 retirement pay at the time of his retirement, his retirement pay shall  
28 commence on the first day of the month he reaches age 60 [65] or the  
29 month he becomes eligible for an actuarial equivalent if he has

1 applied for this option.

2 \* Sec. 2. AS 22.25.030 is repealed and re-enacted to read:

3 Sec. 22.25.030. SURVIVORS' BENEFITS. (a) Upon the death of a  
4 justice or judge who is retired or whose right to retirement pay has  
5 vested, his widow is entitled to receive during the remainder of her  
6 life or as long as she remains unmarried monthly compensation equal to  
7 50 per cent of the actuarial equivalent of the retirement pay the jus-  
8 tice or judge was or would have been entitled to receive. However, in  
9 order to receive the compensation, his widow must have been his wife  
10 continuously for at least five years immediately before his death. In  
11 computing the justice's or judge's retirement pay if he was not actually  
12 drawing it, the amount shall be the actuarial equivalent of his vested  
13 interest at his death.

14 (b) If there is no surviving spouse, or if the surviving spouse  
15 does not meet the requirements of (a) of this section, or upon the re-  
16 marriage or death of the surviving spouse, the surviving dependent  
17 child or children of the justice or judge are entitled to receive in  
18 equal shares the amount of the survivor's benefits specified under (a)  
19 of this section.

20 (c) The surviving child or children are entitled to the sur-  
21 vivors' benefits under (b) of this section during the period of their  
22 dependency. Dependency exists with respect to any child of a justice  
23 or judge who is either (1) a minor under the laws of Alaska, (2) under  
24 the age of 23 and is a student attending on a full-time basis an  
25 accredited educational or technical institution recognized by the state  
26 Department of Education, or (3) so mentally or physically incapacitated  
27 as to be unable to provide for self care.

28 (d) If there are both an eligible surviving spouse and surviving  
29 dependent children, but who reside in separate households, the surviving

1 spouse and dependent children will share equally in the benefits  
2 payable under (a) of this section.

3 \* Sec. 3. AS 22.15.170(b) is amended to read:

4 (b) The presiding judge of the superior court in each judicial  
5 district may appoint acting district judges as needed to serve at his  
6 pleasure for a term of no longer than 12 months or until succeeded by  
7 an appointment made under (a) of this section, whichever first occurs.  
8 An acting district judge shall be a citizen of the United States and  
9 of the state, at least 21 years of age, but need not be licensed to  
10 practice law in any of the United States and need not have established  
11 Alaska residence before his appointment. Service as an acting district  
12 judge is not considered as judicial service for the purposes of ch. 25  
13 of this title unless the judge is subsequently appointed under (a) of  
14 this section.

15 \* Sec. 4. AS 22.25 is amended by adding a new section to read:

16 Sec. 22.25.080. TAX EXEMPTION. Benefits paid under this chapter  
17 are exempt from state and municipal income taxes.

18 \* Sec. 5. This Act takes effect July 1, 1972.  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 2/14/72  
Referred: Judiciary

1 IN THE HOUSE

BY E.MILLER AND-HUBER

2 HOUSE BILL NO. 670

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the retirement of justices and  
7 judges."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 22.25.010(d) is amended to read:

10 (d) A justice or judge may voluntarily retire at any time and  
11 shall have a vested right to his accrued retirement pay if he has  
12 served five or more years. Retirement pay shall not commence until  
13 he has reached age 60 [65]; except that an actuarially equivalent  
14 retirement pay may be commenced after he has reached age 55 [60] or  
15 upon his serving 20 years as a justice or judge. The provisions of  
16 (b) of this section are an exception to this rule. A justice or judge  
17 desiring to retire under this subsection shall file with the governor  
18 a notice of his desire, together with a sworn statement of the facts  
19 establishing his eligibility to retire. The governor shall certify  
20 those facts to the commissioner of administration and declare, in  
21 writing, the eligibility or ineligibility for retirement of the justice  
22 or judge. If a justice or judge is eligible to receive retirement pay  
23 at the time of his retirement, his retirement pay shall commence on  
24 the first day of the month coinciding with or after the date the  
25 written declaration of the governor is filed with the commissioner of  
26 administration. If a justice or judge is not eligible to receive  
27 retirement pay at the time of his retirement, his retirement pay shall  
28 commence on the first day of the month he reaches age 60 [65] or the  
29 month he becomes eligible for an actuarial equivalent if he has

applied for this option.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29