

Leg. Finance - Finance Comte Files (1971-72) 8879
SB 236 cont., 241, 251, 258, 264, 270, 277

about the topic. In this way the child's mental range widens, and he has a chance to practice and expand his language skills. What the young child needs is not so much a baby-sitter as a *baby-talker*, someone who will take the time to talk things over with him.

Parents can also do a great deal to help the child *learn how to learn*—that is, to find answers to his questions. It is very important to note the kind of questions he asks. "What's this?" and similar requests for simple information can be given a direct answer. A question like "Where does the water go when it rains?" can lead to a series of activities calling forth the child's best thinking powers. In this case, the rule is to tell him as little as possible and help him find out as much as he can by himself.

Your basic technique is to ask questions that guide his thinking and give him clues to what to look for. A young child tends to look only at bits and parts of a situation; your questions can direct his attention to parts he is overlooking. Should he be fascinated by the water streaming down the gutter after a rainstorm, your questions can lead him to observe what is happening in the garden.

What the child does see he sees in a general way, so your questions can then guide him to study details. After he notices that the surface soil in the garden is wet, your questioning can prompt him to dig a hole and find out how rain sinks into the earth.

Again, because the young child sees objects as separate things, the parent's questions help him to discover how they "go together." In the garden, for example, he is led by a series of questions to make the connection between a hill and the soil deposited at the bottom by the runoff.

In addition to these benefits, the way you accept your child's questions gives him some clues to his self-worth. When you take his questions seriously and do something about them—without laughing at them (or him) or labeling them silly—you are assuring him that he and his ideas have merit.

How can parents tell whether or not their child is getting the vitamins necessary for proper mental development? Obviously no minimum daily requirements can be set for the amount of thinking-experiences a child should have. Because all children are different, their needs differ. Parents can, however, note the kinds of experiences the child is getting and the effect they seem to have on him.

Three simple questions may be helpful in estimating the proper vitamin dosage. The first is, What experiences has my child had today (or this week) that might aid in developing his mind? Over a period of time, these can be examined for their variety. For example, consider the kinds of materials

used, whether the activities were indoor or outdoor or both, whether they involved living or nonliving things or both. The experiences should also show an increasing complexity. While it may be enough for a three-year-old to learn how an object is used, a five-year-old may be ready to explore how or why it works.

A second question that parents might ask themselves is, How much time did I spend with my child today in a one-to-one relationship, trying to help him understand his world and develop language skills?

Third, parents might ask, Has my child experienced some kind of success today to counterbalance the frustrations and failures that are always a part of growing up?

To determine whether or not the diet of experiences is adequate, we must look to the child himself. If he is curious about things, eager to find out about them, and generally alert and enthusiastic, he is probably getting enough vitamins for the mind. On the other hand, if he is listless and dull, the dosage of new experiences might be increased in the hope that he will become more mentally active.

Should he be in a state of perpetual motion, seldom staying long enough with any one thing to deal with it meaningfully, it may be that he is being overstimulated. In this case the number of new experiences might be reduced. On the other hand, his development may be outpacing the materials and experiences provided for him. His restlessness may result from boredom and an itch for something more stimulating.

If the child does not appear to know how to deal constructively with objects or situations, reacting randomly or even destructively, his parents should spend more time with him, trying to establish effective ways of doing things. The child who is constantly irritable, demanding, aggressive, and loud or—just the opposite—notably quiet, withdrawn, and tearful may be exhibiting different patterns of reaction to failure. Both may profit from more experiences of success.

Probably the best indication that a child is getting sufficient vitamins for the mind is that he is a joy to be with—for, among other things, he opens the door to a world that grownups have often lost in the press of daily concerns. Sharing the perceptions of a young child, seeing the world through his eyes, fresh and new and full of marvels to be explored and experienced, is one of the great rewards of parenthood. Children are vitamins for parents' minds.

Frank J. Estlin is professor of education at Wayne State University, Detroit. His latest book is Social Studies in a Changing World.

Times

THURSDAY, OCT. 23

High	4:10 p.m.	10.4 ft.
Low	10:10 a.m.	1.5 ft.
High	4:21 p.m.	10.3 ft.
Low	10:20 p.m.	0.6 ft.

W. H. K.

W. H. K. ...

VOL. 23 NO. 23

1923 - OCT. 23, 1923

Only One Object

Lumber & Coal
Gains Steadily

By H. H. ...

A 100 per cent gain in price for lumber has been reported...

In what is being called the first and only...

The lumber industry...

The coal industry...

The steel industry...

The iron industry...

The copper industry...

...of the federal government...

...of the federal government...

...of the federal government...

...of the federal government...

...of the federal government...

...of the federal government...

...of the federal government...

...of the federal government...

Offered: 2/10/72
Referred: Rules

Original sponsor: Merdes

1 IN THE SENATE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2 CS FOR SENATE BILL NO. 236

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a food service and nutrition
7 education program for children; and providing for
8 state participation in similar federal programs."

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

10 * Section 1. AS 14 is amended by adding a new chapter to read:

11 CHAPTER 52. FOOD SERVICE AND NUTRITION EDUCATION.

12 Sec. 14.52.010. FINDINGS. (a) The legislature finds and declares

13 (1) the proper nutrition of the state's children is a matter
14 of highest priority;

15 (2) there is a demonstrated relationship between the intake
16 of food and good nutrition and the capacity of children to develop and
17 learn;

18 (3) the teaching of the principles of good nutrition in
19 schools has been seriously inadequate, as evidenced by the existence
20 of poor or less than adequate diets at all levels of family income;

21 (4) any procedure or "means test" to determine the eligi-
22 bility of a child for a free or reduced price meal is often degrading
23 and injurious both to the child and his parents; and

24 (5) the national school lunch and related child nutrition
25 programs, while making significant contributions in the field of applied
26 nutrition research, are not, as presently constituted, capable of
27 achieving the goal of good nutrition for all children.

28 (b) The assurance of proper nutrition for our children is a
29 public concern. The legislature urges that, when possible, assistance

1 be provided from all available state and local sources to children in
2 nonprofit private schools and in nonpublic, nonprofit service institu-
3 tions, as well as to children in the state's public schools, so that
4 they may receive the full benefits of the programs authorized under
5 this chapter. Nevertheless, in situations where this assistance is
6 not forthcoming in adequate amounts the schools and institutions may
7 require of parents a registration fee to help finance the operation
8 of food service programs.

9 Sec. 14.52.020. POLICY; LEGISLATIVE INTENT. (a) It is the
10 policy of the state to assure adequate nutrition offerings for the
11 state's children, to encourage the teaching of the principles of good
12 nutrition as an integral part of the total educational process, and
13 to strengthen state and local administration of food service programs
14 for children. It is also the policy of the state that food service
15 programs conducted under this chapter be available to all children on
16 the same basis without singling out or identifying certain children
17 as different from their classmates.

18 (b) It is the intent of the legislature that insofar as the food
19 service and nutrition education programs of city or borough school
20 districts, or of the state operated schools are affected by this chapter,
21 the directives of this legislation are guidelines; the policies of
22 this chapter are permissive and not mandatory.

23 (c) It is the intent of the legislature in enacting this chapter
24 to implement the federal Child Nutrition Act of 1971 and authorize the
25 state's participation in this program.

26 Sec. 14.52.030. FOOD SERVICE PROGRAM FOR CHILDREN ESTABLISHED.

27 (a) The commissioner shall formulate and administer cooperatively with
28 appropriate federal, state and local agencies a universal food service
29 and nutrition education program for children in the schools of the

1 state and in service institutions conducting programs for the benefit
2 of all children. To the fullest extent practicable, the commissioner
3 shall utilize the available services and expertise of other related
4 federal, state and local departments and agencies, school districts
5 and private organizations concerned with nutrition and nutrition
6 education in the formulation of program requirements and regulations.
7 The program shall be designed to provide each child an equal opportunity
8 to participate on the same basis as all other children with no dis-
9 crimination as to time or place of serving or types and amounts of
10 foods offered.

11 (b) On recommendation of the advisory commission, the commissioner
12 shall promulgate regulations to carry out the purposes of this chapter,
13 and in so doing, shall comply with the Administrative Procedure Act
14 (AS 44.62) and applicable federal statutes and regulations.

15 Sec. 14.52.04 . FEDERAL AID; STATE MATCHING. (a) The legis-
16 iature assents to federal aid under the Child Nutrition Act of 1971
17 on behalf of the state. The commissioner shall cooperate with the
18 federal government and do all things necessary to continue state
19 eligibility under that Act or any Act amending or supplementing it,
20 subject to prior concurrence of the governor.

21 (b) If the United States Congress enacts legislation making
22 federal money available to the states for a universal food service and
23 nutrition education program for children under the Child Nutrition Act
24 of 1971 it is the desire of the legislature that the governor or the
25 commissioner of education, as federal law may require, have sufficient
26 flexibility in the use of money appropriated to the Department of Edu-
27 cation to meet all reasonable federal requirements for obtaining the
28 full amount of federal money which may be obtained by the state under
29 this federal aid program. To the extent applicable, the provisions

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2 of all children. To the fullest extent practicable, the commissioner
3 shall utilize the available services and expertise of other related
4 federal, state and local departments and agencies, school districts
5 and private organizations concerned with nutrition and nutrition
6 education in the formulation of program requirements and regulations.
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23 nutrition education program for children under the Child Nutrition Act
24 of 1971 it is the desire of the legislature that the governor or the
25 commissioner of education, as federal law may require, have sufficient
26 flexibility in the use of money appropriated to the Department of Edu-
27 cation to meet all reasonable federal requirements for obtaining the
28 full amount of federal money which may be obtained by the state under
29 this federal aid program. To the extent applicable, the provisions

1 of AS 14.50 are incorporated by reference in this chapter.

2 (c) For the first and second fiscal years of operations under
3 this chapter, expenditures from funds appropriated to the department
4 under this chapter, other than for the purchase or acquisition of
5 land or for the cost of construction or alteration of buildings, shall
6 constitute at least 10 per cent of total operating costs of the program.
7 For the third fiscal year, the state share shall be increased to 12
8 per cent of operating costs and shall be increased by two per cent
9 every second year thereafter to reach a maximum of 20 per cent. For
10 each fiscal year of operations under this chapter, it is desirable
11 expenditures by schools, school districts and service institutions,
12 other than for the purchase or acquisition of land or for the cost of
13 construction or alteration of buildings, constitute at least five
14 per cent of total operating costs of the program.

15 (d) The commissioner may make agreements with the appropriate
16 federal departments or agencies to enable participation in the programs
17 authorized by the Child Nutrition Act of 1971. The commissioner shall
18 incorporate, in his agreements with the federal government, the express
19 requirements under this chapter insofar as they may be applicable and
20 those provisions as in his opinion are reasonably necessary or appropri-
21 ate to effectuate the purposes of this chapter.

22 Sec. 14.52.050. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS. (a)
23 It is desirable that meals and supplemental food services provided by
24 schools and service institutions participating in programs under this
25 chapter meet minimum nutritional requirements prescribed by the
26 commissioner on the basis of tested nutritional research and on recom-
27 mendation of the advisory commission.

28 (b) Food service programs operated under this chapter and
29 applicable federal legislation should be operated on a nonprofit basis

1 under the supervision of the governing bodies of participating schools
2 or service institutions. Participating schools and service institutions
3 should offer at least one meal a day without charge to all children in
4 attendance. The meal should consist of a combination of foods meeting
5 a minimum of one-third of the child's daily nutritional requirements.
6 Additional meals or supplemental food services before, during or after
7 the school day may be offered to all children in attendance based on
8 economic or nutritional needs.

9 (c) No affidavit nor certification is required of any parent
10 or guardian in order that a child take part in the food service program
11 operated by the school or service institution.

12 (d) The sale of extra food and beverage items offered on a regular
13 basis during the regular school day should be restricted to those items
14 recognized as making a contribution to, or permitted by the school to
15 be served as a part of, a meal meeting the nutritional requirements
16 prescribed by the commissioner, and income from the sale of these items
17 shall be deposited to the account of the nonprofit food service program
18 and the income shall be used only for program purposes.

19 (e) The department shall determine the eligibility of applicant
20 schools and service institutions to participate in programs authorized
21 under this chapter and applicable federal legislation, shall determine
22 their need for assistance to carry out the purposes of this chapter
23 and shall establish controls to insure effective use of funds.

24 Sec. 14.52.060. DIRECT FOOD ASSISTANCE. A school or service
25 institution participating in programs authorized under this chapter
26 should, insofar as practicable, utilize in its program foods donated
27 by the United States Department of Agriculture under applicable federal
28 law.

29 Sec. 14.52.070. APPORTIONMENTS AND PAYMENTS TO SCHOOLS, SERVICE

1 INSTITUTIONS. (a) The apportionment to each participating school,
2 school district and service institution shall be made on the basis of
3 the factors established by federal law, as supplemented by regulations
4 promulgated by the commissioner under sec. 30(b) of this chapter.

5 (b) The commissioner shall certify to the commissioner of adminis-
6 tration from time to time the amounts to be paid to any school, school
7 district or service institution under the provisions of this chapter
8 and the time or times these amounts are to be paid and the commissioner
9 of administration shall pay to the schools, school districts or service
10 institutions at the time or times fixed by the commissioner the amounts
11 certified.

12 Sec. 14.52.080. USE OF FUNDS. (a) Funds paid to the state by
13 the federal government for any fiscal year shall be disbursed to
14 schools, school districts and service institutions to assist them in
15 financing the operating costs of their food service program including
16 the costs of obtaining, preparing and serving food.

17 (b) These disbursements shall be made by the department at least
18 monthly and may be made not earlier than 10 days before the beginning
19 of each month of operations. Periodic adjustments in the amounts of
20 funds disbursed shall be made to conform with the provisions of federal
21 law.

22 Sec. 14.52.090. NONFOOD ASSISTANCE. (a) On recommendation of
23 the advisory commission the commissioner shall formulate and carry out
24 a program to supply schools, school districts and service institutions
25 with equipment, other than land or buildings, for the storage, prepara-
26 tion and transportation, and serving of food to enable these schools
27 to establish or expand food service programs for children.

28 (b) For the first five years of operation under this chapter the
29 commissioner shall apportion 50 per cent of funds appropriated for

1 the purposes of this section among the schools, school districts and
2 service institutions without a food service.

3 Sec. 14.52.100. NUTRITION EDUCATION. (a) The commissioner, in
4 cooperation with the Office of Education of the United States Department
5 of Health, Education and Welfare, and on recommendation of the advisory
6 commission, is authorized to formulate the basic elements of a nutrition
7 education program for children to be extended on a voluntary basis
8 through the department to schools, school districts and service insti-
9 tutions participating in programs authorized under this chapter. The
10 program shall include, without limitation, the preparation of course
11 outlines, based on the advice of experts in the field of child nutri-
12 tion, classroom teaching aids, visual materials, the training of
13 school food service personnel, and the training of teachers to conduct
14 courses in child nutrition.

15 (b) For the first fiscal year of operations under this chapter,
16 grants, other than grants made under sec. 70 of this chapter, for the
17 conduct of nutrition education programs for children shall be based
18 on a rate of 50 cents for each child enrolled in schools or service
19 institutions within the state and, for each fiscal year thereafter,
20 grants will be based on a rate of \$1 for each child so enrolled.
21 Enrollment data used will be the latest available as certified by the
22 department to the Office of Education of the United States Department
23 of Health, Education and Welfare.

24 Sec. 14.52.110. STATE PLANS OF OPERATION. The commissioner shall
25 submit to the secretary state plans of operation under the federal
26 Child Nutrition Act of 1971 at least three months before the first
27 fiscal year of operations under this chapter. These plans shall
28 include, without limitation, the following:

- 29 (1) proposed state and local funding;

- 1 (2) plans to extend food service to all eligible schools;
2 (3) plans for a nutrition education program to be conducted
3 in schools and service institutions;
4 (4) the types and kinds of food service to be offered to
5 children attending participating schools and service institutions, and
6 procedures and methods to be employed to assure high quality, nutritious
7 and appetizing meals for participating children;
8 (5) plans for supervision and audit of program operations;
9 the plans of operation must be approved by the commissioner before
10 disbursement of funds to participating schools, school districts and
11 service institutions;
12 (6) plans for conducting training programs for school food
13 service personnel;
14 (7) plans for conducting experimental or demonstration
15 projects.

16 Sec. 14.52.120. STATE, LOCAL ADMINISTRATIVE, SUPERVISION EXPENSES,
17 COSTS. (a) The commissioner may utilize federal funds granted under
18 the Child Nutrition Act of 1971 for use for its administrative expenses
19 in supervising and giving technical assistance to the schools, school
20 districts or service institutions in their conduct of programs under
21 this chapter. These funds shall be utilized only in amounts and to the
22 extent determined necessary by the commissioner to assist these schools,
23 school districts or service institutions in the administration of
24 additional activities undertaken by them under this chapter. Any
25 employee paid in whole or in part with federal funds provided under
26 the Child Nutrition Act of 1971 shall be included under either a merit,
27 civil service, or tenure system covering employees of the department
28 or school district.

29 (b) The commissioner may accept and disburse out of the federal

1 grants for the purposes of this chapter funds to assist in the super-
2 vision of local program operations. The grant to each school, school
3 district or service institution is to be determined on the basis of
4 federal law and regulations promulgated under it.

5 Sec. 14.52.130. ASSISTANCE TO NONPROFIT PRIVATE SCHOOLS. (a)
6 Federal assistance for food service to nonprofit private schools shall
7 be provided by the department either in the form of direct payments
8 or by payments made through the school district in which the nonprofit
9 private school is geographically located.

10 (b) If the department is precluded by law from making direct or
11 indirect payments to these schools, the commissioner shall withhold
12 funds from the apportionments to the schools or districts for the
13 purpose of making direct payments to these schools. Withholding of
14 these funds shall be based on the rate of federal assistance per child
15 per year for the schools or districts as determined by federal law or
16 regulation and the number of children attending nonprofit private
17 schools in the state.

18 Sec. 14.52.140. PILOT OPERATIONS. In cooperation with the United
19 States Department of Agriculture during the first full fiscal year
20 following the passage of the federal Child Nutrition Act of 1971 and
21 this chapter, the commissioner shall begin pilot operations in schools,
22 school districts or service institutions he selects on recommendation
23 of the advisory commission, utilizing available federal, state and local
24 funds to test and develop the most effective techniques and procedures
25 for effectuating the provisions of this chapter and for the purpose of
26 developing appropriate estimates of participation and costs.

27 Sec. 14.52.150. ACCOUNTS, RECORDS AND REPORTS. (a) The depart-
28 ment, schools, school districts, and service institutions participating
29 in programs under this chapter and the federal Child Nutrition Act of

1 1971 shall keep whatever accounts and records may be necessary to enable
2 the secretary and the commissioner to determine whether there has been
3 compliance under federal law, this chapter and the regulations promul-
4 gated under them. The accounts and records shall at all times be
5 available for inspection and audit by representatives of the secretary
6 and the department and shall be preserved for three years.

7 (b) The department shall provide periodic reports on expenditures
8 of federal funds, program participation, program costs, and other
9 required data on the form the secretary prescribes.

10 Sec. 14.52.160. EVALUATION. The commissioner and the advisory
11 commission shall carefully and systematically evaluate the programs
12 conducted under this chapter, directly or by contracting for independent
13 evaluations, with a view to measuring specific benefits, as far as
14 practicable, and providing information needed to assess the effective-
15 ness of program procedures, policies and methods of operation.

16 Sec. 14.52.170. ADVISORY COMMISSION. (a) There is in the
17 department an advisory commission to be known as the Advisory Commission
18 on Child Nutrition which shall be composed of not less than 13 members
19 appointed by the commissioner. Membership shall include a school
20 administrator, a person engaged in child welfare, a person engaged in
21 vocational education, a nutrition expert, school food service manage-
22 ment experts (one each from a rural and urban school), a school
23 governing board member, one representative each from the division of
24 agriculture of the Department of Natural Resources and from the Depart-
25 ment of Health and Social Services specially qualified to serve on the
26 commission because of their education, training, experience and knowledge
27 in matters relating to child nutrition, and active members of parent-
28 teacher organizations or parents who have children attending schools
29 or service institutions participating in programs under this chapter.

1 Women and minority group representatives shall be included among the
2 membership.

3 (b) Members appointed outside the Departments of Education,
4 Natural Resources and Health and Social Services shall be appointed
5 for staggered, four-year terms determined by lot. Members appointed
6 from the Departments of Education, Natural Resources and Health and
7 Social Services serve at the pleasure of the commissioners appointing
8 them.

9 (c) The commissioner shall designate one of the members to serve
10 as chairman, and one to serve as vice chairman of the commission.

11 (d) The commission shall meet at the call of the chairman but
12 shall meet at least twice a year.

13 (e) A majority of the members shall constitute a quorum and a
14 vacancy on the commission shall not affect its powers.

15 (f) In addition to its other duties set out in this chapter,
16 the commission shall make a continuing study of the operation of
17 programs carried out under this chapter with a view to determining
18 how the programs may be improved. Annually, the commission shall
19 submit to the commissioner, the governor and the legislature a written
20 report of the results of its study together with the recommendations
21 for administrative and legislative changes it considers appropriate.

22 (g) The commissioner shall provide the commission with the
23 technical and other assistance, including secretarial and clerical
24 services that may be required to carry out its functions under this
25 chapter.

26 (h) Members of the commission receive no salary but are entitled
27 to the same travel and per diem provided for other boards and commis-
28 sions.

29 Sec. 14.52.180. DEFINITIONS. In this chapter

1 (1) "advisory commission" means the Advisory Commission on
2 Child Nutrition established by sec. 170 of this chapter;

3 (2) "commissioner" means the commissioner of education;

4 (3) "department" means the Department of Education;

5 (4) "nonprofit private school" means any private school
6 exempt from income tax under sec. 501(e)(3) of the United States
7 Internal Revenue Code of 1954, as amended;

8 (5) "operating costs" means the cost of food and nutrition
9 services administration and supervision, labor, supplies, acquisition,
10 storage, preparation and service of food used in the food service
11 program, utilities, maintenance, repair, and replacement of equipment;
12 this term does not include the cost or value of land or acquisition,
13 construction, or alteration of buildings, nor does it include any
14 part of the general administrative and maintenance expenses for the
15 total school program;

16 (6) "secretary" means the Secretary of the United States
17 Department of Agriculture;

18 (7) "service institution" means private, nonprofit institu-
19 tions or public institutions which provide day care or other child
20 care services for children or handicapped children;

21 (8) "school" or "school district" means the governing body
22 which is responsible for the administration of one or more attendance
23 units and which has the legal authority to operate a food service
24 program; the term includes any public or nonprofit private primary,
25 elementary or secondary school through grade 12, and kindergarten and
26 preschool programs operated by these schools;

27 (9) "universal food service and nutrition education program"
28 means a program designed and operated to offer all children in group
29 situations away from home at least one meal a day which meets at least

1 one-third of the child's daily nutritional requirements; additional
2 meals or supplemental food services may be offered to all children in
3 attendance based on economic or nutritional needs; all food service
4 programs conducted under this chapter should operate without charge to
5 the child; the children to be covered under this chapter include those
6 attending preschool, kindergarten, primary, elementary and secondary
7 schools through grade 12 and children in service institutions as
8 defined in this chapter; the term also includes a broad program of
9 nutrition education to teach all children basic principles of good
10 nutrition and the importance of good nutrition to health.

11 Sec. 14.52.190. SHORT TITLE. This chapter may be cited as the
12 Alaska Child Nutrition Act.

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

I. REQUEST

Bill Identification: CSSB #236 Revised 2/29/72
 Title: Child Nutrition Act
 Requested by: Legislative Finance Date: 2/28/72
 Return Date Requested: 3/6/72
 Agency: Education Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: ~~_____~~

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		4,000	4,050	4,100	4,150	4,200
200 TRAVEL		7,000	7,050	7,100	7,150	7,200
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		5,200,000	6,500,000	7,600,000	9,600,000	11,722,000
TOTAL		5,211,000	6,511,100	7,611,200	9,611,300	11,733,400

B. FUNDING: ~~_____~~

GENERAL FUND		534,000	671,100	971,200	1,211,300	1,733,400
FEDERAL FUNDS		4,677,000	5,840,000	6,640,000	8,400,000	10,000,000
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/ .5	/ .5	/ .5	/ .5	/ .5
MAN MONTHS (P./T.)	/	/ 6	/ 6	/ 6	/ 6	/ 6

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

See attached.

IV. ATTACHMENTS

Attachment #1 - Fiscal analysis

V. DATE: 2/29/72

PREPARED BY: Nathaniel Cole

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

This fiscal note was developed with the assumption that if the federal act is not passed, the state program would not be in effect.

The best information available to the Department indicates that the federal act is not likely to be passed at least for three years; however, a pilot program is likely to be passed this session of Congress. States that have statutes which would implement the federal act have a much better chance of getting a pilot program fully funded by the federal government.

If the assumption that this bill, should it become law, is not in effect unless there is a federal act, is an incorrect assumption the fiscal note will need to be revised upward in the state general fund monies by the amount of \$43,400 in FY-73, \$90,000 in FY-74, \$95,000 in FY-75, \$100,000 in FY-76, and \$104,000 in FY-77, to fund Section 14.52.100(b).

ACTUAL average lunch cost (for preparing & serving) was 72¢ for FY 71.

Have applied a 5% yearly increase.....FY 72..... 76¢ per lunch
 FY 73..... 80¢
 FY 74..... 84¢
 FY 75..... 88¢
 FY 76..... 93¢
 FY 77..... 97¢

ACTUAL lunches served in FY 71.....4,698,049 (BIA has been excluded)

Have projected an 18% yearly increase in lunch participation:

FY 72.....	5,543,698	x	.76¢.....	\$ 4,213,210.48
FY 73.....	6,541,563	x	.80¢.....	5,233,250.04
FY 74.....	7,719,044	x	.84¢.....	6,483,996.96
FY 75.....	9,108,471	x	.88¢.....	8,015,454.48
FY 76.....	10,747,995	x	.93¢.....	9,995,635.35
FY 77.....	12,682,634	x	.97¢.....	12,302,154.98

Sec. 14.52.100 (b) Nutrition education provision @ .50¢ per child enrolled:

ACTUAL enrollment: FY 72.....84,398

Anticipated enrollment for FY 73.....	86,883	x	.50¢.....	\$41,441.00
Have applied 5% yearly increase				
FY 74.....	90,227	x	1.00.....	90,227.00
FY 75.....	94,738	x	"	94,738.00
FY 76.....	99,475	x	"	99,475.00
FY 77.....	104,449	x	"	104,449.00

Sec. 14.52.170 (d-g-h) Expenses of Advisory Commission:

FY 73 figured as follows: \$ 4,000 for secretarial help
 7,000 for travel and per diem of comm. members

Have allowed a yearly increase of \$100.

	FY 73	74	75	76	77
Sec. 14.52.040 (c) *Operating Costs	523,000	660,000	960,000	1,200,000	1,722,000
Est. Federal participation	4,633,559	5,750,000	6,545,000	8,300,000	9,896,000
Sec. 14.52.100 (b) Nutrition Ed.					
Est. Federal participation	43,441	90,000	95,000	100,000	104,000
Sec. 14.52.170 (d-g-h) *Expenses of Comm.	11,000	11,100	11,200	11,300	11,400
TOTALS	5,211,000	6,511,100	7,611,200	9,611,300	11,733,400
Total cost to State	534,000	671,100	971,200	1,211,300	1,733,400

* State costs

ALASKA...1971-72

REIMBURSEMENT RATES AVAILABLE: All Federal funds...no State funds involved

For a fully paid lunch..... .06¢

For a free lunch an additional .40¢ is paid

For a reduced price lunch an additional .40¢ or the cost of preparing the lunch
whichever is the lesser.

In answer to your request for information on the cost of school kitchens, I have compiled the following information based on small, medium and large size schools.

<u>School</u>	<u>Size</u>	<u>Total Cost</u>	<u>Kitchen Cost</u>
A. Igiugig	1 Classroom	\$ 45,000	\$ 15,000
Pitka's Point	1 Classroom	\$ 84,500	
Relocatable Kitchen & Diner 20 X 39			\$ 44,000
Stony River	2 Classrooms	\$ 104,000	
Relocatable Kitchen 10 X 39			\$ 27,000
B. Teller	Medium - 4 Classrooms	\$ 402,350	\$ 41,950
C. Nome-Beltz	Large	\$5,811,500	\$438,800

Comments on examples:

A. Costs of water supply and sewage disposal systems not included in the above small school totals. Costs for construction of these utilities to comply with Department of Environmental Conservation requirements may exceed \$100,000 for a one classroom school in an isolated area.

B. Teller:	School Cost:	\$356,950
	Generator Building:	\$ 45,400
C. Nome-Beltz:	School Cost:	\$3,290,600
	Dorm & Apt.	\$1,759,800
	Utility Building	\$ 322,300



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 Smith
Signature of Camera Operator

4/4/89
Date

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

May 7, 1971

MEMORANDUM

TO : Representative George H. Hohman
Chairman, House Finance Committee

FROM : John M. Elliott, Executive Director

SUBJECT: Senate Bill 241

In response to your request this date regarding SB 241, the entire sum represents needed funds to pay the temporary employees of the legislature for an additional 15 days should the session go that long.

Funds with which to pay the temporaries were depleted as of May 5 and the 15-day appropriation would begin on May 6. If you have any further questions regarding this matter I would be happy to answer them.

JME:hg

Committee Report

SENATE

Date

Mr. President:

The Committee on _____ has had _____ 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:

Handwritten signatures in the majority report section.

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- recommends:
recommends:
recommends:
recommends:
recommends:

CHAIRMAN

Introduced: 5/4/71
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 241

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act appropriating to the Legislative Affairs

7

Agency; and providing for an effective date."

8

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

9

* Section 1. The sum of \$51,750 is appropriated from the general fund

10

to the Legislative Affairs Agency for additional expenses incurred for the

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fiscal year ending June 30, 1971.

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* Sec. 2. This Act takes effect on the day after its passage and approv-

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al or on the day it becomes law without approval.

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RECORDS



CERTIFICATION

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James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

4/25/72

6-16-72 Date

Mr. Speaker

The Committee on FINANCE has had SB 251 am 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>Hobbs</u>	<u>Boyer</u>	<u>Yegorov</u>
<u>Swartz</u>	<u>W. H. ...</u>	
<u>Hansen</u>	<u>...</u>	
<u>...</u>	<u>...</u>	

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

Eric Hobbs
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By W. J. BROWN

To: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. _____

AMENDMENT: Page _____ Line _____

Page 1, line 6: After "free tuition" and "and fees"

Page 1, line 11: After "FREE TUITION" and "AND FEES"

Page 1, line 13: After "FREE TUITION" and "AND FEES"

Page 1, line 18: After "payment of tuition" and "and fees"

Amend

Introduced: 1/10/72
Referred: State Affairs

1 IN THE SENATE

BY ZIEGLER

2 SENATE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for free tuition^{and fees} at state-supported
7 educational institutions for dependents of prisoners
8 of war and those missing in action in Southeast Asia."

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

10 * Section 1. AS 14.40 is amended by adding a new section to read:

11 ARTICLE 12. FREE TUITION^{and fees} FOR DEPENDENTS OF PRISONERS OF
12 WAR AND THOSE MISSING IN ACTION IN SOUTHEAST ASIA.

13 Sec. 14.40.920. FREE TUITION^{and fees} AT STATE-SUPPORTED EDUCATIONAL
14 INSTITUTIONS. (a) Any dependent of a bona fide Alaskan resident who,
15 while serving during the hostilities involving the United States forces
16 in Southeast Asia, was listed by the United States Department of Defense
17 as a prisoner of war or missing in action in Southeast Asia may attend any
18 state-supported educational institution without payment of tuition^{and fees}

19 (b) As used in this section "dependent" means a dependent spouse
20 or child.

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1 IN THE SENATE

BY ZIEGLER

2 SENATE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for free tuition at state-supported
7 educational institutions for dependents of prisoners
8 of war and those missing in action in Southeast Asia."

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

10 * Section 1. AS 14.40 is amended by adding a new section to read:

11 ARTICLE 12. FREE TUITION FOR DEPENDENTS OF PRISONERS OF
12 WAR AND THOSE MISSING IN ACTION IN SOUTHEAST ASIA.

13 Sec. 14.40.920. FREE TUITION AT STATE-SUPPORTED EDUCATIONAL
14 INSTITUTIONS. (a) Any dependent of a person who, while serving
15 during the hostilities involving the United States forces in Southeast
16 Asia, was listed by the United States Department of Defense as a
17 prisoner of war or missing in action in Southeast Asia may attend any
18 state-supported educational institution without payment of tuition.

19 (b) As used in this section "dependent" means a dependent spouse
20 or child.

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RECORDS CERTIFICATION



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

7/13/92

31-132 Date

Mr. Speaker

The Committee on BUDGET has had BB 256 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>	<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:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature]
CHAIRMAN

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
BUDGET AND AUDIT COMMITTEE

2 SENATE BILL NO. 258

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 preparation of fiscal notes
7 on bills."

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

9 * Section 1. AS 24.30.035 is amended to read:

10 Sec. 24.30.035. FISCAL NOTES ON BILLS. Before a bill which
11 would require increased appropriations by the state is reported to the
12 Rules Committee [OUT BY THE COMMITTEE OF ORIGINAL REFERENCE], there
13 shall be attached to the bill an estimate of the probable amount of
14 the appropriation increase for the ensuing fiscal year and at least
15 two succeeding fiscal years [, OR A STATEMENT EXPLAINING WHY A REASON-
16 ABLE ESTIMATE CANNOT BE MADE]. The estimate or statement shall be
17 prepared by the department or departments affected.



RECORDS



CERTIFICATION

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James D. Smith
Signature of Camera Operator

4/4/89
Date

COST ANALYSIS

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Analysis of HCS CSSB-264 (Finance)

1971 EMPLOYER CONTRIBUTIONS RATE - STATE	7.84%
	3.20% Benefit Formula
	.04% Vesting Reduction
	.01% Non-Occupation Service Reduction
	.07% Minimum Benefit
	.03% Service Benefit
	<u>3.35%</u>
	-.75% Additional Employee Contribution
COST REQUIREMENT FOR HCS CSSB-264 (Finance)	<u>2.60%</u>

CURRENT COVERED PAYROLL (Based on first quarter calendar 1972)	\$79,480,000
CURRENT MATCHING CONTRIBUTIONS (\$79,480,000 x 7.84%)	6,231,232
ADDITIONAL COST FOR HCS CSSB-264 (Finance) (\$79,480,000 x 2.60%)	2,066,480

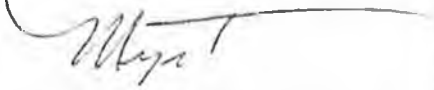
	<u>1972 - 1973</u>	<u>1973 - 1974</u>	<u>1974 - 1975</u>	<u>1975 - 1976</u>	<u>1976 - 1977</u>
*PROJECTED COVERED PAYROLL	\$79,480,000	\$83,454,000	\$87,626,700	\$92,008,035	\$96,608,436
ANTICIPATED COSTS OF BILL	2,066,480	2,169,804	2,278,294	2,392,208	2,511,819

*BASED UPON ANNUAL PAYROLL INCREASE OF 5.0%

In response to your telephone request, attached is a cost breakdown for HCS CSSB-264 (Finance).

Although the rates under the Finance version remained the same as those reported for CSSB-264, total covered payroll has been revised to reflect current figures as reported by our accounting section.

Sincerely,



M. R. Charney, Director

SEATTLE
PORTLAND
WYOMING
JUNEAU

LOS ANGELES
SAN FRANCISCO
SAN DIEGO
PHOENIX
ALBUQUERQUE
LAS VEGAS

CHICAGO
DETROIT
INDIANAPOLIS
MINNEAPOLIS
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April 13, 1972

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SAO PAULO
MELBOURNE
SYDNEY
TOKYO

Miss Mary-Jean Hackwood
Benefit Supervisor, Retirement Section
State of Alaska
Pouch C
Juneau, Alaska 99801

Alaska PERS
Retroactive Application of Current Benefit Formula
to Current Retirees

Dear Mary-Jean:

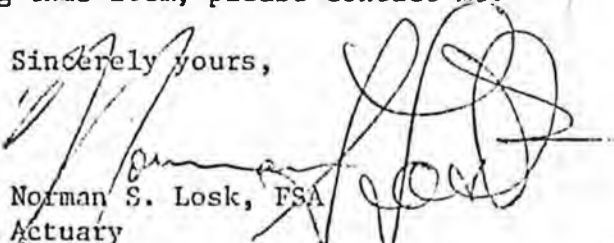
You have requested that I calculate the financial effect of amending the Public Employees' Retirement System to provide for retroactive application of the current benefit formula to current retirees. We have done so on the basis of an adjustment in the percentage rates applied to a fixed salary level. The estimates shown below do not take into account the change in definition of average monthly compensation.

The estimates of the financial effect of such a change are as follows:

- (1) Increases in benefits to current retirees to render those benefits consistent with the current formula in the System:
 - (a) Increase in value of retired life benefits - \$350,412
 - (b) Increase in contribution level as a percentage of covered payroll - .07% *67,000,000*
- (2) Increases in benefits to current retirees to render such benefits consistent with the proposed formula (1½%, 1-¾%, 2%):
 - (a) Increase in the liabilities for retired life benefits - \$1,140,261
 - (b) Increase in the contribution level as a percentage of covered payroll - .22% *147,000*

If you have any questions concerning this item, please contact me.

Sincerely yours,


Norman S. Losk, FSA
Actuary

MEMORANDUM

State of Alaska

TO: Jay Hogan
Fiscal Analyst
Division of Legislative Finance

THRU: Richard W. Freer
Deputy Commissioner

FROM: Mary-Jean Hackwood
Benefit Supervisor
Department of Administration

DATE : April 25, 1972

SUBJECT: HCS CSSB 264

The amendments adopted by the House State Affairs Committee accomplishes the following:

- 1) ✓ Establishes the employee contribution at 4% rather than the 4.25% contained in the original bill. The reduction was requested by Jon Carter, APEA.
- 2) ✓ Removes terminology which Representative John Holms felt was superfluous.
- 3) ✓ Same as above.
- 4) ✓ Reduces the service requirement for a deferred vested benefit to five years. Requested by this Department. This change was included in our original request to Legislative Affairs but apparently was inadvertently omitted in the final bill. I did not notice the omission when testifying on the bill in the Senate.
- 5) Permits the vested benefit to begin, on a reduced basis, at age 55. Requested by Representative John Holms. I drafted the wording while sitting in the hearing. We do not oppose this change provided
 - a) payment begins prior to the normal retirement date the benefit is reduced on an actuarial equivalent basis.
 - b) the Joint & Survivor Option can be elected only if the vested benefit is deferred to the normal retirement date.

The above provisions are included in HCS CSSB 264.

The only change which affects the cost analysis originally presented to you is the reduction in the employee contribution rate. The revised cost analysis was presented to you during the last hearing on this bill.

Mary Jean Hackwood

A M E N D M E N T

This will be in a Committee Substitute

Offered in the HOUSE

By State Affairs

TO: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. CSSE 264 (Fin)am

AMENDMENT: Page _____ Line _____

On page 2, line 2 after the word (four) delete the words (and one-quarter)

On page 2, line 21 after the word (pension) delete the words (if his employment is terminated)

On page 2, line 24 after the word (pension) delete the words (if his employment is terminated)

On page 2, between lines 26 and 27 insert the following:

Sec. 39.35.390. Deferred retirement benefit. (a) An employee is eligible for a deferred vested retirement benefit if his employment is terminated on or after attainment of five [eight] years accredited service and he does not withdraw the balance in his employee contribution account.

At the end of paragraph (c) of Sec. 39.35.390 insert the following new sentence:

out { If his benefit begins before his normal retirement date, the benefit shall be reduced to the actuarial equivalent.

On page 2, after paragraph (c) insert the following paragraph (d) of Sec. 39.35.390.

(d) An employee is not entitled to a deferred pension unless an application for it is filed with the board on or after he reaches his early [normal] retirement date and before he attains age 70.

On page 2 after paragraph (d) insert the following paragraph (e) of Sec. 39.35.390 to read:

(e) An employee who is eligible for a deferred retirement benefit who applies for this benefit on or after he reaches his normal retirement date may elect a joint and survivor option under the same terms and conditions as set out in Sec. 450 of this Chapter.

(c) The monthly amount of the normal retirement pension shall be determined in accordance with Sec. 370 (c) of this chapter as it is in effect on the date of his termination of employment considering the employees' credited service and compensation before his termination of employment. [If his benefit begins before his normal retirement date, the benefit shall be reduced to the actuarial equivalent.]

(d) An employee is not entitled to a deferred pension unless an application for it is filed with the board on or after he reaches his early [normal] retirement date and before he obtains age 70. If.....

(e) An employee who is eligible for a deferred retirement benefit who applies for his benefit on or after he reaches his normal retirement date may elect.....

Committee Report

HOUSE OF REPRESENTATIVES

07/29/72

7/29/72 Date

Mr. Speaker

to be reported returned on
July 2, 1972**

The Committee on FINANCE has had HCS 3355 260 (Fin)

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>W. A. ...</u>	<u>...</u>	<u>...</u>
<u>...</u>	<u>...</u>	<u>...</u>
<u>...</u>	<u>...</u>	<u>...</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

John ...
CHAIRMAN

Committee Report

HOUSE OF REPRESENTATIVES

4/7/73

_____ Date

Mr. Speaker

The Committee on FINANCE has had CS 254 (Finance) 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:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:	_____
_____	recommends:	_____
_____	recommends:	_____
_____	recommends:	_____
_____	recommends:	_____

CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By House Finance Committee

To: _____ HOUSE BILL NO. _____

SECRET SENATE BILL NO. 788 (insert)

AMENDMENT: Page 1 Line insert lines 10 & 11

add 5 new Sec. 10 to read:

§ 20a. 30. 2. 27. shall be amended provided that the director
official shall be required to provide prior to December 31, 1971
to elect to give a waiver or apply for payment under the laws
of the State of Michigan' Michigan system of account.

Page 1 of 1

House Finance Committee

A M E N D M E N T

Offered in the HOUSE

By house Finance Committee

To: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. 261 (Finance)

AMENDMENT: Page _____ Line 10

after "other employees" add the words "and retired employees".

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C — JUNEAU 99801

WILLIAM A. EGAN, GOVERNOR

21 March 1972

Honorable George H. Hohman
Chairman, House Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801

Dear Mr. Chairman:

This is in reply to yours of 10 February requesting our position on a betterment of retirement benefits, employee dental insurance, and payment for unused sick leave; as you recall, I responded with an interim letter dated 3 March 1972.

Governor Egan endorses a modification of the public employees retirement benefits as encompassed in CS for SB 264.

Without commenting on the merits of dental insurance and paying for sick leave, I regret to say that however desirable either of the proposals may be, the State will not have the means to fund them during the foreseeable interim.

We espouse the view that the State budget should be a steady and reliable source of funds, not subject to great dips in expenditures in future years; erratic budget making of that sort would wrench and dislocate the State's economy. In order to have the smooth and constant State expenditure we think desirable, we must seriously discipline ourselves in considering added legal obligations.

At pp 10 through 13 of the Budget Document Supplement for FY 1973 we have portrayed a sufficiently funded budget through

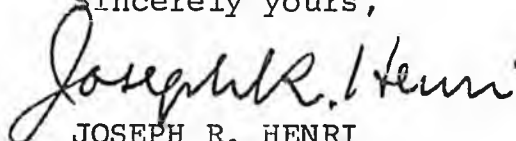
Honorable George H. Hohman
21 March 1972
Page 2

1982, anticipating a 6% budget increase for each of Fiscal Years 1974, 1975 and 1976, and an 8% increase for each year after that; debt service on \$71 million in GO bonds for 1972, \$60 million in 1974, and \$100 million in each biennium thereafter.

The funding for such budgets comes from the principal and interest on the North Slope bonus money, and from new royalty and severance receipts from North Slope oil, beginning with 600,000 barrels in July 1976, rising to a daily volume of 1.7 million barrels at the end of the following two years. The well head price upon which our royalty and severance receipts are based is calculated at \$2.10 per barrel. The pipeline cost contained within the Budget book projection was calculated at \$2.3 billion; now, the realistic figure is \$3.5 billion. Thus, the transportation cost would be materially increased and the well head price would be decreased, so much so that a report from Tippetts, Abbett, McCarthy and Stratton shows well head price under private ownership, as late as 1987, not yet reaching our \$2.10 figure; in 1979 these consultants show well head value at \$1.13. In addition, the testimony of Charles Spahr, the Executive Officer of Standard Oil of Ohio, at the pipeline hearings during the week of 6 March confirms that our estimated volume of throughput was too optimistic and that at the end of seven years from the time pumping begins, approximately 1.5 million barrels per day will be running to Valdez.

In other words, inflation and environmental stipulations and lower volumes of oil have materially reduced future State income from North Slope oil. Until we devise a way to garner lost projected income, I cannot in good conscience endorse the additional expenses entailed in dental care and paying for unused sick leave.

Sincerely yours,



JOSEPH R. HENRI
Commissioner

JRH/kh

MEMORANDUM**State of Alaska**


TO: Honorable George Hohman, Chairman
House Finance Committee
Alaska State Legislature

THRU: Richard W. Freer
Deputy Commissioner

FROM: Mary-Jean Hackwood
Benefit Supervisor
Department of Administration

DATE : April 24, 1972

SUBJECT: Group Insurance Coverage for
Retired Judges



Attached is a copy of Judge Nesbett's letter to Commissioner Henri as well as my response regarding group insurance coverage for retired employees. Perhaps if legislation is enacted to permit retired public employees to participate in the state group insurance program, it would be possible to also permit retired judges to participate in the program with the same requirements. Judge Nesbett is retired under Title 22, Chapter 25.

BUELL A. NESBETT
CHIEF JUSTICE OF ALASKA (RETI)

756 Barbara Ave.
Santa Beach, Calif. 92075
April 12, 1972

Hon. Joseph Henri
Commissioner of Administration
Alaska Office Building
Juneau, Alaska

Dear Joe:

This is written to inquire if it is possible to include retired state employees who have not reached 65 years of age under the regular state medical insurance plan.

When I was retired for physical incapacity I was 60. The state insurer would continue to cover me for something near \$700 per year, but stated that retired employees were not entitled to the regular coverage.

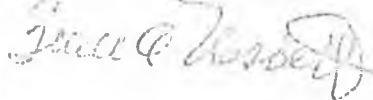
This policy may prevail for the reason that the usual retirement age would be 65 and the retiree would be eligible for Medicare.

Since the number of retirees under 65 is not great I would like to ask that provision be made to continue their coverage under the regular plan until they reach 65 if they so elect.

With kindest regards, I am

Sincerely yours

Buell A. Nesbett



April 20, 1935

Mr. A. N. ...
755 ...
... California 94175

Dear Judge ...:

I have ... your letter of ... for ...

... present time, there is no provision for ... to ...

There is a bill pending before the ... which would ...
... provided they pay the full ...
... the bill is in the ... and I will ...
... attention of Representative ...
... of the ...

Very truly yours,



Mary-Jean Ingham
Benefit Supervisor

HR:rb

the Authority and
the State.

Sec. 44.58.420. Cooperation by Government Agencies. This section directs other agencies of the State to assist the Authority in the achievement of its purposes.

Sec. 44.58.430. Definitions. This section sets forth the definitions of certain terms used elsewhere in the Act.

EEW:gc

The Finance Committee has had HOUSE BILL NO. 510 (making a supplemental appropriation to the State-Operated School System; and providing for an effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 510 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 510 do pass. The report was signed by Mr. Hohman, Chairman, and concurred in by Wright, Ditman, Fink, Haugen and Warwick. Not concurring were Hohman and Degnan who have no recommendations.

HOUSE BILL NO. 510 was referred to the Rules Committee for placement on the calendar.

HB
510

"FINANCE COMMITTEE REPORT

ON

HOUSE COMMITTEE SUBSTITUTE FOR

COMMITTEE SUBSTITUTE FOR SENATE BILL 264 (Fin)

The Finance Committee substitute essentially incorporates the following changes to the State Affairs Committee substitute:

1. Provision is made for persons covered under the judicial retirement system as well as public employees to obtain major medical and life insurance under the state policy.
2. Provision is added for elected officials to be included retroactively in the retirement system and make retroactive contributions.
3. State employee contributions are set at 4 1/4 percent of employee compensation, as recommended by the Governor.

Flynn, Guess, Hohman, McVeigh,
E. Miller, M. Miller, Moran,
Naughton, Rose, Whittaker, Wright.

Nays: 20 - Banfield, Colletta, Ditman, Fink,
Harris, Haugen, Hillstrand, Holm,
Huber, Kerttula, McGill, Moore,
Orbeck, Feratrovich, Randolph, Reed,
Specking, Swanson, Tillion, Warwick.

Excused: 1 - Moses.

and so, HOUSE BILL NO. 750 failed to pass the House.

Mr. M. Miller gave notice of reconsideration of his vote on
HOUSE BILL NO. 750 on the next calendar day.

4. Provision is made for retired employees working on a temporary basis to elect to make additional contributions to the retirement program and thereby improve their benefits.

CSSB
264
(Fin)
am

5. The definition of an elected official was changed to cover persons currently serving who elect to pay contributions to the retirement system required of an employee.

George H. Norman Jr.

GEORGE NORMAN
Chairman"

Original sponsor: Miller

Offered: 4/7/72
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 264

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 retirement benefits; and providing
7 for an effective date."

8

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

9

* Section 1. AS 39.30.090 is amended by adding new paragraphs to read:

10

(9) A person receiving benefits under AS 39.35 who is not 65
11 years of age may obtain major medical and life insurance under this
12 section for himself and any dependents who have not reached the age of
13 65 years.

14

(10) A person receiving benefits under AS 39.35 who is 65
15 years of age or older but who has dependents who are under 65 may
16 obtain major medical insurance for these dependents under this section.

17

(11) A person receiving benefits under AS 39.35 who is over
18 65 years of age and any dependents who are over 65 years of age may
19 obtain major medical and prescription drug insurance under this section
20 to cover costs which are not covered by the federal old age survivor's
21 and disability insurance program.

22

(12) A person electing to have insurance under (9), (10) or
23 (11) of this section shall pay the cost of this insurance.

24

* Sec. 2. AS 39.35.040(5)(A) is amended to read:

25

(A) an appropriate contribution rate for the state [NOT
26 TO EXCEED EIGHT PER CENT OF THE COMPENSATION PAID TO PARTICIPATING
27 STATE EMPLOYEES]; in addition the state shall pay the appropriate
28 social security contribution; and

18

* Sec. 3. AS 39.35.125 is amended by adding a new subsection to read:

19

(c) An elected official may be included retroactively in the system
20 if he makes retroactive contributions equal to what he would have made
21 if he had elected to be included when he became eligible under (a) of
22 this section.

* Sec. 5. AS 39.35.160 (a) is amended to read:

1 (a) While participating in the system each peace officer and each
2 fireman shall contribute five per cent and every other employee shall
3 contribute four ^{and one-quarter} [THREE AND ONE-HALF] per cent of his compensation to
4 the public employees' retirement system.

5 * Sec. 6. AS 39.35.370(a) is amended to read:

6 (a) An employee is eligible for a normal retirement pension if
7 his employment is terminated on or after his normal retirement date
8 and after he completes five [EIGHT] or more years of credited service.

9 * Sec. 7. AS 39.35.370(c) is amended to read:

10 (c) The monthly amount of the normal retirement pension for a
11 peace officer or a fireman is two per cent of his average monthly
12 compensation times his years of credited service up through 10 years,
13 plus two and one-half per cent of his average monthly compensation times
14 his years of service over 10 years. For every other employee it is one
15 and one-half per cent of his average monthly compensation times his
16 years of service up through 10 years, plus one and three-quarters
17 [ONE-HALF] per cent of his average monthly compensation times his years
18 of service from 11 through 20, plus two per cent of his average monthly
19 compensation times his years of service over 20 years.

20 * Sec. 8. AS 39.35.380(a) is amended to read:

21 (a) An employee, other than a peace officer or fireman, is eligi-
22 ble for an early retirement pension [IF HIS EMPLOYMENT IS TERMINATED]
23 on or after his 55th birthday and after he completes five [EIGHT] or
24 more years of credited service. A peace officer or fireman is eligible
25 for an early retirement pension [IF HIS EMPLOYMENT IS TERMINATED] on or
26 after his 50th birthday and after he completes five [EIGHT] or more
27 years of credited service as a peace officer or fireman.

28 * Sec. 9. AS 39.35.390 is amended to read:

29 Sec. 39.35.390. DEFERRED RETIREMENT BENEFIT. (a) An employee

* Sec. ~~4~~ AS 39.35.150 is amended to read:

Sec. 39.35.150. RE-EMPLOYMENT OF VESTED OR RETIRED EMPLOYEES.

(a) If a retired employee is re-employed on a temporary or a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the temporary or full-time vested or retired employee for contributions to the retirement fund as provided in sec. 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously vested or retired employee [AND, IF HE] elects to make contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under sec. 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee.

1 is eligible for a deferred vested retirement benefit if his employment
2 is terminated on or after attainment of five [EIGHT] years accredited
3 service and he does not withdraw the balance in his employee contribu-
4 tion account.

5 (b) Payment of the deferred pension shall begin upon the first
6 day of the month coinciding with or following the employee's normal
7 retirement date and after he applies for the pension. The last pay-
8 ment shall be made as of the first day of the month in which the death
9 of the retired employee occurs.

10 (c) The monthly amount of the normal retirement pension shall
11 be determined in accordance with sec. 370(c) of this chapter as it is
12 in effect on the date of his termination of employment, considering
13 the employee's credited service and compensation before his termina-
14 tion of employment. If his benefit begins before his normal retirement
15 date, the benefit shall be reduced to the actuarial equivalent.

16 (d) An employee is not entitled to a deferred pension unless
17 an application for it is filed with the board on or after he reaches his
18 early [NORMAL] retirement date and before he attains age 70. If
19 the employee fails to apply for a deferred retirement benefit before
20 he becomes 70 years of age, he is eligible for a refund as if his
21 employment had terminated for a reason other than death at age 70
22 under secs. 200 - 220 of this chapter.

23 (e) An employee who is eligible for a deferred retirement benefit
24 who applies for this benefit on or after he reaches his normal retire-
25 ment date may elect a joint and survivor option under the same terms
26 and conditions as set out in sec. 450 of this chapter.

27 * Sec. ~~10~~. AS 39.35.400(a) is amended to read:

28 (a) An employee is eligible for a nonoccupational disability
29 pension if his employment is terminated because of a nonoccupational

1 disability before his normal retirement date and after five [EIGHT] or
2 more years of credited service.

3 * Sec. ~~11~~. AS 39.35.420 is amended to read:

4 Sec. 39.35.420. NONOCCUPATIONAL DEATH BENEFITS. If the death of
5 an employee occurs before his retirement, but after he has completed at
6 least one year of credited service, and the employee's survivor is not
7 entitled to a surviving spouse's pension under sec. 430 of this chapter,
8 a lump sum death benefit shall be paid to the beneficiary of the em-
9 ployee. The amount of the lump sum death benefit shall be \$1,000 plus
10 \$100 for each year of credited service. The lump sum death benefit is
11 in addition to a refund of the balance of the employee contribution
12 account of the deceased employee under sec. 210 of this chapter.

13 * Sec. ~~12~~. AS 39.35.450(c) is amended to read:

14 (c) An employee may elect, change, or revoke an option without
15 the approval of the board if his election, change, or revocation is
16 filed in writing with the board at least 30 days before his [NORMAL]
17 retirement date. The option may not be elected, changed, or revoked
18 after the 30 day period begins.

19 * Sec. ~~13~~. AS 39.35.475 is amended to read:

20 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. When the
21 commissioner of administration determines that the cost of living has
22 increased and the financial condition of the retirement fund permits,
23 he will recommend to the retirement board increased pension payments to
24 retired employees, spouses or other beneficiaries to reflect this in-
25 crease in the cost of living and the board may adopt the increase by
26 regulation. The amount of the increase may not exceed four [ONE AND
27 ONE-HALF] per cent for each year of retirement. A retired employee
28 shall first be eligible for an increase at the end of the year follow-
29 ing the year of his retirement. Increases shall be effective on and

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paid beginning the first day of January.

* Sec. ~~14~~. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.485. MINIMUM BENEFIT. An employee whose termination occurred before July 1, 1972 and who is eligible for a benefit calculated in accordance with sec. 370(c) of this chapter is entitled to a benefit of at least \$10 a month for each year of credited service, not including adjustments made under secs. 380, 410, 450, 475 and 480.

* Sec. ~~16~~. This Act takes effect on July 1, 1972.

* Sec. ~~15~~. AS 39.35.680(5)(B) is amended to read:

(B) means an elected official who [, WITHIN 60 DAYS AFTER TAKING THE OATH OF HIS OFFICE OR WITHIN 60 DAYS AFTER MAY 12, 1966,] elects to pay contributions required of an employee and to be included in the system under sec. 125 of this chapter; for purposes of this paragraph a state legislator is considered to be a full-time elected official;

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1 IN THE HOUSE

2 HOUSE BILL NO.

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 system for elected
7 officials."

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

9 * Section 1. AS 39.35.125(a) is amended to read:

10 (a) An elected official may be included in the system [IF, WITHIN
11 60 DAYS] after taking the oath of his office [OR WITHIN 60 DAYS AFTER
12 MAY 12, 1966], if

13 (1) he directs his employer in writing to make the necessary
14 deductions from his salary and to pay into the system the contributions
15 required by and for an employee under this chapter and

16 *M.H.* (2) notice is given the commissioner of administration in
17 writing. *needed amendment pay*

18 * Sec. 2. AS 39.35.125 is amended by adding a new subsection to read:

19 (c) An elected official may be included retroactively in the system
20 if he makes retroactive contributions equal to what he would have made
21 if he had elected to be included when he became eligible under (a) of
22 this section.

23 * Sec. 3. AS 39.35.680(5)(B) is amended to read:

24 (B) means an elected official ^{*currently serving*} who [, WITHIN 60 DAYS AFTER
25 TAKING THE OATH OF HIS OFFICE OR WITHIN 60 DAYS AFTER MAY 12, 1966,]
26 elects to pay contributions required of an employee and to be in-
27 cluded in the system under sec. 125 of this chapter; for purposes
28 of this paragraph a state legislator is considered to be a full-
29 time elected official;

replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 592 (same title) and that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 592 do pass. The report was signed by Mr. Hohman, Chairman, and concurred in by Hohman, Warwick, Haugen, Fink, Ditman, Wright and Degnan.

HOUSE BILL NO. 592 was referred to the Rules Committee for placement on the calendar.

The Speaker stated that without objection, the reading of the Finance Committee Chairman's report on HOUSE BILL NO. 592 and subsequent reports would be waived and they would be printed in the journal. There being no objection, it was so ordered. The reports appear following the bills to which each pertains.

" FINANCE COMMITTEE REPORT

ON
COMMITTEE SUBSTITUTE FOR HOUSE BILL 592

HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 264 (Finance) appears on today's calendar.

"FINANCE COMMITTEE REPORT

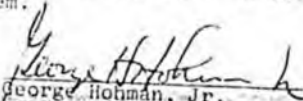
ON

HCSCS SENATE BILL 264

It is the intent of the committee - and the committee believes it is the intent of the house as a whole - that the amendment adding "and retired employee" to Sec. 7 of the bill means that on the effective date of the act retirement pensions for the designated employees will be increased for those who retired prior to passage of the act and for those who retire subsequent to passage of the act.

The amendment would also repeal AS 39.35.125, the section authorizing the participation of elected officials in the Public Employees Retirement System.

HCS
CSSB
264
(Fin)


George Hohman, Jr.
Chairman

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE BILLS

4B HOUSE BILL NO. 819 by the State Affairs Committee, entitled:
819

"An Act relating to the construction
and acquisition of public buildings."

A M E N D M E N T

IN THE HOUSE

BY SWANSON

TO: CS FOR SENATE BILL NO. 264

Page 4, between lines 7 and 8 insert the following:

* Sec. 12. AS 39.35.150 is amended to read:

Sec. 39.35.150. RE-EMPLOYMENT OF VESTED OR RETIRED EMPLOYEES.

(a) If a retired employee is re-employed on a temporary or a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the temporary or full-time vested or retired employee for contributions to the retirement fund as provided in sec. 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously vested or retired employee [AND, IF HE] elects to make contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under sec. 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee.

Page 4, line 8 change " * Sec. 12" to read " * Sec. 13"

MEMORANDUM

State of Alaska

TO: Jay Hogan
 Fiscal Analyst
 Division of Legislative Finance

THRU: Richard W. Freer
 Deputy Commissioner

FROM: Mary-Jean Hackwood
 Benefit Supervisor
 Department of Administration

DATE : April 25, 1972

SUBJECT: HCS CSSB 264

The amendments adopted by the House State Affairs Committee accomplishes the following:

- 1) Establishes the employee contribution at 4% rather than the 4.25% contained in the original bill. The reduction was requested by Jon Carter, APEA.
- 2) Removes terminology which Representative John Holms felt was superfluous.
- 3) Same as above.
- 4) Reduces the service requirement for a deferred vested benefit to five years. Requested by this Department. This change was included in our original request to Legislative Affairs but apparently was inadvertently omitted in the final bill. I did not notice the omission when testifying on the bill in the Senate.
- 5) Permits the vested benefit to begin, on a reduced basis, at age 55. Requested by Representative John Holms. I drafted the wording while sitting in the hearing. We do not oppose this change provided
 - a) payment begins prior to the normal retirement date the benefit is reduced on an actuarial equivalent basis.
 - b) the Joint & Survivor Option can be elected only if the vested benefit is deferred to the normal retirement date.

The above provisions are included in HCS CSSB 264.

The only change which affects the cost analysis originally presented to you is the reduction in the employee contribution rate. The revised cost analysis was presented to you during the last hearing on this bill.

Mary Jean Hackwood

A M E N D M E N T

This will be in a Committee Substitute

Offered in the HOUSE

By State Affairs

TO: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. CSSB 264 (Fin)am

AMENDMENT: Page _____ Line _____

On page 2, line 2 after the word (four) delete the words (and one-quarter)

On page 2, line 21 after the word (pension) delete the words (if his employment is terminated)

On page 2, line 24 after the word (pension) delete the words (if his employment is terminated)

On page 2, between lines 26 and 27 insert the following:

Sec. 39.35.390. Deferred retirement benefit. (a) An employee is eligible for a deferred vested retirement benefit if his employment is terminated on or after attainment of five [eight] years accredited service and he does not withdraw the balance in his employee contribution account.

→ At the end of paragraph (c) of Sec. 39.35.390 insert the following new sentence:

If his benefit begins before his normal retirement date, the benefit shall be reduced to the actuarial equivalent.

On page 2, after paragraph (c) insert the following paragraph (d) of Sec. 39.35.390.

(d) An employee is not entitled to a deferred pension unless an application for it is filed with the board on or after he reaches his early [normal] retirement date and before he attains age 70.

On page 2 after paragraph (d) insert the following paragraph (e) of Sec. 39.35.390 to read:

(e) An employee who is eligible for a deferred retirement benefit who applies for this benefit on or after he reaches his normal retirement date may elect a joint and survivor option under the same terms and conditions as set out in Sec. 450 of this Chapter.

(c) The monthly amount of the normal retirement pension shall be determined in accordance with Sec. 370 (c) of this chapter as it is in effect on the date of his termination of employment considering the employees' credited service and compensation before his termination of employment. [If his benefit begins before his normal retirement date, the benefit shall be reduced to the actuarial equivalent.]

(d) An employee is not entitled to a deferred pension unless an application for it is filed with the board on or after he reaches his early [normal] retirement date and before he obtains age 70. If.....

(e) An employee who is eligible for a deferred retirement benefit who applies for his benefit on or after he reaches his normal retirement date may elect.....

Original sponsor: Miller

Offered: 4/7/72
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 264

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 retirement benefits; and providing
7 for an effective date."

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

9 * Section 1. AS 39.30.090 is amended by adding new paragraphs to read:

10 (9) A person receiving benefits under AS 39.35 who is not 65
11 years of age may obtain major medical and life insurance under this
12 section for himself and any dependents who have not reached the age of
13 65 years.

14 (10) A person receiving benefits under AS 39.35 who is 65
15 years of age or older but who has dependents who are under 65 may
16 obtain major medical insurance for these dependents under this section.

17 (11) A person receiving benefits under AS 39.35 who is over
18 65 years of age and any dependents who are over 65 years of age may
19 obtain major medical and prescription drug insurance under this section
20 to cover costs which are not covered by the federal old age survivor's
21 and disability insurance program.

22 (12) A person electing to have insurance under (9), (10) or
23 (11) of this section shall pay the cost of this insurance.

24 * Sec. 2. AS 39.35.040(5)(A) is amended to read:

25 (A) an appropriate contribution rate for the state [NOT
26 TO EXCEED EIGHT PER CENT OF THE COMPENSATION PAID TO PARTICIPATING
27 STATE EMPLOYEES]; in addition the state shall pay the appropriate
28 social security contribution; and

29 * Sec. 3. AS 39.35.160(a) is amended to read:

1 (a) While participating in the system each peace officer and each
2 fireman shall contribute five per cent and every other employee shall
3 contribute four [THREE AND ONE-HALF] per cent of his compensation to
4 the public employees' retirement system.

5 * Sec. 4. AS 39.35.370(a) is amended to read:

6 (a) An employee is eligible for a normal retirement pension if
7 his employment is terminated on or after his normal retirement date
8 and after he completes five [EIGHT] or more years of credited service.

9 * Sec. 5. AS 39.35.370(c) is amended to read:

10 (c) The monthly amount of the normal retirement pension for a
11 peace officer or a fireman is two per cent of his average monthly
12 compensation times his years of credited service up through 10 years,
13 plus two and one-half per cent of his average monthly compensation times
14 his years of service over 10 years. For every other employee it is one
15 and one-half per cent of his average monthly compensation times his
16 years of service up through 10 years, plus one and three-quarters
17 [ONE-HALF] per cent of his average monthly compensation times his years
18 of service from 11 through 20, plus two per cent of his average monthly
19 compensation times his years of service over 20 years.

20 * Sec. 6. AS 39.35.380(a) is amended to read:

21 (a) An employee, other than a peace officer or fireman, is eligi-
22 ble for an early retirement pension [IF HIS EMPLOYMENT IS TERMINATED]
23 on or after his 55th birthday and after he completes five [EIGHT] or
24 more years of credited service. A peace officer or fireman is eligible
25 for an early retirement pension [IF HIS EMPLOYMENT IS TERMINATED] on or
26 after his 50th birthday and after he completes five [EIGHT] or more
27 years of credited service as a peace officer or fireman.

28 * Sec. 7. AS 39.35.390 is amended to read:

29 Sec. 39.35.390. DEFERRED RETIREMENT BENEFIT. (a) An employee

1 is eligible for a deferred vested retirement benefit if his employment
2 is terminated on or after attainment of five [EIGHT] years accredited
3 service and he does not withdraw the balance in his employee contribu-
4 tion account.

5 (b) Payment of the deferred pension shall begin upon the first
6 day of the month coinciding with or following the employee's normal
7 retirement date and after he applies for the pension. The last pay-
8 ment shall be made as of the first day of the month in which the death
9 of the retired employee occurs.

10 (c) The monthly amount of the normal retirement pension shall
11 be determined in accordance with sec. 370(c) of this chapter as it is
12 in effect on the date of his termination of employment, considering
13 the employee's credited service and compensation before his termina-
14 tion of employment. If his benefit begins before his normal retirement
15 date, the benefit shall be reduced to the actuarial equivalent.

16 (d) An employee is not entitled to a deferred pension unless
17 an application for it is filed with the board on or after he reaches his
18 early [NORMAL] retirement date and before he attains age 70. If
19 the employee fails to apply for a deferred retirement benefit before
20 he becomes 70 years of age, he is eligible for a refund as if his
21 employment had terminated for a reason other than death at age 70
22 under secs. 200 - 220 of this chapter.

23 (e) An employee who is eligible for a deferred retirement benefit
24 who applies for this benefit on or after he reaches his normal retire-
25 ment date may elect a joint and survivor option under the same terms
26 and conditions as set out in sec. 450 of this chapter.

27 * Sec. 8. AS 39.35.400(a) is amended to read:

28 (a) An employee is eligible for a nonoccupational disability
29 pension if his employment is terminated because of a nonoccupational

1 disability before his normal retirement date and after five [EIGHT] or
2 more years of credited service.

3 * Sec. 9. AS 39.35.420 is amended to read:

4 Sec. 39.35.420. NONOCCUPATIONAL DEATH BENEFITS. If the death of
5 an employee occurs before his retirement, but after he has completed at
6 least one year of credited service, and the employee's survivor is not
7 entitled to a surviving spouse's pension under sec. 430 of this chapter,
8 a lump sum death benefit shall be paid to the beneficiary of the em-
9 ployee. The amount of the lump sum death benefit shall be \$1,000 plus
10 \$100 for each year of credited service. The lump sum death benefit is
11 in addition to a refund of the balance of the employee contribution
12 account of the deceased employee under sec. 210 of this chapter.

13 * Sec. 10. AS 39.35.450(c) is amended to read:

14 (c) An employee may elect, change, or revoke an option without
15 the approval of the board if his election, change, or revocation is
16 filed in writing with the board at least 30 days before his [NORMAL]
17 retirement date. The option may not be elected, changed, or revoked
18 after the 30 day period begins.

19 * Sec. 11. AS 39.35.475 is amended to read:

20 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. When the
21 commissioner of administration determines that the cost of living has
22 increased and the financial condition of the retirement fund permits,
23 he will recommend to the retirement board increased pension payments to
24 retired employees, spouses or other beneficiaries to reflect this in-
25 crease in the cost of living and the board may adopt the increase by
26 regulation. The amount of the increase may not exceed four [ONE AND
27 ONE-HALF] per cent for each year of retirement. A retired employee
28 shall first be eligible for an increase at the end of the year follow-
29 ing the year of his retirement. Increases shall be effective on and

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paid beginning the first day of January.

* Sec. 12. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.485. MINIMUM BENEFIT. An employee whose termination occurred before July 1, 1972 and who is eligible for a benefit calculated in accordance with sec. 370(c) of this chapter is entitled to a benefit of at least \$10 a month for each year of credited service, not including adjustments made under secs. 380, 410, 450, 475 and 480.

* Sec. 13. This Act takes effect on July 1, 1972.

A M E N D M E N T

IN THE HOUSE

BY SWANSON

TO: CS FOR SENATE BILL NO. 264

Page 4, between lines 7 and 8 insert the following:

* Sec. 12. AS 39.35.150 is amended to read:

Sec. 39.35.150. RE-EMPLOYMENT OF VESTED OR RETIRED EMPLOYEES.

(a) If a retired employee is re-employed on a temporary or a regular full-time basis by an employer, no pension payments may be made during the period of re-employment. During the period of re-employment, deductions from salary may be made at the option of the temporary or full-time vested or retired employee for contributions to the retirement fund as provided in sec. 160 of this chapter. Upon the subsequent retirement of the retired employee, he is entitled to receive a pension based on his credited service and compensation before the date of his previous retirement. If a previously vested or retired employee [AND, IF HE] elects to make contributions to the fund during his re-employment, his additional credited service and compensation during the period of re-employment shall be included to determine his final retirement benefit.

(b) In the case of re-employment of an employee who retires under sec. 370(c) or 380 of this chapter, the pension payable upon the employee's subsequent retirement shall be reduced by the actuarial equivalent of early retirement benefits previously received by the employee.

Page 4, line 8 change " * Sec. 12" to read " * Sec. 13"

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 31, 1972

SUBJECT: Committee Substitute for
Senate Bill No. 264

In rechecking the above noted bill with my notes requesting the original amendments, I note the section pertaining to vesting (AS 39.35.390) was omitted.

This section is also to be amended to reduce the service requirement from 8 to 5 years.



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

6/26/72

_____ Date

Mr. Speaker

The Committee on FINANCE has had SB 275 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>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

[Signature]
CHAIRMAN



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

"An Act providing for the issuance of general obligation bonds in the amount of \$33 million for the purpose of paying the cost of capital improvements for water supply and sewerage systems; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

3/23/72

_____ Date

Mr. Speaker

The Committee on SB FINANCE has had SB 277 on

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) [Handwritten Signature]

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:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

[Signature]
CHAIRMAN

Introduced: 1/14/72
Referred: State Affairs;
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 277

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$33,000,000 for the
8 purpose of paying the cost of capital improvements for
9 water supply and sewerage systems; and providing for
10 an effective date."

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

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for water supply and sewerage systems, general obligation bonds of the state
14 in the principal amount of not more than \$33,000,000 shall be issued and
15 sold. The full faith, credit and resources of the state are pledged to the
16 payment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1972
21 Water Supply and Sewerage System Construction Fund" shall be established,
22 to which shall be credited the proceeds of the sale of the bonds described
23 in sec. 1 of this Act except for the accrued interest and premiums. There
24 is appropriated from the "1972 Water Supply and Sewerage System Construction
25 Fund" to the Department of Environmental Conservation the sum of
26 \$33,000,000. The specific uses of the proceeds of these bonds shall be
27 determined by the governor in accordance with AS 46.03.030 except that
28 \$1,000,000 of the proceeds shall be used in funding the Village Safe Water
29 Act of 1970 (AS 46.07.010 - 46.07.080).

1 * Sec. 3. If the issuance of these bonds is authorized by the qualified
2 voters of the state, the amount of \$115,500 or as much of that amount as is
3 found necessary is appropriated from the general fund of the state to the
4 state bond committee to carry out the provisions of this Act and to pay
5 expenses incident to the sale and issuance of the bonds authorized in this
6 Act. The amounts expended from the appropriation authorized by this section
7 shall be reimbursed to the general fund from the proceeds of the sale of
8 the bonds authorized by this Act.

9 * Sec. 4. The question whether the bonds authorized in this Act are to
10 be issued shall be submitted to the qualified voters of the state at the
11 next state general election and shall read substantially as follows:

12 Proposition

13 State General Obligation Water Supply and Sewerage
14 System Construction Bonds \$33,000,000

15 Shall the State of Alaska issue its general obligation bonds
16 in the principal amount of not more than \$33,000,000 for the
17 purpose of paying the cost of capital improvements for water
18 supply and sewerage systems?

19 Bonds Yes []

20 Bonds No []

21 * Sec. 5. This Act takes effect on the day after its passage and
22 approval or on the day it becomes law without approval.
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