

LEG. FINANCE - BILLS 1975 - 1976 500

SB 46 thru SB 48 500



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 O. Smith
Signature of Camera Operator

2/8/90
Date

COMMITTEE REPORT

SENATE

3/24/75

Mr. President:

Date _____

The Committee on FINANCE has had SB 116 relating to the teachers' retirement system 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 HFSS 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

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Committee Substitute for SB 46

Title: An Act Relating to the Teacher's Retirement System

Requested by: Senate HESS Date: 3-11-75

Return Date Requested: ASAP

Agency: Administration-Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U of A, SOS, DOE, and TRS Match.

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-	4.2	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	7.0	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS	-0-	624.3	661.7	701.4	743.5	788.1
TOTAL	-0-	635.5	661.7	701.4	743.5	788.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	100%	-0-	635.5	661.7	701.4	743.5	788.1
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	0/1	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	0/0	0/3	0/0	0/0	0/0	0/0

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

1. It is assumed that covered payroll will increase at six percent per annum.
2. Increase in the state-Employer contribution rate will be .86%

IV. ATTACHMENTS

Appendix I and II.

V. DATE: March 12, 1975

PREPARED BY: 

Robert S. Gates, Director
Division of Retirement & Benefits

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

APPENDIX I -- CS for SB 46

TRS ---

1. Estimated FY 76 Payroll (Total) = \$106,797,000.
2. Increase in Employer Contribution Rate = .86%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
State-Operated Schools -----	18,425,980	x .86%	\$158,463
University of Alaska	18,156,740	x .86%	\$156,148
Department of Education	1,809,420	x .86%	\$ 15,561
Local School Districts	68,404,980	x .43%	<u>\$294,141</u>
Total Cost to State of Alaska			<u>\$624,313*</u>

Distribution of Appropriation for TRS

1. State-Operated Schools ----- \$158,463 to Their Budget
2. University of Alaska ----- \$ 78,074 to Their Budget
78,074 to TRS Match
3. Department of Education----- \$ 15,561 to Their Budget
4. Local School District ----- \$294,141 to TRS Match

* Does not include cost to local school districts which would be \$294,141 for Fiscal Year 1976.

APPENDIX II -- CS for SB 46

The following administrative funds would be required to implement the provisions of CS for SB 46:

1. Personal Services - one temporary position - Benefit Field Representative (range 16) for a 3 month period.

Monthly Salary - \$1,293 x 3 =	\$3,879
plus 7½% benefits	<u>281</u>
	<u>\$4,160</u>

2. Modification to data processing system = \$7,000

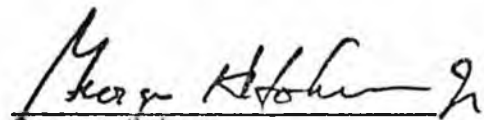
SENATE JOURNAL

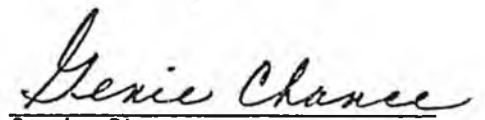
COMMITTEE REPORT ON COMMITTEE SUBSTITUTE SENATE BILL 46

Committee Substitute for Senate Bill 46, relating to teachers' retirement system, provides for teacher retirement at age 55. It is the intent of the Senate Health, Education and Social Services Committee, in passing out this bill, to make all teacher retirement laws consistent with the age 55 concept. It also allows for retirement after 20 years of Alaskan service at any age.

It is also the intent of this bill to increase the membership service needed to qualify for retirement to eight years from five.

The Senate Health, Education and Social Services Committee feels this bill is important to teachers throughout the State.


George Hohman
Chairman
Senate Health, Education
and Social Services Committee


Genie Chance
Vice Chairman
Senate Health, Education
and Social Services Committee

R.R.4, Box 4629
Juneau, Alaska 99801
March 21, 1975

Chairman
Finance Committee
Alaska State Senate
Juneau, Alaska 99801

Chairman
H.E.S.S.
Alaska Legislature
Juneau, Alaska 99801

Dear Legislators:

I definitely will appreciate your bringing the following matter to the attention of your Committees, and to all legislators who are involved with the following piece of legislation:

Senate Bill No. 46 For an Act entitled: "An Act relating to the teachers' retirement system; and providing for an effective date."

Senate Bill No.46 In rewritten version fails to consider those of us in membership service, planning to retire eventually on 15 years of creditable service (5 of which were expected to be Alaskan membership service). We entered education in Alaska in good faith under the provision that all that was required in order to be eligible for eventual deferred vested retirement in terms of Alaskan years were 5 such years. I have paid back for "outside years" (10) and am counting on not having to spend more than the five promised years in Alaska. Now I believe you are changing all that.

Your amended bill would now require 8 years Alaskan service for those of us in service now working toward the 5 as was previously promised to be adequate. This comprises an unfair extension and I wish to object. I DO love Alaska but I also know that in my case I should surely return to the lower 48 for personal reasons. I am in my fourth year of service here now as principal of Marie Drake Jr. High in Juneau.

There is a way around this dilemma, and a simple one, and one which would keep good faith to those of us in service hired under the five year provisions:

I RESPECTFULLY SUGGEST, URGE YOU TO:

1. Keep the ORIGINAL Senate Bill No. 46 INTACT for presently working Alaskan educators.
2. Insert the statement "eight years for membership service beginning initially after July 1, 1975" (SEE COPY OF BILL WHERE THIS IS INSERTED) (THIS WOULD ALLOW YOU TO REQUIRE EIGHT YEARS FOR NEW MEMBERSHIPS, AND STILL ALLOW THOSE OF US OLD MEMBERSHIPS TO WORK UNDER THE PROMISED PROVISION OF 5 ALASKAN YEARS.)
3. If you wish, also insert the statement "eight years for membership service for ALL memberships will be required beginning as of July 1, 1980." THIS WOULD ALLOW THE PRESENT EDUCATORS IN ALASKA IN THEIR 1st, 2nd, 3rd, 4th, or 5th ALASKAN YEAR, UNDER THE PROMISE THAT 5 ALASKAN PLUS 10 OUTSIDE YEARS WOULD EVENTUALLY MEAN FULL RETIREMENT, TO ACHIEVE GOAL AS PROMISED. HAVING THIS GIVEN BUT NOTICE, YOU COULD HONORABLY PUT ALL ALASKAN TEACHERS ON THE 8 YEAR DEFERRED, AS OF 1980.

TO DO THESE THINGS WOULD BE FAIR TO THOSE OF US WORKING TOWARD A LEGISLATED PROMISE. ONLY TO FIND THAT THE PROMISEMENT IS ABOUT TO BE EXTENDED. THIS BECOMES LIKE THE PROVERBIAL CARROT -- THE GOAL IS BEING MOVED OUT OF PROMISED REACH, AND THERE IS NO ASSURANCE THAT IT WON'T HAPPEN AGAIN!
I URGE YOU TO BE FAITHFUL TO PREVIOUSLY LEGISLATED PROMISES.

Respectfully,

Robert M. Barnack

The intent of our new bill can be incorporated into this and still maintain the provisions enacted for Alaska, and relying upon not losing what was promised.

Introduced: 1/23/75
Referred: Health, Education and Social Services and Finance

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

SENATE BILL NO. 46

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the teachers' retirement system; and providing for an effective date."

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

* Section 1. AS 14.25.110(a) is amended to read:

(a) A teacher is eligible for normal retirement if he has completed either (1) at least 15 years of creditable service, ~~the last~~ (eight for membership service beginning after July 1, 1975 initially) five of which have been membership service, and has attained the age of 25 [60] years, or (2) at least eight years of membership service and has attained the age of 55 [60] years, or (3) at least 20 [25] years of creditable service, ~~the last~~ (20 for membership service beginning after July 1, 1975 initially) five of which have been membership service.

* Sec. 2. AS 14.25.110(L) is amended to read:

(b) A teacher is eligible for early retirement if he has completed either of the service requirements in (a)(1) or (a)(2) of this section and has attained the age of 50 [55] years.

* Sec. 3. AS 14.25.110(d) is amended to read:

(d) A retired teacher who has been receiving a disability retirement salary is eligible for a service retirement salary upon attaining 55 [60] years of age.

* Sec. 4. AS 14.25.170(e)(4) is amended to read:

(4) If the teacher is not eligible for normal retirement, but is eligible for early retirement, as defined in sec. 110(a) and (b) of this chapter, on the date when application for retirement salary is filed, his annual retirement salary is the amount that would be due and owing to the teacher if he were at least 55 [60], reduced by the amount derived

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from the following computations: multiply one-half of one per cent times the number of months, to the nearest month, by which the applicant's attained age on the date of filing application falls short of 55 [60] years, times the amount of annual retirement salary that would be due and owing the teacher if he were at least 55 [60] years of age.

* Sec. 5. AS 14.25.120(c)(8) is amended to read:

(8) During a period of re-employment following retirement, deductions from salary may be made at the option of the teacher for contributions to the retirement fund as provided in sec. 50 of this chapter. If deductions are made, the annual amount of retirement salary shall be increased when the teacher again retires from active membership service, by adding to the annual amount previously payable, an amount equal to two per cent of the teacher's base salary for the period of re-employment. However, if the teacher has not attained the age of 55 [60] on the date when payment of retirement salary is resumed, the additional amount provided for in this paragraph shall be reduced by the amount derived from the following computations: multiply one-half of one per cent times the number of months, to the nearest month, by which the teacher's attained age on the date of subsequent retirement falls short of 55 [60] years, times the additional amount provided in this paragraph.

* Sec. 6. AS 14.25.120(d) is amended to read:

(d) A teacher who was receiving a service retirement salary on July 1, 1955, shall receive an additional \$50 a month for life, payable on the first day of each month, if the teacher was at least 55 [60] years of age on July 1, 1955.

* Sec. 7. AS 14.25.130(a) is amended to read:

(a) A teacher in membership service who has become permanently disabled, as defined in sec. 220 of this chapter, before age 55 [60] and

1 who has had five or more membership years may be retired by the adminis-
2 trator as of the first day of the month following the permanent dis-
3 ability. The administrator, after a report of medical examination of
4 the teacher and other information the administrator may request
5 has been submitted, shall certify that the teacher is physically or
6 mentally incapacitated for the further performance of duty, and
7 that the incapacity is likely to be permanent and that the teacher
8 should be retired.

9 * Sec. 8. AS 14.25.135(b) is amended to read:

10 (b) Payment of the deferred benefit shall begin on the first day
11 of the month coinciding with or following the teacher's 55th [60TH]
12 birthday or the first day of the month in which his application for
13 deferred benefit is filed with the administrator, whichever is later.
14 The last payment shall be made as of the first day of the month in which
15 the death of the retired teacher occurs.

16 * Sec. 9. AS 14.25.135(d) is amended to read:

17 (d) A teacher is not entitled to a deferred benefit unless an
18 application for it is filed with the administrator not later than his
19 70th birthday. If the application is received after his 55th [60TH]
20 birthday but on or before his 70th birthday, no retroactive payment may
21 be made for the months preceding the month in which the application is
22 received.

23 * Sec. 10. AS 14.25.137(b) is amended to read:

24 (b) Payment of the deferred vested retirement benefit shall begin
25 on the first day of the month coinciding with or next following the
26 teacher's 55th [60TH] birthday or the first day of the month in which his
27 application for deferred vested benefit is filed with the administrator,
28 whichever is later. The last payment shall be made as of the first day
29 of the month in which the death of the teacher occurs.

1 *Sec. 11. AS 14.25.137(d) is amended to read:

2 (d) An application for deferred vested benefit shall not be con-
3 sidered unless application is made not more than six months before the
4 teacher's 55th [60TH] birthday and not later than the teacher's 70th
5 birthday.

6 * Sec. 12. AS 14.25.140(b) is amended to read:

7 (b) The payment made on the first day of the month in which the
8 disabled teacher recovers from his disability, dies or attains age 55
9 [60] constitutes the last payment.

10 * Sec. 13. AS 14.25.164(b) is amended to read:

11 (b) The spouse's pension is payable on the first day of each
12 month, commencing with the first day of the month coinciding with or
13 next following the month in which the spouse attains age 55 [60], unless
14 the spouse is totally and permanently disabled, as defined in sec. 220
15 of this chapter, before age 55 [60]. If the spouse is totally and per-
16 manently disabled from engaging in a regular remunerative occupation or
17 employment, the spouse's pension shall commence on the first of the
18 month coinciding with or next following the teacher's death, or the date
19 of disability, whichever is later. If the spouse ceases to be totally
20 and permanently disabled before age 55 [60], the pension shall be sus-
21 pended until the spouse again becomes eligible for the pension because of
22 age. The payment on the first day of the month in which the spouse dies
23 or remarries constitutes the last payment.

24 * Sec. 14. AS 14.25.220(23) is amended to read:

25 (23) "normal retirement" means retirement after:

26 (A) completing at least 15 years of creditable service,
27 ~~including~~ ^{eight, if membership was acquired initially, & (as of July 1, 1975)}
28 five of which have been membership service, and attaining
29 the age of 55 [60] years; or

(B) completing at least eight years of membership service

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and attaining the age of 55 [60] years; or

(C) completing at least 20 [25] years of creditable service, ~~the last~~ ^(20, for membership service beginning initially after July 1, 1975) five of which are membership service;

* Sec. 15. AS 14.25.220(24) is amended to read:

(24) "early retirement" means retirement after attaining the age of 50 [55] years and completing either:

(A) at least 15 years of creditable service, ~~the last~~ ^(eight, for membership service beginning initially after July 1, 1975) five of which have been membership service; or

(B) at least eight years of membership service;

* Sec. 16. This Act takes effect July 1, 1975.

Original sponsor: Health, Education
and Social Services Committee

Offered: 3/24/75
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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CS FOR SENATE BILL NO. 46

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to the teachers' retirement system;
7 and providing for an effective date."

8

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

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* Section 1. AS 14.25.110(a) is amended to read:

10

(a) A teacher is eligible for normal retirement if he has com-
11 pleted either

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(1) at least 15 years of creditable service of which, if the
13 date of normal retirement is: (A) before July 1, 1976, the last five
14 must have been membership service; (B) before July 1, 1977, the last
15 six must have been membership service; (C) before July 1, 1978, the
16 last seven must have been membership service; (D) subsequent to June 30,
17 1973, the last eight must have been membership service [, THE LAST FIVE
18 OF WHICH HAVE BEEN MEMBERSHIP SERVICE], and has attained the age of 55
19 [60] years, or

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(2) at least eight years of membership service and has
21 attained the age of 55 [60] years, or

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(3) at least 25 years of creditable service, the last five of
23 which have been membership service, or

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(4) at least 20 years of membership service.

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* Sec. 2. AS 14.25.110(b) is amended to read:

26

(b) A teacher is eligible for early retirement if he has completed
27 either of the service requirements in (a)(1) or (a)(2) of this section
28 and has attained the age of 50 [55] years.

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* Sec. 3. AS 14.25.110(d) is amended to read:

1 (d) A retired teacher who has been receiving a disability retire-
2 ment salary is eligible for a service retirement salary upon attaining
3 55 [60] years of age.

4 * Sec. 4. AS 14.25.120(c)(4) is amended to read:

5 (4) If the teacher is not eligible for normal retirement, but
6 is eligible for early retirement, as defined in sec. 110(a) and (b) of
7 this chapter, on the date when application for retirement salary is
8 filed, his annual retirement salary is the amount that would be due and
9 owing to the teacher if he were at least 55 [60], reduced by the amount
10 derived from the following computations: multiply one-half of one per
11 cent times the number of months, to the nearest month, by which the
12 applicant's attained age on the date of filing application falls short
13 of 55 [60] years, times the amount of annual retirement salary that would
14 be due and owing the teacher if he were at least 55 [60] years of age.

15 * Sec. 5. AS 14.25.120(c)(8) is amended to read:

16 (8) During a period of re-employment following retirement, de-
17 ductions from salary may be made at the option of the teacher for con-
18 tributions to the retirement fund as provided in sec. 50 of this chapter.
19 If deductions are made, the annual amount of retirement salary shall be
20 increased when the teacher again retires from active membership service,
21 by adding to the annual amount previously payable, an amount equal to
22 two per cent of the teacher's base salary for the period of re-employ-
23 ment. However, if the teacher has not attained the age of 55 [60] on
24 the date when payment of retirement salary is resumed, the additional
25 amount provided for in this paragraph shall be reduced by the amount de-
26 rived from the following computations: multiply one-half of one per cent
27 times the number of months, to the nearest month, by which the teacher's
28 attained age on the date of subsequent retirement falls short of 55 [60]
29 years, times the additional amount provided in this paragraph.

1 * Sec. 6. AS 14.25.120(d) is amended to read:

2 (d) A teacher who was receiving a service retirement salary on
3 July 1, 1955, shall receive an additional \$50 a month for life, payable
4 on the first day of each month, if the teacher was at least 55 [60] years
5 of age on July 1, 1955.

6 * Sec. 7. AS 14.25.130(a) is amended to read:

7 (a) A teacher in membership service who has become permanently
8 disabled, as defined in sec. 220 of this chapter, before age 55 [60] and
9 who has had five or more membership years may be retired by the admini-
10 strator as of the first day of the month following the permanent dis-
11 ability. The administrator, after a report of medical examination of
12 the teacher and other information the administrator may request has been
13 submitted, shall certify that the teacher is physically or mentally
14 incapacitated for the further performance of duty, and that the incapa-
15 city is likely to be permanent and that the teacher should be retired.

16 * Sec. 8. AS 14.25.135 is amended to read:

17 Sec. 14.25.135. DEFERRED RETIREMENT BENEFIT. (a) A teacher is
18 eligible for a deferred benefit if:

19 (1) he terminates his employment on [IN] or after the date on
20 which his attained age and credited service total at least 70 [75]
21 years;

22 (2) he has completed at least 15 years of creditable service,
23 the last five [AT LEAST EIGHT] years of which have been in membership
24 service; and

25 (3) he does not withdraw his contributions to the retirement
26 fund.

27 (b) Payment of the deferred benefit shall begin on the first day
28 of the month coinciding with or following the teacher's 55th [60TH]
29 birthday or the first day of the month in which his application for

1 deferred benefit is filed with the administrator, whichever is later.
2 The last payment shall be made as of the first day of the month in which
3 the death of the retired teacher occurs.

4 (c) The monthly amount of a normal deferred benefit shall be deter-
5 mined in accordance with sec. 120 of this chapter as it is in effect on
6 the date of his termination of employment, considering the teacher's
7 credited service and compensation before his termination of employment.
8 If his benefit begins before his normal retirement date, the benefit
9 shall be reduced to the actuarial equivalent.

10 (d) A teacher is not entitled to a deferred benefit unless an
11 application for it is filed with the administrator on or after the
12 teacher reaches his early retirement date and before he attains [NOT
13 LATER THAN] his 70th birthday. If the application is received after
14 his 55th [60TH] birthday but on or before his 70th birthday, no retro-
15 active payment may be made for the months preceding the month in which
16 the application is received.

17 * Sec. 9. AS 14.25.137(b), (c) and (d) are amended to read:

18 (b) Payment of the deferred vested retirement benefit shall begin
19 on the first day of the month coinciding with or next following the
20 teacher's 55th [60TH] birthday or the first day of the month in which
21 his application for deferred vested benefit is filed with the administra-
22 tor, whichever is later. The last payment shall be made as of the first
23 day of the month in which the death of the teacher occurs.

24 (c) The monthly amount of the deferred vested benefit shall be
25 determined in accordance with sec. 120 of this chapter as it is in effect
26 on the date of the teacher's termination of his employment, considering
27 the teacher's credited service and compensation before his termination
28 of employment. If his benefit begins before his normal retirement date,
29 the benefit shall be reduced to the actuarial equivalent.

1 (d) An application for deferred vested benefit shall not be con-
2 sidered unless application is made on or after the teacher reaches his
3 early retirement date and before he attains his [NOT MORE THAN SIX MONTHS
4 BEFORE THE TEACHER'S 60TH BIRTHDAY AND NOT LATER THAN THE TEACHER'S] 70th
5 birthday.

6 * Sec. 10. AS 14.25.140(b) is amended to read:

7 (b) The payment made on the first day of the month in which the
8 disabled teacher recovers from his disability, dies or attains age 55
9 [60] constitutes the last payment.

10 * Sec. 11. AS 14.25.164(b) is amended to read:

11 (b) The spouse's pension is payable on the first day of each
12 month, commencing with the first day of the month coinciding with or next
13 following the month in which the spouse attains age 55 [60], unless the
14 spouse is totally and permanently disabled, as defined in sec. 220 of
15 this chapter, before age 55 [60]. If the spouse is totally and per-
16 manently disabled from engaging in a regular remunerative occupation or
17 employment, the spouse's pension shall commence on the first of the month
18 coinciding with or next following the teacher's death, or the date of
19 disability, whichever is later. If the spouse ceases to be totally and
20 permanently disabled before age 55 [60], the pension shall be suspended
21 until the spouse again becomes eligible for the pension because of age.
22 The payment on the first day of the month in which the spouse dies or
23 remarries constitutes the last payment.

24 * Sec. 12. 14.25.220(23) is amended to read:

25 (23) "normal retirement" means retirement after:

26 (A) completing at least 15 years of creditable service of
27 which, if the date of normal retirement is: (i) before July 1,
28 1976, the last five must have been membership service; (ii) before
29 July 1, 1977, the last six must have been membership service;

1 ((iii) before July 1, 1978, the last seven must have been membership
2 service; (iv) subsequent to June 30, 1978, the last eight must
3 have been membership service [, THE LAST FIVE OF WHICH HAVE BEEN
4 MEMBERSHIP SERVICE], and attaining the age of 55 [60] years; or

5 (B) completing at least eight years of membership service
6 and attaining the age of 55 [60] years; or

7 (C) completing at least 25 years of creditable service,
8 the last five of which are membership service; or

9 (D) at least 20 years of membership service;

10 * Sec. 13. AS 14.25.220(24) is amended to read:

11 (24) "early retirement" means retirement after attaining the
12 age of 50 [55] years and completing either:

13 (A) at least 15 years of creditable service of which,
14 if the date of early retirement is: (i) before July 1, 1976,
15 the last five must have been membership service; (ii) before
16 July 1, 1977, the last six must have been membership service;
17 (iii) before July 1, 1978, the last seven must have been member-
18 ship service; (iv) subsequent to June 30, 1978, the last eight
19 must have been membership service [, THE LAST FIVE OF WHICH HAVE
20 BEEN MEMBERSHIP SERVICE,] or

21 (B) at least eight years of membership service;

22 * Sec. 14. This Act takes effect June 30, 1975.
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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 O. Smith
Signature of Camera Operator

2/8/90
Date

"An Act relating to the teachers' retirement system; and providing for an effective date."

COMMITTEE REPORT

5/13/75

HOUSE

Mr. Speaker:

Date 5/13/75

The Committee on FINANCE has had CS SB 46

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 254 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>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Original sponsor: Health, Education
and Social Services Committee

Offered: 3/24/75
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 46

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the teachers' retirement system;
7 and providing for an effective date."

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

9 * Section 1. AS 14.25.110(a) is amended to read:

10 (a) A teacher is eligible for normal retirement if he has com-
11 pleted either

12 (1) at least 15 years of creditable service of which, if the
13 date of normal retirement is: (A) before July 1, 1976, the last five
14 must have been membership service; (B) before July 1, 1977, the last
15 six must have been membership service; (C) before July 1, 1978, the
16 last seven must have been membership service; (D) subsequent to June 30,
17 1978, the last eight must have been membership service [, THE LAST FIVE
18 OF WHICH HAVE BEEN MEMBERSHIP SERVICE], and has attained the age of 55
19 [60] years, or

20 (2) at least eight years of membership service and has
21 attained the age of 55 [60] years, or

22 (3) at least 25 years of creditable service, the last five of
23 which have been membership service, or

24 (4) at least 20 years of membership service.

25 * Sec. 2. AS 14.25.110(b) is amended to read:

26 (b) A teacher is eligible for early retirement if he has completed
27 either of the service requirements in (a)(1) or (a)(2) of this section
28 and has attained the age of 50 [55] years.

29 * Sec. 3. AS 14.25.110(d) is amended to read:

1 (d) A retired teacher who has been receiving a disability retire-
2 ment salary is eligible for a service retirement salary upon attaining
3 55 [60] years of age.

4 * Sec. 4. AS 14.25.120(c)(4) is amended to read:

5 (4) If the teacher is not eligible for normal retirement, but
6 is eligible for early retirement, as defined in sec. 110(a) and (b) of
7 this chapter, on the date when application for retirement salary is
8 filed, his annual retirement salary is the amount that would be due and
9 owing to the teacher if he were at least 55 [60], reduced by the amount
10 derived from the following computations: multiply one-half of one per
11 cent times the number of months, to the nearest month, by which the
12 applicant's attained age on the date of filing application falls short
13 of 55 [60] years, times the amount of annual retirement salary that would
14 be due and owing the teacher if he were at least 55 [60] years of age.

15 * Sec. 5. AS 14.25.120(c)(8) is amended to read:

16 (8) During a period of re-employment following retirement, de-
17 ductions from salary may be made at the option of the teacher for con-
18 tributions to the retirement fund as provided in sec. 50 of this chapter.
19 If deductions are made, the annual amount of retirement salary shall be
20 increased when the teacher again retires from active membership service,
21 by adding to the annual amount previously payable, an amount equal to
22 two per cent of the teacher's base salary for the period of re-employ-
23 ment. However, if the teacher has not attained the age of 55 [60] on
24 the date when payment of retirement salary is resumed, the additional
25 amount provided for in this paragraph shall be reduced by the amount de-
26 rived from the following computations: multiply one-half of one per cent
27 times the number of months, to the nearest month, by which the teacher's
28 attained age on the date of subsequent retirement falls short of 55 [60]
29 years, times the additional amount provided in this paragraph.

1 * Sec. 6. AS 14.25.120(d) is amended to read:

2 (d) A teacher who was receiving a service retirement salary on
3 July 1, 1955, shall receive an additional \$50 a month for life, payable
4 on the first day of each month, if the teacher was at least 55 [60] years
5 of age on July 1, 1955.

6 * Sec. 7. AS 14.25.130(a) is amended to read:

7 (a) A teacher in membership service who has become permanently
8 disabled, as defined in sec. 220 of this chapter, before age 55 [60] and
9 who has had five or more membership years may be retired by the admini-
10 strator as of the first day of the month following the permanent dis-
11 ability. The administrator, after a report of medical examination of
12 the teacher and other information the administrator may request has been
13 submitted, shall certify that the teacher is physically or mentally
14 incapacitated for the further performance of duty, and that the incapa-
15 city is likely to be permanent and that the teacher should be retired.

16 * Sec. 8. AS 14.25.135 is amended to read:

17 Sec. 14.25.135. DEFERRED RETIREMENT BENEFIT. (a) A teacher is
18 eligible for a deferred benefit if:

19 (1) he terminates his employment on [IN] or after the date on
20 which his attained age and credited service total at least 70 [75]
21 years;

22 (2) he has completed at least 15 years of creditable service,
23 the last five [AT LEAST EIGHT] years of which have been in membership
24 service; and

25 (3) he does not withdraw his contributions to the retirement
26 fund.

27 (b) Payment of the deferred benefit shall begin on the first day
28 of the month coinciding with or following the teacher's 55th [60TH]
29 birthday or the first day of the month in which his application for

1 deferred benefit is filed with the administrator, whichever is later.
2 The last payment shall be made as of the first day of the month in which
3 the death of the retired teacher occurs.

4 (c) The monthly amount of a normal deferred benefit shall be deter-
5 mined in accordance with sec. 120 of this chapter as it is in effect on
6 the date of his termination of employment, considering the teacher's
7 credited service and compensation before his termination of employment.
8 If his benefit begins before his normal retirement date, the benefit
9 shall be reduced to the actuarial equivalent.

10 (d) A teacher is not entitled to a deferred benefit unless an
11 application for it is filed with the administrator on or after the
12 teacher reaches his early retirement date and before he attains [NOT
13 LATER THAN] his 70th birthday. If the application is received after
14 his 55th [60TH] birthday but on or before his 70th birthday, no retro-
15 active payment may be made for the months preceding the month in which
16 the application is received.

17 * Sec. 9. AS 14.25.137(b), (c) and (d) are amended to read:

18 (b) Payment of the deferred vested retirement benefit shall begin
19 on the first day of the month coinciding with or next following the
20 teacher's 55th [60TH] birthday or the first day of the month in which
21 his application for deferred vested benefit is filed with the administra-
22 tor, whichever is later. The last payment shall be made as of the first
23 day of the month in which the death of the teacher occurs.

24 (c) The monthly amount of the deferred vested benefit shall be
25 determined in accordance with sec. 120 of this chapter as it is in effect
26 on the date of the teacher's termination of his employment, considering
27 the teacher's credited service and compensation before his termination
28 of employment. If his benefit begins before his normal retirement date,
29 the benefit shall be reduced to the actuarial equivalent.

1 (d) An application for deferred vested benefit shall not be con-
2 sidered unless application is made on or after the teacher reaches his
3 early retirement date and before he attains his [NOT MORE THAN SIX MONTHS
4 BEFORE THE TEACHER'S 60TH BIRTHDAY AND NOT LATER THAN THE TEACHER'S] 70th
5 birthday.

6 * Sec. 10. AS 14.25.140(b) is amended to read:

7 (b) The payment made on the first day of the month in which the
8 disabled teacher recovers from his disability, dies or attains age 55
9 [60] constitutes the last payment.

10 * Sec. 11. AS 14.25.164(b) is amended to read:

11 (b) The spouse's pension is payable on the first day of each
12 month, commencing with the first day of the month coinciding with or next
13 following the month in which the spouse attains age 55 [60], unless the
14 spouse is totally and permanently disabled, as defined in sec. 220 of
15 this chapter, before age 55 [60]. If the spouse is totally and per-
16 manently disabled from engaging in a regular remunerative occupation or
17 employment, the spouse's pension shall commence on the first of the month
18 coinciding with or next following the teacher's death, or the date of
19 disability, whichever is later. If the spouse ceases to be totally and
20 permanently disabled before age 55 [60], the pension shall be suspended
21 until the spouse again becomes eligible for the pension because of age.
22 The payment on the first day of the month in which the spouse dies or
23 remarries constitutes the last payment.

24 * Sec. 12. 14.25.220(23) is amended to read:

25 (23) "normal retirement" means retirement after:

26 (A) completing at least 15 years of creditable service of
27 which, if the date of normal retirement is: (i) before July 1,
28 1976, the last five must have been membership service; (ii) before
29 July 1, 1977, the last six must have been membership service;

1 ((iii) before July 1, 1978, the last seven must have been membership
2 service; (iv) subsequent to June 30, 1978, the last eight must
3 have been membership service [, THE LAST FIVE OF WHICH HAVE BEEN
4 MEMBERSHIP SERVICE], and attaining the age of 55 [60] years; or

5 (B) completing at least eight years of membership service
6 and attaining the age of 55 [60] years; or

7 (C) completing at least 25 years of creditable service,
8 the last five of which are membership service; or

9 (D) at least 20 years of membership service;

10 * Sec. 13. AS 14.25.220(24) is amended to read:

11 (24) "early retirement" means retirement after attaining the
12 age of 50 [55] years and completing either:

13 (A) at least 15 years of creditable service of which,
14 if the date of early retirement is: (i) before July 1, 1976,
15 the last five must have been membership service; (ii) before
16 July 1, 1977, the last six must have been membership service;
17 (iii) before July 1, 1978, the last seven must have been member-
18 ship service; (iv) subsequent to June 30, 1978, the last eight
19 must have been membership service [, THE LAST FIVE OF WHICH HAVE
20 BEEN MEMBERSHIP SERVICE,] or

21 (B) at least eight years of membership service;

22 * Sec. 14. This Act takes effect June 30, 1975.
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Introduced: 1/23/75
Referred: Health, Education
and Social Services and
Finance

IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

SENATE BILL NO. 46

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the teachers' retirement system;
and providing for an effective date."

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

*Section 1. AS 14.25.110(a) is amended to read:

(a) A teacher is eligible for normal retirement if he has completed either (1) at least 15 years of creditable service, the last five of which have been membership service, and has attained the age of 55 [60] years, or (2) at least eight years of membership service and has attained the age of 55 [60] years, or (3) at least 20 [25] years of creditable service, the last five of which have been membership service.

* Sec. 2. AS 14.25.110(b) is amended to read:

(b) A teacher is eligible for early retirement if he has completed either of the service requirements in (a)(1) or (a)(2) of this section and has attained the age of 50 [55] years.

* Sec. 3. AS 14.25.110(d) is amended to read:

(d) A retired teacher who has been receiving a disability retirement salary is eligible for a service retirement salary upon attaining 55 [60] years of age.

* Sec. 4. AS 14.25.120(c)(4) is amended to read:

(4) If the teacher is not eligible for normal retirement, but is eligible for early retirement, as defined in sec. 110(a) and (b) of this chapter, on the date when application for retirements salary is filed, his annual retirement salary is the amount that would be due and owing to the teacher if he were at least 55 [60], reduced by the amount derived

1 from the following computations: multiply one-half of one per cent times
2 the number of months, to the nearest month, by which the applicant's
3 attained age on the date of filing application falls short of 55 [60]
4 years, times the amount of annual retirement salary that would be due and
5 owing the teacher if he were at least 55 [60] years of age.

6 * Sec. 5. AS 14.25.120(c)(8) is amended to read:

7 (8) During a period of re-employment following retirement, de-
8 ductions from salary may be made at the option of the teacher for
9 contributions to the retirement fund as provided in sec. 50 of this
10 chapter. If deductions are made, the annual amount of retirement salary
11 shall be increased when the teacher again retires from active member-
12 ship service, by adding to the annual amount previously payable, an
13 amount equal to two per cent of the teacher's base salary for the period
14 of re-employment. However, if the teacher has not attained the age of
15 55 [60] on the date when payment of retirement salary is resumed, the
16 additional amount provided for in this paragraph shall be reduced by the
17 amount derived from the following computations: multiply one-half of
18 one per cent times the number of months, to the nearest month, by which
19 the teacher's attained age on the date of subsequent retirement falls
20 short of 55 [60] years, times the additional amount provided in this
21 paragraph.

22 * Sec. 6. AS 14.25.120(d) is amended to read:

23 (d) A teacher who was receiving a service retirement salary on
24 July 1, 1955, shall receive an additional \$50 a month for life, payable
25 on the first day of each month, if the teacher was at least 55 [60]
26 years of age on July 1, 1955.

27 * Sec. 7. AS 14.25.130(a) is amended to read:

28 (a) A teacher in membership service who has become permanently
29 disabled, as defined in sec. 220 of this chapter, before age 55 [60] and

1 who has had five or more membership years may be retired by the adminis-
2 trator as of the first day of the month following the permanent dis-
3 ability. The administrator, after a report of medical examination of
4 the teacher and other information the administrator may request
5 has been submitted, shall certify that the teacher is physically or
6 mentally incapacitated for the further performance of duty, and
7 that the incapacity is likely to be permanent and that the teacher
8 should be retired.

9 * Sec. 8. AS 14.25.135(b) is amended to read:

10 (b) Payment of the deferred benefit shall begin on the first day
11 of the month coinciding with or following the teacher's 55th [60TH]
12 birthday or the first day of the month in which his application for
13 deferred benefit is filed with the administrator, whichever is later.
14 The last payment shall be made as of the first day of the month in which
15 the death of the retired teacher occurs.

16 * Sec. 9. AS 14.25.135(d) is amended to read:

17 (d) A teacher is not entitled to a deferred benefit unless an
18 application for it is filed with the administrator not later than his
19 70th birthday. If the application is received after his 55th [60TH]
20 birthday but on or before his 70th birthday, no retroactive payment may
21 be made for the months preceding the month in which the application is
22 received.

23 * Sec. 10. AS 14.25.137(b) is amended to read:

24 (b) Payment of the deferred vested retirement benefit shall begin
25 on the first day of the month coinciding with or next following the
26 teacher's 55th [60TH] birthday or the first day of the month in which his
27 application for deferred vested benefit is filed with the administrator,
28 whichever is later. The last payment shall be made as of the first day
29 of the month in which the death of the teacher occurs.

1 *Sec. 11. AS 14.25.137(d) is amended to read:

2 (d) An application for deferred vested benefit shall not be con-
3 sidered unless application is made not more than six months before the
4 teacher's 55th [60TH] birthday and not later than the teacher's 70th
5 birthday.

6 * Sec. 12. AS 14.25.140(b) is amended to read:

7 (b) The payment made on the first day of the month in which the
8 disabled teacher recovers from his disability, dies or attains age 55
9 [60] constitutes the last payment.

10 * Sec. 13. AS 14.25.164(b) is amended to read:

11 (b) The spouse's pension is payable on the first day of each
12 month, commencing with the first day of the month coinciding with or
13 next following the month in which the spouse attains age 55 [60], unless
14 the spouse is totally and permanently disabled, as defined in sec. 220
15 of this chapter, before age 55 [60]. If the spouse is totally and per-
16 manently disabled from engaging in a regular remunerative occupation or
17 employment, the spouse's pension shall commence on the first of the
18 month coinciding with or next following the teacher's death, or the date
19 of disability, whichever is later. If the spouse ceases to be totally
20 and permanently disabled before age 55 [60], the pension shall be sus-
21 pended until the spouse again become eligible for the pension because of
22 age. The payment on the first day of the month in which the spouse dies
23 or remarries constitutes the last payment.

24 * Sec. 14. AS 14.25.220(23) is amended to read:

25 (23) "normal retirement" means retirement after:

26 (A) completing at least 15 years of creditable service,
27 the last five of which have been membership service, and attaining
28 the age of 55 [60] years; or

29 (B) completing at least eight years of membership service

1 and attaining the age of 55 [60] years; or

2 (C) completing at least 20 [25] years of creditable
3 service, the last five of which are membership service;

4 * Sec. 15. AS 14.25.220(24) is amended to read:

5 (24) "early retirement" means retirement after attaining the
6 age of 50 [55] years and completing either:

7 (A) at least 15 years of creditable service, the last
8 five of which have been membership service, or

9 (B) at least eight years of membership service;

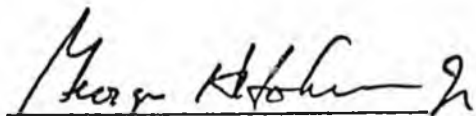
10 * Sec. 16. This Act takes effect July 1, 1975.
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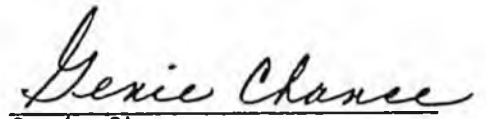
COMMITTEE REPORT ON COMMITTEE SUBSTITUTE SENATE BILL 46

Committee Substitute for Senate Bill 46, relating to teachers' retirement system, provides for teacher retirement at age 55. It is the intent of the Senate Health, Education and Social Services Committee, in passing out this bill, to make all teacher retirement laws consistent with the age 55 concept. It also allows for retirement after 20 years of Alaskan service at any age.

It is also the intent of this bill to increase the membership service needed to qualify for retirement to eight years from five.

The Senate Health, Education and Social Services Committee feels this bill is important to teachers throughout the State.


George Hohman
Chairman
Senate Health, Education
and Social Services Committee


Genie Chance
Vice Chairman
Senate Health, Education
and Social Services Committee

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Committee Substitute for SB 46

Title: An Act Relating to the Teacher's Retirement System

Requested by: Senate HESS Date: 3-11-75

Return Date Requested: ASAP

Agency: Administration-Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U of A, SOS, DOE, and TRS Match.

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-	4.2	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	7.0	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS	-0-	624.3	661.7	701.4	743.5	788.1
TOTAL	-0-	635.5	661.7	701.4	743.5	788.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	100%	-0-	635.5	661.7	701.4	743.5	788.1
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	0/1	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	0/0	0/3	0/0	0/0	0/0	0/0

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

1. It is assumed that covered payroll will increase at six percent per annum.
2. Increase in the State-Employer contribution rate will be .86%

IV. ATTACHMENTS

Appendix I and II.

V. DATE: March 12, 1975

PREPARED BY: 

Robert S. Gates, Director
Division of Retirement & Benefits

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

APPENDIX I -- CS for SB 46

TRS ---

1. Estimated FY 76 Payroll (Total) = \$106,797,000.
2. Increase in Employer Contribution Rate = .86%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
State-Operated Schools -----	18,425,980	x .86%	\$158,463
University of Alaska	18,156,740	x .86%	\$156,148
Department of Education	1,809,420	x .86%	\$ 15,561
Local School Districts	68,404,980	x .43%	<u>\$294,141</u>
Total Cost to State of Alaska			<u>\$624,313*</u>

Distribution of Appropriation for TRS

1. State-Operated Schools ----- \$158,463 to Their Budget
2. University of Alaska ----- \$ 78,074 to Their Budget
78,074 to TRS Match
3. Department of Education----- \$ 15,561 to Their Budget
4. Local School District ----- \$294,141 to TRS Match

* Does not include cost to local school districts which would be \$294.141 for Fiscal Year 1976.

APPENDIX II -- CS for SB 46

The following administrative funds would be required to implement the provisions of CS for SB 46:

1. Personal Services - one temporary position - Benefit Field Representative (range 16) for a 3 month period.

Monthly Salary - \$1,293 x 3 =	\$3,879
plus 7 $\frac{1}{4}$ % benefits	<u>281</u>
	<u>\$4,160</u>

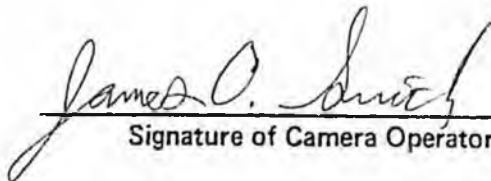
2. Modification to data processing system = \$7,000

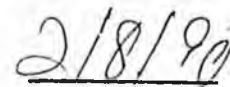


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

Committee Report

S E N A T E

1/21/70

_____ Date

Mr. President:

The Committee on _____ has had _____

under consideration. A majority of the members of the Committee

- recommends it to 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

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SB 47

Title: Appropriation for Capital Site Selection Committee

Requested by: Finance Committee Date: January 23, 1975

Return Date Requested: January 24, 1975

Agency: Office of the Governor Program: Capital Site Selection Committee

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Capital Site Selection Committee

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-					
200 TRAVEL	20.0					
300 CONTRACTUAL	225.0					
400 COMMODITIES	5.0					
500 EQUIPMENT	-0-					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	250.0					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

This request is to enable the Capital Site Selection Committee to begin work at once in order to meet their deadline. Funds should be continuing as project will not be completed until FY 76. Although a detailed budget will be presented in the near future, these funds are needed immediately.

IV. ATTACHMENTS

V. DATE: January 24, 1975 PREPARED BY: Wayne F. Weeks

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

Introduced: 1/23/75
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 47

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor for the Capital Site Selection
8 Committee; and providing for an effective date."

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

10 * Section 1. The sum of \$250,000 is appropriated from the general fund
11 to the Office of the Governor for operating expenses for the Capital Site
12 Selection Committee for the fiscal year ending June 30, 1975.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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Capital Site Selection Committee

840 K STREET, SUITE 205, ANCHORAGE, ALASKA, 99501; TEL.(907) 278-1585

FILES -

March 14, 1975

Honorable Bill Ray
Chairman, Senate Finance
Alaska State Senate
Pouch V
Juneau, Alaska 99811

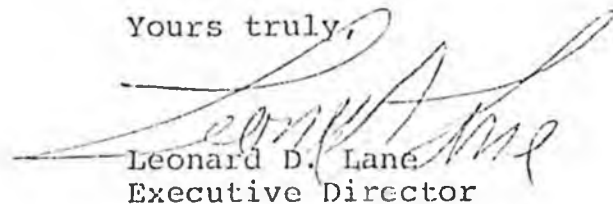
Dear Senator Ray:

At the conclusion of the joint Senate and House Finance Committee hearing on March 7, 1975, you requested the Capital Site Selection Committee provide you with a smaller copy of our process flow chart. I have enclosed that along with this letter.

In addition, in order to assist your committee in evaluating our fiscal 1975 supplemental appropriation I have included an analysis of our: 1) substantive costs, 2) support costs, 3) breakdown of consultant cost by task.

We hope these are of assistance to you in analyzing our supplemental request and we are prepared to appear before your committee to further answer your specific questions.

Yours truly,



Leonard D. Lane
Executive Director

Attachments

CAPITAL SITE SELECTION COMMITTEE

Analysis of Substantive Costs

Year ending June 30, 1975

Committee meetings:

Members' fees:

22 days in Anchorage @ \$800 per day	\$ 17,600
2 days in Fairbanks @ \$800 per day	1,600
Per diem members and staff	8,420
Travel costs members and staff	11,338
Meeting rooms \$150 per day	5,100
Transcripts of meeting (including reproduction)	<u>8,000</u>

\$ 52,058

Public hearings:

Members' fees

2 days in Anchorage
 2 days in Fairbanks
 2 days in Juneau
2 days in Nome

8 days @ \$800 per day

6,400

Per diem members and staff

4,010

Travel members and staff

5,919

Meeting rooms \$150 per day

1,200

Transcripts of hearings (including reproduction)

4,000

Films and supplies for video taping hearings

64 hours @ \$40 per hour

2,560

\$ 24,089

Site inspection:

Members' fees 2 @ \$800

3,200

Per diem members and staff

2,400

Aircraft charter

5,160

\$ 10,760

Public awareness:

Public information packages 3 @ \$5,000

\$ 15,000

Miscellaneous \$1,000 per month for 6 months

\$ 6,000

CAPITAL SITE SELECTION COMMITTEE

Analysis of Support Cost

Year ending June 30, 1975

Staff salaries:		
Executive Director 6 months @ \$3,540		\$ 21,240
Consultant to the Executive Director 4 months @ \$2,950		11,800
Public Information Officer 4 months @ \$2,458		9,833
Secretary 6 months @ \$1,325		7,952
Clerk-typist 4 months @ \$1,127		<u>4,507</u>
		\$ <u>55,332</u>
Legal fees 40 hours per month @ \$50 per hour for 6 months for services not provided by Attorney General		12,000
Accounting fee for preparation and analysis of budget and month-end bookkeeping assistance		<u>3,750</u>
		\$ <u>15,750</u>
Office rent including utilities, janitorial and two parking spaces 900 square feet @ \$1.14 per square foot per month equals \$1,026 per month for 6 months		6,156
Telephone \$500 per month for 6 months		3,000
Office supplies		4,000
Equipment rental:		
IBM Mag Card II typewriter	\$ 310 per month	
Xerox 7000 copy machine	675 per month	
Sorter and postage meter	<u>135 per month</u>	
	\$ <u>1,120 per month for 6 months</u>	<u>6,720</u>
		\$ <u>19,876</u>
Printing and advertising for bids, notices of public hearings, appearances by staff personnel at various civic and private functions		\$ <u>8,000</u>
Travel other than meetings and hearings:		
4 trips to Fairbanks		1,045
4 trips to Juneau		1,015
3 trips to San Francisco		1,721
Mileage 3,000 miles @ \$.16 per mile		<u>480</u>
		\$ <u>4,261</u>
Miscellaneous \$1,000 per month for 6 months		\$ <u>6,000</u>
Capital outlay for office equipment and furniture:		
Furniture and equipment already purchased (detail attached)		8,784
Equipment to be purchased:		
Calculator		400
Binding machine		600
Magnetic board		100
Typewriter		700
Other		<u>742</u>
		\$ <u>11,326</u>

CAPITAL SITE SELECTION COMMITTEE

Analysis of Consultant Contracts

Year ending June 30, 1975

CCC-HOK	Consultant					Total
	Civil Engineering Geotechnical Field Work	Transportation and Accessibility Study	U of A Geophysical Institute ERTS Data	U.S. Geological Survey	Public Opinion Survey and Research Study	
Task 1 is that of project coordination and provides for the management and coordination of the consulting team and their inter-face with the committee and our resource team. It includes how this group of people will participate in accomplishing all project tasks. It also includes project scheduling. Within this effort we will develop detailed progress evaluation review technique (PERT) charts. These charts will include the activities and tasks of the committee, resource team, consulting team and any other inputs required in the project. We will set review and approval points, times of required input from all parties including the public and points of public information packages. We will, during this task, constantly monitor and update the PERT schedule.	\$ 80,630	-	-	-	-	80,630

Task 2 involves the physical evaluation of alternative sites. It includes assessing environmental and physiographic features, analyzing each site against a stringent set of criteria, refining the criteria and eliminating sites from consideration, and preparing a final physical and technical evaluation and detailed documentation on the three final sites selected.

Involved in this task is the preliminary identification of site determinants which would include the evaluation of natural factors, such as geology and physiography, soils, water, climate, vegetation, and wildlife patterns and habitats. In addition, we will be examining in this task the major socio/economic aspects of the site selection process. Specifically this will be done in terms of the impact these two disciplines have on the particular sites and/or surrounding areas. The

CAPITAL SITE SELECTION COMMITTEE

Analysis of Consultant Contracts, Continued

	Consultant						Total
	Civil Engineering Geotechnical Field Work	Transportation and Accessibility Study	U of A Geophysical Institute ERTS Data	U.S. Geological Survey	Public Opinion Survey and Research Study		
<u>Task 2, continued</u> types of people working on this task will be from the consulting firms and the State/Federal, University of Alaska, resource team which includes: master and site planners, environmental specialists, computer programmers, transportation planners, social service planners, economists, cost estimators, and a full range of engineering services. Included in this particular task will be the field work and ground truthing that must be done during the summer of 1975 in order to verify that the physical sites in fact comply with the stringent site selection criteria that was established earlier in this task. Types of people that will be involved in the ground truthing and field work are: photogrammetrists, soils engineers, ERTS specialists, climatologists, geomorphologists, hydrologists, structural geologists, engineering geologists, and remote sensing specialists. This effort will begin in March of 1975 and will continue through September 1, of 1975 with the primary field work being done in June, July and the early part of August.	\$ 112,215	141,492	52,390	10,000	1,000	-	317,097
<u>Task 3</u> is that of capital definition. This task includes the committee staff and consultant involvement and participation in public meetings, and coordination of the public information effort. This group will convert the out-put of this definition phase into a physical program of what the state of Alaska's capital should be. In addition, this task provides for the analysis of community services needs of the projected resident population and examining requirements of state government employment in the future. The task also involves examining the fiscal impact of construction at each potential capital site. This task will take place between March 1, 1975 and September 15, 1975. It involves the specialities of economists, social service planners and governmental analysts.	88,560	-	-	-	-	23,693	112,253

CAPITAL SITE SELECTION COMMITTEE

Analysis of Consultant Contracts, Continued

CCC-HOK	Consultant					Total
	Civil Engineering Geotechnical Field Work	Transportation and Accessibility Study	U of A Geophysical Institute ERTS Data	U.S. Geological Survey	Public Opinion Survey and Research Study	
Task 4 involves the development of conceptual land use plans on three specific sites which will include the preparation of all presentation materials for interim and final reports. This task will provide a tangible framework for public response. It is essential in the completion of task 4 that all of the data from the physical evaluation of the alternative sites (task 2) socio/economic data and community services data, is integrated with the public participation data into a conceptual land use plan for the three specific sites. This task will take place between September 1, 1975 and December 1, 1975.						
						All of this task will be included in 1975-76 budget.
Task 5. During the course of the project, we will develop a series of public information packages for presentation to the citizens of the state of Alaska on the status of certain portions of the work. We will do this during the first 10 months of the project and culminate with the final public information package that is required in the initiative.	\$ 9,430	-	-	-	-	9,430
	\$ 290,835	141,492	52,390	10,000	1,000	23,693
						519,410

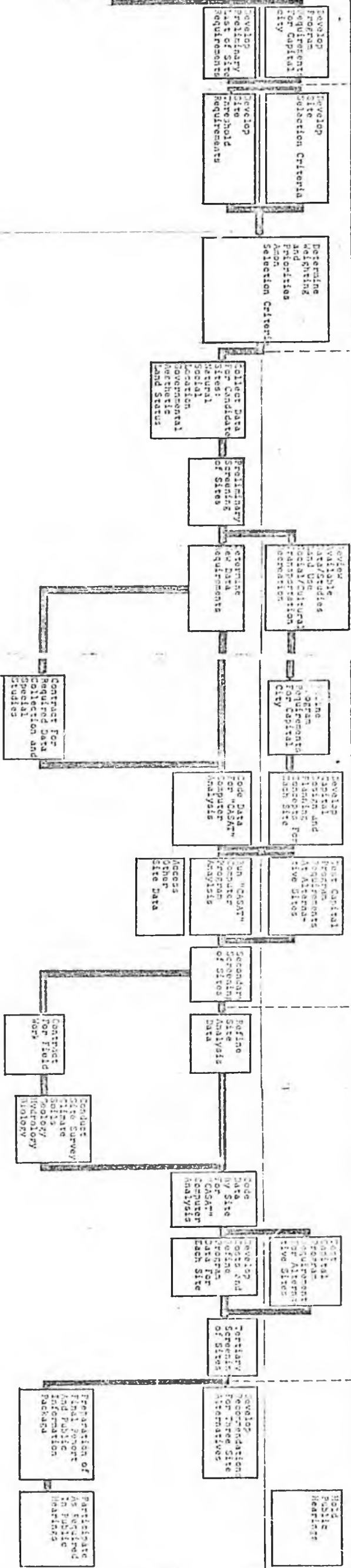
CAPITAL SITE SELECTION PROCESS

PARTICIPANTS: STUDY DESIGN, DATA COLLECTION AND FIRST LEVEL SITE ANALYSIS | SECOND LEVEL SITE ANALYSIS | THIRD LEVEL SITE ANALYSIS | CONCEPTUAL PLANNING FOR IDENTIFIED SITES

PUBLIC INFORMATION PROGRAM

CAPITAL SITE SELECTION COMMITTEE

PROJECT TEAM
 Develop Detailed Work Program, Budget Schedule, Organization, Contract for Engineering, Transportation, Public Information, and Physical Factors



MARCH 15, 1975

APRIL 15, 1975

JUNE 30, 1975

DECEMBER 11, 1975

JUNE 1976

Basis for Amendments to HB 279

Appropriating an additional \$496,000 to Capital Site Selection Committee.

Section 2

None of the funds hereby appropriated or funds that have been appropriated in the past shall be used for any of the following purposes:

- a) Payment of funds to members of the Site Selection Committee other than regular per diem and travel expenses.
- b) Payment of funds for examining of fiscal impact of construction at each potential site selected.
- c) Payment of funds for engineering design, construction or architectural planning of structures at any sites selected.
- d) Payment of funds for examining requirements of State government employment in the future.
- e) Payment of funds to define a physical program of what the State of Alaska's Capital should be.
- f) Payment of funds to determine socio-economic or impact factors of any portion of the State except on areas immediately adjacent to the Capital sites selected.
- g) Payment of funds to analyze community services needs of the projected resident population within the Capital sites selected.

Initiate says

Section 3. The Capital Selection Committee shall utilize all the competent professional and technical services required to assist in the selection of alternate Capital sites. The Capital Selection Committee shall be empowered to choose the consultants which in their judgment are necessary to help in the site selections. The committee may also request any information on studies which it deems essential from any office or division of the state.

Section 4. The Capital Selection Committee shall, within 12 months of the enactment of this initiative, select not more than three (3) potential Capital sites. None of these sites shall be within a radius of thirty (30) miles of the city of Anchorage or Fairbanks. Each site shall consist of not less than 100 square miles of land that shall be owned by or be acquired by the state at no charge to the state. All such land shall be contiguous but not necessarily in a rectangular block. All such locations shall be immediately classified as "reserved use land" by the Division of Lands. Each location shall be selected with due regard to its accessibility by road, railroad, 24 hour airline service, and terrain necessary for airport construction.

Section 5. The Capital Selection Committee shall cause clear, concise, detailed reports concerning each of the Capital sites selected to be prepared for distribution to the citizens of Alaska.

Section 7. THE LEGISLATURE AT ITS FIRST SESSION FOLLOWING THE SELECTION OF THE NEW CAPITAL SITE SHALL PROVIDE FOR THE PLANNING OF SUB-DIVISION OF A NEW CAPITAL CITY AND DISTRICT WITHIN THE BOUNDS OF THE AREA SELECTED, AND FOR THE CONSTRUCTION OF NECESSARY STATE AND PUBLIC FACILITIES AND ADMINISTRATION THEREOF.

Introduced: 3/10/75
Referred: State Affairs and
Finance

BY THE RULES COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 279

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Administration for the Capital Site
8 Selection Committee; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$496,000 is appropriated from the general fund
12 to the Department of Administration to pay expenses of the Capital Site
13 Selection Committee for the fiscal year ending June 30, 1975.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).



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 O. Smith
Signature of Camera Operator

2/8/90
Date

"An act making a special appropriation to the Office of the Governor for the Capital Site Selection Committee, and providing for an effective date."

1/31/75

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had SB 97

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:

[Signature] Chairman

Introduced: 1/23/75
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 47

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor for the Capital Site Selection
8 Committee; and providing for an effective date."

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

10 * Section 1. The sum of \$250,000 is appropriated from the general fund
11 to the Office of the Governor for operating expenses for the Capital Site
12 Selection Committee for the fiscal year ending June 30, 1975.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

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FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST
 Bill No. SB 47
 Title: Appropriation for Capital Site Selection Committee
 Requested by: Finance Committee Date: January 23, 1975
 Return Date Requested: January 24, 1975
 Agency: Office of the Governor Program: Capital Site Selection Committee

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: Capital Site Selection Committee
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	-0-					
200 TRAVEL	20.0					
300 CONTRACTUAL	225.0					
400 COMMODITIES	5.0					
500 EQUIPMENT	-0-					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	250.0					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

This request is to enable the Capital Site Selection Committee to begin work at once in order to meet their deadline. Funds should be continuing as project will not be completed until FY 76. Although a detailed budget will be presented in the near future, these funds are needed immediately.

IV. ATTACHMENTS

V. DATE: January 24, 1975 PREPARED BY: Wayne E. Weeks

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



LAWS OF ALASKA

1974

Source
Initiative Approved
August 27, 1974

INITIATIVE No.

1

AN ACT

Relocating the capital of the State of Alaska and providing for selection, planning and construction at the new location.

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

* Section 1. AS 44.06 is amended by adding new sections to read:

ARTICLE 2. CAPITAL RELOCATION.

Sec. 44.06.100. CAPITAL SITE. The capital site of the State of Alaska shall be selected and located west of the meridian 141° west longitude commonly known as Western Alaska, as provided in secs. 110 - 190 of this chapter.

Sec. 44.06.110. APPOINTMENT OF SITE SELECTION COMMITTEE. Within 60 days following December 11, 1974, the governor shall appoint a nine-member capital selection committee composed of one member from the northwest district, two members from the southeast district, two members from the central district and three members from the southcentral district, who shall be appointed on a non-partisan basis. The commissioner of natural resources shall be the ninth member of the committee. The members shall select a chairman from their membership. The legislature shall provide funding as required for the site selection committee.

Sec. 44.06.120. ASSISTANCE TO COMMITTEE. The capital selection committee shall utilize all the competent professional and technical services required to assist in the selection of alternate capital sites. The committee may choose the consultants which in its judgment are necessary to help in the site selections. The committee may also request any information on studies which it considers essential from any office or division of the state.

Sec. 44.06.130. SELECTION OF POTENTIAL SITES. The capital selection committee shall, within 12 months of December 11, 1974, select not more than three potential capital sites. None of these sites may be within a radius of 30 miles of the City of Anchorage or Fairbanks. Each site shall consist of not less than 100 square miles of land that is owned by or may be acquired by the state at no charge to the state. This land shall be contiguous but not necessarily in a rectangular block. Each location shall be immediately classified as "reserved use land" by the division of lands. Each location shall be selected with due regard to its accessibility by road, railroad, 24 hour airline service, and terrain necessary for airport construction.

Sec. 44.06.140. REPORTS AND HEARINGS. The capital selection committee shall prepare clear, concise, detailed reports concerning each of the capital sites selected for distribution to the citizens of Alaska. The committee shall hold public hearings in each judicial district within 18 months of December 11, 1974. The purpose of the hearings is to invite questions and present facts to the citizens concerning each of the sites.

Sec. 44.06.150. CHOICE OF SITE BY VOTERS. The qualified voters of Alaska are entitled to vote for any one of the alternate capital sites selected by the capital selection committee at the next general election after conclusion of the public hearings. The site receiving the greater number of votes shall be the site of the new capital city.

Sec. 44.06.160. PLANNING BY LEGISLATURE. The legislature at its next session following the selection of the new capital site, shall provide for the planning of subdivision of a new capital city and district within the bounds of the area selected, and for the construction of necessary state and public facilities and for their administration.

Sec. 44.06.170. NAME OF CAPITAL CITY. The name of the capital city shall be selected by the legislature.

Sec. 44.06.180. MOVEMENT TO NEW CAPITAL. The movement of the seat of government to the new capital city shall begin not later than October 1, 1980.

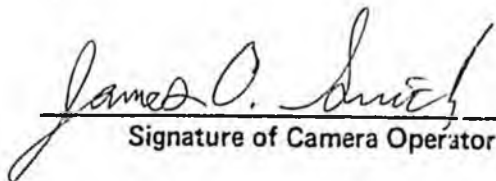
Sec. 44.06.190. STATE EMPLOYEES IN JUNEAU. The transfer of the state government to the new capital city shall be accomplished so as not to reduce unnecessarily the number of state employees employed by the state in Juneau.

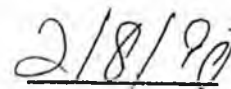


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

A M E N D M E N T

OFFERED IN THE SENATE:

BY: Finance Committee

To: _____ CS SENATE BILL No. 48 (Finance)

HOUSE BILL No. _____

PAGE: 1

LINE: _____

line 9 through Page 2, line 6: Delete in entirety.

Insert the following new language:

* Section 1. AS 14.25.050 is amended to read:

Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. Beginning July 1, 1970, each teacher shall contribute to the retirement fund an amount equal to seven and eight-tenths per cent of his base salary accrued from July 1 to the following June 30. The contribution shall be deducted by the employer at the end of each payroll period.

* Sec. 2. AS 14.25.143 is repealed and re-enacted to read:

Sec. 14.25.143. POST RETIREMENT PENSION ADJUSTMENT. (a) When the administrator determines that the cost of living has increased, he shall increase all service retirement and survivor's benefits salaries to reflect this cost of living increase, to those age 60 and over.

(b) Increases accrue from the first of July next following the effective date of retirement and shall be paid beginning the first of July of each year.

(c) Persons 60 years of age or older may elect an increase based on 60 per cent of the increases in the cost of living, as determined by the United States Bureau of Labor Statistics Consumer Price Index for Anchorage, Alaska, for the 12 month period ending March 31 of the current year.

This increase shall be compounded for each year of retirement and shall accrue from the first of July next following the effective date of the

election to accept benefits under this subsection and shall be paid beginning the first of July each year.

No retiree may receive an annual post retirement pension increase more than 20 per cent greater than the increase applied to the average base benefit. The "average"base benefit" shall be determined in March of each year for the following fiscal year by dividing the total base benefits paid in that month by the total number of beneficiaries receiving them.

(d) The administrator may implement this section by regulation.

* Sec. 3. This Act takes effect July 1, 1976.

COMMITTEE REPORT

SENATE

2/5/76

Mr. President:

Date 2/27/76

The Committee on FINANCE has had SB 40
relating to teachers past retirement pension adjustment
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 SB 40 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

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 48 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to teachers retirement; and providing
7 for an effective date."

8

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

9

* Section 1. AS 14.25.050 is amended to read:

10

Sec. 14.25.050. CONTRIBUTIONS BY TEACHERS. Beginning July 1, 1970,
11 each teacher shall contribute to the retirement fund an amount equal to
12 seven and eight-tenths per cent of his base salary accrued from July 1
13 to the following June 30. The contribution shall be deducted by the em-
14 ployer at the end of each payroll period.

15

* Sec. 2. AS 14.25.143 is repealed and re-enacted to read:

16

Sec. 14.25.143. POST RETIREMENT PENSION ADJUSTMENT. (a) When the
17 administrator determines that the cost of living has increased, he shall
18 increase all service retirement and survivor's benefits salaries to
19 reflect this cost of living increase.

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(b) Except as provided in (c) of this section, the amount of the
21 increase shall be not more than four per cent compounded for each year
22 of retirement. Increases accrue from the first of July next following
23 the effective date of retirement and shall be paid beginning the first
24 of July of each year.

25

(c) Persons 60 years of age or older may elect an increase based
26 on increases in the cost of living, as determined by the United States
27 Bureau of Labor Statistics Consumer Price Index for Anchorage, Alaska,
for the 12 month period ending March 31 of the current year instead of
the increase provided in (b) of this section. This increase shall be

1 compounded for each year of retirement and shall accrue from the first
2 of July next following the effective date of the election to accept
3 benefits under this subsection and shall be paid beginning the first of
4 July each year.

5 (d) The administrator may implement this section by regulation.

6 * Sec. 3. This Act takes effect July 1, 1976.
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Offered: 2/6/75
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 48

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to teachers post retirement pension
adjustment; and providing for an effective date."

7

8

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

9

* Section 1. AS 14.25.143 is amended to read:

10

Sec. 14.25.143. POST RETIREMENT PENSION ADJUSTMENT. (a) When
the administrator determines that the cost of living has increased
[AND THAT THE FINANCIAL CONDITION OF THE RETIREMENT FUND PERMITS], he
shall [MAY] increase all service retirement and survivor's benefits
salaries to reflect this cost of living increase.

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* Sec. 2. This Act takes effect July 1, 1975.

Mr. Charles H. Jones, Member of
Alaska Joint Staff Legislative Committee
of National Retired Teachers Association &
American Association of Retired Persons
P. O. Box 668
Douglas, Alaska 99824
April 12, 1976

Senator Bill Ray
Chairman, Senate Finance Committee
Room 415, Capitol Building
Juneau, Alaska

Dear Senator Bill:

Reference is made to Committee Substitute for Senate Bill No. 48 which relates to teachers post retirement pension adjustment, copy attached.

Our Committee selected SB-48 as a priority item of legislation that we are especially interested in seeing enacted into law at this session of the legislature.

Our Committee feels that provision should be made to increase the teachers' pensions as the cost of living increases. As the cost of living increases the purchasing power of these pensions decreases unless there is a law providing for an increase in the amount of such pensions equivalent to the increase in the cost of living.

It is suggested that CS for SB-48 be amended to apply to all pensions not exceeding \$15,000.00 per year. This would cover the majority of the pensions but would not pay out additional pension funds to those receiving large pensions.

It is also suggested that CS for SB-48 also be amended to provide that it does not apply to teachers who retired under 60 years of age since they would still be young enough to work at another job.

Sincerely yours,



Charles H. Jones, Member of
Alaska Joint Staff Legislative Committee
of NRTA and AARP

Offered: 2/6/75
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 48

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to teachers post retirement pension
7 adjustment; and providing for an effective date."

8

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

9

* Section 1. AS 14.25.143 is amended to read:

10

Sec. 14.25.143. POST RETIREMENT PENSION ADJUSTMENT. (a) When

11

the administrator determines that the cost of living has increased

12

[AND THAT THE FINANCIAL CONDITION OF THE RETIREMENT FUND PERMITS], he

13

shall [MAY] increase all service retirement and survivor's benefits
14 salaries to reflect this cost of living increase.

15

(b) The amount of the increase shall be equal to the cost of

16

living increases, as determined by the United States Bureau of Labor

17

Consumer Price Index for Anchorage, Alaska, for the 12-month period

18

ending March 31 of the current year [NOT MORE THAN FOUR PER CENT]

19

compounded for each year of retirement. Increases accrue from the

20

first of July next following the effective date of retirement and

21

shall be paid beginning the first of July of each year.

22

(c) The administrator may [IS AUTHORIZED TO] implement this

23

section by regulation.

24

* Sec. 2. This Act takes effect July 1, 1975.

25

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#

COMMITTEE SUBSTITUTE FOR SENATE BILL 48

SECTION ONE OF THIS BILL AMENDS SECTION 14.25.050 TO INCREASE THE EMPLOYEES CONTRIBUTION TO THE TEACHERS RETIREMENT SYSTEM BY .8 PER CENT. IN A TELEPHONE POLL, OFFICERS OF NEA ALASKA INDICATED THEY SUPPORT THE INCREASE AS A MEANS TO FUND A PORTION OF THE INCREASE IN BENEFITS.

IN SECTION TWO, PARAGRAPH (a) DIRECTS THE ADMINISTRATOR OF THE TRS TO INCREASE BENEFITS TO RETIREES AND SURVIVORS ENTITLED TO BENEFITS WHENEVER HE DETERMINES THAT THERE HAS BEEN AN INCREASE IN THE COST OF LIVING.

PARAGRAPH (b) PLACES A CEILING OF FOUR PER CENT ON COST OF LIVING INCREASES, EXCEPT AS PROVIDED IN PARAGRAPH (c).

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THERE ARE NOW 681 BENEFICIARIES UNDER THE TEACHERS RETIREMENT SYSTEM. WITH PASSAGE OF THE TWENTY YEAR RETIREMENT BILL LAST YEAR, IT IS ANTICIPATED THAT IN FUTURE YEARS THE LARGEST NUMBER OF THOSE DRAWING BENEFITS WILL BE UNDER 60, AND THEREFORE LIMITED BY THE FOUR PER CENT CEILING.

CSSB 48 HAS BEEN CITED AS A TOP PRIORITY BY NEA ALASKA. A LETTER OF ENDORSEMENT ACCOMPANIES.



NEA - ALASKA

(ALASKA EDUCATION ASSOCIATION)

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

207 SEWARD BUILDING • JUNEAU, ALASKA 99801 • PHONE 586-3090

April 1, 1976

Senator Chancy Croft
President of the Senate
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Chancy:

This letter is to indicate NEA-Alaska's support of the proposed committee substitute for Senate Bill 48 which would provide cost of living adjustments for retired teachers.

We are strongly in support of this legislation to the extent that we are willing to see an additional contribution by teachers to the retirement system in order to reduce the fiscal demands upon the state.

Very sincerely,

Bob Van Houte
Robert Van Houte
Executive Secretary
NEA-Alaska

RVH/jmw

ROBERT VAN HOUTE
EXECUTIVE SECRETARY

ROBERT C. COOKSEY
DEPUTY EXECUTIVE SECRETARY
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FAIRBANKS, ALASKA 99701

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

JAY S. HAMMOND, GOVERNOR

March 31, 1976

The Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

Recently you requested that I provide you with our comments on the proposed committee substitute for Senate Bill #48. I have reviewed this proposed legislation and would like to recommend several technical amendments.

In Section 1, under AS 14.25.050 I recommend that the effective date of increased employee's contributions read "beginning July 1, 1976 rather than 1970". As you know various types of indebtedness are based on the effective employee's contribution rate at the time of entry into the system. Also, I don't believe that it is the intent of this legislation to require that the increased employee contribution rate be retroactive to July 1, 1970.

Under Section 2, AS 14.25.143(b) I would recommend that the new language being added read as follows "based on increases in the cost of living, as determined by the United State Bureau of Labor Statistics consumer price index for Anchorage, Alaska, for the 12 month period ending March 31 of the current year and shall be available to all persons eligible for benefits under this chapter who are age 60 and older". As you know there are survivors benefits available under the Teachers' Retirement System and I feel that it would be clearer if references are made to persons eligible for benefits rather than retirees. This change will avoid any confusion as to whether surviving spouses are eligible for post retirement pension adjustments following age 60.



"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



Senator Ray

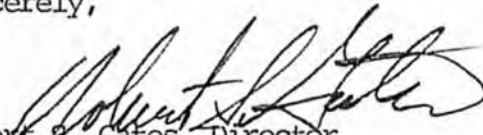
-2-

March 31, 1976

I should also point out that by removing the 4% limitation, it requires that the administrator shall increase benefits for the full amount of any changes in the consumer price index. Our fiscal note is based on the assumption that long-term inflation will increase at the rate of 4% and by removing the maximum percentage payment there may be a need to increase the employer's contribution rate in the future in the event our estimates on inflation are low.

Attached is a copy of the fiscal note which I have prepared for your consideration. If you have any questions I would appreciate hearing from you.

Sincerely,



Robert B. Gates, Director
Division of Retirement & Benefits

RSG/jb
Attached

8

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. CS for Senate Bill #48
 Title: An act relating to teacher's post retirement pension adjustment
 Requested by: Senate Finance Date: 3/22/76
 Return Date Requested: ASAP
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U of A, DOE and TRS Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	5.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	3213.0	3598.5	Increase @ 12% per annum		
100 BENEFITS	0	644.6	722.0			
TOTAL	0	3862.6	4320.5			

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	3857.6	4320.5	Increase @ 12% per annum		
FEDERAL FUNDS	0	0	0			
OTHER	0	0	0			
TRS		5.0	0			

C. POSITIONS:

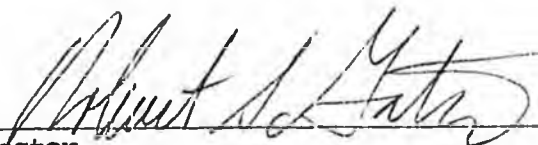
PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

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

1. Assume annual rate of inflation @ 4%
2. Estimated payroll for FY 77 @ \$153,340,300
3. Required increase in state matching contribution rate @ 2.10%
4. Increase in employee contribution rate is .8%
5. It is assumed that the covered payroll will increased @ 12% per annum.

IV. ATTACHMENTS

Appendix I

V. DATE: 3/30/76 PREPARED BY: 
 Director

Division of Retirement & Benefits

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300

Increase in state - employer contribution rate = 4.21

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x 2.10%	\$ 54,600
University of Alaska	28,500,000	x 2.10%	590,000
Total TRS Payroll	153,340,300	x 2.10%	<u>\$3,213,000</u>
Total Cost to State			<u>\$3,857,600</u>

Distribution of Appropriation

1. Department of Education - - - \$ 54,600 to their budget
2. University of Alaska - - - \$ 590,000 to their budget
3. State Matching Contribution - \$3,213,000 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 5,000 to contractual services.

Estimated costs for data processing system modifications are \$5,000
This would be a one time only expenditure.

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

I. REQUEST

Bill Identification: Senate Bill #48 and House Bill #83
 Title: An act relative to Teachers' post retirement pension adjustment
 Requested by: Senate Finance Date: December 5, 1975
 Return Date Requested: January 1, 1976
 Agency: Division of Retirement Program: Teachers Retirement

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Dept. of Ed., U. of A. and TRS Match.

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	5.0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 BENEFITS	0	7972.0	8450.0	8957.0	9494.4	10,064.1
TOTAL	0	7977.0	8450.0	8957.0	9494.4	10,064.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	7972.0	8450.0	8957.0	9494.4	10,064.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER TRS	0	5.0	0	0	0	0

C. POSITIONS:

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

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

1. Effective date 7/1/76
2. Annual rate of inflation = 4%
3. Annual rate of increase in payroll = 6%
4. TRS employer matching contributions are based on a total estimated payroll of \$153,340,300.

IV. ATTACHMENTS

Appendix 1.

V. DATE: 1/7/76 PREPARED BY: Robert A. Gates

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

APPENDIX I

TRS - Cost to State of Alaska

Estimated FY 77 Payroll (total) = \$153,340,300
Increase in state - employer contribution rate = 8.96%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost to State</u>
Department of Education	2,600,000	x	4.48%	116,480
University of Alaska	22,000,000	x	4.48%	985,600
Total TRS Payroll	153,340,300	x	4.48%	<u>6,869,645</u>
Total Cost to State				\$7,971,725

Distribution of Appropriation

1. Department of Education - - - \$ 116,480 to their budget
2. University of Alaska - - - \$ 985,600 to their budget
3. State Matching Contribution - \$6,869,645 to TRS MATCH
4. Regular TRS Budget - - - - - \$ 5,000 to contractual services.

Estimated costs for data processing system modifications are \$5,000.
This would be a one time only expenditure.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill #48 and House Bill #83

Title: An act relative to teachers' post retirement pension adjustment

Requested by: HE & SS Date: 2/3/75

Return Date Requested: ASAP

Agency: Division of Retirement Program: Teachers Retirement

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Dept. of Ed, SOS and U of A

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
100 Benefits	0	5,851	6,202	6,574	6,968	7,386
TOTAL		5,851	6,202	6,574	6,968	7,386

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	5,851	6,202	6,574	6,968	7,386
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

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

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

The following assumptions were used.

1. Effective date 7/1/75
2. Annual rate if inflation = 4%
3. Annual rate of increase in payroll = 6%

IV. ATTACHMENTS

Appendix 1.

V. DATE: 2/17/75

PREPARED BY: 

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

APPENDIX I

TRS - - Cost to State of Alaska

Estimated FY 76 Payroll (Total) = \$106,797,000
Increase in Employer Contribution Rate = 8.06%

Breakdown of Payroll and Costs

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost to State</u>
State-Operated Schools	18,425,980	x 8.06%	\$1,485,134
University of Alaska	18,156,740	x 8.06%	\$1,463,433
Department of Education	1,809,420	x 8.06%	\$ 145,839
Local School Districts	68,401,980	x 4.03%	<u>\$2,756,721</u>
Total			\$5,851,127

Distribution of Appropriation for TRS

1. State-Operated Schools - \$1,485,134 to their budget
2. University of Alaska --- \$ 731,716 to their budget
\$ 731,716 to TRS Match
3. Department of Education \$ 145,839 to their budget
4. Local School District -- \$2,756,721 to TRS Match

Introduced: 1/23/75
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 48

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to teachers post retirement pension
7 adjustment; and providing for an effective date."

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

9 * Section 1. AS 14.25.143 is amended to read:

10 Sec. 14.25.143. POST RETIREMENT PENSION ADJUSTMENT. (a) When
11 the administrator determines that the cost of living has increased
12 [AND THAT THE FINANCIAL CONDITION OF THE RETIREMENT FUND PERMITS], he
13 shall [MAY] increase all service retirement and survivor's benefits
14 salaries to reflect this cost of living increase.

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16 living increases, as determined by the United States Bureau of Labor
17 Consumer Price Index for the 12-month period ending March 31 of the
18 current year [NOT MORE THAN FOUR PER CENT] compounded for each year
19 of retirement. Increases accrue from the first of July next following
20 the effective date of retirement and shall be paid beginning the first
21 of July of each year.

22 (c) The administrator may [IS AUTHORIZED TO] implement this
23 section by regulation.

24 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10
25 .070(c).

COMMITTEE SUBSTITUTE FOR SENATE BILL 48

SECTION ONE OF THIS BILL AMENDS SECTION 14.25.050 TO INCREASE THE EMPLOYEES CONTRIBUTION TO THE TEACHERS RETIREMENT SYSTEM BY .8 PER CENT. IN A TELEPHONE POLL, OFFICERS OF NEA ALASKA INDICATED THEY SUPPORT THE INCREASE AS A MEANS TO FUND A PORTION OF THE INCREASE IN BENEFITS.

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PARAGRAPH (c) DIRECTS THAT AN INCREASE EQUAL TO THE ACTUAL INCREASE IN THE COST OF LIVING BE GRANTED TO ALL RETIREES 60 YEARS OF AGE OR OLDER. THE INCREASE WILL BE BASED ON THE UNITED STATES BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR ANCHORAGE. 60 YEARS WAS SELECTED AS THE CUT OFF AGE BECAUSE, IN THE NORMAL COURSE OF EVENTS, PERSONS REACHING THAT AGE FIND OPPORTUNITIES TO SUPPLEMENT THEIR RETIREMENT INCOME ARE MORE LIMITED.

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April 1, 1976

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