

LEG. FINANCE - BILLS 1979 - 1980 1081

CASHB 260 am thru HB 261 1081



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

3/20/90
Date

Date passed to Senate 4/6/79

Bill # CSHB 260 am

SENATE FINANCE COMMITTEE
BILL CHECKLIST

- | | |
|-------------------------------------|-----------------|
| 1. Committee Copy-Current Bill | <u>✓</u> |
| 2. History Cover Form | <u>✓</u> |
| 3. Printed Copies: | |
| Original Bill | <u>✓</u> |
| Committee Substitutes or | |
| Amendments | <u>✓</u> |
| 4. SFC Committee Report Form | <u>✓</u> |
| 5. Fiscal Information: | |
| Note in File <u>✓</u> | |
| Note Requested <u> </u> Date | <u> </u> |
| Other Financial Backup | <u> </u> |
| (See Below) | <u> </u> |
| Backup: | |
| Handouts <u>✓</u> | <u> </u> |
| Letter from Governor | <u> </u> |
| Letter from Sponsor | <u> </u> |
| Completed Committee Reports | <u> </u> |
| Committee <u> </u> | <u> </u> |
| Other | <u> </u> |

Summary of CS

*Bill in book
Union...*

FISCAL NOTE

See

I. REQUEST

Bill/Resolution No. Senate CS for CS for House Bill 260
 Title Participation and Benefits in State Retirement Systems
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		24.1	26.5	29.2	32.1	35.3
TOTAL		24.1	26.5	29.2	32.1	35.3

FUNDING (Thousands of Dollars)

GENERAL FUND	19.9	21.6	23.9	26.3	28.9
FEDERAL FUNDS	1.1	1.2	1.3	1.5	1.6
VETERAN'S FUND		0.1	0.1	0.1	0.1
FISH & GAME FUND	0.1	0.2	0.2	0.2	0.2
HIGHWAY FUND	0.3	0.3	0.4	0.4	0.5
AIRPORT FUND	0.7	0.8	0.8	0.9	1.0
CAPITAL FUND	2.0	2.3	2.5	2.7	3.0
PERS					
TRS					

POSITIONS

NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

1. Estimate FY80 covered State payroll to be \$241,000,000.
2. Estimate future State payrolls will increase at 10% annually.
3. Increase in State employer contribution rate would be .01% of covered payroll.

Paul B. Arnoldt

IV. DATE 4/23/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for House Bill 260
 Title Participation and Benefits in State Retirement Systems
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		27.2	29.9	33.0	36.3	39.8
100 BENEFITS		6.3	6.9	7.6	8.4	9.3
TOTAL		33.5	36.8	40.6	44.7	49.1

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		33.5	36.8	40.6	44.7	49.1
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS

NONE

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

1. It is estimated that no more than ten (10) elected State officials will elect coverage under this bill.
2. Estimate FY80 covered TRS payroll to be \$231,000,000.
3. Estimate future State payrolls will increase at 10% annually.
4. Increase in combined TRS State Match and district contribution rate will be .0236% of covered payroll.

Paul B. Arnoldt

IV. DATE 4/23/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

ATTACHMENT

Senate CS for CS for House Bill 260

ASSUMPTIONS:

1. Estimated FY80 Payroll (Total System)	=	\$231,000,000
2. State Contribution Rate to Fund Bill	=	.0118%
3. State TRS Matching Rate to Fund Bill	=	.0118%
4. School District Rate to Fund Bill	=	.0118%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X .0118%	\$ 708	To Their Budget
2. University of Alaska	\$ 47,000,000	X .0118%	\$ 5,546	To Their Budget
			<u>\$ 6,254</u>	
3. State TRS Matching	\$231,000,000	X .0118%	\$27,258	To TRS Match
4. State TRS Regular Budget:				
Personal Services			\$ -0-	To Personal Services
Travel			\$ -0-	To Travel
Contractual			\$ -0-	To Contractual
Commodities			\$ -0-	To Commodities
Equipment			\$ -0-	To Equipment
			<u>\$33,512</u>	
5. All School Districts	\$178,000,000	X .0118%	\$21,004	
			<u>\$54,516</u>	

REMARKS:

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3301

DEPARTMENT Legislative Services

ATTENTION _____

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

FROM:
MAIL STATION NUMBER 0200

DEPARTMENT Admin.

BY ilk DATE 5/15

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Free Conference CS For HB 260
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- a) SECTIONS: 1, 4, 5, 6, 7, 8 and 9
- b) See following pages for additional fiscal impact.

IV. DATE 5/11/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Free Conference CS For HB 260
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		24.1	26.5	29.2	32.1	35.3
TOTAL		24.1	26.5	29.2	32.1	35.3

FUNDING (Thousands of Dollars)

GENERAL FUND		19.9	21.6	23.9	26.3	28.9
FEDERAL FUNDS		1.1	1.2	1.3	1.5	1.6
VETERAN'S FUND			0.1	0.1	0.1	0.1
FISH & GAME FUND		0.1	0.2	0.2	0.2	0.2
HIGHWAY FUND		0.3	0.3	0.4	0.4	0.5
AIRPORT FUND		0.7	0.8	0.8	0.9	1.0
CAPITAL FUND		2.0	2.3	2.5	2.7	3.0
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- a) SECTIONS 12 and 13 affecting PERS
- b) See following pages for additional fiscal impact

IV. DATE 5/11/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

Paul B. Arnoldt

BJ

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Free Conference CS For HB 260
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		23.1	25.4	28.0	30.8	33.3
100 BENEFITS		5.3	5.8	6.4	7.1	7.3
TOTAL		28.4	31.2	34.4	37.9	41.6

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		28.4	31.2	34.4	37.9	41.6
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- a) SECTIONS 2 and 3 affecting TRS
- b) See following pages for additional fiscal impact.

IV. DATE 5/11/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

ATTACHMENT
SECTIONS 2 and 3 of FCCS HB 260 affecting TRS

ASSUMPTIONS:

1. Estimated FY80 Payroll (Total System)	=	\$231,000,000
2. State Contribution Rate to Fund Bill	=	.01%
3. State TRS Matching Rate to Fund Bill	=	.01%
4. School District Rate to Fund Bill	=	.01%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X	.01%	\$ 600	To Their Budget
2. University of Alaska	\$ 47,000,000	X	.01%	\$ 4,700	To Their Budget
				<u>\$ 5,300</u>	
3. State TRS Matching	\$231,000,000	X	.01%	\$23,100	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal Servi
Travel				\$ -0-	To Travel
Contractual				\$ -0-	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				\$ -0-	To Equipment
				<u>\$28,400</u>	
5. All School Districts	\$178,000,000	X	.01%	<u>\$17,800</u>	
				<u>\$46,200</u>	

REMARKS:

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Free Conference CS For HB 260
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		514.7	566.2	622.8	685.1	753.6
TOTAL		514.7	566.2	622.8	685.1	753.6

FUNDING (Thousands of Dollars)

GENERAL FUND	421.6	463.8	510.2	561.1	617.1
FEDERAL FUNDS	23.7	26.0	28.6	31.5	34.7
VETERAN'S FUND	1.0	1.1	1.2	1.4	1.5
FISH & GAME FUND	3.1	3.4	3.7	4.1	4.5
HIGHWAY FUND	6.7	7.4	8.1	8.9	9.5
AIRPORT FUND	14.9	16.4	18.1	19.9	21.9
CAPITAL FUND	43.7	48.1	52.9	58.2	64.1
PERS					
TRS					

POSITIONS NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

- a) SECTIONS 10, 11 and 14 affecting PERS
- b) Estimate that 100 former legislative temporary employees are eligible for benefits under this bill. Estimate that of the 200 current legislative temporary employees, 100 are already eligible for benefits under this bill and of the remaining 100 employees, it is estimated that 50 will qualify for benefits in the future.

IV. DATE 5/11/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)
 33-001 (Rev. 12/78)

COMMITTEE REPORT
SENATE

FURTHER: None

4/6/79

Date: April 17, 1979

Mr. President:

The Committee on FINANCE has had CSHB 260 am
relating to the participation of legislators in state retirement systems

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{Senate} CS for CSHB 260 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

 CHAIRMAN

Original sponsors: Duncan, Cotten,
Gardiner, et al

CS

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 260

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to participation and benefits in state
retirement systems; and providing for an effective
date."

7

8

9

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

10

* Section 1. AS 14.25.040 is amended by adding new subsections to read:

11

(b) A state legislator who was an active member of this system
within the 12 months immediately preceding his election to office may
elect to be an active member of this system for as long as he serves
continuously as a state legislator if, within 90 days after taking the
oath of his office,

12

13

(1) he directs his employer in writing to make the necessary
deductions from his salary and to pay into the system the contributions
required by and for a member under this chapter; and

14

15

(2) notice is given the administrator in writing.

16

17

(c) A state legislator is not entitled to elect membership under
(b) of this section if he is covered for the same period of service
under the public employees' retirement system (AS 39.35). An election
of membership under (b) of this section is retroactive to the date the
state legislator took the oath of his office. A state legislator may
not receive membership credit under (b) of this section for legislative
service performed before the legislative session during which he elected
membership under (b) of this section.

18

19

20

21

* Sec. 2. AS 14.25.142(b) is amended to read:

22

(b) A person receiving a cost-of-living allowance under this

23

1 section shall notify the administrator when he expects to be absent from
2 the state for a continuous period that exceeds 90 [60] days. After that
3 notification, the person is no longer entitled to receive the monthly
4 cost-of-living allowance, except that a person may be absent from the
5 state for not more than six months without loss of the cost-of-living
6 allowance if the absence is the result of illness and required by order
7 of a licensed physician. Upon his return to the state, and upon notifi-
8 cation to the administrator, the person is again entitled to receive the
9 monthly cost-of-living allowance, commencing with the first monthly
10 benefit payment made after notification of the person's return.

11 * Sec. 3. AS 14.25.142(c) is amended to read:

12 (c) For purposes of this section, "residing in the state" means
13 domiciled and physically present in the State of Alaska. Being absent
14 from the state for a continuous period of 90 [60] days or less or six
15 months or less when ordered by a physician does not change a person's
16 status as "residing in the state".

17 * Sec. 4. AS 14.25.220(2) is amended to read:

18 (2) "base salary" or "basic salary"

19 (A) means any remuneration accrued under a contract to a
20 teacher for professional services rendered during any school year;
21 for purposes of AS 14.25.050, base salary accrued includes any pay-
22 ments made after June 30 of a school year for services rendered
23 before the end of the school year;

24 (B) has the same meaning as "compensation" under AS 39.-
25 35.680(8) when applied to a state legislator who elects membership
26 under AS 14.25.040(b);

27 * Sec. 5. AS 14.25.220(4) is amended to read:

28 (4) "employer" means a public school district, the Board of
29 Regents of the University of Alaska, [OR] the Department of Education,

1 or the state legislature with respect to a state legislator who elects
2 membership under AS 14.25.040(b);

3 * Sec. 6. AS 14.25.220(5) is amended to read:

4 (5) "membership service" means

5 (A) service as a teacher in a public school within the
6 Territory or State of Alaska, or both, under the supervision and
7 control of the Territorial Board of Education, [OR] the Department
8 of Education, the school board of any city or borough school dis-
9 trict, or the Board of Regents of the University of Alaska; [, OR]

0 (B) any period during which the teacher is on an
1 approved sabbatical leave granted in accordance with AS 14.20.310
2 or is receiving a disability retirement salary; or

3 (C) continuous service as a state legislator when per-
4 formed by a state legislator who elects membership under AS 14.25.-
5 040(b);

6 * Sec. 7. AS 14.25.220(15) is amended to read:

7 (15) "teacher" or "member" means a certified teacher, certi-
8 fied school nurse, principal, supervisor, or superintendent employed on
9 a full-time or a part-time basis in a position having duties which
0 normally require a year of service in the public schools of the state,
1 the commissioner of education, supervisors within the Department of
2 Education, [AND] all full-time resident professional and administrative
3 personnel of the University of Alaska, and a state legislator who elects
4 membership under AS 14.25.040(b); in case of doubt, the administrator
5 shall finally determine whether or not a person is a teacher as defined
6 in this chapter;

7 * Sec. 8. AS 39.35.125(a) is amended to read:

8 (a) An elected official, other than a state legislator who is an
9 active member of the teachers' retirement system, may be included in the

1 system if, within 60 days after taking the oath of his office or within
2 60 days after May 12, 1966

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

6 (2) notice is given the commissioner of administration in
7 writing.

8 * Sec. 9. AS 39.35.125(c) is amended to read:

9 (c) An elected official, other than a state legislator who is an
10 active member of the teachers' retirement system, may be included retro-
11 actively in the system if he makes retroactive contributions equal to
12 what he would have made if he had elected to be included when he became
13 eligible under (a) of this section.

14 * Sec. 10. AS 39.35.480(b) is amended to read:

15 (b) A person receiving a cost-of-living allowance under this
16 section shall notify the administrator when he expects to be absent from
17 the state for a continuous period that exceeds 90 [60] days. After that
18 notification, the person is no longer entitled to receive the monthly
19 cost-of-living allowance, except that a person may be absent from the
20 state for not more than six months without loss of the cost-of-living
21 allowance if the absence is the result of illness and required by order
22 of a licensed physician. Upon his return to the state, and upon notifi-
23 cation to the administrator, the person is again entitled to receive the
24 monthly cost-of-living allowance, commencing with the first month's
25 benefit payment made after notification of the person's return.

26 * Sec. 11. AS 39.35.480(d) is amended to read:

27 (d) For purposes of this section, "residing in the state" means
28 domiciled and physically present in the State of Alaska. Being absent
29 from the state for a continuous period of 90 [60] days or less or six

1 months or less when ordered by a physician does not change a person's
2 status as "residing in the state."

3 * Sec. 12. A qualified member of the Eleventh State Legislature is eli-
4 gible to elect membership under AS 14.25.040(b), enacted in sec. 1 of this
5 Act, if he complies with the requirements for electing membership within 30
6 days after the effective date of that subsection.

7 * Sec. 13. A person receiving benefits under AS 14.25 on July 1, 1979 is
8 eligible for any increase in benefits resulting from the amendments to
9 AS 14.25 enacted in secs. 2 and 3 of this Act.

10 * Sec. 14. A person receiving benefits under AS 39.35 on July 1, 1979 is
11 eligible for any increase in benefits resulting from the amendments to
12 AS 39.35 enacted in secs. 10 and 11 of this Act.

13 * Sec. 15. Sections 2, 3, 10, 11, 13, and 14 of this Act take effect
14 July 1, 1979. Sections 1, 4 - 9, and 12 of this Act take effect immediately
15 in accordance with AS 01.10.070(c).

New Title SES for CS HB 260
An Act relating to
participation and
benefits in state retirement
systems; and providing
for an effective date.

Jim McLeneic 4/17/79

12:00 noon

April 17, 1979

SCS for CSHB 260 am

Delivered to Legislative Affairs
for preparation with request for
return as soon as possible.

Holding for fiscal note info.
from Alison.

*SCS for CS for HB 260
to combine CS for HB 260 am and
SB 85.*

Original sponsors: Duncan, Cotten,
Gardiner, et al

Offered: 3/14/79
Referred: Rules

Senate Finance
BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 *SCS* CS FOR HOUSE BILL NO. 260 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the participation of legislators in
7 state retirement systems; ^{*Insert title from SCS 85*} ~~and providing for an effec-~~
8 ~~tive date."~~

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

10 * Section 1. AS 14.25.040 is amended by adding new subsections to read:

11 (b) A state legislator who was an active member of this system
12 within the 12 months immediately preceding his election to office may
13 elect to be an active member of this system for as long as he serves
14 continuously as a state legislator if, within 90 days after taking the
15 oath of his office,

16 (1) he directs his employer in writing to make the necessary
17 deductions from his salary and to pay into the system the contributions
18 required by and for a member under this chapter; and

19 (2) notice is given the administrator in writing.

20 (c) A state legislator is not entitled to elect membership under
21 (b) of this section if he is covered for the same period of service
22 under the public employees' retirement system (AS 39.35). An election
23 of membership under (b) of this section is retroactive to the date the
24 state legislator took the oath of his office. A state legislator may
25 not receive membership credit under (b) of this section for legislative
26 service performed before the legislative session during which he elected
27 membership under (b) of this section.

28 * Sec. 2. AS 14.25.220(2) is amended to read:

29 (2) "base salary" or "basic salary"

Introduced: 1/30/79
Referred: Labor & Management
and Finance

BY THE JUDICIARY
COMMITTEE BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 85

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "~~An Act relating to~~ ^{Insert} the cost-of-living allowances
7 provided under the public employees' and teachers'
8 retirement systems; and providing for an effective
9 date.")

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

11 * Section 1. AS 14.25.142(b) is amended to read:

12 (b) A person receiving a cost-of-living allowance under this
13 section shall notify the administrator when he expects to be absent from
14 the state for a continuous period that exceeds 90 [60] days. After that
15 notification, the person is no longer entitled to receive the monthly
16 cost-of-living allowance, except that a person may be absent from the
17 state for not more than six months without loss of the cost-of-living
18 allowance if the absence is the result of illness and required by order
19 of a licensed physician. Upon his return to the state, and upon notifi-
20 cation to the administrator, the person is again entitled to receive the
21 monthly cost-of-living allowance, commencing with the first monthly
22 benefit payment made after notification of the person's return.

23 * Sec. 2. AS 14.25.142(c) is amended to read:

24 (c) For purposes of this section, "residing in the state" means
25 domiciled and physically present in the State of Alaska. Being absent
26 from the state for a continuous period of 90 [60] days or less or six
27 months or less when ordered by a physician does not change a person's
28 status as "residing in the state".

29 * Sec. 3. AS 39.35.480(b) is amended to read:

Office: 4/28/29

Original sponsors: Duncan, Cotten,
Gardiner, et al

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 260 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to retirement and benefits; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 14.25.040 is amended by adding new subsections to read:

10 (b) A state legislator who was an active member of this system
11 under other sections of this chapter within the 12 months immediately
12 preceding his election to office may elect to be an active member of
13 this system for as long as he serves continuously as a state legislator,
14 subject to the requirements of (c) of this section, if, within 90 days
15 after taking the oath of his office,

16 (1) he directs his employer in writing to

17 (A) pay into this system the employer contributions
18 required for a member under this chapter; and

19 *Rules* (B) deduct from his salary and pay into this system

20 (i) the employee contributions required for a
21 member under this chapter; and

22 (ii) an amount equal to the difference between the
23 total employer and state contributions required for a member
24 under this chapter and the employer contributions which would
25 be required under the public employees' retirement system
26 (AS 39.35) if the legislator were covered under that system;
27 and

28 (2) notice is given the administrator in writing.

29 (c) A state legislator is not entitled to elect membership under

1 (b) of this section if he is covered for the same period of service
2 under the public employees' retirement system (AS 39.35). An election
3 of membership under (b) of this section is retroactive to the date the
4 state legislator took the oath of his office. A state legislator may
5 not receive membership credit under (b) of this section for legislative
6 service performed before the legislative session during which he elected
7 membership under (b) of this section. In order to continue in member-
8 ship service under (b) of this section, the state legislator must earn
9 at least 0.3 years of membership service under other sections of this
10 chapter during each five-year period.

11 * Sec. 2. AS 14.25.142(b) is amended to read:

12 (b) A person receiving a cost-of-living allowance under this
13 section shall notify the administrator when he expects to be absent from
14 the state for a continuous period that exceeds 90 [60] days. After that
15 notification, the person is no longer entitled to receive the monthly
16 cost-of-living allowance, except that a person may be absent from the
17 state for not more than six months without loss of the cost-of-living
18 allowance if the absence is the result of illness and required by order
19 of a licensed physician. Upon his return to the state, and upon noti-
20 fication to the administrator, the person is again entitled to receive
21 the monthly cost-of-living allowance, commencing with the first monthly
22 benefit payment made after notification of the person's return.

23 * Sec. 3. AS 14.25.142(c) is amended to read:

24 (c) For purposes of this section, "residing in the state" means
25 domiciled and physically present in the State of Alaska. Being absent
26 from the state for a continuous period of 90 [60] days or less or six
27 months or less when ordered by a physician does not change a person's
28 status as "residing in the state".

29 * Sec. 4. AS 14.25.180(b) is amended by adding a new paragraph to read:

Rules

(18) gold bullion of a fineness that meets marketing and delivery requirements of the trade, not to exceed in aggregate 10 per cent of total invested funds.

* Sec. 5. AS 14.25.220(2) is amended to read:

(2) "base salary" or "basic salary"

(A) means any remuneration accrued under a contract to a teacher for professional services rendered during any school year; for purposes of AS 14.25.050, base salary accrued includes any payments made after June 30 of a school year for services rendered before the end of the school year;

(B) has the same meaning as "compensation" under AS 39.-35.680(2) when applied to a state legislator who elects membership under AS 14.25.040(b);

* Sec. 6. AS 14.25.220(4) is amended to read:

(4) "employer" means a public school district, the Board of Regents of the University of Alaska, [OR] the Department of Education, or the state legislature with respect to a state legislator who elects membership under AS 14.25.040(b);

* Sec. 7. AS 14.25.220(5) is amended to read:

(5) "membership service" means

(A) service as a teacher in a public school within the Territory or State of Alaska, or both, under the supervision and control of the Territorial Board of Education, [OR] the Department of Education, the school board of any city or borough school district, or the Board of Regents of the University of Alaska; [, OR]

(B) any period during which the teacher is on an approved sabbatical leave granted in accordance with AS 14.20.310 or is receiving a disability retirement salary; or

(C) continuous service as a state legislator when per-

1 formed by a state legislator who elects membership under AS 14.25.-
2 040(b), subject to the requirements of AS 14.25.040(c);

3 * Sec. 8. AS 14.25.220(15) is amended to read:

4 (15) "teacher" or "member" means a certified teacher, certi-
5 fied school nurse, principal, supervisor, or superintendent employed on
6 a full-time or a part-time basis in a position having duties which
7 normally require a year of service in the public schools of the state,
8 the commissioner of education, supervisors within the Department of
9 Education, [AND] all full-time resident professional and administrative
10 personnel of the University of Alaska, and a state legislator who elects
11 membership under AS 14.25.040(b); in case of doubt, the administrator
12 shall finally determine whether or not a person is a teacher as defined
13 in this chapter;

14 * Sec. 9. AS 39.30.100(1)(A) is repealed and re-enacted to read:

15 (A) an employee, except an emergency employee, who has
16 served with the same governmental unit as

17 (i) a permanent full-time employee for 30 days or
18 more;

19 (ii) a permanent part-time employee for 30 days or
20 more; or

21 (iii) a temporary employee for 30 days or more, who
22 is presently employed with that governmental unit, and who has
23 served as a temporary employee of the state for a total of 180
24 days or more in any consecutive three-year period; however, a
25 temporary employee employed by a municipality participating in
26 the provisions of AS 39.30.090 need not be provided coverage.

27 * Sec. 10. AS 39.35.110(a) is amended by adding a new paragraph to read:

28 (18) gold bullion of a fineness that meets marketing and
29 delivery requirements of the trade, not to exceed in aggregate 10 per

1 cent of invested funds.

2 * Sec. 11. AS 39.35.125(a) is amended to read:

3 (a) An elected official, other than a state legislator who is an
4 active member of the teachers' retirement system, may be included in the
5 system if, within 60 days after taking the oath of his office or within
6 60 days after May 12, 1966

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

10 (2) notice is given the commissioner of administration in
11 writing.

12 * Sec. 12. AS 39.35.125(c) is amended to read:

13 (c) An elected official, other than a state legislator who is an
14 active member of the teachers' retirement system, may be included retro-
15 actively in the system if he makes retroactive contributions equal to
16 what he would have made if he had elected to be included when he became
17 eligible under (a) of this section.

18 * Sec. 13. AS 39.35.360 is amended by adding a new subsection to read:

19 (g) An employee is eligible to receive up to 10 years of credited
20 service for service rendered before July 1, 1979 as a temporary employee
21 of the legislature of the state or territory during legislative ses-
22 sions. To receive retroactive credited service under this subsection,
23 an employee must, before July 1, 1980, claim the service and pay retro-
24 active contributions equal to what he would have paid if he had been
25 eligible for membership in the system. The rate used to calculate the
26 retroactive contributions may not be less than the rate in effect on
27 January 1, 1961.

28 * Sec. 14. AS 39.35.385 is amended by adding a new subsection to read:

29 (f) An employee is eligible for a normal retirement benefit at age

1 55 or an early retirement benefit at age 50 if he has at least 60 days
2 of credited service as a temporary employee of the legislature during
3 each of five legislative sessions.

4 * Sec. 15. AS 39.35.480(b) is amended to read:

5 (b) A person receiving a cost-of-living allowance under this
6 section shall notify the administrator when he expects to be absent from
7 the state for a continuous period that exceeds 90 [60] days. After that
8 notification, the person is no longer entitled to receive the monthly
9 cost-of-living allowance, except that a person may be absent from the
10 state for not more than six months without loss of the cost-of-living
11 allowance if the absence is the result of illness and required by order
12 of a licensed physician. Upon his return to the state, and upon notifi-
13 cation to the administrator, the person is again entitled to receive the
14 monthly cost-of-living allowance, commencing with the first monthly
15 benefit payment made after notification of the person's return.

16 * Sec. 16. AS 39.35.480(d) is amended to read:

17 (d) For purposes of this section, "residing in the state" means
18 domiciled and physically present in the State of Alaska. Being absent
19 from the state for a continuous period of 90 [60] days or less or six
20 months or less when ordered by a physician does not change a person's
21 status as "residing in the state."

22 * Sec. 17. AS 39.35.680(35) is amended to read:

23 (35) "seasonal" refers to an employee who is occupying a
24 position for less than 12 months each year where it is anticipated that
25 the same employee will return to the position when needed and includes
26 a temporary employee of the legislature if part of the service for the
27 legislature during each calendar year is performed during a legisla-
28 tive session;

29 * Sec. 18. Sections 13, 14 and 17 of this Act apply to a temporary em-

1 ployee of the Eleventh Legislature, First Session, even though he may not be
2 an employee under the public employees' retirement system on July 1, 1979.

3 * Sec. 19. A qualified member of the Eleventh State Legislature is eli-
4 gible to elect membership under AS 14.25.040(b), enacted in sec. 1 of this
5 Act, if he complies with the requirements for electing membership within 30
6 days after the effective date of that subsection.

7 * Sec. 20. A person receiving benefits under AS 14.25 on July 1, 1979 is
8 eligible for any increase in benefits resulting from the amendments to
9 AS 14.25 enacted in secs. 2 and 3 of this Act.

10 * Sec. 21. A person receiving benefits under AS 39.35 on July 1, 1979 is
11 eligible for any increase in benefits resulting from the amendments to
12 AS 39.35 enacted in secs. 15 and 16 of this Act.

13 * Sec. 22. Sections 2 - 4, 9, 10, 13 - 17, 20, and 21 of this Act take
14 effect July 1, 1979. Sections 1, 5 - 8, 11, 12, 18, 19, and 22 of this Act
15 take effect immediately in accordance with AS 01.10.070(c).

Original sponsors: Duncan and Miller

Offered: 4/12/79
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to insurance coverage for persons
7 receiving benefits under the public employees' and
8 teachers' retirement systems."

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

10 * Section 1. AS 39.30.090 is amended by adding a new paragraph to read:

11 (15) A person receiving benefits under AS 14.25 or AS 39.35
12 may obtain auditory, visual, and dental insurance for himself under this
13 section. The level of coverage for persons over 65 shall be the same as
14 that available before reaching age 65 except that the benefits payable
15 shall be supplemental to those afforded under the federal old age,
16 survivors, and disability insurance program, if any. A person electing
17 to have insurance under this paragraph shall pay 90 per cent of the cost
18 of the insurance, and the retirement system from which he is receiving
19 benefits shall pay the other 10 per cent.

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MEMORANDUM

TO: John Sackett
Chairman
Senate Finance Committee

FROM: Jay H. Hogan

DATE: April 26, 1979

SUBJECT: GOLD AS A STATE INVESTMENT

You have requested some thoughts on the attached language which would allow the Commissioner of Revenue to purchase gold bullion as an investment for the retirement funds.

Unfortunately we do not have much information immediately at hand to address the question. However, the attached page 10 of the Alaska Department of Natural Resources Mines & Geology Bulletin indicates quite clearly the volatile price changes experienced by gold over the past year, going from \$179 an ounce to \$251. As with any commodity, prices that go up rapidly can also decline rapidly. The enclosed article from the Wall Street Journal, charting the price and purchasing power of gold, clearly indicates that 1974-75 purchasers of gold had to wait until 1979 to recover their investment.

Attachments

*I've been
looking all over
for you.
JH*

9 - Make
damn sure this
is sent to - see me
I think of them

AS 14.25.180(b) is amended by adding a new subparagraph (18) to read:

(18) Gold Bullion of a fineness that meets marketing and delivery requirements of the trade, not to exceed in aggregate 10% of total invested funds.

AS 39.35.110(a) is amended by adding a new subparagraph (18) to read:

(18) Gold Bullion of a fineness that meets marketing and delivery requirements of the trade, not to exceed in aggregate 10% of total invested funds.

JOHN -

PETE BUSHRE ASKED THAT THIS LANGUAGE BE INTRODUCED TO ALLOW THE RETIREMENT FUNDS TO PURCHASE GOLD. THIS COULD BE A SHOT IN THE ARM FOR THE MINING INDUSTRY IN ALASKA. CS HB 260 WOULD ACCEPT THIS LANGUAGE. I'VE TALKED TO COLLETTA AND HE HAS NO OBJECTION, IF YOU DON'T, TO ADDING THIS TO HB 260 IN RULES.

Glenn Haden

Metals Market

	<u>Feb. 23, 1979</u>	<u>Three Months Ago</u>	<u>Year Ago</u>
Antimony ore, stu equivalent			
European ore	\$ 17.90-19.00	\$ 17.00	\$ 16.20-18.20
Barite (drilling mud grade per ton)	\$ 31.00	\$ 19-28	\$ 19-28
Beryllium ore, stu	\$ 50-55	\$ 45-50	\$ 40-42
Chrome ore per long ton (Transvaal)	\$ 54.00	\$ 54.00	\$ 54-58
Copper per lb. (MW-prod.)	\$ 0.92	\$ 0.70	\$ 0.62
Gold per oz.	\$251.00	\$198.25	\$178.86
Lead per lb.	\$ 0.44	\$ 0.38	\$ 0.33
Mercury per 76-lb flask	\$208.00	\$154.00	\$159.00
Molybdenum conc. per lb.	\$ 5.86	\$ 4.95	\$ 4.01
Nickel per lb. (cathode)	\$ 2.10	\$ 2.00	\$ 2.06
Platinum per oz.	\$423.00	\$307.00	\$232.50
Silver, New York, per oz.	\$ 7.85	\$ 5.75	\$ 5.00
Tin per lb., MW composite	\$ 7.19	\$ 7.44	\$ 5.88
Titanium ore per ton (ilmenite)	\$ 50.00	\$ 50.00	\$ 55.00
Tungsten per unit (GSA domestic)	\$120.00	\$131.35	\$130.00
Uranium per lb., MW US spot oxide	\$ 43.25	\$ 42.50-44.00	\$ 42-44
Zinc per lb. (MW-US PW)	\$ 0.36	\$ 0.34	\$ 0.305

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Alaska Department of Natural Resources
Division of Geological & Geophysical Surveys
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Jay Hogan
DIV. OF LEGISLATIVE FINANCE
Pouch WF
Juneau, Alaska 99801

... years earlier had been a net exporter.

All the ingredients are there—bountiful land (60% arable) larger than Texas and inhabited by a manageable population of 17 million—but the recipe is flawed.

In 1967, Mr. Nyerere launched his visionary *ujamaa* scheme of collectivized vil-

lany musical name of "Chama Cha Mapinduzi" (Swahili for revolutionary party). According to the Los Angeles Times correspondent for Africa, it holds more political prisoners than the detested "fascist" South Africa.

Freedom House labels Tanzania "not free." Even the gingerly State Department, in its 1979 human rights report to the

to what port one is sailing, no wind is favorable. On such a vessel, like the present U.S. ship of state, the captain could easily welcome Mwalimu onto the bridge.

Mr. Adelman, who lived in Africa from 1972 to 1973 and recently returned from a study tour of Tanzania, is now with SRI International.

Golden Constant: Yellow Metal and Inflation

By ROY W. JASTRAM

On January 1, 1975, Americans were free, after 40 years, to buy, hold and sell gold.

—Did gold resume its vaunted role as a short-run hedge against domestic inflation?

—Did gold return to its age-old pattern of long-run stability of purchasing power?

The chart suggests the answers, but some history and interpretation are useful. Plotted are the index of the price of gold, the Consumer Price Index, and the quotient between the two: namely, the index of the purchasing power of gold at the consumer level. January 1975, the month when

"fixings" in London rose from \$151.26 in September to \$182.09 in December.

The peak in December 1974 was \$197.50.

The only question in the minds of many was: How high will it shoot in the new market in January? Millions were bet on the answer.

What developed was a resounding anticlimax. The price of gold went into an immediate decline. By the end of the third quarter of 1975 gold was selling a shade above \$130.

To cover the period under review with statistical circumspection the chart shows the behavior of gold for the four months

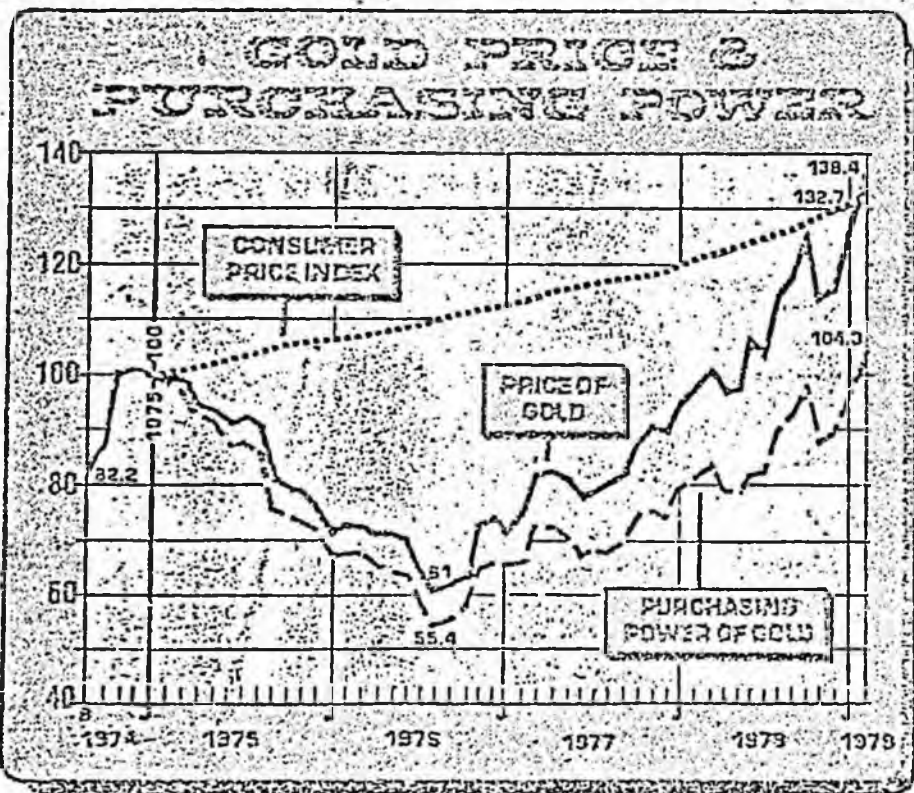
that monthly London price behavior is a perfectly good surrogate for any market in the world.)

The imagery of the chart holds a kind of tortoise/hare fascination. Uppermost is the Consumer Price Index, mounting slowly but steadily on the cumulative waves of compounding inflation. Falling away at first is the price of gold, with the consequence that the purchasing power of gold falls even faster to a loss of 45% by August 1976. Gold makes its turn in September 1976, and begins to climb at a rate faster than the cost-of-living. It takes two years to catch up, but catch up it does. The long loop is closed. The closure of the gold index with the CPI is both striking and reassuring because it is observed for the first time in a free market.

For three centuries preceding 1940 when gold prices were often controlled by governments in England and the United States this "retrieval phenomenon"—gold's retrieval of its purchasing power—has been seen repeatedly. But here it happens again with no restraints on buying or selling.

Is there something about gold which allows it in the long run to retain its purchasing power whether or not governments interfere? Curious.

Mr. Jastram, professor at the School of Business Administration, University of California, Berkeley, is author of "The Golden Constant" (John Wiley & Sons).



the purchase of gold became legal, is taken as the base=100.0 for all three series. The gold price each month is the average of the mid-week London "fixings."

On August 14, 1974, Congress enacted Public Law 93-373 which stated in part, "No provision of any law may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold in the United States or abroad." The effective date was given as December 31, 1974.

With four months advance notice given, speculative anticipation mounted in the principal bullion markets of the world. Gold prices reflected this speculative anticipation. Monthly averages of the mid-week

before January 1975. Then the new era begins.

One instructive feature of the chart is that it composes two essentially straight-line segments in the form of a "V." The interpretation of this is that once a major movement was underway in the price of gold it persisted for a substantial time and at a nearly uniform percentage rate. When it reversed, it reversed to stay for awhile, and showed again a roughly stable rate of change. This feature is worth remembering to give perspective when we become engulfed by the seemingly erratic changes day-by-day. (This long-term observation is based upon London quotations. But the world-wide market for gold is so efficient

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JUNEAU, ALASKA

Alaska State Legislature

Senate

April 26, 1979

M E M O R A N D U M

TO: Senator John Sackett, Chairman
Senate Finance Committee

FROM: Milt Barker, Fiscal Analyst
Legislative Finance Division

SUBJECT: HB 260

Attached is a memo relating to some proposals the Department of Revenue has made for retirement fund investments. I have checked the comments that relate to gold.

You may also be interested to know that the advisory board for the retirement funds has not approved any of those new investment proposals.

MBB:pw

Attachment

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

February 28, 1979

MEMORANDUM

TO: Russ Meekins, Chairman
House Finance Committee

FROM: Milt Barker, ^{MB}Fiscal Analyst
Legislative Finance Division

SUBJECT: HB 208

At your request, I have reviewed HB 208 and offer the following questions or comments:

1. Do these investments really meet the prudent-man rule? I quote the following version of the rule from the Governor's permanent fund bill, HB 277:

"(2) the prudent-man rule of investments is applicable; in making investments, the staff and the investment committee shall exercise the judgment and care under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income from them as well as probable safety of capital;"

While investments in foreign time deposits and securities and real estate investment trusts do offer an income, there is no income to be received from holding bullion. Bullion purchases are inherently speculative, gambling only on the opportunity for capital gains and exposing the investment to possibly precipitous downside risks, given the wild gyrations that frequently occur in these markets which are built principally on fear and avarice and not the commodity value of the bullion. Only the use of hedging would allow a fund manager to cut these potential losses short.

2. Naked investments in foreign time deposits and securities would probably not meet the prudent-man rule because both income and capital can be wiped out by currency fluctuations. If such investments are allowed, not only should the legislation authorize futures contracts for the sale of foreign currencies as a hedge on these investments, but, indeed, such hedging should be required.

However, the Department of Revenue says that they can't be required to hedge all foreign investments as they are made because those denominated in the stronger currencies--German marks and Japanese yen for example--offer low interest rates. The Department wants to garner a total return on foreign investments in stronger currencies equal to or better than high U. S. interest rates by riding further escalations in the value of these stronger currencies before locking in the total return from currency increases and the interest income with a sales contract of the foreign currency in the futures market. Once this hedge or future sales contract is made, further fluctuations in currency values will not affect the total return to the fund.

Thus, a major component of the proposed investments in foreign time deposits and foreign securities turns out to be currency speculation, plain and simple, unless hedging is required at the time of the investment, in which case these foreign investments would not be very attractive. For the same reasons as investment in bullion, currency speculation per se does not meet the prudent-man rule.

3. The Department of Revenue points out that foreign securities are generally long-term and that in general there is no market for them. Thus, one would have to buy and hold a foreign security for many years until maturity. The problem is that currency futures are only sold out to a year or two in the future. This means that the later interest payments and redemption of the security's principal could not be hedged against in any event. In other words, currency speculation would be an inherent part of any investment in foreign securities.

4. If investment in foreign time deposits is permitted, "may" should be changed to "shall" in paragraph (g) in both Sections 3 and 5 of HB 208 to require hedging and avoid currency speculation.

If investment in foreign securities is permitted, paragraphs similar to (g) should be incorporated in the bill, though reading "shall to the extent possible", since total hedging of the security would be impossible. It would have to be recognized that some unavoidable currency speculation would be taking place.

The Department of Revenue wants to add foreign securities to the permissive authority to hedge in paragraphs (g).

5. There may be other risks to foreign investments such as restrictions on currency flows or repatriation of capital that do not sit well with the prudent-man rule.

✓ 6. None of the proposed investments would result in additional investment in Alaska and might be a drain on capital invested in-state. To the extent capital markets are perfect, this argument is invalid.

7. The proposed authority in paragraphs (h) in Sections 3 and 5 to allow hedging of obligations of the U.S. or its agencies or instrumentalities is desirable in that it allows the Department to lock in its return on these obligations. Where a security would not be held to maturity but sold beforehand, a hedge insures against any further changes in the price of the security - which as a capital gain or loss, in combination with interest received, makes up the total return.

8. The proposed investments in real estate trusts probably do meet the prudent-man test. These trusts purchase commercial property, i.e., warehouses, shopping centers, office buildings, apartments, etc., for both income and appreciation. However, the shares in the trust are not marketable, making these sorts of investments rather illiquid. Property may have to be sold or special efforts made to find a buyer for the trust shares. The bill has no ceiling on these types of investments as a portion of the total pension fund investments.

✓ 9. Can the existing State investment officers who manage the pension funds adequately keep abreast of all the additional information, developments and trends in the proposed investment areas, at least without sacrificing their attention to existing investment channels? Or are new positions required? Will the glamour or exotic aura of some of these go-go investments detract from the prudent consideration of all investments?

✓ 10. According to the Department of Revenue, no other State pension funds engage in these sorts of investments, although some corporations have pension funds that do.

MBB:pw

cc: Rep. Brian Rogers

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill 260 am
 Title Participation of Legislators in the Teachers' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		4.1	4.5	5.0	5.5	6.0
100 BENEFITS		1.0	1.1	1.2	1.3	1.5
TOTAL		5.1	5.6	6.2	6.8	7.5

FUNDING (Thousands of Dollars)

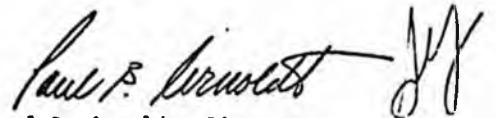
	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		5.1	5.6	6.2	6.8	7.5
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. It is estimated that no more than ten (10) elected State officials will elect coverage under this bill.
2. Estimate FY 80 covered TRS payroll to be \$231,000,000.
3. Estimate future State payrolls will increase at 10% annually.
4. Increase in combined TRS State Match and district contribution rate will be .0036% of covered payroll.



IV. DATE 4/9/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original. Legislative Finance
 Budget and Management
 cc: Prime Sponsor (First Legislator Named) Representative Duncan/House HESS
 Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 85
 Title Cost of Living Allowance Under the Public Employees' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		24.1	26.5	29.2	32.1	35.3
TOTAL		24.1	26.5	29.2	32.1	35.3

FUNDING (Thousands of Dollars)

GENERAL FUND		19.9	21.6	23.9	26.3	28.9
FEDERAL FUNDS		1.1	1.2	1.3	1.5	1.6
VETERAN'S FUND			0.1	0.1	0.1	0.1
FISH & GAME FUND		0.1	0.2	0.2	0.2	0.2
HIGHWAY FUND		0.3	0.3	0.4	0.4	0.5
AIRPORT FUND		0.7	0.8	0.8	0.9	1.0
CAPITAL FUND		2.0	2.3	2.5	2.7	3.0
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 80 covered state payroll to be \$241,000,000.
2. Estimate future state payrolls will increase at 10% annually.
3. Increase in state employer contribution rate would be .01% of covered payroll.

IV. DATE 2/02/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Judiciary Committee
 Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 85Title Cost of Living Allowance Under the Teachers' Retirement System

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and BenefitsProgram Category Affected Retirement and Benefits (TRS)BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		23.1	25.4	28.0	30.8	33.8
100 BENEFITS		5.3	5.8	6.4	7.1	7.8
TOTAL		28.4	31.2	34.4	37.9	41.6

FUNDING (Thousands of Dollars)

GENERAL FUND		28.4	31.2	34.4	37.9	41.6
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 80 covered TRS payroll to be \$231,000,000.
2. Estimate future covered payrolls will increase at 10% annually.
3. Increase in combined TRS State Match and district contribution rate will be .02% of covered payrolls.

IV. DATE 2/02/89PREPARED BY Paul B. Arnoldt, DirectorAGENCY Division of Retirement & BenefitsPHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Judiciary Committee

Office of the Governor (Keith Specking)

33-001 (Rev. 12/78)

March 29, 1979

Legislative Board of Retirement Benefits analysis and recommendations on:

CS for House Bill 260:

No detailed fiscal analysis is currently available, however, it will be provided in a later report.

The board unanimously recommends that CSHB 260 do pass; one member was absent and there is one vacancy on the board.

SUMMARY OF CS FOR HOUSE BILL NO. 260

Retirement system affected: TRS

Allows a legislator who was an active member of TRS within 12 months before his election to office to elect to be an active member of TRS for as long as he serves continuously as a legislator. Provides that a legislator making this election must do so within 90 days after taking office and must direct his employer (the legislature) to make the necessary deductions from his salary and to pay into TRS the contributions required by and for a member.

Takes effect immediately.

Original sponsors: Duncan, Cotten,
Gardiner, et al

Offered: 3/14/79
Referred: Rules

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 260

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the participation of legislators in
7 state retirement systems; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 14.25.040 is amended by adding new subsections to read:

11 (b) A state legislator who was an active member of this system
12 within the 12 months immediately preceding his election to office may
13 elect to be an active member of this system for as long as he serves
14 continuously as a state legislator if, within 90 days after taking the
15 oath of his office,

16 (1) he directs his employer in writing to make the necessary
17 deductions from his salary and to pay into the system the contributions
18 required by and for a member under this chapter; and

19 (2) notice is given the administrator in writing.

20 (c) A state legislator is not entitled to elect membership under
21 (b) of this section if he is covered for the same period of service
22 under the public employees' retirement system (AS 39.35). An election
23 of membership under (b) of this section is retroactive to the date the
24 state legislator took the oath of his office. A state legislator may
25 not receive membership credit under (b) of this section for legislative
26 service performed before the legislative session during which he elected
27 membership under (b) of this section.

28 * Sec. 2. AS 14.25.220(2) is amended to read:

29 (2) "base salary" or "basic salary"

1 (A) means any remuneration accrued under a contract to a
2 teacher for professional services rendered during any school year;
3 for purposes of AS 14.25.050, base salary accrued includes any pay-
4 ments made after June 30 of a school year for services rendered
5 before the end of the school year;

6 (B) has the same meaning as "compensation" under AS 39.-
7 35.680(8) when applied to a state legislator who elects membership
8 under AS 14.25.040(b);

9 * Sec. 3. AS 14.25.220(4) is amended to read:

10 (4) "employer" means a public school district, the Board of
11 Regents of the University of Alaska, [OR] the Department of Education,
12 or the state legislature with respect to a state legislator who elects
13 membership under AS 14.25.040(b);

14 * Sec. 4. AS 14.25.220(5) is amended to read:

15 (5) "membership service" means

16 (A) service as a teacher in a public school within the
17 Territory or State of Alaska, or both, under the supervision and
18 control of the Territorial Board of Education, [OR] the Department
19 of Education, the school board of any city or borough school dis-
20 trict, or the Board of Regents of the University of Alaska; [, OR]

21 (B) any period during which the teacher is on an
22 approved sabbatical leave granted in accordance with AS 14.20.310
23 or is receiving a disability retirement salary; or

24 (C) continuous service as a state legislator when per-
25 formed by a state legislator who elects membership under AS 14.25.-
26 040(b);

27 * Sec. 5. AS 14.25.220(15) is amended to read:

28 (15) "teacher" or "member" means a certified teacher, certi-
29 fied school nurse, principal, supervisor, or superintendent employed on

1 a full-time or a part-time basis in a position having duties which
2 normally require a year of service in the public schools of the state,
3 the commissioner of education, supervisors within the Department of
4 Education, [AND] all full-time resident professional and administrative
5 personnel of the University of Alaska, and a state legislator who elects
6 membership under AS 14.25.040(b); in case of doubt, the administrator
7 shall finally determine whether or not a person is a teacher as defined
8 in this chapter;

9 * Sec. 6. AS 39.35.125(a) is amended to read:

10 (a) An elected official, other than a state legislator who is an
11 active member of the teachers' retirement system, may be included in the
12 system if, within 60 days after taking the oath of his office or within
13 60 days after May 12, 1966

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

17 (2) notice is given the commissioner of administration in
18 writing.

19 * Sec. 7. AS 39.35.125(c) is amended to read:

20 (c) An elected official, other than a state legislator who is an
21 active member of the teachers' retirement system, may be included retro-
22 actively in the system if he makes retroactive contributions equal to
23 what he would have made if he had elected to be included when he became
24 eligible under (a) of this section.

25 * Sec. 8. A qualified member of the Eleventh State Legislature is eli-
26 gible to elect membership under AS 14.25.040(b), enacted in sec. 1 of this
27 Act.

28 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

#

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 260
 Title Participation of Legislators in the Teachers' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		4.1	4.5	5.0	5.5	6.0
100 BENEFITS		1.0	1.1	1.2	1.3	1.5
TOTAL		5.1	5.6	6.2	6.8	7.5

FUNDING (Thousands of Dollars)

GENERAL FUND		5.1	5.6	6.2	6.8	7.5
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. It is estimated that no more than ten (10) elected State officials will elect coverage under this bill.
2. Estimate FY 80 covered TRS payroll to be 231,000,000.
3. Estimate future State payrolls will increase at 10% annually.
4. Increase in combined TRS State Match and district contribution rate will be .0036% of covered payroll.

IV. DATE 3/12/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

*rec'd 1:30 pm
5/6/79*

FISCAL NOTE

I. REQUEST Senate CS for CS for HB 260 (Rules) am S
 Bill/Resolution No. _____
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

a.) SECTIONS: 1,4,5,6,7,9 and 10

b.) See following pages for additional fiscal impact.

Paul B. Arnoldt

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S

Title An Act Relating to Retirement and Benefits

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Retirement and Benefits (PERS)

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENFFITS		24.1	26.5	29.2	32.1	35.3
TOTAL		24.1	26.5	29.2	32.1	35.3

FUNDING (Thousands of Dollars)

GENERAL FUND		19.9	21.6	23.9	26.3	28.9
FEDERAL FUNDS		1.1	1.2	1.3	1.5	1.6
VETERAN'S FUND			0.1	0.1	0.1	0.1
FISH & GAME FUND		0.1	0.2	0.2	0.2	0.2
HIGHWAY FUND		0.3	0.3	0.4	0.4	0.5
AIRPORT FUND		0.7	0.8	0.8	0.9	1.0
CAPITAL FUND		2.0	2.3	2.5	2.7	3.0
PERS						
TRS						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

- a.) SECTIONS 2, 3, 13 and 14 affecting PERS
- b.) See following pages for additional fiscal impact.

IV. DATE 5/5/79

PREPARED BY

Paul B. Arnoldt
Paul B. Arnoldt, Director

AGENCY

Division of Retirement & Benefits

PHONE

465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Representative Duncan

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		23.1	25.4	28.0	30.8	33.8
100 BENEFITS		5.3	5.8	6.4	7.1	7.8
TOTAL		28.4	31.2	34.4	37.9	41.6

FUNDING (Thousands of Dollars)

GENERAL FUND		28.4	31.2	34.4	37.9	41.6
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

- a.) SECTIONS 2, 3, 13 and 14 affecting TRS
- b.) See following pages for additional fiscal impact.

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits
 PHONE 465-4460

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



ATTACHMENT

SECTIONS 2, 3, 13 and 14 of SCS CSHB 260 (Rules) am S affecting TRS

ASSUMPTIONS:

1. Estimated FY80 Payroll (Total System)	=	\$ 231,000,000
2. State Contribution Rate to Fund Bill	=	.01%
3. State TRS Matching Rate to Fund Bill	=	.01%
4. School District Rate to Fund Bill	=	.01%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X	.01%	\$ 600	To Their Budget
2. University of Alaska	\$ 47,000,000	X	.01%	\$ 4,700	To Their Budget
				<u>\$ 5,300</u>	
3. State TRS Matching	\$231,000,000	X	.01%	\$23,100	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal Services
Travel				\$ -0-	To Travel
Contractual				\$ -0-	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				\$ -0-	To Equipment
				<u>\$28,400</u>	
5. All School Districts	\$178,000,000	X	.01%	\$17,800	
				<u>\$46,200</u>	

REMARKS:

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (OTHER BENEFITS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		19.6	20.8	22.0	23.3	24.7
200 TRAVEL						
300 CONTRACTUAL		50.0	5.0	5.0	5.0	5.0
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		993.7	1192.4	1430.9	1717.0	2060.4
TOTAL		1064.1	1218.5	1458.2	1745.6	2190.4

FUNDING (Thousands of Dollars)

GENERAL FUND	884.2	1002.5	1199.2	1434.9	1717.4
FEDERAL FUNDS	45.7	54.9	65.8	79.0	94.8
VETERAN'S FUND	2.0	2.4	2.9	3.4	4.1
FISH & GAME FUND	6.0	7.2	8.6	10.3	12.4
HIGHWAY FUND	12.9	15.5	18.6	22.3	26.8
AIRPORT FUND	28.8	34.6	41.5	49.8	59.8
CAPITAL FUND	84.5	101.4	121.6	145.9	175.1
PERS					
TRS					

POSITIONS

FULL TIME	1	1	1	1	1
PART TIME					
TEMPORARY					

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

a.) SECTION 8:

- (i) No Cost
- (ii) No Cost
- (iii) Cost as identified on this page.

b.) See following pages for additional fiscal impact.

Paul B. Arnoldt

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

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

ATTACHMENT

SECTION 8 of SCS CSHB 260 (Rules) am S affecting OTHER BENEFITS Category

1. Personal Services - one permanent full-time position Accounting Clerk III (range 10) - salary and merit increases at 6% per year.

FY 80 monthly salary	\$1,254 X 12 = \$15,048
Plus benefits at 30.23%	= \$ 4,549
	\$19,597

2. Contractual Services - data processing costs to key data from time cards for temporary employees for the last three years in order to establish eligibility; to design and implement a system for identifying eligibility for temporary employees; and to operate/maintain a system in future years.

FY 80	= \$50,000
Succeeding FY's	= \$ 5,000

3. Miscellaneous Expenses - initial cost office equipment and annual commodity and replacement costs.

FY 80	= \$ 800
Succeeding FY's	= \$ 300

These funds should be appropriated to the Division of Finance, Department of Administration, William C. Mullin, Director, 465-2240.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		514.7	566.2	622.8	685.1	753.6
TOTAL		514.7	566.2	622.8	685.1	753.6

FUNDING (Thousands of Dollars)

GENERAL FUND		421.6	463.8	510.2	561.1	617.1
FEDERAL FUNDS		23.7	26.0	28.6	31.5	34.7
VETERAN'S FUND		1.0	1.1	1.2	1.4	1.5
FISH & GAME FUND		3.1	3.4	3.7	4.1	4.5
HIGHWAY FUND		6.7	7.4	8.1	8.9	9.8
AIRPORT FUND		14.9	16.4	18.1	19.9	21.9
CAPITAL FUND		43.7	48.1	52.9	58.2	64.1
PERS						
TRS						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

- a.) SECTIONS 11, 12 and 15 affecting PERS
- b.) Estimate that 100 former legislative temporary employees are eligible for benefits under this bill. Estimate that of the 200 current legislative temporary employees, 100 are already eligible for benefits under this bill and of the remaining 100 employees, it is estimated that 50 will qualify for benefits in the future.

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

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



STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3301

DEPARTMENT Legislature Admin

ATTENTION _____

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

FROM:
MAIL STATION NUMBER 0000

DEPARTMENT Admin.

BY Crossbell

DATE 5/9/79

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST Senate CS for CS for HB 260 (Rules) am S
 Bill/Resolution No. _____
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

a.) SECTIONS: 1,4,5,6,7,9 and 10

b.) See following pages for additional fiscal impact.

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Suecking)

Paul B. Arnoldt *JS*

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S

Title An Act Relating to Retirement and Benefits

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Retirement and Benefits (PERS)

BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		24.1	26.5	29.2	32.1	35.3
TOTAL		24.1	26.5	29.2	32.1	35.3

FUNDING (Thousands of Dollars)

GENERAL FUND		19.9	21.6	23.9	26.3	28.9
FEDERAL FUNDS		1.1	1.2	1.3	1.5	1.6
VETERAN'S FUND			0.1	0.1	0.1	0.1
FISH & GAME FUND		0.1	0.2	0.2	0.2	0.2
HIGHWAY FUND		0.3	0.3	0.4	0.4	0.5
AIRPORT FUND		0.7	0.8	0.8	0.9	1.0
CAPITAL FUND		2.0	2.3	2.5	2.7	3.0
PERS						
TRS						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

- a.) SECTIONS 2, 3, 13 and 14 affecting PERS
- b.) See following pages for additional fiscal impact.

IV. DATE 5/5/79

PREPARED BY

Paul B. Arnoldt
Paul B. Arnoldt, Director

AGENCY

Division of Retirement & Benefits

PHONE

465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Representative Duncan

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH		23.1	25.4	28.0	30.8	33.8
100 BENEFITS		5.3	5.8	6.4	7.1	7.8
TOTAL		28.4	31.2	34.4	37.9	41.6

FUNDING (Thousands of Dollars)

GENERAL FUND		28.4	31.2	34.4	37.9	41.6
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS None

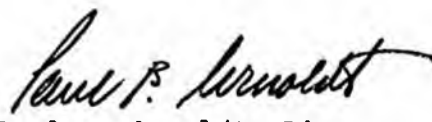

FULL TIME						
PART TIME						
TEMPORARY						

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

- a.) SECTIONS 2, 3, 13 and 14 affecting TRS
- b.) See following pages for additional fiscal impact.

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Snelking)

Paul B. Arnoldt  

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (OTHER BENEFITS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		19.6	20.8	22.0	23.3	24.7
200 TRAVEL						
300 CONTRACTUAL		50.0	5.0	5.0	5.0	5.0
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		993.7	1192.4	1430.9	1717.0	2060.4
TOTAL		1064.1	1218.5	1458.2	1745.6	2090.4

FUNDING (Thousands of Dollars)

GENERAL FUND		884.2	1002.5	1199.2	1434.9	1717.4
FEDERAL FUNDS		45.7	54.9	65.8	79.0	94.8
VETERAN'S FUND		2.0	2.4	2.9	3.4	4.1
FISH & GAME FUND		6.0	7.2	8.6	10.3	12.4
HIGHWAY FUND		12.9	15.5	18.6	22.3	26.8
AIRPORT FUND		28.8	34.6	41.5	49.8	59.8
CAPITAL FUND		84.5	101.4	121.6	145.9	175.1
PERS						
TRS						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

a.) SECTION 8:

- (i) No Cost
- (ii) No Cost
- (iii) Cost as identified on this page.

b.) See following pages for additional fiscal impact.

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)

Paul B. Arnoldt

[Signature]

ATTACHMENT

SECTION 8 of SCS CSHB 260 (Rules) am S affecting OTHER BENEFITS Category

1. Personal Services - one permanent full-time position Accounting Clerk III (range 10) - salary and merit increases at 6% per year.

FY 80 monthly salary	\$1,254 X 12 = \$15,048
Plus benefits at 30.23%	= \$ 4,549
	\$19,597

2. Contractual Services - data processing costs to key data from time cards for temporary employees for the last three years in order to establish eligibility; to design and implement a system for identifying eligibility for temporary employees; and to operate/maintain a system in future years.

FY 80	= \$50,000
Succeeding FY's	= \$ 5,000

3. Miscellaneous Expenses - initial cost office equipment and annual commodity and replacement costs.

FY 80	= \$ 800
Succeeding FY's	= \$ 300

These funds should be appropriated to the Division of Finance, Department of Administration, William C. Mullin, Director, 465-2240.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate CS for CS for HB 260 (Rules) am S
 Title An Act Relating to Retirement and Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		514.7	566.2	622.8	685.1	753.6
TOTAL		514.7	566.2	622.8	685.1	753.6

FUNDING (Thousands of Dollars)

GENERAL FUND	421.6	463.8	510.2	561.1	617.1
FEDERAL FUNDS	23.7	26.0	28.6	31.5	34.7
VETERAN'S FUND	1.0	1.1	1.2	1.4	1.5
FISH & GAME FUND	3.1	3.4	3.7	4.1	4.5
HIGHWAY FUND	6.7	7.4	8.1	8.9	9.8
AIRPORT FUND	14.9	16.4	18.1	19.9	21.9
CAPITAL FUND	43.7	48.1	52.9	58.2	64.1
PERS					
TRS					

POSITIONS None

FULL TIME					
PART TIME					
TEMPORARY					

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

- a.) SECTIONS 11, 12 and 15 affecting PERS
- b.) Estimate that 100 former legislative temporary employees are eligible for benefits under this bill. Estimate that of the 200 current legislative temporary employees, 100 are already eligible for benefits under this bill and of the remaining 100 employees, it is estimated that 50 will qualify for benefits in the future.

IV. DATE 5/5/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Duncan
 Office of the Governor (Keith Specking)



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

3/20/90
Date

COMMITTEE REPORT

HOUSE

3/5/79

FURTHER:

Date: 3-8-79

Mr. Speaker:

The Committee on FINANCE has had HB 261

"An Act making a supplemental appropriation to the Department of Law for a training program on the revised criminal code; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" ~~NEW~~ Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Meekins

Freeman

Matgomery

Hawley

Thompson

Rosen

Amick

McKinnon

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Meekins

CHAIRMAN

Funding Information
General Fund \$46,185
Other Funds -0-
\$46,185

Introduced: 2/21/79
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY GARDINER

2 HOUSE BILL NO. 261

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Law for a training program on the revised
8 criminal code; and providing for an effective date."

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

10 * Section 1. The sum of \$46,185 is appropriated from the general fund to
11 the Department of Law for devising and implementing a training program on the
12 revised criminal code.

13 * Sec. 2. The unexpended and unobligated portion of this appropriation
14 lapses into the general fund June 30, 1979.

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 261
 Title "An Act making a supplemental Appropriation...on the revised Criminal Code..."
 Requested by Legislative Finance Division Date Mar. 6, 1979

II. FISCAL DETAIL

Agency Affected Department of Law
 Program Category Affected Administration of Justice
 Budget Request Unit(s) Affected Prosecution

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	24.7					
200 TRAVEL	12.9					
300 CONTRACTUAL	7.8					
400 COMMODITIES	.7					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	46.1					

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	46.1					
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME	2					
PART TIME	0					
TEMPORARY	0					

2 Positions 3 months each

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

This bill provides supplemental funds to the Department of Law to initiate training for the Revised Criminal Code. A detailed training plan is attached which spells out the steps which should be taken over the next 15 months to prepare members of the Criminal Justice System for implementation of the revised code. It is therefore important that training begin in the very near future. A phase I budget is included with the attached training plan which spells out the use of the funds to be provided by this bill. A separate Fiscal note has been prepared for phase II training, funds for which are requested in CSHB 262.

IV. DATE 3/8/79

PREPARED BY Richard I. Pegues, Admin. Officer
 AGENCY Law
 PHONE 465-3695

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

REVISED CRIMINAL CODE-TRAINING PROGRAM

The second session of the tenth Alaska Legislature adopted a new criminal code for the state. The new code is a sweeping and comprehensive revision of Alaska's criminal law. The code becomes effective on January 1, 1980. The eighteen month delayed effective date was specified to allow sufficient time to devise and implement a training program to ensure that all segments of the criminal justice system would be familiar with the code once it went into effect. Though envisioning this training program, the Legislature failed to provide funds for its development and implementation. The funding of a training program is critical to ensure a smooth transition from existing law to the new criminal code.

The attached pages discuss in detail the training program to be conducted by the Department of Law. The program has two phases. The first begins on April 1, 1979 and continues until June 30, 1979. During April and May of this year a criminal code manual will be prepared by the Department of Law. The manual will include the provisions of the new criminal code, the relevant corresponding sections of the prior criminal code, the commentary adopted by the legislature expressing its intent in passing the criminal

code, cross-references for each statute to other relevant provisions in the criminal code, a derivation chart listing the states upon which the revised criminal code was based and a compilation of judicial decisions in states having statutes similar to those appearing in the new criminal code. The manual will be approximately five-hundred pages and will be distributed to all district attorneys, public defenders and judges. Extra copies of the manual will be available at cost to members of the defense bar.

The first phase of instruction will begin in Sitka in early June for all district attorneys. A twelve-hour session conducted over two days is planned. Training manuals will be distributed at or before the session. All members of the eight district attorneys offices will leave the session with a working knowledge of the criminal code along with a manual which will address many of the questions which will arise once the code becomes effective.

Also being held in Sitka at the same time as the district attorney's conference is the annual judicial conference. Members of the criminal division of the Department of Law will present an overview of the criminal code at the judicial conference and distribute the criminal code manual. Also envisioned is a program on the new criminal code to be

presented at the Alaska Bar Association Convention in Sitka prior to the judicial conference.

The second phase of the training program will commence on July 1, 1979. Drafting will begin on a criminal code work book which will be distributed to all law enforcement officers (both state and municipal) in Alaska. The work book will be drafted in conjunction with the efforts of the Department of Public Safety Academy to devise a training program for new recruits. The work book will emphasize those provisions of the criminal code which are of particular relevance to peace officers (i.e., assault, disorderly conduct, homicide, theft, joyriding). A number of questions regarding the statutes will also be included. These questions will be answered by the officers at the training sessions described below. An instruction manual will also be prepared which will be used by the eight prosecuting attorney instructors who will be assigned primary responsibility for training law enforcement officers.

In early fall a five-day intensive review of the criminal code will be conducted in Anchorage. Eight prosecuting attorneys, one from each of the eight state district attorney offices located in Ketchikan, Juneau, Anchorage, Bethel, Nome, Kenai, Fairbanks, and Kodiak will attend this session.

Each of the eight prosecuting attorney instructors with the assistance of the attorney coordinator will be responsible for the training of all law enforcement officers in their city and surrounding communities. The five day meeting will acquaint the prosecuting attorney instructors with the training program for law enforcement officers.

Instruction of law enforcement officers will be conducted from October 1 to December 15, 1979 by the attorney coordinator and the prosecuting attorney instructors. The primary sessions will be held in the eight cities having district attorney offices. The sessions will be two days long, with several sessions contemplated in the larger communities. All local law enforcement offices as well as officers from surrounding communities having less than five peace officers will attend these sessions. Similar sessions will also be held in surrounding communities having five or more peace officers.

Upon completion of the training program for law enforcement officers, the coordinating attorney will begin work on sample complaints to be used in charging under the criminal code. Work will also begin in conjunction with the court system on a set of jury instructions to be used with the criminal code.

The final phase of the training program will be conducted at the eight district attorney offices during May 15-June 30. The attorney coordinator will conduct reviews of selected areas of the code as well as address problems that have arisen since the code's implementation.

SUMMARY OF COST OF CRIMINAL CODE TRAINING PROGRAM
April 1, 1979 - June 30, 1980

Personal Services	\$ 77,371.67
Travel	28,897.43
Printing and video costs	18,200.00
Commodities	7,350.00
	<u> </u>
	<u> </u>
	\$131,819.10

AM

PHASE I COSTS: April 1, 1979 - June 30, 1979

I. Attorney Coordinator		
A. Prepare Criminal Code Manual to include new criminal code, corresponding provisions of old criminal code, commentary adopted by legislature, derivation information listing states with similar statutes and judicial decisions interpreting statutes, cross references to other relevant statutes in new criminal code.		
B. Conduct first phase of training for all district attorneys and assistant district attorneys in Sitka. June 11-12.		
C. Present programs on criminal code at:		
1. Judicial Conference - Sitka, June 11-13		
2. Bar Association Convention - Sitka, June 6-8		
	3 months x \$4,620.36	\$13,861.08
	<u> AHY IV, 14D</u>	
II. Legal Intern - Research judicial decisions in other states with statutes similar to those appearing in criminal code. Compile decisions for placement in criminal code manual.		
	3 months x \$1,800	5,400.00
III. Travel and per diem (see detailed cost analysis attached)		12,865.28
IV. Printing of criminal code manual and distribution to all district attorneys, public defenders and judges (including postage).		
	350 sets x \$12	4,200.00
V. Video tape production: includes cost of tapes, filming and reproduction costs of recording training program for district attorneys. Tapes to be used for training district attorneys hired after June 1979 and in training district attorneys unable to attend training program in Sitka.		3,000.00
VI. Telephone - \$200 per month		600.00
VII. Commodities and office consumables		
	\$250 per month	750.00
VIII. Secretarial support:		
	\$1,836 x 3	5,508.00
	<u> L.S. & V. I., 10B</u>	
	<u> HB 261</u>	
		<u>\$46,184.36</u>

- SPECIAL ATTACH

PHASE II COSTS: July 1, 1979 - June 30, 1980

I. Attorney Coordinator

- A. Coordinate training program for law enforcement officers (Alaska State Troopers and municipal peace officers) in conjunction with and relying on expertise of Department of Public Safety Academy and Alaska Police Standards Council. Prepare criminal code workbook for use by law enforcement officers and instructor's manual for use by prosecuting attorney instructors. July 1 to August 31.
- B. Conduct training program of prosecuting attorney instructors. September 17 to September 21, Anchorage. Familiarize instructors with training program for law enforcement officers.
- C. Supervise training by prosecuting attorney instructors of law enforcement officers. October 1 to December 15.
- D. Preparation of sample complaints. December 15 to March 15.
- E. Preparation of jury instructions in conjunction with Court System. January 15 to June 30.
- F. Follow up training in district attorney's offices. May 15 to June 30.

6 months full time x \$4,620.36
 6 months 1/2 time x \$2,310.18

\$41,583.24

Att IV, 24D

II. Travel and per diem (see detailed cost analysis attached)

- A. Anchorage training program of eight prosecuting attorney instructors. September 17 to September 21.
- B. Trips of attorney coordinator from Anchorage to Ketchikan, Juneau, Kenai, Soldotna, Kodiak, Bethel, Fairbanks, and Nome. October 1 to December 15.
- C. Trips of peace officers from communities having less than five peace officers to nearest district attorney's office. October 1 to December 15.
- D. Trips of prosecuting attorney instructors and attorney coordinator to Petersburg, Wrangell, Sitka, Valdez, Palmer, Glenallen/Tok, Cordova, Barrow, Seward, Homer, Kotzebue. October 1 to December 15.
- E. Follow up training in district attorney offices. May 15 to June 15.

*F. Rural Police Officers Training
 HB 262*

56-637-15

56,632

III. Secretarial support:		
	12 months 1/2 time x \$1,836.56	11,019.35
	<i>Leg. Sec. I, 10 B.</i>	
IV. Printing of workbook for law enforcement officers:		
	1,000 x \$8.00	8,000.00
V. Video tape production: includes cost of tapes, filming and reproduction costs of recording training program for law enforcement officers. Tapes to be used for training law enforcement officers hired after December 15, 1979 and in training of officers who are unable to attend programs conducted October 1 to December 15, 1979.		3,000.00
VI. Telephone: \$200 per month		2,400.00
VII. Commodities and office consumables: \$250 per mo.		<u>3,600.00</u>
		126,634.74
		\$126,234.74

TRAVEL AND PER DIEM COSTS - PHASE I

Travel costs for 45 district attorneys and assistant district attorneys to Sitka to attend two-day training session on criminal code:

To Sitka from:

Juneau - 7 x \$64.24	=	\$ 449.68
Ketchikan - 2 x \$93.16	=	186.32
Anchorage - 21 x \$180.08	=	3,781.68
Kenai - 2 x \$216.08	=	432.16
Kodiak - 2 x \$275.49	=	550.98
Bethel - 1 x \$328.90	=	328.90
Nome - 1 x \$333.72	=	333.72
Fairbanks - 9 x \$235.76	=	2,121.84
		<u>\$8,185.28</u>

Per diem: 45 participants at \$52		
per day x 2 days	=	<u>\$4,680.00</u>

TOTAL

\$12,865.28

TRAVEL AND PER DIEM COSTS - PHASE II

- A. Training program for prosecuting attorney instructors in Anchorage. September 17 to September 21.

Round trip airfare of prosecuting attorney instructors to Anchorage from:

1.	Juneau	\$ 171.16
2.	Ketchikan	222.42
3.	Kenai	36.00
4.	Kodiak	95.11
5.	Bethel	148.82
6.	Fairbanks	102.12
7.	Nome	191.12
		<hr/>
		\$ 967.05

Per diem: 7 participants x 5 days x \$55
per day \$1,925.00

TOTAL

\$2,892.05

- B. Trips of attorney coordinator to district attorney offices. October 1 to December 15.

Round trip airfare from Anchorage to:

1.	Juneau	\$ 171.16
2.	Ketchikan	222.42
3.	Kenai	36.00
4.	Kodiak	95.41
5.	Bethel	148.82
6.	Fairbanks	102.12
7.	Nome	191.12
		<hr/>
		\$ 967.05

Per diem for attorney coordinator for trips to district attorneys offices. October 15 to December 15:

Juneau - 3 days x \$55	=	\$ 165.00
Ketchikan - 3 days x \$50	=	150.00
Kenai - 3 days x \$54	=	162.00
Kodiak - 2 days x \$54	=	108.00
Bethel - 2 days x \$65	=	130.00
Fairbanks - 5 days x \$58	=	290.00
Nome - 2 days x \$82	=	164.00
		<hr/>
		\$1,169.00

\$1,169.00

TOTAL

2,136.05

C. Trips of peace officers from cities having less than five peace officers to nearest district attorney's office. October 1 to December 15.

		<u>Number of Officers</u>
To Ketchikan from:	Metlaktla	2
	Craig	2
To Juneau from:	Haines	4
	Skagway	3
	Hoonah	2
	Pelican	1
	Yakutat	1
To Anchorage from:	Whittier	1
To Fairbanks from:	North Pole	3
	Nenana	2
To Kenai from:	Seldovia	1
To Kodiak from:	Dillingham	2
	Unalaska	<u>2</u>
		26

26 officers at approximately \$200 per trip including per diem \$ 5,200.00

D. Trips of prosecuting attorney instructor and coordinating attorney to Petersburg, Wrangell, Valdez, Palmer, Glenallen, Tok, Cordova, Barrow, Seward, Homer, Kotzebue. October 15 to December 15.

10 cities at approximately \$200 per trip including per diem x 2 4,000.00

E. Trips of attorney coordinator to district attorney's offices. April 15 to May 15:

1. Juneau	\$ 171.16
2. Ketchikan	222.42
3. Kenai	36.00
4. Kodiak	95.41
5. Bethel	148.82
6. Fairbanks	102.12
7. Nome	<u>191.12</u>
	\$ 967.05

Per diem for attorney coordinator for trips to district attorneys offices. April 15 to May 15:

Juneau - 2 days x \$55	= \$ 110.00
Ketchikan - 2 days x \$50	= 100.00
Kenai - 2 days x \$54	= 108.00
Kodiak - 2 days x \$54	= 108.00
Bethel - 2 days x \$65	= 130.00
Fairbanks - 3 days x \$58	= 116.00
Nome - 2 days x \$82	<u>165.00</u>
	\$ 837.00

1 TOTAL

1,804.05

HB 262
F. 116 Rural Officers Training per
2 Rural schedule from Police Officers Council

46,666.11
\$ 56,632.11

STATE
of ALASKA

MEMORANDUM

TO: Barry Stern
Coordinator, Criminal Code Training
Department of Law

DATE: February 27, 1979

FILE NO:

TELEPHONE NO:

FROM: James F. Mayer
Executive Director
Alaska Police Standards Council

SUBJECT: Criminal Code Training/
Village Police Officers

The following list identifies the communities and number of police officers in the "village" category which will require training in the Criminal Code revision. They are broken down regionally based on the already proposed training centers.

<u>Training Center</u>	<u>Municipality</u>	<u>Number of Officers</u>
Anchorage	St. Paul	1
	King Cove	1
	McGrath	1
Bethel	Kotlik	2
	Emmonak	2
	Grayling	1
	Alakanuk	1
	Sheldon Point	1
	Shageluk	3
	Holy Cross	2
	Mountain Village	1
	Scammon Bay	2
	St. Mary's	1
	Fortuna Ledge	1
	Chevak	2
	Chuathbaluk	2
	Lower Kalskag	1
	Aniak	1
	Newtok	2
	Tununak	2
	Toksook Bay	3
	Nightmute	1
	Chefornak	1
	Akmiut	4
	Atmautluak	2
	Akiachak	2
	Akiak	2
	Kwethluk	2
	Napakiaik	2
	Quinhagak	4
Ekwok	1	
Aleknagik	1	
Goodnews Bay	2	
Platinum	2	
Togiak	2	
Manokotak	2	

<u>Training Center</u>	<u>Municipality</u>	<u>Number of Officers</u>
Fairbanks	Fort Yukon	1
Ketchikan	Klawock	1
Petersburg	Kake	2
Juneau	Tenakee Springs	1
Kotzebue	Kivalina	1
	Kiana	1
	Ambler	1
	Noorvik	2
	Kobuk	1
	Selawik	5
	Shishmaref	3
	Deering	1
	Buckland	1
	Kenai	Soldotna
Kodiak	Ouzinkie	1
Nome	Diomede	1
	Wales	1
	Brevig Mission	1
	Teller	1
	Elim	1
	White Mountain	1
	Golovin	1
	Koyuk	2
	Unalakleet	4
	Galena	1
	Stebbins	3
	Savoonga	2
St. Michael	2	
Sitka	Angoon	2
65 Municipalities		116 Officers

The following budget is proposed to provide transportation and per diem for these officers to go to the listed regional training centers:

Round-trip Transportation:

116 officers @ \$200.

\$23,200