

LEG. FINANCE - BILLS 1979 - 1980 1133
CSHB 605 thru HB 608 133



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

(11)

HOUSE

2/14/80

FURTHER:

Date: 4/30/80

Mr. Speaker:

The Committee on FINANCE has had HB 605

"An Act authorizing municipalities to participate in the program of supplementary employee benefits; and providing for an effective 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 ^{State Affairs} CS for HB 605 same title
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note (3/11/80)
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

McKinney

Smith

Steffen

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Rogers NO REC

Freeman
Vice CHAIRMAN

CSHB 605

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE
(REVISED)

I. REQUEST
 Bill/Resolution No. CSHB 605
 Title An Act Relating to Participation in the State Supplemental Employee Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)
 (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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		68.1	72.9	78.0	83.5	89.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.5	21.1	23.2	25.5	28.1
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		4.5	5.0	5.5	6.1	6.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		150.5	101.6	109.6	118.3	127.6

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
SUPPLEMENTAL BENEFITS		150.5	101.6	109.6	118.3	127.6

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan.
4. Administrative costs per attachment.
5. This fiscal note revises the fiscal note to CSHB 605 dated 2/20/80 by removing the position of deputy director.

IV. DATE 3/11/80 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460

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

The primary goal of the Division of Retirement and Benefits is to administer specific benefit programs established by statute for the State of Alaska and participating political subdivisions. The secondary goal is to provide information to the legislative process, collective bargaining process, and administrative process. Some of the primary functions of the division are: to maintain records; to disseminate information and provide counseling to members of the various retirement systems regarding programs, retirement, social security, health and life insurance programs and the deferred compensation plan; to analyze and recommend statutory changes to the legislature for all benefit programs in order to remain competitive with those programs offered by other employers; to testify before the legislature on proposed legislation affecting the various benefit programs; and to ensure that correct benefit payments or refunds are made to employees or beneficiaries in a timely manner. The FY 81 request includes funding to administer the State Supplemental Benefits Program, which replaced the Federal Social Security program on January 1, 1980.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

10:23

1/11/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF ADMINISTRATION

PROGRAM: RETIREMENT & BENEFITS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST	GOVERNOR	HOUSE	SENATE
P.E.R.S.	628.4	641.7	632.2	695.0			824.2	837.4	862.5		
T.R.S.	621.7	635.8	500.8	644.5			709.1	723.0	749.4		
OTHER BENEFITS	215.1	222.3	218.4	719.1			603.4	667.9	687.5		
XX TOTAL	1465.2	1499.8	1351.4	2058.6			2137.3	2228.3	2299.4		
XX CHANGE VERSUS 80 AUTH							3.8%	8.2%	11.6%	-100.0%	-100.0%
OBJECT DESCRIPTION											
PERS. SERV.	736.3	717.1	747.0	1003.8			1064.6	1111.4	1182.5		
TRAVEL	46.2	46.2	31.4	58.3			66.2	66.2	66.2		
CONTRACTUAL	574.6	660.1	498.5	773.0			794.0	836.7	836.7		
COMMODITIES	9.7	9.3	6.0	11.4			13.1	13.5	13.5		
EQUIPMENT	7.2	7.2	8.6	47.7			4.5	6.7	6.7		
LANDS/BLDGS				46.1			44.3	44.3	44.3		
GRANTS, CLMS	59.9	59.9	59.9	87.0			118.2	118.2	118.2		
MISC.	31.3			31.3			32.4	31.3	31.3		
FUNDING SOURCE											
GENERAL FUND	160.8	174.8	170.9	185.5			131.7	196.2	201.6		
PCM RECEIPTS				463.7			397.3	397.3	408.4		
OTHER FUNDS	1296.4	1325.0	1180.5	1407.4			1608.3	1634.8	1689.4		
XX GENERAL FUND CHANGE VS. 80 AUTH							-29.0%	5.7%	8.6%	-100.0%	-100.0%
POSITIONS											
FULL-TIME	30.0	30.0	30.0	37.0			42.0	44.0	44.0		
TEMPORARY				4.0							
STAFF MONTHS	360.0	360.0	360.0	450.2			489.0	513.0	513.0		

Attachment for CSHB 605

Personal Services FY 81 -- Assume 7% inflation on personal services.

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 =	\$21,768
	Benefits	3,298
	FICA	1,448
	Health	1,524
		<u>\$28,038</u>

Retirement & Benfits Specialist III, Range 18A	Salary \$2,640 x 12 =	\$31,680
	Benefits	4,800
	Supplemental Benefits	2,107
	Health	1,524
		<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
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Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing Design and Implementation Cost	70,000
Telephone (\$250 x 2 positions)	500
	<u>\$75,500</u>

Contractual FY 82 -- Assume 10% inflation.

Printing and Advertising	\$ 5,500
Data Processing Maintenance Cost	15,000
Telephone (\$275 x 2 positions)	550
	<u>\$21,050</u>

Equipment FY 81

(2) Work Stations @ \$900.00 each	\$ 1,800
(2) Calculators @ \$240.00 (printing)	480
(1) Side Chairs @ \$185.00	185
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 4,465</u>

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12B	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	INSA
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	REG		
3	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY	1814/Month	21,768						
5	BENEFITS		3,298						
6	FICA		1,448						
7	HEALTH INS.		1,524						
8	TOTAL PERSONAL SERVICES		28,038						
9	TRAVEL								
10	CONTRACTUAL		250						
11	COMMODITIES		200						
12	EQUIPMENT		1,050						
13	OTHER								
14	TOTAL COST		29,538						
15	CODE	FUNDING SOURCE							
		FED RCPTS.							
		GF MATCH.							
		GEN. FUND							
		I-A RCPTS.							
		PGM RCPTS Suppl. Benefits							
		OTHER							
21	CONTINUATION								
22	ADDITION								
FOR B&M USE ONLY									
4A KEY NUMBER _____ COLUMN NO. _____									

JUSTIFICATION:

In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

13 REQUEST FOR NEW POSITION.

FY 81

1	POSITION TITLE Retirement and Benefits Specialist III			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DISAPP.					
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.							
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES:				<p>This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulations and benefits provisions to the municipality participant and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.</p>									
5	SALARY 2,640/Month		31,680											
6	BENEFITS		4,800											
7	FICA		2,107											
8	HEALTH INS.		1,524											
9	TOTAL PERSONAL SERVICES		40,111											
10	TRAVEL		2,000											
11	CONTRACTUAL		250											
12	COMMODITIES		200											
13	EQUIPMENT		1,325											
14	OTHER													
15	TOTAL COST		43,886											
15	CODE	FUNDING SOURCE												
16		FED RCPTS.												
17		GF MATCH.												
18		GEN. FUND												
19		I-A RCPTS.												
20		PGM RCPTS		Supple. Ben.	43,886									
21	CONTINUATION													
22	ADDITION		XXX	FOR B&M USE ONLY										
4A KEY NUMBER				COLUMN NO.										

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplement Benefits

FY 81

13 REQUEST FOR NEW POSITION.

Original sponsors: Miller and Duncan

Offered: 2/14/80
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 605

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to participation in the state program
7 of supplemental employee benefits; and providing for an
8 effective date."

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

10 * Section 1. AS 39.30 is amended by adding new sections to read:

11 Sec. 39.30.170. PARTICIPATION IN PROGRAM. (a) An employer may
12 become a participating employer in the employee benefits program under
13 AS 39.30.150 - 39.30.180, if

14 (1) the employer participates as an employer in the public
15 employees' retirement system (AS 39.35); and

16 (2) the employer

17 (A) is eligible for membership in but has never elected
18 to become a member of the federal social security system; or

19 (B) withdraws from membership in the federal social
20 security system.

21 (b) In order to become a participating employer, the employer
22 shall file a request with the commissioner. The request may be made
23 only after adoption of a resolution by the legislative body of a municipi-
24 pality, if the employer is a municipality, or by the board of directors,
25 if the employer is a public organization, and after approval of the
26 resolution by the official required by law to approve the resolution. A
27 certified copy of the resolution shall be filed with the commissioner.

28 (c) The commissioner shall approve the request if he finds that
29 the employer has never participated in the federal social security

1 system or has withdrawn from participation in the federal social
2 security system.

3 (d) The employer may begin participation as a participating
4 employer covered by AS 39.30.150 - 39.30.180 on the date designated by
5 the commissioner.

6 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

7 (1) "commissioner" means the commissioner of the Department
8 of Administration;

9 (2) "participating employer" means

10 (A) the State of Alaska; and

11 (B) an employer who

12 (i) is an employer as defined in AS 39.35.680(17);

13 (ii) has never participated in or has withdrawn from
14 participation in the federal social security system; and

15 (iii) whose participation in the supplemental
16 employee benefits program has been approved by the commissioner.

17 * Sec. 2. AS 39.30.150(a) is amended to read:

18 (a) In place of contributions to the federal social security
19 system which would have been required on behalf of an employee had the
20 participating employer belonged to the social security [STATE REMAINED
21 IN THE] system, the participating employer [STATE] shall contribute
22 12.26 percent of the wages of the employee up to the taxable wage base
23 then in effect in the social security system. All costs of establishing
24 and administering the benefit program established by AS 39.30.160 shall
25 be paid from the contributions made by the participating employers
26 [STATE] under this section. The balance of the contributions made by
27 the participating employers [STATE] shall be paid into special individual
28 employee benefit accounts in the Department of Administration to be used
29 to provide supplemental employee benefits provided in AS 39.30.160.

1 * Sec. 3. AS 39.30.150 is amended by adding a new subsection to read:

2 (c) An employee of a participating employer is considered to have
3 agreed to have his wages reduced by an amount equal to one-half the
4 total contribution which the participating employer is required to make
5 on behalf of the employee under this section.

6 * Sec. 4. AS 39.30.160(b) is amended to read:

7 (b) An employee on whose behalf a participating employer [THE
8 STATE] is making contributions under AS 39.30.150 may select the types
9 and amounts of supplemental benefits to be purchased from the special
10 account established for him under AS 39.30.150. The selection shall be
11 from the benefit options listed in (a) of this section.

12 * Sec. 5. AS 39.30.160(c) is amended to read:

13 (c) The entire amounts paid by participating employers [THE
14 STATE], after the deduction for administrative costs under AS 39.30.150,
15 into the special individual benefit accounts under AS 39.30.150 shall be
16 used for supplemental benefits under this section.

17 * Sec. 6. AS 39.35.160(b) is repealed.

18 * Sec. 7. This Act is retroactive to January 1, 1980.

19 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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CSHB 605

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE
(REVISED)

I. REQUEST

Bill/Resolution No. CSHB 605
Title An Act Relating to Participation in the State Supplemental Employee Benefits
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)
(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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		68.1	72.9	78.0	83.5	89.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.5	21.1	23.2	25.5	28.1
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		4.5	5.0	5.5	6.1	6.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		150.5	101.6	109.6	118.3	127.6

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
SUPPLEMENTAL BENEFITS		150.5	101.6	109.6	118.3	127.6

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan.
4. Administrative costs per attachment.
5. This fiscal note revises the fiscal note to CSHB 605 dated 2/20/80 by removing the position of deputy director.

IV. DATE 3/11/80 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement and Benefits
PHONE 465-4460

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

Attachment for CSHB 605

Personal Services FY 81 -- Assume 7% inflation on personal services.

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 =	\$21,768
	Benefits	3,298
	FICA	1,448
	Health	1,524
		<u>\$28,038</u>

Retirement & Benfits		
Specialist III, Range 18A	Salary \$2,640 x 12 =	\$31,680
	Benefits	4,800
	Supplemental Benefits	2,107
	Health	1,524
		<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
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Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing Design and Implementation Cost	70,000
Telephone (\$250 x 2 positions)	500
	<u>\$75,500</u>

Contractual FY 82 -- Assume 10% inflation.

Printing and Advertising	\$ 5,500
Data Processing Maintenance Cost	15,000
Telephone (\$275 x 2 positions)	550
	<u>\$21,050</u>

Equipment FY 81

(2) Work Stations @ \$900.00 each	\$ 1,800
(2) Calculators @ \$240.00 (printing)	480
(1) Side Chairs @ \$185.00	185
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 4,465</u>

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12B	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	1814/Month	21,768
5	BENEFITS		3,298
6	FICA		1,448
7	HEALTH INS.		1,524
8	TOTAL PERSONAL SERVICES		28,038
9	TRAVEL		
10	CONTRACTUAL		250
11	COMMODITIES		200
12	EQUIPMENT		1,050
13	OTHER		
14	TOTAL COST		29,538

JUSTIFICATION:

In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	
18		I-A RCPTS.	
19		PGM RCPTS	Suppl. Benefits 29,538
20		OTHER	

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION		

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

FY 81

13 REQUEST FOR NEW POSITION.

1	POSITION TITLE Retirement and Benefits Specialist III			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.					
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.						
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES: SALARY 2,640/Month		31,680		<p>This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulations and benefits provisions to the municipality participants and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.</p>									
5	BENEFITS		4,800											
6	FICA		2,107											
7	HEALTH INS.		1,524											
8	TOTAL PERSONAL SERVICES		40,111											
9	TRAVEL		2,000											
10	CONTRACTUAL		250											
11	COMMODITIES		200											
12	EQUIPMENT		1,325											
13	OTHER													
14	TOTAL COST		43,886											
15	CODE	FUNDING SOURCE												
16		FED RCPTS.												
17		GF MATCH.												
18		GEN. FUND												
18		I-A RCPTS.												
19		PGM RCPTS	Supple. Ben.	43,886										
20		OTHER												
21	CONTINUATION													
22	ADDITION	XXX	FOR B&M USE ONLY											
AA KEY NUMBER		COLUMN NO.												

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT Other-Supplement Benefits

Page 4 of 4

REVISED DATE _____

Original sponsors: Miller and Duncan

Offered: 2/14/80
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 605

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to participation in the state program
7 of supplemental employee benefits; and providing for an
8 effective date."

9

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

10

* Section 1. AS 39.30 is amended by adding new sections to read:

11

Sec. 39.30.170. PARTICIPATION IN PROGRAM. (a) An employer may

12

become a participating employer in the employee benefits program under

13

AS 39.30.150 - 39.30.180, if

14

(1) the employer participates as an employer in the public

15

employees' retirement system (AS 39.35); and

16

(2) the employer

17

(A) is eligible for membership in but has never elected

18

to become a member of the federal social security system; or

19

(B) withdraws from membership in the federal social

20

security system.

21

(b) In order to become a participating employer, the employer

22

shall file a request with the commissioner. The request may be made

23

only after adoption of a resolution by the legislative body of a municipi-

24

ality, if the employer is a municipality, or by the board of directors,

25

if the employer is a public organization, and after approval of the

26

resolution by the official required by law to approve the resolution. A

27

certified copy of the resolution shall be filed with the commissioner.

28

(c) The commissioner shall approve the request if he finds that

29

the employer has never participated in the federal social security

1 system or has withdrawn from participation in the federal social
2 security system.

3 (d) The employer may begin participation as a participating
4 employer covered by AS 39.30.150 - 39.30.180 on the date designated by
5 the commissioner.

6 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

7 (1) "commissioner" means the commissioner of the Department
8 of Administration;

9 (2) "participating employer" means

10 (A) the State of Alaska; and

11 (B) an employer who

12 (i) is an employer as defined in AS 39.35.680(17);

13 (ii) has never participated in or has withdrawn from
14 participation in the federal social security system; and

15 (iii) whose participation in the supplemental
16 employee benefits program has been approved by the commissioner.

17 * Sec. 2. AS 39.30.150(a) is amended to read:

18 (a) In place of contributions to the federal social security
19 system which would have been required on behalf of an employee had the
20 participating employer belonged to the social security [STATE REMAINED
21 IN THE] system, the participating employer [STATE] shall contribute
22 12.26 percent of the wages of the employee up to the taxable wage base
23 then in effect in the social security system. All costs of establishing
24 and administering the benefit program established by AS 39.30.160 shall
25 be paid from the contributions made by the participating employers
26 [STATE] under this section. The balance of the contributions made by
27 the participating employers [STATE] shall be paid into special individual
28 employee benefit accounts in the Department of Administration to be used
29 to provide supplemental employee benefits provided in AS 39.30.160.

- 1 * Sec. 3. AS 39.30.150 is amended by adding a new subsection to read:
2 (c) An employee of a participating employer is considered to have
3 agreed to have his wages reduced by an amount equal to one-half the
4 total contribution which the participating employer is required to make
5 on behalf of the employee under this section.
- 6 * Sec. 4. AS 39.30.160(b) is amended to read:
7 (b) An employee on whose behalf a participating employer [THE
8 STATE] is making contributions under AS 39.30.150 may select the types
9 and amounts of supplemental benefits to be purchased from the special
10 account established for him under AS 39.30.150. The selection shall be
11 from the benefit options listed in (a) of this section.
- 12 * Sec. 5. AS 39.30.160(c) is amended to read:
13 (c) The entire amounts paid by participating employers [THE
14 STATE], after the deduction for administrative costs under AS 39.30.150,
15 into the special individual benefit accounts under AS 39.30.150 shall be
16 used for supplemental benefits under this section.
- 17 * Sec. 6. AS 39.35.160(b) is repealed.
- 18 * Sec. 7. This Act is retroactive to January 1, 1980.
- 19 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).
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Introduced: 1/23/80
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 605

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing municipalities to participate in
7 the program of supplementary employee benefits; and
8 providing for an effective date."

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

10 * Section 1. AS 39.30 is amended by adding new sections to read:

11 Sec. 39.30.170. MUNICIPAL PARTICIPATION IN PROGRAM. A munici-
12 pality may become a participating employer covered by AS 39.30.150 -
13 39.30.160. In order to participate, the municipality must file a re-
14 quest with the commissioner. The request may be made only after adop-
15 tion of a reso'tution by the legislative body of the municipality and
16 after approval of the resolution by the municipal official required by
17 law to approve the resolution. A certified copy of the resolution shall
18 be filed with the commissioner. The commissioner shall approve the
19 request if he finds that the municipality has never participated in the
20 federal social security system or has withdrawn from participation in
21 the federal social security system following a vote of the affected
22 municipal employees. The municipality may begin participation as a
23 participating employer covered by AS 39.30.150 - 39.30.160 on the date
24 designated by the commissioner.

25 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

26 (1) "commissioner" means the commissioner of the Department
27 of Administration;

28 (2) "participating employer" means

29 (A) the State of Alaska; and

1 (B) a municipality which has never participated in or
2 which has withdrawn from participation in the federal social se-
3 curity system if the commissioner has approved participation under
4 AS 39.30.170.

5 * Sec. 2. AS 39.30.150(a) is amended to read:

6 (a) In place of contributions to the federal social security
7 system which would have been required on behalf of an employee had the
8 state or a municipality remained in the system, the participating
9 employer [STATE] shall contribute 12.26 per cent of the wages of the
10 employee up to the taxable wage base then in effect in the social se-
11 curity system. All costs of establishing and administering the benefit
12 program established by AS 39.30.160 shall be paid from the contributions
13 made by the participating employer [STATE] under this section. The
14 balance of the contributions made by the participating employer [STATE]
15 shall be paid into special individual employee benefit accounts in the
16 Department of Administration to be used to provide supplemental employee
17 benefits provided in AS 39.30.160.

18 * Sec. 3. AS 39.30.160(b) and (c) are amended to read:

19 (b) An employee on whose behalf a participating employer [THE
20 STATE] is making contributions under AS 39.30.150 may select the types
21 and amounts of supplemental benefits to be purchased from the special
22 account established for him under AS 39.30.150. The selection shall be
23 from the benefit options listed in (a) of this section.

24 (c) The entire amounts paid by a participating employer [THE
25 STATE], after the deduction for administrative costs under AS 39.30.150,
26 into the special individual benefit accounts under AS 39.30.150 shall be
27 used for supplemental benefits under this section.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10..
29 070(c).

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 605
Title An Act Authorizing Municipalities to Participate in the Program of Supplemental
Requested by _____ Date _____ Benefits _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)
(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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		125.3	134.1	143.5	153.5	164.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.8	21.3	23.4	25.7	28.3
400 COMMODITIES		.6	.7	.7	.8	.9
500 EQUIPMENT		5.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL		209.4	158.3	170.0	182.7	196.4

FUNDING (Thousands of Dollars)

GENERAL FUND (Health)		2.9	3.1	3.3	3.6	3.8
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY-FUND Deferred Comp.		2.9	3.1	3.3	3.6	3.8
AIRPORT-FUND						
CAPITAL-FUND Supple. Benefits		175.0	121.5	130.6	140.5	151.4
PERS		14.3	15.3	16.4	17.5	18.7
TRS		14.3	15.3	16.4	17.5	18.7

POSITIONS

FULL TIME		3.0	3.0	3.0	3.0	3.0
PART TIME						
TEMPORARY						

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

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan with the exception of the costs of the Deputy Director that are transferred to PERS, TRS and Deferred Compensation and Health Insurance under the Other Benefits categories.
4. Administrative costs per attachment.

IV. DATE 02/07/80 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 Miller
Office of the Governor (Keith Specking)

Personal Services FY 81 - Assume 7% inflation on personal services

Deputy Director, Range 23A	Salary \$3,809 x 12 = \$45,708
	Benefits 6,925
	FICA 3,040
	Health 1,524
	<u>57,197</u>

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 = \$21,768
	Benefits 3,298
	FICA 1,448
	Health 1,524
	<u>\$28,038</u>

Retirement & Benefits	
Specialist III, Range 18A	Salary \$2,640 x 12 = \$31,680
	Benefits 4,800
	Supplemental Benefits 2,107
	Health 1,524
	<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
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Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing	70,000
Telephone (\$250 x 3 positions)	750
	<u>\$75,750</u>

Contractual FY 82 - Cost with 10% inflation excepting:

Data Processing Maintenance Cost	\$15,000
----------------------------------	----------

Equipment FY 81

(3) Work Stations @ \$900.00 each	\$ 2,700
(1) Calculator @ \$150.00	150
(2) Calculator @ \$240.00 (printing)	480
(2) Side Chairs @ \$185.00	370
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 5,700</u>

1	POSITION TITLE Deputy Director				RANGE/STEP 23A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	3809/mo.	45,708
5	BENEFITS		6,925
6	FICA		3,040
7	HEALTH INS.		1,524
8	TOTAL PERSONAL SERVICES		57,197
9	TRAVEL		
10	CONTRACTUAL		250
11	COMMODITIES		200
12	EQUIPMENT		1,235
13	OTHER		
14	TOTAL COST		58,882

JUSTIFICATION:

This position is requested with intent of dividing the vastly expanding Division of Retirement and Benefits under the management of two deputies. One will handle the Teachers' Retirement System (TRS) and the Public Employees' Retirement Sections. The other deputy director will manage the Research Unit and the Benefits Section including programs such as health and life insurance, deferred compensation, FICA, EPORS, and supplemental benefits. Duties will include maintaining liaisons with employers and carriers, making recommendations on statutory and regulatory changes, analyzing collective bargaining agreements and supervising dissemination of benefit information. The need for this position is in partly due to increased time needed by the director to testify on legislation and attend regularly scheduled board meetings.

	CODE	FUNDING SOURCE		
15		FED RCPTS. DC	4.8%	2,826
16		GF MATCH. FICA	4.8%	2,826
17		GEN. FUND		
18		TRA RCPTS. PERS	24.1%	14,191
19		PGM RCPTS TRS	24.1%	14,191
20		OTHER SBS	42.2%	24,848

21	CONTINUATION	
22	ADDITION	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY _____ PROGRAM AREA _____

BRU _____

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 81

REVISED DATE _____

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12B	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DISAPP.					
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.						
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES:				<p>In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.</p>									
	SALARY	1814/Month	21,768											
5	BENEFITS		3,298											
6	FICA		1,448											
7	HEALTH INS.		1,524											
8	TOTAL PERSONAL SERVICES		01	28,038										
9	TRAVEL		02											
10	CONTRACTUAL		03	250										
11	COMMODITIES		04	200										
12	EQUIPMENT		05	1,050										
13	OTHER													
14	TOTAL COST			29,538										
	CODE	FUNDING SOURCE												
15		FED RCPTS. 1000												
16		GF MATCH. 1003												
17		GEN. FUND 1001												
18		I-A RCPTS. 1002												
19		PGM RCPTS Suppl. Benefits		29,538										
20		OTHER												
21	CONTINUATION		FOR B&M USE ONLY											
22	ADDITION													
4A KEY NUMBER _____				COLUMN NO. _____										

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

FY 81

13 REQUEST FOR NEW POSITION.

Page 4 of 5

REVISED DATE _____

1	POSITION TITLE Retirement and Benefits Specialist III			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAPP						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			AMOUNT	JUSTIFICATION:										
	1	2	3												
4	PERSONAL SERVICES:			This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulations and benefits provisions to the municipality participants and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.											
5	SALARY 2,640/Month		31,680												
6	BENEFITS		4,800												
7	FICA		2,107												
8	HEALTH INS.		1,524												
9	TOTAL PERSONAL SERVICES		40,111												
10	TRAVEL		2,000												
11	CONTRACTUAL		250												
12	COMMODITIES		200												
13	EQUIPMENT		1,325												
14	OTHER														
15	TOTAL COST		43,886												
15	CODE	FUNDING SOURCE													
16		FED RCPTS. 1002													
17		GF MATCH. 1013													
18		GEN. FUND 1001													
19		I-A RCPTS. 1004													
20		PGM RCPTS Supple. Ben.		43,886											
21	CONTINUATION														
22	ADDITION	XXX	FOR B&M USE ONLY												
4A KEY NUMBER		COLUMN NO.													

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplement Benefits

FY 81

13 REQUEST FOR NEW POSITION.

Page 5 of 5

REVISED DATE _____



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

Original sponsors: Miller and Duncan

Offered: 2/14/80
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 605

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to participation in the state program
7 of supplemental employee benefits; and providing for an
8 effective date."

9

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

10

* Section 1. AS 39.30 is amended by adding new sections to read:

11

Sec. 39.30.170. PARTICIPATION IN PROGRAM. (a) An employer may

12

become a participating employer in the employee benefits program under

13

AS 39.30.150 - 39.30.180, if

14

(1) the employer participates as an employer in the public

15

employees' retirement system (AS 39.35); and

16

(2) the employer

17

(A) is eligible for membership in but has never elected

18

to become a member of the federal social security system; or

19

(B) withdraws from membership in the federal social

20

security system.

21

(b) In order to become a participating employer, the employer

22

shall file a request with the commissioner. The request may be made

23

only after adoption of a resolution by the legislative body of a municipi-

24

ality, if the employer is a municipality, or by the board of directors,

25

if the employer is a public organization, and after approval of the

26

resolution by the official required by law to approve the resolution. A

27

certified copy of the resolution shall be filed with the commissioner.

28

(c) The commissioner shall approve the request if he finds that

29

the employer has never participated in the federal social security

1 system or has withdrawn from participation in the federal social
2 security system.

3 (d) The employer may begin participation as a participating
4 employer covered by AS 39.30.150 - 39.30.180 on the date designated by
5 the commissioner.

6 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

7 (1) "commissioner" means the commissioner of the Department
8 of Administration;

9 (2) "participating employer" means

10 (A) the State of Alaska; and

11 (B) an employer who

12 (i) is an employer as defined in AS 39.35.680(17);

13 (ii) has never participated in or has withdrawn from
14 participation in the federal social security system; and

15 (iii) whose participation in the supplemental
16 employee benefits program has been approved by the commissioner.

17 * Sec. 2. AS 39.30.150(a) is amended to read:

18 (a) In place of contributions to the federal social security
19 system which would have been required on behalf of an employee had the
20 participating employer belonged to the social security [STATE REMAINED
21 IN THE] system, the participating employer [STATE] shall contribute
22 12.26 percent of the wages of the employee up to the taxable wage base
23 then in effect in the social security system. All costs of establishing
24 and administering the benefit program established by AS 39.30.160 shall
25 be paid from the contributions made by the participating employers
26 [STATE] under this section. The balance of the contributions made by
27 the participating employers [STATE] shall be paid into special individual
28 employee benefit accounts in the Department of Administration to be used
29 to provide supplemental employee benefits provided in AS 39.30.160.

1 * Sec. 3. AS 39.30.150 is amended by adding a new subsection to read:

2 (c) An employee of a participating employer is considered to have
3 agreed to have his wages reduced by an amount equal to one-half the
4 total contribution which the participating employer is required to make
5 on behalf of the employee under this section.

6 * Sec. 4. AS 39.30.160(b) is amended to read:

7 (b) An employee on whose behalf a participating employer [THE
8 STATE] is making contributions under AS 39.30.150 may select the types
9 and amounts of supplemental benefits to be purchased from the special
10 account established for him under AS 39.30.150. The selection shall be
11 from the benefit options listed in (a) of this section.

12 * Sec. 5. AS 39.30.160(c) is amended to read:

13 (c) The entire amounts paid by participating employers [THE
14 STATE], after the deduction for administrative costs under AS 39.30.150,
15 into the special individual benefit accounts under AS 39.30.150 shall be
16 used for supplemental benefits under this section.

17 * Sec. 6. AS 39.35.160(b) is repealed.

18 * Sec. 7. This Act is retroactive to January 1, 1980.

19 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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Introduced: 1/23/80
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 605

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing municipalities to participate in
7 the program of supplementary employee benefits; and
8 providing for an effective date."

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

10 * Section 1. AS 39.30 is amended by adding new sections to read:

11 Sec. 39.30.170. MUNICIPAL PARTICIPATION IN PROGRAM. A munici-
12 pality may become a participating employer covered by AS 39.30.150 -
13 39.30.160. In order to participate, the municipality must file a re-
14 quest with the commissioner. The request may be made only after adop-
15 tion of a resolution by the legislative body of the municipality and
16 after approval of the resolution by the municipal official required by
17 law to approve the resolution. A certified copy of the resolution shall
18 be filed with the commissioner. The commissioner shall approve the
19 request if he finds that the municipality has never participated in the
20 federal social security system or has withdrawn from participation in
21 the federal social security system following a vote of the affected
22 municipal employees. The municipality may begin participation as a
23 participating employer covered by AS 39.30.150 - 39.30.160 on the date
24 designated by the commissioner.

25 Sec. 39.30.180. DEFINITIONS. In AS 39.30.150 - 39.30.180,

26 (1) "commissioner" means the commissioner of the Department
27 of Administration;

28 (2) "participating employer" means

29 (A) the State of Alaska; and

1 (B) a municipality which has never participated in or
2 which has withdrawn from participation in the federal social se-
3 curity system if the commissioner has approved participation under
4 AS 39.30.170.

5 * Sec. 2. AS 39.30.150(a) is amended to read:

6 (a) In place of contributions to the federal social security
7 system which would have been required on behalf of an employee had the
8 state or a municipality remained in the system, the participating
9 employer [STATE] shall contribute 12.26 per cent of the wages of the
10 employee up to the taxable wage base then in effect in the social se-
11 curity system. All costs of establishing and administering the benefit
12 program established by AS 39.30.160 shall be paid from the contributions
13 made by the participating employer [STATE] under this section. The
14 balance of the contributions made by the participating employer [STATE]
15 shall be paid into special individual employee benefit accounts in the
16 Department of Administration to be used to provide supplemental employee
17 benefits provided in AS 39.30.160.

18 * Sec. 3. AS 39.30.160(b) and (c) are amended to read:

19 (b) An employee on whose behalf a participating employer [THE
20 STATE] is making contributions under AS 39.30.150 may select the types
21 and amounts of supplemental benefits to be purchased from the special
22 account established for him under AS 39.30.150. The selection shall be
23 from the benefit options listed in (a) of this section.

24 (c) The entire amounts paid by a participating employer [THE
25 STATE], after the deduction for administrative costs under AS 39.30.150,
26 into the special individual benefit accounts under AS 39.30.150 shall be
27 used for supplemental benefits under this section.

28 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-

29 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE
(REVISED)

I. REQUEST
 Bill/Resolution No. CSHB 605 (Page 1 of 4)
 Title An Act Relating to Participation in the State Supplemental Employee Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)
 (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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		68.1	72.9	78.0	83.5	89.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.5	21.1	23.2	25.5	28.1
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		4.5	5.0	5.5	6.1	6.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		150.5	101.6	109.6	118.3	127.6

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
SUPPLEMENTAL BENEFITS		150.5	101.6	109.6	118.3	127.6

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan.
4. Administrative costs per attachment.
5. This fiscal note revises the fiscal note to CSHB 605 dated 2/20/80 by removing the position of deputy director.

IV. DATE 3/11/80 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460

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

CSHB 605

Paul B. Arnoldt

of 209

Attachment for CSHB 605

Personal Services FY 81 -- Assume 7% inflation on personal services.

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 =	\$21,768
	Benefits	3,298
	FICA	1,448
	Health	1,524
		<u>\$28,038</u>

Retirement & Benfits		
Specialist III, Range 18A	Salary \$2,610 x 12 =	\$31,680
	Benefits	4,800
	Supplemental Benefits	2,107
	Health	1,524
		<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
-------------------------------------	----------

Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing Design and Implementation Cost	70,000
Telephone (\$250 x 2 positions)	500
	<u>\$75,500</u>

Contractual FY 82 -- Assume 10% inflation.

Printing and Advertising	\$ 5,500
Data Processing Maintenance Cost	15,000
Telephone (\$275 x 2 positions)	550
	<u>\$21,050</u>

Equipment FY 81

(2) Work Stations @ \$900.00 each	\$ 1,800
(2) Calculators @ \$240.00 (printing)	480
(1) Side Chairs @ \$185.00	185
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 4,465</u>

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12R	BARG. UNIT, G	LOCATION Juneau	GOV	APPROV.	USA						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LTG							
3	TYPE OF EXPENDITURE			AMOUNT											
	1	2	3												
4	PERSONAL SERVICES: SALARY 1814/Month		21,768	JUSTIFICATION: In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.											
5	BENEFITS		3,298												
6	FICA		1,448												
7	HEALTH INS.		1,524												
8	TOTAL PERSONAL SERVICES		28,038												
9	TRAVEL														
10	CONTRACTUAL		250												
11	COMMODITIES		200												
12	EQUIPMENT		1,050												
13	OTHER														
14	TOTAL COST		29,538												
15	CODE	FUNDING SOURCE													
16		FED RCPTS.													
17		GF MATCH													
18		GEN. FUND													
19		I-A RCPTS													
19		PGM RCPTS		Suppl. Benefits	29,538										
20		OTHER													
21	CONTINUATION														
22	ADDITION		FOR B&M USE ONLY												
4A KEY NUMBER		COLUMN NO.													

AGENCY Administration PROGRAM AREA Labor Services

ORU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

Page 3 of 4

REVISED DATE

FY 81

13 REQUEST FOR NEW POSITION.

1	POSITION TITLE Retirement and Benefits Specialist III			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.							
3	TYPE OF EXPENDITURE			AMOUNT	JUSTIFICATION:										
	1	2	3												
4	PERSONAL SERVICES:			<p>This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulations and benefits provisions to the municipality participant and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.</p>											
	SALARY	2,640/Month	31,680												
5	BENEFITS		4,800												
6	FICA		2,107												
7	HEALTH INS.		1,524												
8	TOTAL PERSONAL SERVICES		40,111												
9	TRAVEL		2,000												
10	CONTRACTUAL		250												
11	COMMODITIES		200												
12	EQUIPMENT		1,325												
13	OTHER														
14	TOTAL COST		43,886												
15	CODE	FUNDING SOURCE													
		FED RCPTS.													
16		GF MATCH													
17		GEN. FUND													
18		I-A RCPTS													
19		PGM RCPTS	Supple. Ben.	43,886											
20		OTHER													
21	CONTINUATION		FOR B&M USE ONLY												
22	ADDITION	XXX													
4A KEY NUMBER				COLUMN NO.											

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT Other-Supplement Benefits

Page 4 of 4

REVISED DATE

HB 605

MAR 28 1980

ALASKA GATEWAY SCHOOL DISTRICT

P.O. Box 226
907-883-4541
Tok, Alaska 99780

March 26, 1980

Senator John Sackett
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett

I am writing to indicate support for House Bill No. 605 relating to participation by political subdivision, public employees in the state program of supplemental employee benefits.

There are a number of classified employees of the Alaska Gateway School District who have shown a strong interest in the state retirement program as an alternative to FICA, and passage of this bill would make further consideration by the District possible.

Please give your total support to House Bill No. 605 or its Senate equivalent on our behalf.

Thank you.

Sincerely,

Nora Kelly
Executive Secretary

HB 605 In H File 3-14-80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 605

Title An Act Authorizing Municipalities to Participate in the Program of Supplemental

Requested by _____ Date _____ Benefits _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services

BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)

(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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		125.3	134.1	143.5	153.5	164.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.8	21.3	23.4	25.7	28.3
400 COMMODITIES		.6	.7	.7	.8	.9
500 EQUIPMENT		5.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL		209.4	158.3	170.0	182.7	196.4

FUNDING (Thousands of Dollars)

GENERAL FUND (Health)		2.9	3.1	3.3	3.6	3.8
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY-FUND Deferred Comp.		2.9	3.1	3.3	3.6	3.8
AIRPORT-FUND						
CAPITAL-FUND Supple. Benefits		175.0	121.5	130.6	140.5	151.4
PERS		14.3	15.3	16.4	17.5	18.7
TRS		14.3	15.3	16.4	17.5	18.7

POSITIONS

FULL TIME		3.0	3.0	3.0	3.0	3.0
PART TIME						
TEMPORARY						

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

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan with the exception of the costs of the Deputy Director that are transferred to PERS, TRS and Deferred Compensation and Health Insurance under the Other Benefits categories.
4. Administrative costs per attachment.

IV. DATE 02/07/80

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 Miller
Office of the Governor (Keith Specking)

The primary goal of the Division of Retirement and Benefits is to administer specific benefit programs established by statute for the State of Alaska and participating political subdivisions. The secondary goal is to provide information to the legislative process, collective bargaining process, and administrative process. Some of the primary functions of the division are: to maintain records; to disseminate information and provide counseling to members of the various retirement systems regarding programs, retirement, social security, health and life insurance programs and the deferred compensation plan; to analyze and recommend statutory changes to the legislature for all benefit programs in order to remain competitive with those programs offered by other employers; to testify before the legislature on proposed legislation affecting the various benefit programs; and to ensure that correct benefit payments or refunds are made to employees or beneficiaries in a timely manner. The FY 81 request includes funding to administer the State Supplemental Benefits Program, which replaced the Federal Social Security program on January 1, 1980.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

10:23

1/11/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF ADMINISTRATION

PROGRAM: RETIREMENT & BENEFITS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST	GOVERNOR	HOUSE	SENATE
P.E.R.S.	628.4	641.7	632.2	695.0			824.2	837.4	862.5		
T.R.S.	621.7	635.8	500.8	644.5			709.7	723.0	749.4		
OTHER BENEFITS	215.1	222.3	218.4	719.1			603.4	667.9	687.5		
XX TOTAL	1465.2	1499.8	1351.4	2058.6			2137.3	2228.3	2299.4		
XX CHANGE VERSUS 80 AUTH							3.8%	8.2%	11.6%	-100.0%	-100.0%
OBJECT DESCRIPTION											
PERS. SERV.	736.3	717.1	747.0	1003.8			1064.6	1111.4	1182.5		
TRAVEL	46.2	46.2	31.4	58.3			66.2	66.2	66.2		
CONTRACTUAL	574.6	660.1	498.5	773.0			794.0	836.7	836.7		
COMMODITIES	9.7	9.3	6.0	11.4			13.1	13.5	13.5		
EQUIPMENT	7.2	7.2	8.6	47.7			4.5	6.7	6.7		
LANDS/BLDGS				46.1			44.3	44.3	44.3		
GRANTS, CLMS	59.9	59.9	59.9	87.0			118.2	118.2	118.2		
MISC.	31.3			31.3			32.4	31.3	31.3		
FUNDING SOURCE											
GENERAL FUND	168.8	174.8	170.9	185.5			131.7	196.2	201.6		
PGM RECEIPTS				463.7			397.3	397.3	408.4		
OTHER FUNDS	1296.4	1325.0	1180.5	1409.4			1608.3	1634.8	1689.4		
XX GENERAL FUND CHANGE VS. 80 AUTH							-29.0%	5.7%	8.6%	-100.0%	-100.0%
POSITIONS											
FULL-TIME	30.0	30.0	30.0	37.0			42.0	44.0	44.0		
TEMPORARY				4.0							
STAFF MONTHS	360.0	360.0	360.0	450.2			489.0	513.0	513.0		

Personal Services FY 81 - Assume 7% inflation on personal services

Deputy Director, Range 23A	Salary \$3,809 x 12 = \$45,708
	Benefits 6,925
	FICA 3,040
	Health 1,524
	<u>57,197</u>

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 = \$21,768
	Benefits 3,298
	FICA 1,448
	Health 1,524
	<u>\$28,038</u>

Retirement & Benefits	
Specialist III, Range 18A	Salary \$2,640 x 12 = \$31,680
	Benefits 4,800
	Supplemental Benefits 2,107
	Health 1,524
	<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
-------------------------------------	----------

Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing	70,000
Telephone (\$250 x 3 positions)	750
	<u>\$75,750</u>

Contractual FY 82 - Cost with 10% inflation excepting:

Data Processing Maintenance Cost	\$15,000
----------------------------------	----------

Equipment FY 81

(3) Work Stations @ \$900.00 each	\$ 2,700
(1) Calculator @ \$150.00	150
(2) Calculator @ \$240.00 (printing)	480
(2) Side Chairs @ \$185.00	370
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 5,700</u>

1	POSITION TITLE Deputy Director				RANGE/STEP 23A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE	AMOUNT	
	1	2	3
4	PERSONAL SERVICES: SALARY 3809/mo.	45,708	
5	BENEFITS	6,925	
6	FICA	3,040	
7	HEALTH INS.	1,524	
8	TOTAL PERSONAL SERVICES		57,197
9	TRAVEL		
10	CONTRACTUAL		250
11	COMMODITIES		200
12	EQUIPMENT		1,235
13	OTHER		
14	TOTAL COST		58,882

JUSTIFICATION:
 This position is requested with intent of dividing the vastly expanding Division of Retirement and Benefits under the management of two deputies. One will handle the Teachers' Retirement System (TRS) and the Public Employees' Retirement Sections. The other deputy director will manage the Research Unit and the Benefits Section including programs such as health and life insurance, deferred compensation, FICA, EPORS, and supplemental benefits. Duties will include maintaining liaisons with employers and carriers, making recommendations on statutory and regulatory changes, analyzing collective bargaining agreements and supervising dissemination of benefit information. The need for this position is in partly due to increased time needed by the director to testify on legislation and attend regularly scheduled board meetings.

	CODE	FUNDING SOURCE		
15		FED RCPTS. DC	4.8%	2,826
16		GF MATCH. FICA	4.8%	2,826
17		GEN. FUND		
18		TRA RCPTS. PERS	24.1%	14,191
19		PGM RCPTS TRS	24.1%	14,191
20		OTHER SBS	42.2%	24,848

21	CONTINUATION	
22	ADDITION	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY _____ PROGRAM AREA _____

BRU _____

COMPONENT _____

13 REQUEST FOR NEW POSITION.

FY 81

REVISED DATE _____

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12B	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:									
	1	2	3												
4	PERSONAL SERVICES:			<p>In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.</p>											
5	SALARY	1814/Month	21,768												
6	BENEFITS		3,298												
7	FICA		1,448												
8	HEALTH INS.		1,524												
9	TOTAL PERSONAL SERVICES		28,038												
10	TRAVEL		250												
11	CONTRACTUAL		200												
12	COMMODITIES		1,050												
13	EQUIPMENT														
14	OTHER														
15	TOTAL COST		29,538												
15	CODE	FUNDING SOURCE													
16		FED RCPTS.													
17		GF MATCH.													
18		GEN. FUND													
19		I-A RCPTS.													
20		PGM RCPTS		Suppl. Benefits	29,538										
21	CONTINUATION														
22	ADDITION			FOR B&M USE ONLY											
4A KEY NUMBER				COLUMN NO.											

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

13 REQUEST FOR NEW POSITION.

FY 81

Page 4 of 5

REVISED DATE _____

1	POSITION TITLE Retirement and Benefits Specialist III				RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAPP						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG								
3	TYPE OF EXPENDITURE				JUSTIFICATION:											
	1	2	3													
4	PERSONAL SERVICES:				This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulations and benefits provisions to the municipality participants and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.											
5	SALARY 2.640/Month		31,680													
6	BENEFITS		4,800													
7	FICA		2,107													
8	HEALTH INS.		1,524													
9	TOTAL PERSONAL SERVICES		40,111													
10	TRAVEL		2,000													
11	CONTRACTUAL		250													
12	COMMODITIES		200													
13	EQUIPMENT		1,325													
14	OTHER															
15	TOTAL COST		43,886													
	CODE	FUNDING SOURCE														
15		FED RCPTS. 1000														
16		GF MATCH. 1000														
17		GEN. FUND 1000														
18		I-A RCPTS. 1000														
19		PGM RCPTS Supple. Ben.		43,886												
20		OTHER														
21	CONTINUATION															
22	ADDITION		XXX		FOR B&M USE ONLY											
4A KEY NUMBER				COLUMN NO.												

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplement Benefits

FY 81

13 REQUEST FOR NEW POSITION.

Page 5 of 5

REVISED DATE _____

Funding Information
General Fund \$215,000
Other Funds -0-
\$215,000

Introduced: 1/23/80
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY ROGERS, FULLER AND HURLBERT

2 HOUSE BILL NO. 606

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Alaska Council on Science and Technology for the
8 northern technology grants program; and providing for
9 an effective date."

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

11 * Section 1. The sum of \$215,000 is appropriated from the general fund to
12 the Alaska Council on Science and Technology for the northern technology
13 grants program.

14 * Sec. 2. The unexpended and unobligated portion of the appropriation
15 made by this Act lapses into the general fund December 31, 1980.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

February 1, 1980

Testimony of J. Christopher Noah
on H.B. 606
for the
House State Affairs Committee

Thank you for the opportunity to testify on behalf of passage of H.B. 606, supplemental funding to the Alaska Council on Science and Technology for its Northern Technology Grants Program.

The legislation for this program provided \$50,000 for grants of up to \$5,000 each in the areas of "energy generation, waste disposal, recycling, food production, transportation, building design, and residential and industrial enterprises which may be more efficient, and less costly and less energy intensive than those methods presently utilized and which are appropriate to the Alaska environment."

Proposals were accepted from late June to mid-August. The members of the Alaska Council on Science and Technology, its staff, and approximately 15 volunteer engineers and scientists took part in evaluation of the 180 proposals received. They were judged on the basis of 1) innovativeness of approach, 2) potential benefit to Alaska or some segment of its population, 3) soundness of scientific principles and approach, 4) use of funds, and 5) probability of project completion with definitive results. To maintain simplicity and to keep the program unbureaucratic, the only major requirements were that each grant recipient submit a final report at the end of the project and that the technology involved be made available to the public. Essentially, the Council replaced expensive administrative oversight with trust in the individual responsibility of the Alaskans receiving the grants.

The Council received about double the amount of proposals anticipated. As the proposals were received, copies were sent in confidence to selected reviewers. The individual reviewers would then give each proposal a rating from 1 (best) to 3 (not fundable). All reviewers and Council staff members then met to go over the proposals one at a time for another review and possible reclassification; after which time the Council met to decide the final grant awards. I might add that the Council thought so highly of the quality of the proposals submitted in its first year that it dipped into its operating budget and put \$2500. more in the grant program fund.

Awards for 20 grants, ranging from \$200 to \$5,000 were announced at the 30th Alaska Science Conference in Fairbanks on September 20, 1979, and checks for the full amount of each award were mailed out shortly thereafter. Projects included those for a passive freezer, a hydraulic-assist system for auto propulsion, bee overwintering, a tidal-powered suction dredge, a pilot methyl-fuel plant, an ambulance splint, and several projects oriented toward energy conservation or alternatives to traditional energy sources.

The Purpose of H.B. 606

The purpose of this bill is to satisfy the overwhelming response to the Northern Technology Program. The Council has "number ones" remaining on file which amount to \$180,000. Also there are many "number 2" rated proposals which, with a little work could be upgraded - many of those people are working on revisions now. The dollar amount of proposals in the "number 2" category is \$255,000. Since the proposal closing date of August 15th we have received 50 serious inquiries and actually received 10 unsolicited proposals. So there is interest and expertise still to be satisfied.

Because the timing of the grant disbursements coincided with the fiscal year, most people were not able to start construction of their projects before winter. Two projects are completed however - the hydraulic-powered automobile which is getting over 55 m.p.g. in preliminary tests and the solar hot water heater at Camp Bingle, outside Fairbanks.

If the Council were to receive this supplemental, it could insure that this year's grant recipients had the spring and summer to work on their projects and the winter to write their reports. The \$150,000. already budgeted for fiscal 1981 would be disbursed early next spring.

In closing, I would like to state that the Council relies heavily on the expertise of volunteer scientists and engineers. Of the \$215,000 requested, only 7.5% is for administrative costs with \$200,000 going in the grant awards category.

Thank you again for your time.

- J. Christopher Noah
Executive Director
Alaska Council on Science
and Technology

original

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B. 606

Title _____

Requested by Alison Elgee - Legislative Finance Division Date February 8, 1980

TITLE: An Act making supplemental appropriation to the Alaska Council on Science and Technology for the Northern Technology Grants Program; and providing for an effective date.

II. FISCAL DETAIL

Agency Affected Alaska Council on Science and Technology

Program Category Affected Executive Operations

BRU, Program, or Subprogram(s) Affected Northern Technology Grants Program

(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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL	3.					
300 CONTRACTUAL	10.					
400 COMMODITIES	2.					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	200.					
TOTAL	215.					

FUNDING (Thousands of Dollars)

GENERAL FUND	215.					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

- 200 - Travel for reviewers to convene for final proposal review.
- 300 - Postage, Xerox and printing charges, space rental, telephone, advertising and temporary office assistance to answer inquiries and process proposals.
- 400 - Xerox paper, stationery and office supplies.
- 700 - Grants to individuals to develop Alaska-specific technologies (not to exceed \$5,000. each).

IV. DATE February 8, 1980 PREPARED BY Christopher Walsh Executive Director
AGENCY Alaska Council on Science and Technology
PHONE 465-3510

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B. 606

Title _____

Requested by Alison Elgee - Legislative Finance Division Date February 8, 1980

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Agency Affected Alaska Council on Science and Technology

Program Category Affected Executive Operations

BRU, Program, or Subprogram(s) Affected Northern Technology Grants Program

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EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL	3.					
300 CONTRACTUAL	10.					
400 COMMODITIES	2.					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	200.					
TOTAL	215.					

FUNDING (Thousands of Dollars)

GENERAL FUND	215.					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

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IV. DATE February 8, 1980

PREPARED BY *Christine Walsh* Executive Director
AGENCY Alaska Council on Science and Technology
PHONE 465-3510

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

(11)

COMMITTEE REPORT

HOUSE

2/4/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 606

"An Act making a supplemental appropriation to the Alaska Council on Science and Technology for the northern technology grants program; and providing for an effective 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

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

7708

Regue (~~amended~~)

Funding Information

General Fund \$215,000

Other Funds -0-

\$215,000

Introduced: 1/23/80

Referred: State Affairs and Finance

1 IN THE HOUSE

BY ROGERS, FULLER AND HURLBERT

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

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Awards for 20 grants, ranging from \$200 to \$5,000 were announced at the 30th Alaska Science Conference in Fairbanks on September 20, 1979, and checks for the full amount of each award were mailed out shortly thereafter. Projects included those for a passive freezer, a hydraulic-assist system for auto propulsion, bee overwintering, a tidal-powered suction dredge, a pilot methyl-fuel plant, an ambulance splint, and several projects oriented toward energy conservation or alternatives to traditional energy sources.

The Purpose of H.B. 606

The purpose of this bill is to satisfy the overwhelming response to the Northern Technology Program. The Council has "number ones" remaining on file which amount to \$180,000. Also there are many "number 2" rated proposals which, with a little work could be upgraded - many of those people are working on revisions now. The dollar amount of proposals in the "number 2" category is \$255,000. Since the proposal closing date of August 15th we have received 50 serious inquiries and actually received 10 unsolicited proposals. So there is interest and expertise still to be satisfied.

Because the timing of the grant disbursements coincided with the fiscal year, most people were not able to start construction of their projects before winter. Two projects are completed however - the hydraulic-powered automobile which is getting over 55 m.p.g. in preliminary tests and the solar hot water heater at Camp Bingle, outside Fairbanks.

If the Council were to receive this supplemental, it could insure that this year's grant recipients had the spring and summer to work on their projects and the winter to write their reports. The \$150,000. already budgeted for fiscal 1981 would be disbursed early next spring.

In closing, I would like to state that the Council relies heavily on the expertise of volunteer scientists and engineers. Of the \$215,000 requested, only 7.5% is for administrative costs with \$200,000 going in the grant awards category.

Thank you again for your time.

- J. Christopher Noah
Executive Director
Alaska Council on Science
and Technology

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND.. Session

HOUSEBILL..... NO. 606.....

By .ROGERS, FULLER AND.....
HURLBERT

"An Act making a supplemental appropriation to the Alaska Council on Science and Technology grants program; and providing for an effective date."

Supp appro to Alaska Coun on Science and Technology grants

Introduced in the House ..1/23....., 1980.

HISTORY IN THE HOUSE

1980		Read first time and referred to Committee on										
Jan.	23	State Affairs and Finance Reported back with recommendation that										
		Read second time and										
		Read third time and										
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Excused	Excused											
		Reported correctly engrossed Signed by Speaker Sent to Senate										
		CHIEF CLERK OF THE HOUSE										

HISTORY IN THE SENATE

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
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Excused	Excused											
		Reported correctly engrossed Signed by President Returned to House										
		SECRETARY OF THE SENATE										

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor by Governor
		Filed with Lt. Governor
		Chapter No.



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

1/24

1/24

ON 1/24 1984

AT 1/24 1984

1/24 1984

1/24 1984

Introduced: 1/23/80
Referred: Finance

BY MEEKINS, BUCHHOLDT, COTTEN,
MALONE, MILLER, ROGERS AND
GARDINER

1 IN THE HOUSE

2 HOUSE BILL NO. 608

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to housing loans; and providing for an
7 effective date."

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

9 * Section 1. AS 18 is amended by adding a new chapter to read:

10 CHAPTER 58. ALASKA HOUSING MORTGAGE CORPORATION.

11 Sec. 18.58.010. ALASKA HOUSING MORTGAGE CORPORATION. The Alaska
12 Housing Mortgage Corporation is a public corporation and government
13 instrumentality in the Department of Commerce and Economic Development,
14 but with a legal existence independent of and separate from the state.
15 The corporation may not be terminated as long as it has bonds, notes or
16 other obligations outstanding. On termination of the corporation, its
17 rights and property pass to the state.

18 Sec. 18.58.020. CORPORATION GOVERNING BODY. (a) The corporation
19 shall be governed by a board of directors, consisting of the commis-
20 sioner of commerce and economic development and six members appointed by
21 the governor.

22 (b) Board members appointed by the governor serve for three-year
23 terms. The terms of two members appointed by the governor expire on
24 April 30 annually.

25 (c) If a vacancy occurs among the board members appointed by the
26 governor, the governor shall make an appointment, to become effective
27 immediately, for the unexpired portion of the term.

28 (d) Board members serve without compensation except that each
29 member may be reimbursed by the corporation for actual and necessary

1 expenses at the same rate as set out in AS 39.20.180.

2 Sec. 18.58.030. MEETINGS OF BOARD. The board shall elect a chair-
3 man from among its membership at its first meeting in each year. A
4 majority of the members constitutes a quorum for organizing the board,
5 conducting its business, and exercising the powers of the corporation.
6 The board shall meet at the call of its chairman. The board shall meet
7 not less than once each three months.

8 Sec. 18.58.040. MINUTES OF MEETINGS. The board shall keep minutes
9 of each meeting and send a certified copy to the governor.

10 Sec. 18.58.050. ADMINISTRATION OF AFFAIRS. The board shall manage
11 the assets and business of the corporation and may prescribe, amend, and
12 repeal bylaws and regulations governing the manner in which the business
13 of the corporation is conducted and the manner in which its powers are
14 exercised. The board shall delegate supervision of the administration
15 of the corporation to the executive director, appointed in accordance
16 with AS 18.58.060, and may delegate to him other duties it considers
17 proper.

18 Sec. 18.58.060. EXECUTIVE DIRECTOR. The corporation shall employ
19 an executive director, who may not be a member of the board. The
20 executive director shall be appointed by the board and serves at the
21 pleasure of the board.

22 Sec. 18.58.070. LEGAL ADVISOR. The attorney general is the legal
23 counsel for the corporation. He shall advise the corporation in legal
24 matters and represent it in suits.

25 Sec. 18.58.080. EMPLOYMENT OF PERSONNEL. The board may appoint
26 other officers and engage professional and technical advisors as in-
27 dependent contractors. The executive director may hire employees of the
28 corporation and, subject to the approval of the board, engage profes-
29 sional and technical advisors under contract with the corporation. The

1 board shall prescribe the duties and compensation of corporation per-
2 sonnel.

3 Sec. 18.58.090. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The
4 personnel of the corporation are exempt from AS 39.25 to the same extent
5 as the personnel of the Alaska State Housing Authority.

6 Sec. 18.58.100. INTERDEPARTMENTAL COOPERATION. Departments,
7 agencies, and public corporations of the state may provide information,
8 services, facilities and loans to the corporation upon its request. The
9 corporation may reimburse departments, agencies, and public corporations
10 of the state for loans advanced or for expenses incurred on behalf of
11 the corporation.

12 Sec. 18.58.110. INVESTMENT OF STATE SURPLUS. Notwithstanding
13 other provisions of law, when the commissioner of revenue determines
14 that there is in the state treasury a surplus above an amount sufficient
15 to meet current cash expenditure needs, the surplus may be invested, in
16 addition to the investments permitted by AS 37.10.070(a), in residential
17 mortgages owned by the corporation and secured by real estate in the
18 state, which investments shall be subject to the terms and conditions
19 that the corporation and the commissioner of revenue may provide in any
20 contract of sale. Investments allowed by this section shall be made as
21 provided for other investments of state money under AS 37.10.070(a),
22 (f), (g) and (i). The terms and conditions of a contract of sale autho-
23 rized to be made under this section may include but are not limited to:

24 (1) the investment by the state in a specified or deter-
25 minable amount of mortgages;

26 (2) the existence of a prior lien on and pledge of the mort-
27 gages invested in by the state;

28 (3) provisions relating to the subordination of the state's
29 interest in and application of annual payments of principal and interest

1 or the proceeds of a permitted sale of, or insurance or prepayments on,
2 the mortgages; and

3 (4) the right of the corporation to repurchase the mortgages
4 at a predetermined price.

5 Sec. 18.58.120. ADMINISTRATIVE PROCEDURE. (a) Except for AS 44.-
6 62.310 and 44.62.312, regarding public meetings, and AS 44.62.320(a)
7 regarding legislative review of regulations, the Administrative Pro-
8 cedure Act (AS 44.62) does not apply to this chapter. The corporation
9 shall make available to members of the public copies of the regulations
10 adopted under this section. Within 45 days after adoption, the chairman
11 of the board shall submit a regulation adopted under this section to the
12 chairman of the Administrative Regulation Review Committee under AS 24.-
13 20.400 - 24.20.460.

14 (b) The board may adopt regulations to carry out the purposes of
15 this chapter by motion or by resolution or in any other manner permitted
16 by its bylaws.

17 Sec. 18.58.130. GENERAL POWERS. In addition to other powers
18 granted in this chapter, the corporation may

19 (1) sue and be sued in its own name;

20 (2) adopt an official seal;

21 (3) adopt bylaws for the regulation of its affairs and the
22 conduct of its business;

23 (4) receive, administer, and comply with the conditions and
24 requirements relating to an appropriation or gift, grant or donation of
25 property or money;

26 (5) make and execute agreements, contracts, and other instru-
27 ments necessary or convenient in the exercise of the powers and func-
28 tions of the corporation under this chapter, including contracts with
29 any person, firm, corporation, governmental agency or other entity;

1 (6) borrow money as provided in this chapter to carry out its
2 corporate functions, and issue its obligations as evidence of the bor-
3 rowing;

4 (7) procure insurance against a loss in connection with its
5 operation;

6 (8) purchase mortgage loans from private financial institu-
7 tions in the state in accordance with AS 18.58.140;

8 (9) do all acts necessary, convenient or desirable to carry
9 out the powers expressly granted or necessarily implied in this chapter.

10 Sec. 18.58.140. PURCHASE OF MORTGAGE LOANS. (a) The corporation
11 shall enter into contracts with private financial institutions in the
12 state to purchase housing mortgages issued by the private financial
13 institutions subject to the availability of money from appropriations to
14 the housing mortgage fund (AS 18.58.150) and from the sale of its bonds
15 and subject to the limitations in this section.

16 (b) The corporation may only purchase housing mortgages which are
17 for residential housing. In this subsection, "residential housing"
18 means a specific work or improvement undertaken primarily to provide
19 dwelling accommodations without limitation as to form of lawful occu-
20 pancy, whether rental, under contract, fee ownership, cooperative
21 housing, condominium or other lawful forms of ownership. "Residential
22 housing" may include the acquisition, construction, improvement or
23 rehabilitation of land and buildings.

24 (c) The corporation may only purchase mortgages which are con-
25 sidered by the corporation to be of the quality, type, and class to meet
26 the purchase standards imposed by private institutional mortgage in-
27 vestors.

28 (d) A contract entered into under this section shall provide that
29 the loan for which the mortgage to be purchased by the corporation is

1 made may not bear interest exceeding nine and one-half percent. The
2 contract shall also provide that the corporation agrees to purchase the
3 mortgage at a price which would be fair and reasonable if the underlying
4 loan were made at the then prevailing market rate of interest for
5 housing loans.

6 (e) The portion of the purchase price of a mortgage under this
7 section represented by the difference between the price to be paid for
8 the mortgage and the price which would be fair and reasonable for the
9 same mortgage if the loan for which the mortgage is made bore interest
10 at nine and one-half percent shall be paid from the housing mortgage
11 fund (AS 18.58.150) in accordance with the provisions of AS 18.58.150.

12 (f) The board shall adopt regulations in accordance with AS 18.-
13 58.120 for the administration of this section.

14 Sec. 18.58.150. HOUSING MORTGAGE FUND. (a) There is a special
15 fund of the state to be known as the housing mortgage fund which shall
16 be completely segregated and set apart from all other funds of the
17 state, and which is a trust fund for the uses and purposes of this
18 section and into and from which money shall be paid as provided in this
19 section. The housing mortgage fund shall be held by the commissioner of
20 revenue, subject to the power of the commissioner of commerce and eco-
21 nomic development to enter into and perform agreements for the use of
22 money in the housing mortgage fund and to pledge, assign or grant in-
23 terest in the housing mortgage fund as provided in this section. The
24 commissioner of commerce and economic development may enter into agree-
25 ments with the corporation for the exercise of a power or approval
26 relating to the housing mortgage fund under this section, including,
27 without limitation, agreements as to the use of money in the housing
28 mortgage fund, and agreements regarding the terms and conditions upon
29 which payments from the housing mortgage fund shall be made to the

1 corporation for mortgage loans purchased under AS 18.58.140. In con-
2 nection with these agreements the commissioner of commerce and economic
3 development may pledge, assign, or grant other interests in the housing
4 mortgage fund to the corporation as may be necessary or appropriate in
5 connection with the purchase of mortgage loans.

6 (b) The housing mortgage fund may be used only for the purpose
7 described in AS 18.58.140(e).

8 Sec. 18.58.160. BONDS AND NOTES. (a) The corporation, by resolu-
9 tion, may issue bonds and bond anticipation notes in order to provide
10 funds to carry out its purposes.

11 (b) The principal and interest on these bonds or notes is payable
12 from corporation funds, excluding funds in the housing mortgage fund.
13 Bond anticipation notes may be payable from the proceeds of the sale of
14 bonds or from the proceeds of sale of other bond anticipation notes, or
15 if bond or bond anticipation note proceeds are not available, the notes
16 may be paid from other funds or assets of the corporation. Bonds or
17 notes may be additionally secured by a pledge of a grant or contribution
18 from the federal government, or a corporation, association, institution
19 or person, or a pledge of money, income, or revenues of the corporation
20 from any source.

21 (c) Bonds or bond anticipation notes may be issued in one or more
22 series and shall be dated, bear interest at the rate or rates per year
23 or within the maximum rate, be in the denomination, be in the form,
24 either coupon or registered, carry the conversion or registration pro-
25 visions, have the rank or priority, be executed in the manner and form,
26 be payable from the sources in the medium of payment and place or places
27 inside or outside the state, be subject to authentication by a trustee
28 or fiscal agent, and be subject to the terms of redemption with or
29 without premium, as the resolution of the corporation may provide. Bond

1 anticipation notes shall mature at the time or times as may be deter-
2 mined by the corporation. Bonds shall mature at a time, not exceeding
3 50 years from their date, as may be determined by the corporation.
4 Before the preparation of definitive bonds or bond anticipation notes,
5 the corporation may issue interim receipts or temporary bonds or bond
6 anticipation notes, with or without coupons, exchangeable for bonds or
7 bond anticipation notes when these definitive bonds or bond anticipation
8 notes have been executed and are available for delivery.

9 (d) Bonds or bond anticipation notes may be sold in the manner, on
10 the terms, and at the price the corporation determines.

11 (e) If an officer whose signature or a facsimile of whose signa-
12 ture appears on bonds or notes or coupons attached to them ceases to be
13 an officer before the delivery of the bond, note or coupon, his signa-
14 ture or facsimile is valid the same as if he had remained in office
15 until delivery.

16 (f) In a resolution of the corporation authorizing or relating to
17 the issuance of bonds or bond anticipation notes, the corporation has
18 power by provisions in the resolution which will constitute covenants
19 of the corporation and contracts with the holders of the bonds or bond
20 anticipation notes

21 (1) to pledge to a payment or purpose all or any part of its
22 revenues to which its right then exists or may thereafter come into
23 existence, and the money derived from the revenues, and the proceeds of
24 any bonds or notes;

25 (2) to covenant against pledging all or any part of its
26 revenues, or against permitting or suffering a lien on the revenues or
27 its property;

28 (3) to covenant as to the use and disposition of any and all
29 payments of principal or interest received by the corporation on mort-

1 gage loans or other investments held by the corporation;

2 (4) to covenant as to establishment of reserves or sinking
3 funds and the making of provision for and the regulation and disposition
4 of the reserves or sinking funds;

5 (5) to covenant for or against limitations on a right to
6 sell or otherwise dispose of property of any kind;

7 (6) to covenant as to bonds and notes to be issued, and their
8 limitations, terms and conditions, and as to the custody, application
9 and disposition of the proceeds of the bonds and notes;

10 (7) to covenant as to the issuance of additional bonds or
11 notes, or as to limitations on the issuance of additional bonds or notes
12 and the incurring of other debts;

13 (8) to covenant as to the payment of the principal of or
14 interest on the bonds or notes, as to the sources and methods of the
15 payment, as to the rank or priority of the bonds or notes with respect
16 to a lien or security, or as to the acceleration of the maturity of the
17 bonds or notes;

18 (9) to provide for the replacement of lost, stolen, destroyed
19 or mutilated bonds or notes;

20 (10) to covenant against extending the time for the payment
21 of bonds or notes or interest on the bonds or notes;

22 (11) to covenant as to the redemption of bonds or notes and
23 privileges of their exchange for other bonds or notes of the corpora-
24 tion;

25 (12) to covenant to create or authorize the creation of
26 special funds of money to be held in pledge or otherwise for operating
27 expenses, payment or redemption of bonds or notes, reserves or other
28 purposes, and as to the use and disposition of the money held in the
29 funds;

1 or notes;

2 (19) to agree with a corporate trustee which may be a trust
3 company or bank having the powers of a trust company inside or outside
4 the state as to the pledging or assigning of revenues or funds to which
5 or in which the corporation has rights or interest; the agreement may
6 further provide for such other rights and remedies exercisable by the
7 trustee as may be proper for the protection of the holders of bonds or
8 notes of the corporation and not otherwise in violation of law and may
9 provide for the restriction of the rights of an individual holder of
10 bonds or notes of the corporation;

11 (20) to appoint and provide for the duties and obligations of
12 a paying agent or paying agents, or such other fiduciaries as the reso-
13 lution may provide inside or outside the state;

14 (21) to limit the rights of the holders of bonds or notes to
15 enforce a pledge or covenant securing bonds or notes;

16 (22) to make covenants other than and in addition to the
17 covenants expressly authorized in this section, of like or different
18 character, and to make the covenants to do or refrain from doing such
19 acts and things as may be necessary, or convenient and desirable, in
20 order to better secure bonds or notes or which, in the absolute dis-
21 cretion of the corporation, will tend to make bonds or notes more mar-
22 ketable, notwithstanding that the covenants, acts or things may not be
23 enumerated in this section.

24 Sec. 18.58.170. VALIDITY OF ANY PLEDGE. The pledge of assets or
25 revenues of the corporation to the payment of the principal or interest
26 on obligations of the corporation is valid and binding from the time the
27 pledge is made and any such assets or revenues are immediately subject
28 to the lien of the pledge without physical delivery or further act. The
29 lien of a pledge is valid and binding against all parties having claims

1 of any kind in tort, contract or otherwise against the corporation,
2 irrespective of whether those parties have notice of the lien of the
3 pledge. Nothing in this section prohibits the corporation from selling
4 assets subject to a pledge, except that a sale may be restricted by the
5 trust agreement or resolution providing for the issuance of the obliga-
6 tions.

7 Sec. 18.58.180. CAPITAL RESERVE FUND. (a) For the purpose of
8 securing any one or more issues of its obligations, the corporation may
9 establish one or more special funds, called "capital reserve funds", and
10 shall pay into those capital reserve funds (1) any money appropriated
11 and made available by the state for the purpose of any of those funds,
12 (2) any proceeds of the sale of its obligations, to the extent provided
13 in the resolution or resolutions of the corporation authorizing their
14 issuance, and (3) any other money which may be made available to the
15 corporation for the purposes of those funds from any other source. All
16 money held in a capital reserve fund, except as provided in this sec-
17 tion, shall be used as required, solely for (1) the payment of the
18 principal of obligations or of the sinking fund payments for those
19 obligations, (2) the purchase or redemption of obligations, (3) the
20 payment of interest on obligations, or (4) the payment of any redemption
21 premium required to be paid when those obligations are redeemed before
22 maturity; however, money in a fund may not be withdrawn from it at any
23 time in an amount which would reduce the amount of that fund to less
24 than the capital reserve requirement set out in (b) of this section,
25 except for the purpose of making, with respect to those obligations,
26 payment, when due, of principal, interest, redemption premiums and the
27 sinking fund payments for the payment of which other money of the cor-
28 poration is not available. Income or interest earned by, or increment
29 to, a capital reserve fund, due to the investment of the fund or any

1 other amounts in it, may be transferred by the corporation to other
2 funds or accounts of the corporation to the extent that the transfer
3 does not reduce the amount of the capital reserve fund below the capital
4 reserve fund requirement.

5 (b) If the corporation decides to issue obligations secured by a
6 capital reserve fund, the obligations may not be issued if the amount in
7 the capital reserve fund is less than such a percent, not exceeding 10
8 percent of the principal amount of all of those obligations secured by
9 that capital reserve fund then to be issued and then outstanding in
10 accordance with their terms, as may be established by resolution of the
11 corporation (called the "capital reserve fund requirement"), unless the
12 corporation, at the time of issuance of the obligations, deposits in the
13 capital reserve fund from the proceeds of the obligations to be issued
14 or from other sources, an amount which, together with the amount then in
15 the fund, will not be less than the capital reserve fund requirement.

16 (c) In computing the amount of a capital reserve fund for the
17 purpose of this section, securities in which all or a portion of the
18 funds are invested shall be valued at par or, if purchased at less than
19 par, at amortized costs as the term is defined by resolution of the
20 corporation authorizing the issue of the obligations, or by some other
21 reasonable method established by the corporation by resolution. Valua-
22 tion on a particular date shall include the amount of any interest
23 earned or accrued to that date.

24 (d) To assure the continued operation and solvency of the corpora-
25 tion for the carrying out of its corporate purposes, provision is made
26 in (a) of this section for the accumulation in capital reserve funds of
27 an amount equal to their capital reserve fund requirement.

28 (e) The chairman of the corporation shall annually, no later than
29 January 2, make and deliver to the governor and chairmen of the house

1 and senate finance committees his certificate stating the sum, if any,
2 required to restore any capital reserve fund to the capital reserve fund
3 requirement. The legislature may appropriate such a sum, and all sums
4 appropriated during the then current fiscal year by the legislature for
5 the restoration shall be deposited by the corporation in the proper
6 capital reserve fund. Nothing in this section creates a debt or lia-
7 bility of the state.

8 (f) Whenever the corporation has created and established a capital
9 reserve fund, the commissioner of revenue may lend surplus money in the
10 general fund to the corporation for deposit in a capital reserve fund in
11 an amount equal to the capital reserve fund requirement. The loans
12 shall be made on the terms and conditions agreed upon by the commis-
13 sioner of revenue and the corporation, including without limitation
14 terms and conditions providing that the loans need not be repaid until
15 the obligations of the corporation secured and to be secured by the
16 capital reserve fund are no longer outstanding.

17 Sec. 18.58.190. REMEDIES. A holder of obligations or coupons
18 attached to them issued under the provisions of this chapter, and a
19 trustee under a trust agreement or resolution authorizing the issuance
20 of the obligations, except as restricted by a trust agreement or reso-
21 lution, either at law or in equity, may enforce all rights granted under
22 this section or under the trust agreement or resolution, or under any
23 other contract executed by the corporation under this chapter, and may
24 enforce and compel the performance of all duties required by this chap-
25 ter or by the trust agreement or resolution to be performed by the
26 corporation or by an officer of it.

27 Sec. 18.58.200. NEGOTIABLE INSTRUMENTS. All obligations and
28 interest coupons attached to them are negotiable instruments under the
29 laws of this state, subject only to applicable provisions for registra-

1 tion.

2 Sec. 18.58.210. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
3 issued under the provisions of this chapter are securities in which all
4 public officers and public bodies of the state and its political sub-
5 divisions, all insurance companies, trust companies, banking associa-
6 tions, investment companies, executors, administrators, trustees and
7 other fiduciaries may properly and legally invest funds, including
8 capital in their control or belonging to them. These obligations may be
9 deposited with any state or municipal officer of an agency or political
10 subdivision of the state for any purpose for which the deposit of bonds,
11 notes or obligations of the state is authorized by law.

12 Sec. 18.58.220. REFUNDING OBLIGATIONS. (a) The corporation may
13 provide for the issuance of refunding obligations for the purpose of
14 refunding obligations then outstanding which have been issued under the
15 provisions of this chapter, including the payment of a redemption pre-
16 mium on them and interest accrued or to accrue to the date of redemption
17 of the obligations. The issuance of the obligations, the maturities and
18 other details of them, the rights of the holders of them, and the
19 rights, duties and obligations of the corporation in respect to them are
20 governed by the provisions of this chapter which relate to the issuance
21 of obligations, insofar as those provisions may be appropriate.

22 (b) Refunding obligations may be sold or exchanged for outstanding
23 obligations issued under this chapter and, if sold, the proceeds may be
24 applied, in addition to any other authorized purposes, to the purchase,
25 redemption or payment of the outstanding obligations. Pending the
26 application of the proceeds of refunding obligations, with any other
27 available funds, to the payment of the principal, accrued interest and
28 any redemption premium on the obligations being refunded, and, if so
29 provided or permitted in the resolution authorizing the issuance of the

1 refunding obligations or in the trust agreement securing them, to the
2 payment of any interest on the refunding obligations and any expenses in
3 connection with the refunding, the proceeds may be invested in direct
4 obligations of, or obligations the principal of and the interest on
5 which are unconditionally guaranteed by, the United States of America
6 which mature or which will be subject to redemption, at the option of
7 the holders of them, not later than the respective dates when the pro-
8 ceeds, together with the interest accruing on them, will be required for
9 the purposes intended.

10 Sec. 18.58.230. CREDIT OF STATE NOT PLEDGED. (a) Obligations
11 issued under the provisions of this chapter do not constitute a debt,
12 liability or obligation of the state or of a political subdivision of
13 the state or a pledge of the faith and credit of the state or of the
14 political subdivision but are payable solely from the revenues or assets
15 of the corporation. Each obligation issued under this chapter shall
16 contain on its face a statement that the corporation is not obligated to
17 pay it nor the interest on it except from the revenues or assets pledged
18 for it and that neither the faith and credit nor the taxing power of the
19 state or of a political subdivision of the state is pledged to the
20 payment of the principal of or the interest on the obligation.

21 (b) Expenses incurred by the corporation in carrying out the
22 provisions of this chapter are payable from funds provided under this
23 chapter and no liability may be incurred by the corporation in excess of
24 these funds.

25 Sec. 18.58.240. OFFICERS NOT LIABLE. A member or other officer of
26 the corporation is not subject to personal liability or accountability
27 by reason of his execution of obligations or the issuance of them.

28 Sec. 18.58.250. ANNUAL REPORT. The corporation shall prepare and
29 transmit annually a report accounting to the governor and the legisla-

1 ture for the efficient discharge of all responsibility assigned by law
2 or by directive to the corporation.

3 Sec. 18.58.260. DEFINITIONS. In this chapter

4 (1) "corporation" means the Alaska Housing Mortgage Corpora-
5 tion created by this chapter;

6 (2) "board" means the board of directors of the corporation;

7 (3) "governmental agency" means a department, division,
8 public agency, political subdivision, or other public instrumentality of
9 the state or federal government;

10 (4) "obligations" means bonds or bond anticipation notes
11 authorized to be issued by the corporation under the provisions of this
12 chapter.

13 * Sec. 2. AS 18.56.010; 18.56.085; 18.56.088; 18.56.090(1) - (5), (7),
14 (12) - (16), (22), (24) - (27); 18.56.092; 18.56.094; 18.56.100; 18.56.110;
15 18.56.115; 18.56.120; and 18.56.130 - 18.56.180 are repealed.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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COMMITTEE REPORT

(9)

HOUSE

1/23/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 608

"An Act relating to housing loans; and providing for an effective 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

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Introduced: 1/23/80
Referred: Finance

BY MEEKINS, BUCHHOLDT, COTTEN,
MALONE, MILLER, ROGERS AND
GARDINER, *carney*

1 IN THE HOUSE

2 HOUSE BILL NO. 608

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to housing loans; and providing for an
7 effective date."

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

9 * Section 1. AS 18 is amended by adding a new chapter to read:

10 CHAPTER 58. ALASKA HOUSING MORTGAGE CORPORATION.

11 Sec. 18.58.010. ALASKA HOUSING MORTGAGE CORPORATION. The Alaska
12 Housing Mortgage Corporation is a public corporation and government
13 instrumentality in the Department of Commerce and Economic Development,
14 but with a legal existence independent of and separate from the state.
15 The corporation may not be terminated as long as it has bonds, notes or
16 other obligations outstanding. On termination of the corporation, its
17 rights and property pass to the state.

18 Sec. 18.58.020. CORPORATION GOVERNING BODY. (a) The corporation
19 shall be governed by a board of directors, consisting of the commis-
20 sioner of commerce and economic development and six members appointed by
21 the governor.

22 (b) Board members appointed by the governor serve for three-year
23 terms. The terms of two members appointed by the governor expire on
24 April 30 annually.

25 (c) If a vacancy occurs among the board members appointed by the
26 governor, the governor shall make an appointment, to become effective
27 immediately, for the unexpired portion of the term.

28 (d) Board members serve without compensation except that each
29 member may be reimbursed by the corporation for actual and necessary

1 expenses at the same rate as set out in AS 39.20.180.

2 Sec. 18.58.030. MEETINGS OF BOARD. The board shall elect a chair-
3 man from among its membership at its first meeting in each year. A
4 majority of the members constitutes a quorum for organizing the board,
5 conducting its business, and exercising the powers of the corporation.
6 The board shall meet at the call of its chairman. The board shall meet
7 not less than once each three months.

8 Sec. 18.58.040. MINUTES OF MEETINGS. The board shall keep minutes
9 of each meeting and send a certified copy to the governor.

10 Sec. 18.58.050. ADMINISTRATION OF AFFAIRS. The board shall manage
11 the assets and business of the corporation and may prescribe, amend, and
12 repeal bylaws and regulations governing the manner in which the business
13 of the corporation is conducted and the manner in which its powers are
14 exercised. The board shall delegate supervision of the administration
15 of the corporation to the executive director, appointed in accordance
16 with AS 18.58.060, and may delegate to him other duties it considers
17 proper.

18 Sec. 18.58.060. EXECUTIVE DIRECTOR. The corporation shall employ
19 an executive director, who may not be a member of the board. The
20 executive director shall be appointed by the board and serves at the
21 pleasure of the board.

22 Sec. 18.58.070. LEGAL ADVISOR. The attorney general is the legal
23 counsel for the corporation. He shall advise the corporation in legal
24 matters and represent it in suits.

25 Sec. 18.58.080. EMPLOYMENT OF PERSONNEL. The board may appoint
26 other officers and engage professional and technical advisors as in-
27 dependent contractors. The executive director may hire employees of the
28 corporation and, subject to the approval of the board, engage profes-
29 sional and technical advisors under contract with the corporation. The

1 board shall prescribe the duties and compensation of corporation per-
2 sonnel.

3 Sec. 18.58.090. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The
4 personnel of the corporation are exempt from AS 39.25 to the same extent
5 as the personnel of the Alaska State Housing Authority.

6 Sec. 18.58.100. INTERDEPARTMENTAL COOPERATION. Departments,
7 agencies, and public corporations of the state may provide information,
8 services, facilities and loans to the corporation upon its request. The
9 corporation may reimburse departments, agencies, and public corporations
10 of the state for loans advanced or for expenses incurred on behalf of
11 the corporation.

12 Sec. 18.58.110. INVESTMENT OF STATE SURPLUS. Notwithstanding
13 other provisions of law, when the commissioner of revenue determines
14 that there is in the state treasury a surplus above an amount sufficient
15 to meet current cash expenditure needs, the surplus may be invested, in
16 addition to the investments permitted by AS 37.10.070(a), in residential
17 mortgages owned by the corporation and secured by real estate in the
18 state, which investments shall be subject to the terms and conditions
19 that the corporation and the commissioner of revenue may provide in any
20 contract of sale. Investments allowed by this section shall be made as
21 provided for other investments of state money under AS 37.10.070(a),
22 (f), (g) and (i). The terms and conditions of a contract of sale autho-
23 rized to be made under this section may include but are not limited to:

- 24 (1) the investment by the state in a specified or deter-
25 minable amount of mortgages;
- 26 (2) the existence of a prior lien on and pledge of the mort-
27 gages invested in by the state;
- 28 (3) provisions relating to the subordination of the state's
29 interest in and application of annual payments of principal and interest