

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 820

1 to an annuity account and dies before age 65, a lump sum payment shall be made to that person's  
2 designated beneficiary or beneficiaries. The lump sum payment includes all dividends or cash  
3 contributions credited to the person's annuity account and interest earned on the account. A  
4 person may change or revoke a designation without notice to the beneficiary or beneficiaries at  
5 any time. If a person designates more than one beneficiary, each shares equally unless the person  
6 specifies a different allocation or preference. The designation, change, or revocation of  
7 beneficiary shall be made on a form provided by the commissioner of administration and is not  
8 effective until it is filed with the commissioner. If there is no beneficiary designated or  
9 surviving, the lump sum payment shall be paid to the

10 (1) surviving spouse;

11 (2) if there is no surviving spouse, in equal parts to the surviving children  
12 including adopted children;

13 (3) if there is no surviving spouse or child, in equal parts to the surviving parents;

14 or

15 (4) if there is no surviving spouse, child, or parent, to the estate of the deceased.

16 \* Sec. 8. AS 43.23 is amended by adding a new section to read:

17 Sec. 43.23.135. EMERGENCY WITHDRAWALS. An individual may make a  
18 withdrawal from that individual's annuity account before reaching the age of 65 if the individual  
19 establishes to the satisfaction of the commissioner of administration that the withdrawal is  
20 necessary to meet an unforeseeable emergency. The amount withdrawn may not exceed the total  
21 amount in the individual's annuity account or the amount actually necessary to meet the  
22 emergency, whichever is less. The commissioner shall define the term "unforeseeable  
23 emergency" by regulation. An individual may only make one withdrawal under this section and  
24 may pay it back with interest under terms established by the commissioner. An individual who  
25 has made a withdrawal under this section may not elect to credit a dividend or make a cash  
26 contribution to an annuity account for two years after the withdrawal.

27 \* Sec. 9. AS 47.45.015, as enacted by sec. 18, ch. 99, SLA 1985, is amended to read:

28 Sec. 47.45.015. AMOUNT OF BONUS. (a) Except as provided in (b) of this section,  
29 the monthly longevity bonus is equal to \$250, minus the maximum possible straight life annuity  
30 [FOR A PERSON 65 YEARS OF AGE] under the annuity program (AS 43.23.110 - 43.23.130),  
31 as determined by the commissioner of administration. The maximum possible straight life

1 annuity equals the amount a person would receive if that person became 65 on January 2,  
2 1993, and contributed 100 percent of all permanent fund dividends or the cash equivalency  
3 to the annuity program for every year after December 31, 1991. However, for purposes of  
4 this section the maximum possible straight life annuity may not exceed the amount that a  
5 person turning 65 in the current year would receive if that person had contributed 100  
6 percent of all permanent fund dividends or the cash equivalency to the annuity program  
7 for every year after December 31, 1992.

8 (b) A person who is 65 years of age on or before January 1, 1993 [1988], is entitled to  
9 the full longevity bonus payment without reduction for the annuity program.

10 \* Sec. 10. AS 43.23.110(c) and sec. 1, ch. 99, SLA 1985, are repealed.

11 \* Sec. 11. Chapter 99, SLA 1985, and secs. 1 - 9 of this Act apply only to permanent fund dividends  
12 for years beginning after December 31, 1991. Notwithstanding the amendments to AS 43.23 made by  
13 ch. 99, SLA 1985, and this Act, permanent fund dividends for 1991 and prior years shall be made under  
14 the law as it existed before the effective date of this Act.

15 \* Sec. 12. This Act takes effect immediately under AS 01.10.070(c).

**FISCAL NOTE**

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS for SB 8

Revision Date: 1/24/92

Department Affected: Revenue

Title: An act amending and making effective an annuity program and amendments to the longevity bonus and P.F.D...

BRU: Operations

Component: Treasury Management

Sponsor: Senators Kertula, Halford

Requestor: Zharoff

Component Serial No.

0	1	2	1
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**Expenditures/Revenues: (Thousands of Dollars)**

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	5.0	5.0	5.0	5.0	5.0	5.0
TRAVEL						
CONTRACTUAL	20.0	20.0	20.0	20.0	20.0	20.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND/Unrestricted						
FEDERAL FUNDS						
OTHER	25.0	25.0	25.0	25.0	25.0	25.0
<b>TOTAL</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>20.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

**ANALYSIS:** The 25.0 expenditure in total operating costs is the basic personal services and contractual costs for a trust managed by the Treasury Division. Contractual costs would consist of external investment management, accounting, auditing, and custodial services. Future cost increases are dependent on the asset growth of the trust fund from contributions and market gains.

Prepared by: Brian C. Andrews 

Phone: 465-2350

Division: Treasury

Date: January 24, 1992

Approved by Commissioner: 

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

02/05/92 sls

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSB 8

Revision Date: FEBRUARY 3, 1992 Department Affected: HEALTH & SOCIAL SERVICES

Title: AN ACT RELATING TO THE ALASKA LONGEVITY BONUS PROGRAM BRU: ASSISTANCE PAYMENT BRU

Sponsor: Kerttula Component: ADULT PUBLIC ASSISTANCE - OAA & OAA ALB HOLD HARMLESS

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO.

0	2	2	2	APA
0	2	2	3	ALB HI

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	(5.1)	(59.6)	(140.6)	(263.0)	(433.1)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(5.1)	(59.6)	(140.6)	(263.0)	(433.1)

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(5.1)	(59.6)	(140.6)	(263.0)	(433.1)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	(5.1)	(59.6)	(140.6)	(263.0)	(433.1)

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: NO FISCAL IMPACT FY92

ANALYSIS: (Attach a separate page if necessary.) CSSB 8 continues the ALB Hold Harmless program, but includes no hold harmless provision for annuity payments. See the attached addendum for an analysis of the impact of this proposed change.

Prepared By: Jan L. Hansen, Director Phone: 465-3347

Division: DIVISION OF PUBLIC ASSISTANCE Date: February 3, 1992

Approved by Commissioner: Theodore A. Mala, MD, MPH

Agency: DEPARTMENT OF HEALTH & SOCIAL SERVICES Date: \_\_\_\_\_

Division of Public Assistance  
Assistance Payments BRU

Old Age Assistance (OAA) & Alaska Longevity Bonus Hold Harmless (OAA-ALB HH)

1. CSSB No. 8 continues the Hold Harmless program, but includes no Hold Harmless provision for annuity payments.
2. We assume the first annuity payments will be made in fiscal year 1994, and that no Old Age Assistance applicants or recipients will elect to participate.
3. We assume that the bonus payments will decrease March 1, 1994, and that OAA clients whose bonus payments will be impacted will be as follows:

	<u>Bonus</u>	<u>Annuity</u>	<u>OAA Clients Impacted</u>
FY93	\$250	0	155
FY94	\$242	\$ 8	458
FY95	\$232	\$18	789
FY96	\$221	\$29	1153
FY97	\$210	\$40	1565
FY98	\$197	\$53	1945

4. Only those who become 65 after January 1, 1994 will receive a declining ALB.
5. Longevity bonus and annuity amounts are based on Legislative Research Report 92.124.
6. There is no effect in FY 93 on Old Age Assistance clients impacted by this bill because annuity payments will not begin until FY 94.
7. Costs assume average age of new applicants for Old Age Assistance will be 65.
8. Approximately 35 percent of all OAA recipients also receive SSI.

CSSB No. 8 provides for a redesign of the Longevity Bonus program to include an annuity and assumes continuation of a full Hold Harmless for the bonus. The impact of this proposed change is two-fold: 1) As the ALB payments decrease then the amount of ALB Hold harmless for federal Supplemental Security Income (SSI) replacements also decreases. The drop in ALBHH for SSI replacement is a net savings to the State. 2) As the bonus payment decreases, the amount of ALB Hold Harmless for OAA replacement decreases and shifts back to Old Age Assistance. The amount of this decrease is a dollar for dollar shift back to Old Age Assistance in the Adult Public Assistance (APA) component.

CSSB No. 8  
 Fiscal Note Addendum  
 PAGE 2

	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>
Estimated number of impacted aged recipients receiving ALB Hold Harmless that replaces SSI income (35% of OAA clients impacted)	54	160	276	404	548	681
Estimated number of impacted aged recipients receiving ALB Hold Harmless that does not replace SSI income (65% of OAA clients impacted)	101	298	513	749	1017	1264
Total number of new OAA recipients receiving ALB Hold Harmless (100% of OAA clients impacted)	155	458	789	1153	1565	1945
Reduction in monthly bonus \$	0	(8)	(18)	(29)	(40)	(53)
Fiscal year State Savings for ALB Hold Harmless Program benefits to replace OAA payments (65% of OAA clients impacted x bonus reduction x 12 months)	0	(9.5)	(110.8)	(260.7)	(488.2)	(803.9)
Fiscal year State Savings for ALB Hold Harmless Program benefits to replace SSI payments (35% of OAA clients impacted x bonus reduction x 12 months)	0	(5.1)	(59.6)	(140.6)	(263.0)	(433.1)
Fiscal year State Cost for non-SSI OAA recipients (non-SSI clients x bonus reduction x 12 months)	0	9.5	110.8	260.7	488.2	803.9
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Net Savings to State resulting from CSSB 8	0	(5.1)	(59.6)	(140.6)	(263.0)	(433.1)

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS SB 8

Revision Date: January 23, 1992  
Title: Annuity Program Amendments

Agency Affected: Revenue  
BRU: Permanent Fund Dividend Division  
Components: Permanent Fund Dividend  
Division

Sponsor: Kerttula  
Requestor: Zharoff

COMPONENT SERIAL NO. 9 8 1

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
<b>OPERATING</b>						
PERSONAL SERVICES	26.7	13.1	13.1	13.1	13.1	13.1
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	15.0	15.0	15.0	15.0	15.0	15.0
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>41.7</b>	<b>28.1</b>	<b>28.1</b>	<b>28.1</b>	<b>28.1</b>	<b>28.1</b>
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>REVENUE</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (RSA)	41.7	28.1	28.1	28.1	28.1	28.1
<b>TOTAL</b>	<b>41.7</b>	<b>28.1</b>	<b>28.1</b>	<b>28.1</b>	<b>28.1</b>	<b>28.1</b>

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year impact: None.

ANALYSIS: See attached.

Prepared By: Thomas C. Williams  
Division: Permanent Fund Dividend Division

Phone: 455-2323  
Date: January 23, 1992

Approved by Commissioner: David Verhulst  
Agency: Revenue

Date: 1/24/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

ALASKA DEPARTMENT OF REVENUE  
PERMANENT FUND DIVIDEND DIVISION  
SB 8 ANALYSIS

As of January 23, 1992

Assumptions:

1. This bill is the only Permanent Fund Dividend checkoff bill that will become law. This fiscal note would change if other PFD checkoff bills are introduced and become law.
2. The Department of Administration will charge the Department of Revenue for the required additional computer time.
3. The cost of programming changes will be a one-time cost. Ongoing maintenance of new programs would be accomplished by existing staff. The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account. The following tasks will require the following programming hours.

	<u>Hours</u>
a. <u>Wang Data Entry Processing Updates</u>	75.0
(1) Data entry	
(2) Batch lists	
(3) Corrections	
(4) Wang to IBM transfer	
b. <u>IBM File Processing Updates</u>	30.0
(1) Edits	
(2) Batch listings	
(3) Worksheets	
c. <u>CICS Online Programs for Lookup and Changes</u>	37.5
d. <u>Nightly Update of Changes</u>	22.5
e. <u>Warrant Jobs</u>	90.0
(1) Printing warrants with different amounts. Include check stub messages.	
(2) Modify warrant registers as needed for balancing.	
(3) Create new program for transferring accumulated decisions to trust account and to account for the reserve necessary due to returned and cancelled PFD warrants.	
f. <u>Miscellaneous</u>	45.0
(1) Setting up test files on IBM	
(2) Systems testing	
 <u>Total Hours</u>	 <u>300.0</u>

ALASKA DEPARTMENT OF REVENUE  
PERMANENT FUND DIVIDEND DIVISION

SB 8 ANALYSIS

As of January 23, 1992

4. The cost of document review, data capture and the data processing chargeback will be continuing. One Document Processor I position would be required for three months to assist in the manual review and coding of 525,000 applications. One Data Processing Clerk I position would be required for two months to assist in data capture.
5. There will be an additional cost associated with an extra page in the PFD booklet necessary to describe the annuity options.
6. Garnishments and assignments will take precedence over contributions to the annuities in the order established by statute. The PFD Division will only honor contributions to the extent that an individual's permanent fund dividend has not otherwise been assigned or garnished.
7. The PFD Division will be responsible for electronically transferring contributions to the annuity account.
8. The Treasury Division will be responsible for the accounting and management of the annuity account.

Cost Summary:

1. Personal Services

	<u>FY 93</u>	<u>FY 94</u>
1 PPT Analyst/Programmer V, R21 @ \$6,770.74/Mo including salary and benefits for 2 months. PCN 04-6011 would be funded for an additional 2 months.	\$ 13.6	\$ -0-
1 PPT Document Processor I, R7 @ \$2,573.60/Mo including salary and benefits for 3 months. This position represents the equivalent of the additional time and effort.	7.7	7.7
1 PPT Data Processing Clerk I, R8 @ \$2,699.03/Mo including salary and benefits for 2 months. This position represents the equivalent of the additional time and effort.	<u>5.4</u>	<u>5.4</u>
Total Personal Services	<u>26.7</u>	<u>13.1</u>

2. Contractual Services

a. Data Processing Chargeback	5.0	5.0
b. Printing charge for extra page	<u>10.0</u>	<u>10.0</u>
Total Contractual Services	<u>15.0</u>	<u>15.0</u>
TOTAL COST	<u>\$ 41.7</u>	<u>\$ 28.1</u>

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSB 8 (SA)

Revision Date: January 21, 1992  
 Title: An Act amending and making effective an annuity program and amendments to the longevity bonus program  
 Sponsor: Senator Kerttula  
 Requestor: Senate Rules Committee

Department Affected: Administration  
 BRU: Division of Pioneers' Benefits  
 Component: Longevity Bonus Program  
Grants and Administration

COMPONENT

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	(0)	(76.0)	(753.6)	(2,124.4)	(4,033.1)	(5,340.5)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(76.0)	(753.6)	(2,124.4)	(4,033.1)	(5,340.5)

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(76.0)	(753.6)	(2,124.4)	(4,033.1)	(5,340.5)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	(76.0)	(753.6)	(2,124.4)	(4,033.1)	(5,340.5)

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)  
 Impact for FY 93 is zero.

Prepared by: Barbara Bathony *Barbara Bathony*  
 Division: Pioneers' Benefits

Phone: 465-4400  
 Date: January 21, 1992

Approved by Commissioner: Nancy Bear Usara *Nancy Bear Usara*  
 Agency: Administration

Date: 1/21/92

Fiscal Note  
CSSB 8 (SA)  
January 21, 1992

Projected annual savings under this proposal are tenuous because they depend upon a number of variables that cannot be predicted accurately. These projections were prepared as a joint project of the Legislative Research Agency and the Alaska Longevity Bonus program in April 1991 and updated by the Longevity Bonus program in December 1991. A brief discussion of some of the more important assumptions and variables follows.

The Bonus amount for those turning 65 after January 1, 1994, is \$250 less than the annuity payment for those who turn 65 in the current year. The annuity payment depends upon:

- . Permanent Fund Dividends—we use projections provided by the Permanent Fund Corporation;
- . the interest rate at which earnings accrue and the interest rate used to determine an annuity—we used 8.5 percent as a reasonable estimate in both cases provided by Legislative Research;
- . the life expectancy of a 65 year-old we used figures provided by the Alaska Department of Labor; and
- . the frequency of bonus adjustments—we assumed that bonuses would be adjusted at the beginning of each fiscal year and remain fixed throughout the year.

The number of recipients who receive \$250 per month was determined by applying mortality and migration figures—supplied by the Alaska Department of Labor—to the projected number of recipients who will be on the program prior to 1992.

The number of recipients who receive reduced bonuses was determined by applying population, mortality and migration figures to the current number of recipients in order to determine the number of new applicants in each year. Migration and mortality figures were then applied to new applicants in order to determine the number of recipients who will receive reduced bonuses in each year. See additional assumptions on the spreadsheet.

#### Caveats

Projections exclude the cost of administering an annuity program. The assumption is that this agency's involvement with the annuity portion of the program would be limited to being informed of the amount by which bonus warrants should be reduced. Expected costs of modifying the program in order to pay amounts other than a fixed \$250 are included in the FY 93 contractual line.

Projections exclude the savings that would occur under the "hold harmless" provisions of AS 47.45.122. Those costs would be reflected in this fiscal note only if the legislature appropriates hold harmless funds to this agency for subsequent transfer to the Department of Health and Social Services.

Projections exclude savings that might occur if the number of recipients declines as the program becomes less financially attractive to participants and potential participants.

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PFD info from Jim Kelly, 12/13/91

Year	Expected Dividend	Population
92	862	
93	897	543,000
94	947	
95	1002	
96	1050	576,000
97	1119	
98	1186	
99	1245	
2000	1301	633,000
01	1361	
02	1420	
03	1480	
04	1539	
05	1600	695,000
06	1659	
07	1719	
08	1780	
09	1842	
10	1904	763,000

**Longevity Bonus Program  
as Redefined by SB 8**

Revised 12/10/91

Current Program			Total		(000 omitted)	(000 omitted)	(000 omitted)	(000 omitted)	(000 omitted)	(000 omitted)	(000 omitted)	(000 omitted)	
State Fiscal Year	Qualified Recipients	Cost	Grand-Fathered Recipients	SB8 Recipients	SB8 Plus GrandFathered Qualified Recipients	PFD Dividend Received	Annual Payments Annuity	Monthly Payments Annuity	GF Cost Of Grand-Fathered Recipients	Non-GF Cost of Post 93 Recipients	GF Cost Cost of Post 93 Recipients	Total GF Cost	Total GF Savings
1992	21,190	63,570.0											
1993	22,385	67,155.0	22,385		22,385	\$910.47							
1994	23,624	70,872.0	22,798	832	23,630	959.13	\$111.26	\$9.27	68,392.6	92.6	2,403.4	70,796.0	76.0
1995	24,841	74,523.0	21,527	3,327	24,854	1,012.63	237.93	19.83	64,580.0	791.6	9,189.4	73,769.4	753.6
1996	25,952	77,856.0	20,179	5,804	25,983	1,059.15	381.89	31.82	60,536.1	2,216.5	15,195.5	75,731.6	2,124.4
1997	26,805	80,415.0	18,911	8,000	26,911	1,120.64	543.79	45.32	56,732.2	4,350.3	19,649.7	76,381.9	4,033.1
1998	28,034	84,102.0	18,532	10,192	28,724	1,176.43	726.95	60.58	55,594.5	7,409.1	23,166.9	78,761.5	5,340.5
1999	29,070	87,210.0	16,753	12,332	29,085	1,231.81	932.51	77.71	50,258.5	11,499.7	25,496.3	75,754.8	11,455.2
2000	30,166	90,498.0	15,804	14,322	30,126	1,284.27	1,162.30	96.86	47,410.6	16,646.5	26,319.5	73,730.1	16,767.9
2001	31,173	93,519.0	14,890	16,175	31,065	1,341.82	1,418.03	118.17	44,671.2	22,936.6	25,588.4	70,259.6	23,259.4
2002	32,231	96,693.0	14,051	17,992	32,043	1,398.32	1,702.54	141.88	42,151.8	30,632.1	23,343.9	65,495.7	31,197.3
2003	33,332	99,996.0	13,261	17,983	31,244	1,458.23	2,018.13	168.18	39,781.7	36,292.0	17,657.0	57,438.7	42,557.3
2004	34,461	103,383.0	12,512	21,553	34,065	1,516.90	2,367.87	197.32	37,537.4	51,034.7	13,624.3	51,161.7	52,221.3
2005	35,684	107,052.0	11,827	23,303	35,130	1,578.62	2,754.51	229.54	35,480.3	64,188.3	5,720.7	41,200.9	65,851.1
2006	37,146	111,438.0	11,239	0	11,239	1,578.00	3,181.55	265.13	33,717.0	0.0	0.0	33,717.0	77,721.0
2007	38,830	116,490.0	10,724	0	10,724	1,578.00	3,644.82	303.74	32,172.0	0.0	0.0	32,172.0	84,318.0
2008	40,888	122,664.0	10,315	0	10,315	1,578.00	4,147.47	345.62	30,943.8	0.0	0.0	30,943.8	91,720.2
2009	42,797	128,391.0	9,860	0	9,860	1,578.00	4,692.84	391.07	29,580.1	0.0	0.0	29,580.1	98,810.9
2010	44,542	133,626.0	9,374	0	9,374	1,578.00	5,284.56	440.38	28,120.8	0.0	0.0	28,120.8	105,505.2

**Notes:** Grandfathered Recipients = All persons paid via current program, declines in accordance with mortality tables maintained by AK Dept of Labor using 1990 census results.  
 Assume each recipient deposits PFD Jan 1 of each year.  
 8.50% Annual Interest Rate earned on Investment  
 Current Program - assumes no changes to the law.  
 Total GF Cost = GF cost of grandfathered recipients plus GF cost of post 93 recipients.  
 Total GF Savings = Difference between total GF cost of current program if not modified and the cost of the program if SB8 becomes law.

SB8 Recipients = All persons entering the program after SB8 becomes law, and assumes the normal proportion of eligible people do actually apply for the smaller bonus.  
 PFD Dividend Received = based on Dept. of Revenue projections.  
 Annuity - based on model previously developed and maintained by Legislative Research.  
 GF cost of Grandfathered Recipients = Number of Grandfathered recipients times \$3,000.  
 Non-GF Cost of Post 93 Recipients = Portion of \$3,000 paid by annuities.  
 GF Cost of Post 93 Recipients = Balance needed in GF as long as annuities are less than \$3,000

**Definition:** "Recipients" are defined as the Average Number of Warrants Issued in a month.  
 This means one "recipient" would receive \$3,000 per year. It does not equate exactly to the number of people.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: 2/3/92

Department Affected: Health & Social Services

Title: An Act amending and making effective an annuity program.....

BRU: Medicaid

Sponsor: Kertulla

Component: ALB Hold Harmless and Medicaid

Requestor: \_\_\_\_\_

Non-facility

COMPONENT SERIAL NO. 

0	2	3	0
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0	2	3	1
---	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

CS SB 8 would result in net savings to the state. See attached analysis

Prepared By: Chris Robertson Phone: 465-3355

Division: Division of Medical Assistance Date: \_\_\_\_\_

Approved by Commissioner: [Signature]

Agency: Department of Health & Social Services Date: \_\_\_\_\_

528

FISCAL NOTE ANALYSIS  
CS SB 8

FY93

There is no fiscal effect on Medicaid (0230) or the Alaska Longevity Bonus Hold Harmless ("ALB HH") medical component (0231) for FY93 as the ALB reduction would not begin until FY94.

FY94 and following

A change made to the ALB HH medical assistance program in FY 92 significantly reduced the number of ALB HH recipients by allowing nearly all Medicaid recipients receiving ALB payments to retain their Medicaid eligibility. (Anticipated FY93 expenditures were reduced from \$1,800,000 to \$44,000.)

CS SB 8 would decrease the ALB payment by \$8 in FY94; the decreased amount would grow each year FY98, when the bonus will be decreased by a total of \$53. Even by FY98, when the \$53 decrease is reached, the number of recipients affected will be minuscule and total funding effect negligible, even if all the recipients remaining the ALB HH program were to elect the annuity option, which is unlikely.

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 8  
(State Affairs)

Revision Date: \_\_\_\_\_ Department Affected: Health & Social Services  
 Title: "An Act relating to the Alaska Longevity Bonus Program" BRU: Assistance Payment BRU  
 Component: Adult Public Assistance OAA  
 Sponsor: Kerttula  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

03	06	01	06
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	12.4	127.2	264.6	481.9	774.3
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	12.4	127.2	264.6	481.9	774.3

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	12.4	127.2	264.6	481.9	774.3
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	12.4	127.2	264.6	481.9	774.3

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: No fiscal impact FY92.

ANALYSIS: (Attach a separate page if necessary.) CSSB 8 continues the ALB Hold Harmless program, but includes no hold harmless provision for annuity payments. As ALB payments decrease then the amount of ALB Hold Harmless for SSI replacement also decreases. The increase in OAA costs is a dollar for dollar shift from ALB Hold Harmless. The larger savings shown on the OAA ALB HH fiscal note are higher than the increased costs on the OAA fiscal note because of SSI replacement.

Prepared By: Jan L. Hansen, Director Phone: 465-3347  
 Division: Division of Public Assistance Date: 5/13/91  
 Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 5/13/91  
 Agency: Department of Health & Social Services

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 8

(State Affairs)

Revision Date: \_\_\_\_\_ Department Affected: Health & Social Services

Title: "An Act relating to the Alaska BRU: Assistance Payments BRU  
longevity Bonus Program" Component: OAA ALB Hold Harmless

Sponsor: Kerttula

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

03	06	01	08
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	Ø	Ø	Ø	Ø	Ø	Ø
TRAVEL	Ø	Ø	Ø	Ø	Ø	Ø
CONTRACTUAL	Ø	Ø	Ø	Ø	Ø	Ø
SUPPLIES	Ø	Ø	Ø	Ø	Ø	Ø
EQUIPMENT	Ø	Ø	Ø	Ø	Ø	Ø
LAND & STRUCTURES	Ø	Ø	Ø	Ø	Ø	Ø
GRANTS, CLAIMS	Ø	(19.1)	(195.8)	(406.8)	(741.5)	(1190.8)
MISCELLANEOUS	Ø	Ø	Ø	Ø	Ø	Ø
TOTAL OPERATING	Ø	(19.1)	(195.8)	(406.8)	(741.5)	(1190.8)

CAPITAL	Ø	Ø	Ø	Ø	Ø	Ø
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REVENUE	Ø	Ø	Ø	Ø	Ø	Ø
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	Ø	(19.1)	(195.8)	(406.8)	(741.5)	(1190.8)
FEDERAL FUNDS	Ø	Ø	Ø	Ø	Ø	Ø
OTHER	Ø	Ø	Ø	Ø	Ø	Ø
TOTAL	Ø	(19.1)	(195.8)	(406.8)	(741.5)	(1190.8)

POSITIONS:

FULL-TIME	Ø	Ø	Ø	Ø	Ø	Ø
PART-TIME	Ø	Ø	Ø	Ø	Ø	Ø
TEMPORARY	Ø	Ø	Ø	Ø	Ø	Ø

Estimate of current year impact: No Fiscal Impact in FY92.

ANALYSIS: (Attach a separate page if necessary.) CSSB8 continues the ALB Hold Harmless program, but includes no hold harmless provision for annuity payments. As ALB payments decrease, the amount of ALB Hold Harmless for OAA and SSI replacement also decreases. The drop in ALB Hold Harmless for SSI replacement is a net savings to the State. The savings for OAA replacement are offset by the cost increase shown on the OAA fiscal note.

Prepared By: Jan L. Hansen, Director Phone: 465-3347

Division: Division of Public Assistance Date: 5/13/91

Approved by Commissioner: Theodore A. Mala, MD, MPH

Agency: Department of Health & Social Services Date: 5/13/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Division of Public Assistance  
 Assistance Payments BRU

Old Age Assistance - Alaska Longevity Bonus Hold Harmless (OAA-ALBHH)

1. CSSB No. 8 continues the Hold Harmless program, but includes no Hold Harmless provision for annuity payments.
2. We assume the first annuity payments will be made in fiscal year 1993, but that few Old Age Assistance applicants or recipients will elect to participate.
3. Only those who become 65 after January 1, 1993 will receive a declining ALB.
4. Longevity bonus and annuity amounts are based on Legislative Research Report 91.151.
5. There is no effect in FY 92 on Old Age Assistance clients impacted by this bill because annuity payments will not begin until FY 93.
6. Costs assume average age of new applicants for Old Age Assistance will be 65.
7. Approximately 35 percent of all OAA recipients also receive SSI.
8. We assume that the bonus payments will decrease March 1, 1993, and that OAA clients whose bonus payments will be impacted will be as follows:

	<u>Bonus</u>	<u>Annuity</u>	<u>OAA Clients Impacted</u>
FY92	\$250	0	160
FY93	\$241	\$ 9	530
FY94	\$231	\$19	859
FY95	\$220	\$30	1130
FY96	\$207	\$43	1437
FY97	\$193	\$57	1741

CSSB No. 8 provides for a redesign of the Longevity Bonus program to include an annuity and assumes continuation of a full Hold Harmless for the bonus. The impact of this proposed change is two-fold: 1) As the ALB payments decrease then the amount of ALB Hold harmless for SSI replacements also decreases. The drop in ALBHH for federal Supplemental Security Income (SSI) replacement is a net savings to the State. 2) As the bonus payment decreases, the amount of ALB Hold Harmless for OAA replacement decreases and shifts back to Old Age Assistance. The amount of this decrease is a dollar for dollar shift back to Old Age Assistance in the Adult Public Assistance (APA) component.

CSSB No. 8  
 Fiscal Note Addendum  
 PAGE 2

	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
Estimated number of impacted aged recipients receiving ALB Hold Harmless that replaces SSI income (35% of OAA clients impacted)	56	185	301	395	503	609
Estimated number of impacted aged recipients receiving ALB Hold Harmless that does not replace SSI income (65% of OAA clients impacted)	104	345	558	735	934	1132
Total number of new OAA recipients receiving ALB Hold Harmless (100% of OAA clients impacted)	160	530	859	1130	1437	1741
Reduction in monthly bonus \$	0	(9)	(19)	(30)	(43)	(57)
Fiscal year State Savings for ALB Hold Harmless Program (100% of OAA clients impacted x bonus reduction x 12 months)	0	(19.1)	(195.8)	(406.8)	(741.5)	(1190.8)
Fiscal year State Cost for non-SSI OAA recipients (non-SSI clients x bonus reduction x 12 months)	0	12.4	127.2	264.6	481.9	774.3
=====						
Net fiscal year Savings to State because of SSI replacement(ALB Hold Harmless Savings less OAA costs)	0	(6.7)	(68.6)	(142.2)	(259.6)	(416.5)

FISCAL NOTE

No. 2

Version: SB8

(S) Publish Date: 4/19/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: An Act amending and making effective an Annuity Program.

Department Affected: Administration  
BRU: Retirement and Benefits

Sponsor: Kertulla  
Requestor: \_\_\_\_\_

Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	403.3	415.4	427.9	440.7	453.9	467.5
TRAVEL	50.0	25.0	25.0	25.0	25.0	25.0
CONTRACTUAL	1,174.6	1,119.6	1,119.6	1,119.6	1,119.6	1,119.6
SUPPLIES	52.5	60.5	70.5	80.5	90.5	100.5
EQUIPMENT	144.1	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	1,824.5	1,620.5	1,643.0	1,665.8	1,689.0	1,712.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of dollars)

GENERAL FUND	1,824.5	1,620.5	1,643.0	1,665.8	1,689.0	1,712.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1,824.5	1,620.5	1,643.0	1,665.8	1,689.0	1,712.6

POSITIONS

FULL-TIME:	8	8	8	8	8	8
PART-TIME:	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact: \$1,824.5 general fund

Changes in CSSB 8 (STA) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

ANALYSIS: (attach a separate page if necessary.)

See attached for a detailed analysis

4/18/91 /date/ M. K. O. J. Comte Aide (initial)

Prepared By: Garv Bader *Garv M. Bader*  
Division: Retirement and Benefits

Phone: 465-4461  
Date: 4/3/91

Approved by Commissioner: Millett Keller *Millett Keller*  
Agency: Department of Administration

Date: 4/3/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

FISCAL NOTE - DO A (BENEFITS)

Senate Bill 8  
Fiscal note Analysis  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 29, 1991

Analysis: The cost of the annuity program is anticipated to be borne entirely by general fund (GF) appropriations. This fiscal note assumes that approximately 5% of the permanent fund dividend recipients (25,000) will participate in the annuity program.

Eight full-time positions will be needed to administer this program on a continuing basis. Even though we are proposing to contract with a private record keeper, eliminating the need for a large staff, this bill requires extensive manual effort to interface with the contractor. Personnel will handle counseling, address and beneficiary changes, account maintenance, and cash contributions.

Travel in FY 92 is needed to explain the program and answer questions at several locations throughout the state. In subsequent years, there will continue to be the need for rural education and counseling.

There are annual contractual needs for the operation of the annuity program as well as contract with the annuity record keeper. These ongoing contractual needs are explained below. The system will be highly automated to reduce the need for a larger staff. An analyst/programmer V will coordinate D.P. activities.

On-going office supply needs will include microfilming supplies, computer paper stock, annual statements of account and 1099's. In FY 92, there will also be a one time need for office equipment and the purchase of a microfilmer and reader for file maintenance.

The total estimated administrative cost to the division by fiscal year is as follows:

PERSONAL SERVICES

FY 92

FY 93

1 Retirement System Manager	\$ 78.7	
1 Retirement Specialist I/II	50.5	
1 Retirement Technician I/II	40.9	
1 Accountant II	50.5	
1 Accounting Technician I	40.9	
1 Clerk-Typist III	34.0	
1 Accounting Clerk III	36.8	
1 Analyst/Programmer V	<u>70.0</u>	
Total Personal Services Cost.....		\$403.3
FY 93 Personal Services w/3% increase		\$415.4

TRAVEL

FY 92 - 20 trips to various locations throughout the state for public meetings to explain the program.

FY 93 and after - trips to various locations throughout the state for annual enrollment counselling.

Total Travel cost.....	50.0	25.0
------------------------	------	------

CONTRACTUAL

	<u>FY 92</u>	<u>FY 93</u>
CPU costs	20.0	
Computer tapes	10.0	
Disk space costs	<u>20.0</u>	
Total DP resource	\$50.0	\$50.0
Record Keeping Contractor		
25,000 accts. @ \$35.00	875.0	875.0
Information Blitz,		
TV, and Radio	85.0	35.0
RSA to PFD division	15.0	15.0
Postage: Information and		
warrants	50.0	50.0
Audits	15.0	15.0
Actuarial Consulting	15.0	10.0
Centrex charges (8 lines), long		
distance WATS line	30.8	30.8
Floor space (1,000 square feet at		
2.25/mo)	<u>38.8</u>	<u>38.8</u>
Total Contractual cost..	.....	1,174.6
		1,119.6

		<u>FY 92</u>	<u>FY 93</u>
<b>SUPPLIES</b>			
	<u>FY 92</u>	<u>FY 93</u>	
Office supplies, calculators	\$ 4.0	\$ 2.0	
Microfilming supplies	3.5	3.5	
Paper stock	40.0	50.0	
Statement of Account	<u>5.0</u>	<u>5.0</u>	
Total Supplies cost.....		52.5	60.5
<b>EQUIPMENT</b>			
8 Work stations	36.8		
8 Chairs	2.4		
8 PCs and other office equipment	40.0		
Other office equipment (Dictaphone, calculators, etc.)	10.0		
1 Printer	4.5		
1 Microfilmer and reader	45.0		
2 File cabinets	.6		
8 Phones (600/instrument)	4.8		
Total Equipment cost.....		<u>144.1</u>	<u>-0-</u>
TOTAL Operations Cost		<u>\$1824.5</u>	<u>\$1,620.5</u>

The continuing personal services costs is estimated to increase at 3% per year. The costs of administration of this system is anticipated as general funds realized from the offsetting savings realized from declining Longevity Bonus payments. Funding is anticipated from general fund appropriations.

FISCAL NOTE

No. 1

Version: SB 8

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. (S) Publish Date: 4/17/91

Revision Date: \_\_\_\_\_  
Title: Annuity Program Amendments  
Sponsor: Kerttula  
Requestor: \_\_\_\_\_

Agency Affected: Revenue  
BRU: Permanent Fund Dividend Division  
Components: Permanent Fund Dividend  
Division  
COMPONENT SERIAL NO. 9 8 1

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
<b>OPERATING</b>						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	15.0	15.0	15.0	15.0	15.0	15.0
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	15.0	15.0	15.0	15.0	15.0	15.0
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (RSA)	15.0	15.0	15.0	15.0	15.0	15.0
<b>TOTAL</b>	15.0	15.0	15.0	15.0	15.0	15.0

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year impact: None.

**ANALYSIS:** Contractual expenses includes \$10.0 for printing an extra page in the PFD Booklet and \$5.0 for data chargeback costs. Source of funds would be an RSA from the Department of Administration.

Prepared By: Thomas C. Williams Phone: 465-2323  
Division: Permanent Fund Dividend Division Date: March 27, 1991

Approved by Commissioner: Lee E. Fisher Date: \_\_\_\_\_  
Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Changes in CSSB 8 (STA)  
reflect NO FISCAL CHANGE from the original  
fiscal note. This fiscal note is appropriate.

4/18/91 date WKE Comte Aide (initial)

page 1 of 1

**SB**

**9**

*Waived by HFC 4-15-91*

CS FOR SENATE BILL NO. 9 (TRANSPORTATION)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 2/8/91  
Referred: Finance

Sponsor(s): SENATORS ADAMS, Rodey, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act naming the Bob Blodgett Nome-Teller Highway, the Ina Johnston Bridge, and  
2 Mount McGhan."

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

4 \* Section 1. AS 35.40 is amended by adding new sections to read:

5 Sec. 35.40.070. BOB BLODGETT NOME-TELLER HIGHWAY. The road connecting  
6 Nome and Teller is named the Bob Blodgett Nome-Teller Highway.

7 Sec. 35.40.075. INA JOHNSTON BRIDGE. Bridge number 1192 on Edgerton Park  
8 Road over the Little Susitna River is named Ina Johnston Bridge.

9 \* Sec. 2. AS 44.19 is amended by adding a new section to read:

10 Sec. 44.19.063. MOUNT MCGHAN NAMED. (a) Notwithstanding AS 44.19.054 -  
11 44.19.062, the unnamed mountain located on the north shore of Kenai Lake and south shore of  
12 Crescent Lake, at Section 13, Township 4 North, Range 2 West, Seward Meridian, 60 degrees  
13 26'00"N, 149 degrees 33'30"W is named "Mount McGhan."

14 (b) "Mount McGhan" is the official name of the geographic feature identified in (a) of

- 1 this section and shall be used on all maps, records, documents, and other publications issued by
- 2 the state or its departments and political subdivisions.

17-21-4 SFH pd binned

**SB 9**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/8/91

FURTHER:

DATE TURNED INTO OFFICE: 2/19/91

The Finance Committee considered SENATE BILL NO. 9

"An Act naming the Bob Blodgett Nome-Teller Highway."

and recommended:

replace with \_\_\_\_\_ CS \_\_\_\_\_  
 or adopt \_\_\_\_\_ CS SB 9 (TRSP.)  
 attached amendment(s)  
 \_\_\_\_\_ letter of intent adopted

same title  
 new title  
 technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

**ATTACHES NEW FISCAL NOTE(S):**

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

zero fiscal note(s) DNR 2/12/91

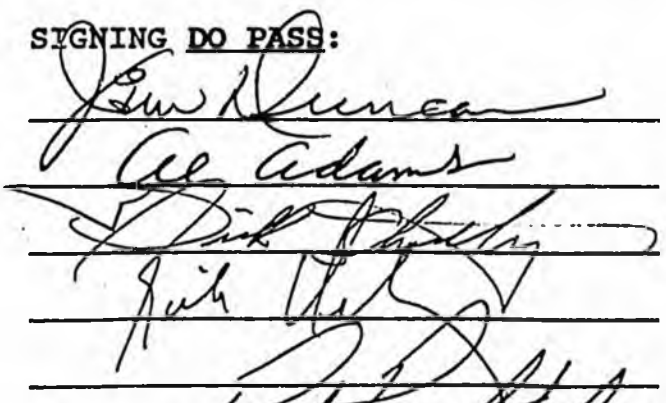
**APPROVES PREVIOUS:**

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

zero fiscal note(s) DOT 1/29/91

appropriation-no fiscal note

**SIGNING DO PASS:**

  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. Pat [unclear]  
Co-Chairs: Signatures

2. [unclear] Do pass  
and Recommendations

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 9

Revision Date: 12-Feb-91 Department Affected: Natural Resources  
 Title: An Act naming the Bob Blodgett BRU: Management & Administration  
 Name-Teller Highway etc. Components: Commissioner's Office  
 Sponsor: Senator Adams  
 Requestor: Senate Transportation Committee COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Carol Wilson Phone: 465-2400  
 Division: Commissioner's Office Date: Feb. 12, 1991

Approved by Commissioner: MB Harold Heinze Date: Feb. 12, 1991  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

No. 1

Version: SB 9

(S) Publish Date: 2/8/91

FISCAL NOTE

Revision Date: \_\_\_\_\_ Department Affected: DOT&PF  
 Title: An act naming the Bob Blodgett NOME-Teller Highway. BRU: Western District M&O  
 Sponsor: Adams, Rodey, Sturgulewski Component: Highways & Aviation  
 Requestor: Senator Adams Component Serial Number: 0587

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

The only direct costs incurred by this bill would be approximately \$400 to purchase two signs; one for each end of the highway. That cost would be absorbed by the Western District M&O budget. Sign installation would be done incidental to normal sign maintenance.

Prepared by: Norm Piispanen

Phone: 474-2423

Division: Northern Region Planning

Date: January 29, 1991

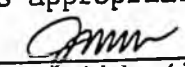
Approved by Commissioner: 

Frank G. Turpin

Agency: Department of Transportation and Public Facilities

Changes in SSB 9 Trans  
 have no fiscal impact. This  
 fiscal note is appropriate.

2/7/91  
 date

  
 Comte Aide (initial)

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

**CS FOR SENATE BILL NO. 9 (TRANSPORTATION)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - FIRST SESSION**

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 2/8/91  
 Referred: Finance

Sponsor(s): SENATORS ADAMS, Rogo, Sturgulewski

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act naming the Bob Blodgett Nome-Teller Highway, the Ina Johnston Bridge, and  
 2 Mount McGhan."

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

4 \* Section 1. AS 35.40 is amended by adding new sections to read:

5 Sec. 35.40.070. BOB BLODGETT NOME-TELLER HIGHWAY. The road connecting  
 6 Nome and Teller is named the Bob Blodgett Nome-Teller Highway.

7 Sec. 35.40.075. INA JOHNSTON BRIDGE. Bridge number 1192 on Edgerton Park  
 8 Road over the Little Susitna River is named Ina Johnston Bridge.

9 \* Sec. 2. AS 44.19 is amended by adding a new section to read:

10 Sec. 44.19.063. MOUNT MCGHAN NAMED. (a) Notwithstanding AS 44.19.054 -  
 11 44.19.062, the unnamed mountain located on the north shore of Kenai Lake and south shore of  
 12 Crescent Lake, at Section 13, Township 4 North, Range 2 West, Seward Meridian, 60 degrees  
 13 26'00"N, 149 degrees 33'30"W is named "Mount McGhan."

14 (b) "Mount McGhan" is the official name of the geographic feature identified in (a) of

1 this section and shall be used on all maps, records, documents, and other publications issued by  
2 the state or its departments and political subdivisions.

FISCAL NOTE

*Rec'd 2/20/91*

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CS SB 9

Revision Date: \_\_\_\_\_ Department Affected: Community & Regional Affairs  
 Title: "An Act naming the Bob Blodgett Nome-Teller Highway...." BRU: Administration and Support  
 Sponsor: Adams, Rodev, Sturgulewski Component: Office of the Commissioner  
 Requestor: Pourchot COMPONENT SERIAL NO. 

	6	8	3
--	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson Remond Henderson Phone: 465-4708  
 Division: Administrative Services Date: 2/18/91  
 Approved by Commissioner: Edgar Blatchford Edgar Blatchford  
 Agency: Community & Regional Affairs Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



Official Business

# Alaska State Legislature

Al Adams  
District L

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

---

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245

---

3111 C Street  
Anchorage, Alaska 99503  
(907) 561-7622

TO: Senator Pat Pourchot

FROM: Senator Al Adams *APA*

RE: Senate Bill 9, "An Act naming the Bob Blodgett Nome-Teller Highway."

DATE: February 9, 1991

This is to request a hearing in the Senate Finance Committee hearing on the aforementioned legislation.

The Senate Transportation version adds the naming of the Ina Johnston Bridge over the Little Susitna River and the naming of Mt. McGhan.

Attached to this letter are:

- ° copy of original bill and new version
- ° fiscal note to the original version
- ° map of the road area for Bob Blodgett Road designation
- ° letter of support from the Department of Transportation Western District manager for Bob Blodgett Road designation
- ° copies of past newspaper articles showing Senator Blodgett's interest in creation of the road
- ° letter of support from the City of Nome for Bob Blodgett Road designation
- ° resolution by the Nome City Council in support of Bob Blodgett Road designation
- ° statutory citation of need for legal action in road naming
- ° statutory citation for Geographic Names Board
- ° legislative citation that passed the Seventeenth Legislature recognizing the contributions of Senator Blodgett
- ° resolution of the North and Northwest Mayors Conference supporting the Bob Blodgett Road designation

Not attached to this that have been requested and will be forthcoming:

- ° new fiscal note from the Department of Transportation
- ° fiscal note from the Department of Natural Resources

Page2

Request to Sen. Pourchot for hearing on Senate Bill 9

February 9, 1991

- back up materials regarding the Ina Johnson Bridge and Mount McGahn

If you need further information please contact Martha Stewart my office.

Thank you for your consideration of this.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Page2

Request to Sen. Pourchot for hearing on Senate Bill 9

February 9, 1991

° back up materials regarding the Ina Johnson Bridge and Mount  
McGahn

If you need further information please contact Martha Stewart my office.

Thank you for your consideration of this.

# Alaska State Legislature



Sen. Curt Menard, *Chair*  
Sen. Lloyd Jones, *Vice-Chair*  
Sen. Bettye Fahrenkamp, *Member*  
Sen. Drue Pearce, *Member*  
Sen. Dick Shultz, *Member*

P.O. Box V  
Juneau, AK 99811  
907 465-4921

## Senate Transportation Committee

TO: Senate Transportation Committee

FROM: Senator Curt Menard, Chairman

DATE: 6 February 1991

RE: Ina Johnston and Bruce McGahan Amendments to SB 9

Ina Johnston came to the Matanuska-Susitna valley in 1957, where she worked for many years as a nurse's aid at the hospital. In 1963, the state provided the materials for the building of bridge #1192, with local volunteers doing the construction. Mr. Johnston worked as a welder on the bridge, and his wife Ina provided the meals for the workers.

Ina died in March of 1989, and her friends and neighbors have requested that this bridge be named to honor the work that Ina has done for her community and neighbors. As per the letters attached, Ina was always willing to lend a helping hand to those who needed it. As one of the local people who helped with the construction of the bridge, it seems only fitting that this bridge become a memorial to her.

Bruce McGhan was killed in an industrial accident on November 26, 1986 while upgrading a septic system in the Wasilla area. The family and friends of Bruce would like the State of Alaska to leave a landmark and memorial for him. Born and raised in Alaska, Bruce explored much of the state. In his travels he discovered Crescent Lake on the Kenai Peninsula.

Bruce worked throughout Alaska on many construction projects. He built village schools, houses, and state campground facilities. The work Bruce did around the state over the years stretches from Fairbanks to Valdez, Kenai to Palmer, Iliamna to Girdwood and all around southcentral Alaska.

Page 2

Ina Johnston & Bruce McGhan amendments

Bruce took great pride in his home state and in every job and landmark he left behind.

His family and friends have joined together in their request that the unnamed mountain near Crescent Lake be officially named Mt. McGhan as a memorial for this most deserving man. Bruce's remains have been spread on the slopes of this mountain in the place he loved and visited so much.

I am requesting that the committee members consider these amendments to SB 9.

BRUCE ALLEN MCGHAN

By: Debra McGhan

On November 26, 1986 Bruce McGhan was killed in an industrial accident while upgrading a septic system in the Wasilla area. Bruce is gone, but his memory will live on in the hearts of those who knew and loved him; and in the many landmarks of work he left behind to the state of Alaska, his home.

The family and friends of Bruce now call on Alaska to help leave a landmark for him; a memorial for Bruce. Born and raised in Alaska, Bruce explored much of the state. In his travels he discovered Crescent Lake on the Kenai Peninsula. When Bruce and his wife Debra needed a change from the fast pace of city life, they hiked to Crescent Lake. Here, in this special place, they spent many hours sharing their love and enjoying the beauty of Alaska's backcountry.

Located approximately three miles north of Kenai Lake in the Kenai Peninsula Borough, Crescent Lake is bordered by several mountains. One mountain, which lies on the north shore of Kenai Lake and the south shore of Crescent Lake, is currently unnamed. We would like to have this mountain named Mt. McGhan in memory of Bruce Allen McGhan and his love for the state of Alaska.

Bruce was born on August 14, 1953 in Anchorage Alaska. He was the oldest of four children born to Terry Smith and Marilyn Cox McGhan.

His father, Terry McGhan, owned an Anchorage based construction company which specialized in water and sewer excavation. His company installed the first public water and sewer systems used in Spenard. He was a bush pilot and son of pioneer Alaska parents who operated one of the early airlines between Alaska and Seattle. Terry's father, Clifford D. "MAC" McGhan drove one of the first cars over the Alcan Highway after it opened in the 1940's.

In 1961 Bruce's parents divorced and Bruce, along with his sister and brothers: Mike, Colleen, and Pat, remained in Anchorage living with their mother. Terry continued to work in Alaska in the construction field for many years. He owned and operated Mentasta Lodge on the Tok Cutoff from 1966 to 1969. In 1973 he left the state and currently owns a construction company in Warrenton, Oregon.

Marilyn, Bruce's mother, began working for Business Service Bureau in 1961 as a receptionist and executive secretary. In 1967 she was offered an executive position with a newly formed company, Labor Trust Services, as administrator for many large health, welfare, and pension trust funds. She is now a corporate owner of Labor Trust Services in Anchorage.

As the oldest child many responsibilities fell to Bruce and he took this position seriously. He realized at an early age that the only way to get ahead was hard work; and Bruce was determined to thrive. He kept his brother's, who were both rapidly growing taller than himself, in line with brute strength. There was a constant challenge among the brothers but they each respected one another recognizing the individual talents that

emerged as they grew.

At eight years old Bruce became the youngest paper boy hired by the Anchorage Daily News. Conscientious and hard working, he succeeded in establishing one of the largest paper routes in the Spenard area, winning dozens of awards for his efforts. He kept up with the deliveries for many years, getting up at 4:00 a.m. seven days a week.

When Bruce was 12 his father bought Mentasta Lodge on the Tok Cutoff. For three summers the kids worked in the lodge making beds, cutting wood, stocking shelves, and even building an aircraft runway. Bruce learned to run his first piece of heavy equipment on that runway. It took all summer because when the dozer broke down he had to repair it; this was quite a task for a 13 year old who didn't know much about fixing dozer's. But with a book, some tools, and a sense of challenge, Bruce fixed the dozer and finished the runway a week before summer ended.

The McGhan family faced many hard years as Marilyn struggled to raise four children alone in Anchorage. It was a challenge keeping food on the table, and extra money was unheard of. In spite of the odds Bruce saved enough money to buy a brand new Datsun pickup by his seventeenth birthday.

Once Bruce had wheels and could drive he began to thirst for more; he wanted to fly. Along with his school work he took on two jobs (appliance repair and gas station attendant) to earn the money needed for flying lessons. He soloed after just eight hours of formal instruction. At 18 he earned his private pilot license and began saving for an airplane.

In 1971, during his senior year of high school, Bruce landed a job with A.A.A. Rental company as a yard hand. Within a week, Bob Holt the owner, discovered Bruce had a knack for mechanic work and running equipment. He was promoted, given a raise, and put to delivering loaders, backhoes, and dozers around Anchorage, Girdwood, and the Mat-Su Valley. He became known as "the kid who could get anything unstuck." Occasionally arriving to pick up a piece of equipment buried in the mud, he would jump down from his truck, a huge grin lighting his boyish face, and proceed to do what seemed impossible; get a multi ton piece of equipment out of the mud and onto dry ground. But somehow he always succeeded.

Bruce continued his education with engineering and math courses at Mount Hood Community College in Portland, Oregon. But he missed Alaska, and after a short time, returned home.

In November 1973 Bruce married a former classmate, Debra McDaniel, the daughter of Alaskan artist Scott McDaniel, and settled down to raise a family.

Taking his new wife, Bruce moved to Seward and worked in the lumber mill for several months. In the spring of 1974 he was accepted into the operating engineers union so the couple returned to Anchorage. 1975 brought more changes with the start of McGhan Construction company, owned by Bruce's uncle, Tim McGhan. Bruce went to work for Tim's company as the foreman and operator. And for the next five years he worked with Tim, helping to build a strong, successful business.

In 1976, shortly before the birth of their first child, Bruce made the decision to move his family to the Mat-Su valley.

He spent the winter designing house plans, then began construction of his first home in Wasilla during the summer of 1977. He continued to work for Tim, commuting into Anchorage daily, and working on the house at night, and days off. He finished the construction in June 1978.

By 1980 the drive to Anchorage became too hard, and after buying his first airplane, Bruce went to work for a remote bush company; Jansen Construction. He flew to Iliamna and worked on the construction of several village schools around the lake.

When the schools were finished Bruce went to work for the State of Alaska, Department of Parks under the supervision of Jim Hoag. Headquartered in Willow, he worked as part of a 4 member maintenance and building crew in the state campgrounds throughout the Mat-Su Valley. Accompanied by his family, he spent the summer of 1982 traveling around south central Alaska making repairs, and building new, better devices to be used in the campgrounds. (He aided in the design and building of the currently used bear proof garbage cans.)

In the fall of 1982 Bruce bought his first backhoe and started his own construction company, B.A.M. Construction. For the next five years Bruce worked hard to build up his business. He earned the reputation of being hard working, honest, and dependable. He built seven homes in the Wasilla and Big Lake area, each one with pride and quality construction. He installed hundred's of water and sewer systems, did landscaping, home improvements, and additions; all of which were done with the same high standards Bruce lived by.

The work Bruce did around the state over the years stretches from Fairbanks to Valdez, Kenai to Palmer, Iliamna to Girdwood, and all around South Central Alaska. Bruce took great pride in his home state and that pride went into every job, and every landmark he left behind.

Now, as the one year anniversary of Bruce's death approaches, his family and friends have joined together to make a request to the state of Alaska; that the mountain near Crescent Lake be officially named Mt. McGhan as a memorial for this most deserving man.

Bruce was cremated and his remains have been spread on the slopes of this mountain in the place he loved so much. What better monument could be dedicated to this true Alaskan?

Rep. Curt Menard  
Box 1  
Juneau, Alaska

Feb. 5-1990

Re: Inna's request for  
memorial bridge

Dear Curt -

Per your office request, I am happy  
to advise that I've known the family  
for many years and they enjoy a very  
fine reputation.

As for Inna's activities - she  
was very well acknowledged as  
a special person. At her funeral,  
there was standing-room only.

I believe that says a great deal  
for a person in our busy world.

Whatever support you can  
give to this cause will be  
appreciated by her husband,  
family and friends.



My personal regards to you  
and your family -

Sincerely,  
Barcky Layton

Box 547,  
Palmer, AK  
99645

Ria Cottini  
H C 01 Box 6755

Palmer - Ak. 99645

Feb. 5 - 1990

Rep. Curt Menard  
Juneau Ak.

Re: Johnston Bridge

Dear Mr. Menard

I wish to advise that  
I knew Ina Johnston when  
she first came to Alaska as a  
neighbor and a friend. She  
was always near when anyone  
needed her.

I sincerely appreciate the  
consideration of this memorial  
of naming the bridge.

Sincerely,

Ria Cottini

ALVIN JOHNSTON  
P.O. BOX 6  
PALMER, AK. 99645  
(907) 745-3531

September 29, 1989

Rep. Curt Menard  
351 W. Swanson Ave., Ste. 1  
Wasilla, Ak. 99687

RE: The Naming of a Bridge; i.e., Johnston Bridge

Greetings:

The family and friends of Ina Johnston request a memorial for Ina, who died in March 1939.

We have talked this over and there is a bridge near the Johnston home which has been a very definite part of our lives. The bridge does not as yet have a name. It was started in March 1963 and completed in November 1963. The materials were funded by the state, however the construction was completed by volunteer work from neighbors. The meals during this construction were served by Ina.

We have researched the project and the following is the information we have found:

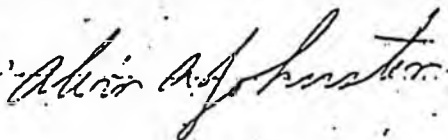
Edgerton - Parks Road  
State #57062  
Federal #BR-OS-1(44)

Susitna River - Hatcher Pass Road  
State #57340  
Federal #BR-580(18)

Ina loved this valley and she gave generously of her time with much love as she worked at the Valley Hospital and was always ready to be a friend to her neighbors.

Your considerations and assistance will be greatly appreciated.

Sincerely,



Alvin Johnston,  
family and friends

P.S. If we do not hear from you we will write again during the session in Juneau.



## KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA 99669  
PHONE (907) 262-4441

RECEIVED  
JUN 13 1988  
DON GILMAN  
MAYOR

June 8, 1988

COMMISSIONER'S OFFICE  
COMMUNITY & REGIONAL AFFAIRS

Alaska State Geographic  
Names Board  
P.O. Box B  
Juneau, AK 99811

Dear Sirs:

On June 7, 1988, the Kenai Peninsula Borough approved a motion to forward a letter of non-objection to the naming of a mountain at Latitude 60°26'0" North; Longitude 149°33'30" East, Section 13, Township 4N, Range 2W, Seward Meridian located on the north shore of Kenai Lake and the south shore of Crescent Lake. The mountain is currently unnamed based on the section map - Seward B-7 quadrangle.

Debra A. McGhan has requested the mountain be named in memory of her deceased husband - Mt. McGhan.

If we may be of further assistance, please contact the Borough Clerk's Office, 262-4441 ext. 220/221.

Very truly yours,

Joanne Brindley, CMC  
Kenai Peninsula Borough Clerk



Debra McGhan

## He wasn't a politician

### State rejects widow's plea to name mountain

By **SUSAN MORGAN HOWK**  
Frontiersman staff

**Mount McGhan.** Wasilla resident Debra McGhan had hoped by now that a mountain near Cooper Landing would bear that name in honor of her late husband. This month, however, she says she was told that Bruce McGhan just wasn't important enough to the state of Alaska to warrant naming a mountain after him.

Soon after Bruce, a life-long Alaskan, was killed in a construction accident Nov. 26, 1986, Debra realized she wanted a permanent reminder of her husband of 13 years.

Someone suggested naming a star for him, but she decided on one of the unnamed mountains on the Kenai Peninsula instead. "A star just seemed too far away," she says. "I wanted something more tangible."

Debra began plowing through all the required paperwork and regulations; the state told her she needed.

She collected signatures on peti-

tions, talked about her dream with politicians in the Kenai Peninsula Borough and traveled with her two young children to meetings in the area. She never doubted that her husband was worthy of a mountain.

"Bruce lived and breathed Alaska. This was home," she says. "I just always saw him go out of his way to help the state as a private citizen."

Bruce and Debra married shortly after both graduated from Diamond High School in 1972. Bruce owned his own construction business in Wasilla. He was killed when the walls of a sewer ditch collapsed on him.

Debra says her husband was an adventurer and recalls the time they spent camping and hiking on "their mountain" fondly. "Just to be in the heart of that beautiful country was great," she says. "It was our favorite place."

After collecting 1,200 signatures of support, Debra's application to name Mount McGhan was finally approved by the Kenai

Borough last June.

She then packaged up all the information and supporting data and mailed it to the Commissioner of Regional Affairs in Juneau for final approval. A phone call from someone in the office in August told her the application looked "really good" and said approval would probably be just a formality.

On Feb. 9, however, she was told the state had refused her request.

"They said they didn't feel that Bruce had given the state of Alaska a substantial enough contribution," Debra says. "I said, 'What exactly are you looking for' and she said, 'Well, like somebody who held a political office or something.'"

Debra said Bruce made more than his share of contributions to Alaska. He designed a bear-proof trashcan still in use in state parks and took pride in installing sewer systems that wouldn't pollute the environment.

"His whole thing was, 'I'm going to be here forever and my

children are going to be here forever,' so he wanted to take care of the state," she says. "But they didn't think that was enough."

She admits to feeling bitter. "Do they think that somebody who puts on a white shirt and lobbies in Juneau makes more of a contribution than Bruce did?" she asks. "This is what Alaska is all about, we're the people who live here and work here."

Now, Debra says, she's beginning the appeal process. Juneau will need more supportive information and reasons to consider naming Mount McGhan.

Meanwhile, a bronze plaque, installed by Debra, marks the 4,730-foot-high mountain that her husband loved. After his death Debra scattered his ashes over the peak and says she and the children can feel his presence when they visit.

"It's like when you get there he's really there," Debra says. "It's so quiet, it's like being in the middle of a picture. It's like heaven and it feels like he's really happy there."

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

ISEWARD C-8)

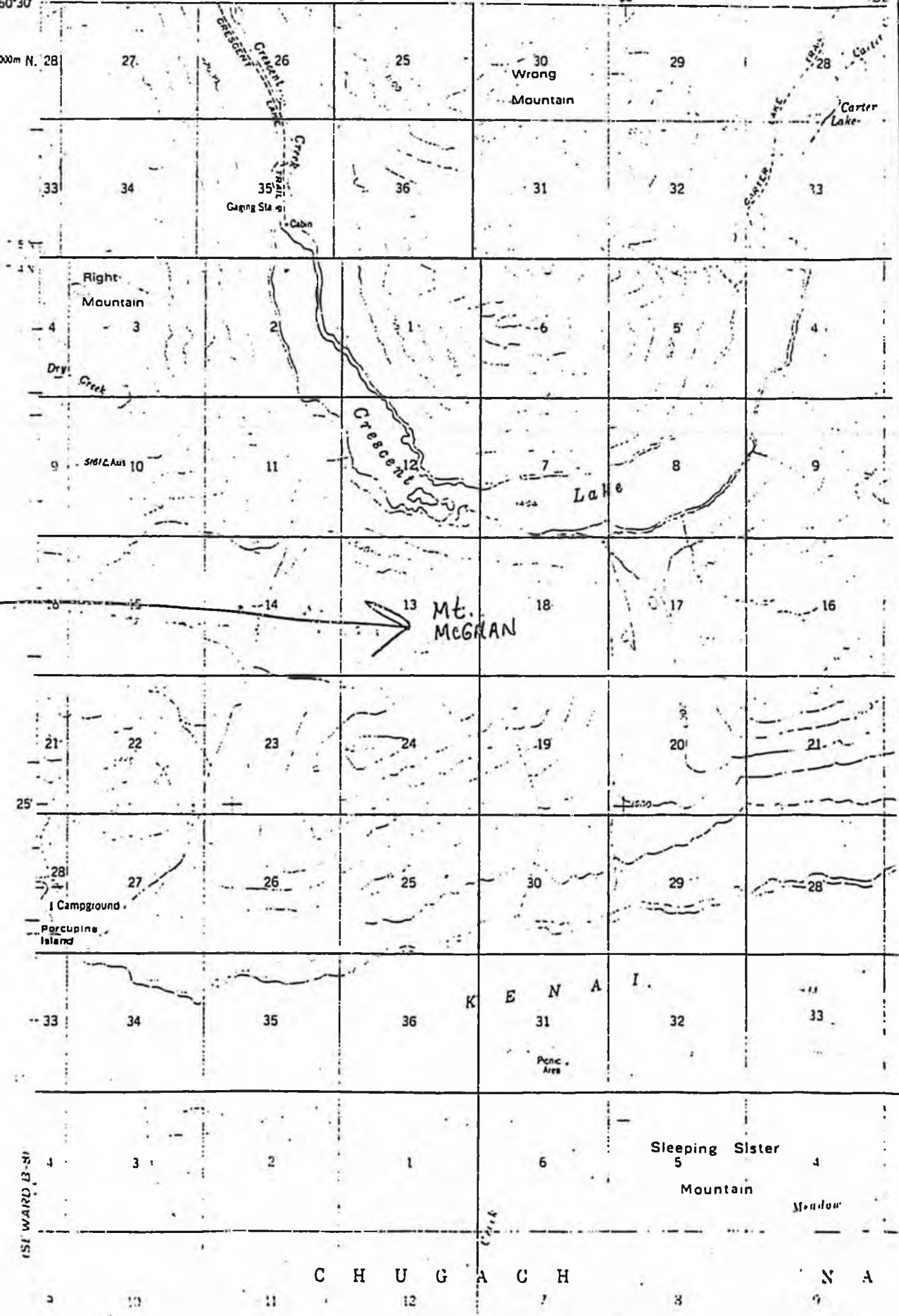
149°37'30"  
60°30'

357000m. E. 35'

30'

ISE

6709000m N. 28'



POSED  
FEATURE

Mt.  
McGRAN

K E N A I

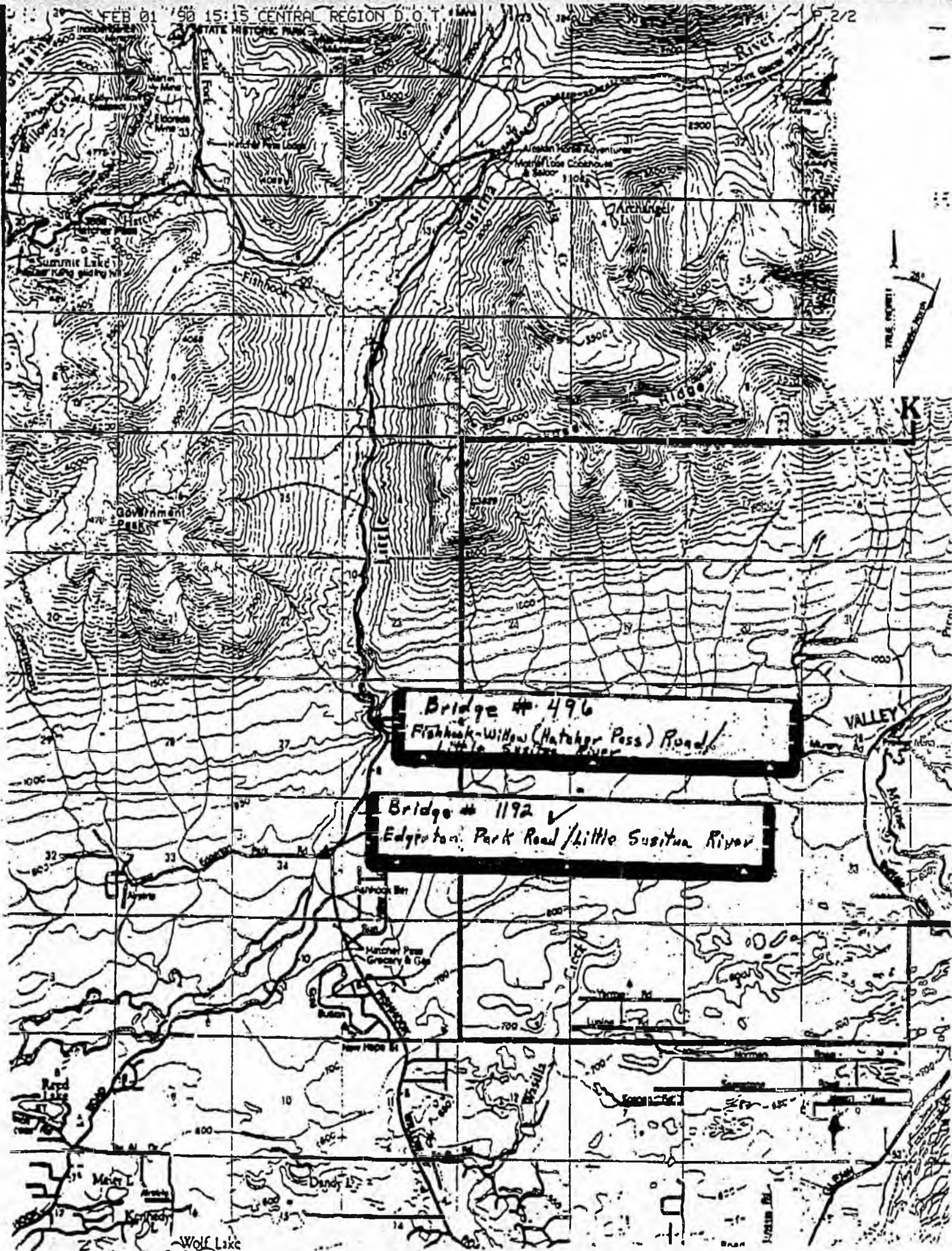
Sleeping Sister  
Mountain

C H U G A C H

N A

ISEWARD B-5)

STATE HISTORIC PARK



Bridge # 496  
Fishhook-Willow (Hatcher Pass) Road/  
Little Susitna River

Bridge # 1192 ✓  
Edgerton Park Road / Little Susitna River

Wolf Lake



# THE ALASKA LEGISLATURE



## In Memoriam

\* ROBERT "BOB" BLODGETT \*

The Seventeenth Alaska Legislature honors the memory of Robert "Bob" Blodgett who died on Friday, Jul. 6, 1990 at his home in Teller, Alaska.

Bob Blodgett was born August 2, 1920 in Creston, Iowa. He was a businessman, pilot, state legislator, regional and local elected official. Mr. Blodgett arrived in Alaska in 1946 to attend the University of Alaska-Fairbanks to study mine engineering. In 1947 he went to work for Arctic Contractors building airports at the Defense Early Warning (Dew) line sites throughout Western Alaska. He worked as a heavy duty mechanic, heavy equipment operator and welder.

In 1953, Bob moved to Teller and purchased Teller Commercial Company. In 1957 he started Teller Electric Company and in 1970 established Mukluk Telephone Company. The latter business grew to serve thirteen villages in northwestern Alaska. In 1959, Mr. Blodgett was elected to the First State Legislature, House of Representatives, from Teller. In 1963, he was elected to the State Senate and served until he retired in 1970. Mr. Blodgett served on the Finance Committee and was responsible for bringing many services to rural Alaska. He was elected to the second board of the Bering Strait School District and the Bering Strait Coastal Resource Service Area Board. Last year he won a seat to the Teller City Council as a write-in candidate.

Bob Blodgett served in the Army Air Corp as a pilot in World War II, receiving all decorated medals except the Medal of Honor. He was the second highest decorated Alaskan World War II veteran. Bob was the first commanding officer of guard units in Barrow and Fairbanks and was instrumental in their creation. He continued his military career in the Alaska National Guard, retiring with the rank of Captain. Mr. Blodgett retired as a member of Operating Engineers Local 322. He was a lifelong member of the Arctic Native Brotherhood in Juneau, founder of the Rural Alaska Power Association and member of the Alaska Telephone Association. Bob remained manager of his family owned businesses until the time of his death.

Bob Blodgett is survived by his wife Helen, son Richard, daughter-in-law Karen, and grandchildren Robert David, Luanne and Kalena, all of Teller, Alaska. He is also survived by an identical twin brother Donald of Illinois.

The Seventeenth Legislature sends its condolences to the family for the loss of a man who served as a strong advocate for rural Alaska and contributed his many talents to his community, region and the State of Alaska as a whole.



*Ben Dunning* SPEAKER OF THE HOUSE  
*Richard E. Eliason* PRESIDENT OF THE SENATE

Date: January 24, 1991

Presented by: Senators Adams, Zharoff, Sturgulewski, Rodey,  
Cullins, Representatives Foster, MacLean, Brown, C. Davis, Gruenberg, Leman, Navarre, G. Phillips,  
Phillips, Taylor, Ulmer and Zawacki

DOCUMENTS WHICH HAVE NOT BEEN  
FILMED BUT ARE AVAILABLE IN THE  
ORIGINAL FILE INCLUDE:

**Letters of Support**  
**Bob Blodgett Name-Teller Hwy.**

City of Nome

Correspondence 10/5/90

Resolution 10/24/90

Resolution 10/12/90 re/w Mayors' Confer.

Dept. of Transportation & Public

Facilities, Correspondence 9/11/90

& Attachments

**SB**

**10**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/1/91

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered

SSSB NO. 10

"An Act relating to management and investment of certain state funds; and providing for an effective date."

*Died in JFC.*

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
- or adopt \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- \_\_\_\_\_ letter of intent adopted

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

**ATTACHES NEW FISCAL NOTE(S):**

Dept/Date:

fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

appropriation-no fiscal note

**SIGNING DO PASS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPROVES PREVIOUS:**

Dept/Date:

fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_

Co-Chairs: Signatures and Recommendations

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERENCE

DATE: 1/21/91

FURTHER: Finance

Date of 5-Day Notice: 1-24-91  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

State Affairs Committee considered

SPONSOR SUBSTITUTE SS  
SENATE BILL NO. 10 SB10

"An Act relating to management and investment of certain state funds; and providing for an effective date."

+ a majority report it back w/ no recommendation and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_  same title  new title
- attached amendment(s)
- \_\_\_\_\_ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

24 Fiscal Note 5

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) ADM  
Revenue  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Other recommendations:*  
*Paula (none)*  
*Paula (none)*

*Paula (none)*  
Chair: Signature and Recommendation

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 10  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KERTTULA

Introduced: 1/28/91  
Referred: State Affairs and Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to management and investment of certain state funds; and providing for  
2 an effective date."

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

4 \* Section 1. AS 37.10 is amended by adding new sections to read:

5 ARTICLE 5. STATE INVESTMENT BOARD.

6 Sec. 37.10.210. STATE INVESTMENT BOARD. (a) There is established in the  
7 Department of Revenue the State Investment Board. The purpose of the board is to manage and  
8 invest, with the assistance of the Department of Revenue, state funds and revenue.

9 (b) The board consists of nine members. Two of the members shall be elected by the  
10 members of the teachers' retirement system. One of the members elected must be an active  
11 member of the system and one of the members elected must be receiving a benefit from the  
12 system. Nominations may be made by the Teachers' Retirement Board or by petition signed by  
13 at least 10 persons eligible to vote in the election. Two members shall be elected by the  
14 members of the public employees' retirement system. One of the members elected must be an

1 active member of the system and one of the members elected must be receiving a benefit from  
2 the system and a benefit based on contributions to the supplemental benefits system under  
3 AS 39.30.150 - 39.30.180. Nominations may be made by the Public Employees' Retirement  
4 Board or by petition signed by at least 10 persons eligible to vote in the election. The  
5 commissioner of revenue and the commissioner of administration are members of the board. The  
6 governor shall appoint three public members of the board. The Teachers' Retirement Board and  
7 the Public Employees' Retirement Board shall adopt regulations governing the elections under  
8 this subsection.

9 (c) The public members must have recognized competence and wide experience in  
10 finance, investments, or other business management-related fields. A public member may not  
11 hold another state or federal office, position, or employment, either elective or appointive, except  
12 as a member of the armed forces of either the United States or of this state. The members of  
13 retirement systems and public members of the investment board shall serve staggered terms of  
14 six years and may be reappointed or reelected to the board.

15 (d) The governor may remove a public member of the board from office. A removal by  
16 the governor must be in writing and must state the reason for the removal. After a member  
17 receives written notice of removal from the governor, the member may not participate in board  
18 business and may not be counted for purposes of establishing a quorum.

19 (e) A vacancy on the board shall be promptly filled in the same manner as the seat was  
20 originally filled. A person elected or appointed to fill a vacancy holds office for the balance of  
21 the unexpired term of the person's predecessor. A vacancy on the board does not impair the  
22 authority of a quorum of the board to exercise all the powers and perform all the duties of the  
23 board.

24 (f) The board shall annually elect a chair from among its members.

25 (g) Five members of the board constitute a quorum for the transaction of business and  
26 the exercise of the powers and duties of the board.

27 (h) A member of the board may receive a per diem allowance and transportation  
28 expenses in carrying out the duties set out in this chapter.

29 Sec. 37.10.220. POWERS AND DUTIES OF THE BOARD. (a) The board shall

30 (1) hold regular and special meetings at the call of the chair or of at least five of  
31 the members;

1 (2) invest and manage all state funds whose investment and management is not  
2 specifically provided for by another law;

3 (3) submit long-range and quarterly investment reports to the Legislative Budget  
4 and Audit Committee;

5 (4) report to the governor and the legislature by September 30 of each year  
6 concerning the investment of state funds.

7 (b) The board may

8 (1) employ outside investment advisors to review investment policies and make  
9 recommendations to the board;

10 (2) establish investment policies for the funds;

11 (3) engage independent certified public accountants to audit the funds for which  
12 the board is responsible and to report to the board with the results of the audit;

13 (4) contract with external performance evaluators to review the performance of  
14 each fund managed or invested by the board and report to the board and to the other boards  
15 directly responsible for the activities supported by the fund on the fund's condition;

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

18 Sec. 37.10.230. CONFLICTS OF INTEREST. (a) Members of the board are subject to  
19 the provisions of AS 39.50.

20 (b) If a member of the board or an employee of the board acquires, owns, or controls an  
21 interest, direct or indirect, in an entity or project in which assets under the control of the board  
22 are invested, the member shall immediately disclose the interest to the board. The disclosure is  
23 a matter of public record and shall be included in the minutes of the board meeting next  
24 following the disclosure.

25 Sec. 37.10.240. REGULATIONS. The board may adopt regulations under the  
26 Administrative Procedure Act (AS 44.62).

27 Sec. 37.10.290. DEFINITION. In AS 37.10.210 - 37.10.290, "board" means the State  
28 Investment Board.

29 \* Sec. 2. AS 14.25.035(d) is amended to read:

30 (d) The commissioner of administration shall report to the board concerning the condition  
31 and administration of the system. The reports shall be distributed to the members of the system.

1 The State Investment Board [COMMISSIONER OF REVENUE] shall provide reports to the  
2 board on the condition and investment performance of the teachers' retirement trust fund and an  
3 annual external performance review. The review must be complete, understandable, and  
4 presented in acceptable format according to industry patterns and customs.

5 \* Sec. 3. AS 14.25.040 is amended by adding a new subsection to read:

6 (j) The board shall adopt regulations under AS 37.10.210(b) concerning elections for the  
7 State Investment Board. The regulations relate to the internal management of a state agency and  
8 their adoption is not subject to the Administrative Procedure Act (AS 44.62).

9 \* Sec. 4. AS 14.25.180 is amended to read:

10 Sec. 14.25.180. MANAGEMENT AND INVESTMENT OF FUND. (a) The State  
11 Investment Board [COMMISSIONER OF REVENUE] is the [TREASURER OF THE  
12 SYSTEM AND THE] fiduciary of the fund. In managing the fund, the State Investment Board  
13 [COMMISSIONER OF REVENUE] shall

14 (1) consider the status of the fund's investments and the system's liabilities on  
15 both a current and a probable future basis;

16 (2) determine the appropriate investment objectives for the fund;

17 (3) establish investment policies aimed at achieving the objectives; and

18 (4) act only in regard to the best financial interests of the system's beneficiaries.

19 (b) The State Investment Board [COMMISSIONER OF REVENUE] may invest the  
20 fund on the basis of probable total rate of return without regard to the distinction between  
21 principal and income or to the generation of income.

22 (c) In carrying out investment duties under this chapter, the State Investment Board  
23 [COMMISSIONER OF REVENUE] has the same powers and duties in regard to the teacher's  
24 retirement trust fund as are provided in AS 37.10.071, except that the standard of prudence that  
25 the board [COMMISSIONER] must obey under AS 37.10.071(c) shall be in regard to the  
26 management of large trust investments rather than large investments.

27 \* Sec. 5. AS 14.40.400(b) is amended to read:

28 (b) The State Investment Board [COMMISSIONER OF REVENUE] is the fiduciary  
29 of the trust fund and shall account for and invest the fund as set out in AS 37.14.110(c),  
30 37.14.160, and 37.14.170, except that the board [COMMISSIONER] shall report the condition  
31 and investment performance of the fund to the Board of Regents.

1 \* Sec. 6. AS 14.40.805 is amended to read:

2 Sec. 14.40.805. POWERS AND DUTIES OF THE STATE INVESTMENT BOARD  
3 [COMMISSIONER OF REVENUE]. The State Investment Board [COMMISSIONER OF  
4 REVENUE] is the trustee of the fund and has the powers and duties under this section to

5 (1) act as official trustee of the cash and investments belonging to the fund and  
6 to secure adequate and safe custodial facilities;

7 (2) receive all items of cash and investments belonging to the fund;

8 (3) collect the principal and income from investments acquired by the trustee and  
9 deposit the amounts in separate principal and income accounts for the fund;

10 (4) invest and reinvest the assets of the fund as provided in this section and as  
11 provided for the investment of retirement funds under AS 14.25.180;

12 (5) exercise the powers of a trustee with respect to the assets of the fund;

13 (6) do all acts, whether or not expressly authorized, that the State Investment  
14 Board [COMMISSIONER OF REVENUE] considers necessary or proper in administering, as  
15 a trustee, the assets of the fund;

16 (7) maintain accounting records of the fund in accordance with investment  
17 accounting principles and with distinction between the principal and income accounts of the fund;

18 (8) engage an independent firm of certified public accountants to annually audit  
19 the financial condition of the fund's investments and investment transactions;

20 (9) enter into and enforce contracts or agreements considered necessary for the  
21 investment purposes of the fund;

22 (10) report to the university the condition and investment performance of the  
23 fund;

24 (11) make payments to the university on behalf of qualified beneficiaries;

25 (12) make refunds upon termination of an advance tuition payment contract; and

26 (13) pay the costs of administration of the fund.

27 \* Sec. 7. AS 18.56.095(a) is amended to read:

28 (a) There is a special fund of the state to be known as the "state mortgage insurance  
29 fund," referred to in this section as [(CALLED) the "mortgage insurance fund," ( )] which shall  
30 be completely segregated and set apart from all other funds of the state, and which is a trust fund  
31 for the uses and purposes of this section and into and from which money shall be paid as

1 provided in this section. The mortgage insurance fund shall be held by the State Investment  
2 Board [COMMISSIONER OF REVENUE], subject to the power of the commissioner of  
3 commerce and economic development to enter into and perform agreements with respect to the  
4 use of money in the mortgage insurance fund and to pledge, assign, or grant interests in the  
5 mortgage insurance fund as provided in this section. The commissioner of commerce and  
6 economic development may enter into agreements with the corporation with respect to the  
7 exercise of any power or approval relating to the mortgage insurance fund under this section,  
8 including, without limitation, agreements as to the use of money in the mortgage insurance fund,  
9 agreements with respect to the terms and conditions upon which payments from the mortgage  
10 insurance fund shall be made to the corporation with respect to mortgage loans insured under this  
11 section, and agreements regarding the payment of and security for mortgage insurance bonds, and  
12 in connection with these agreements the commissioner of commerce and economic development  
13 may pledge, assign, or grant other interests in the mortgage insurance fund to the corporation as  
14 may be necessary or appropriate in connection with the insurance of mortgage loans and to  
15 provide for the payment of and security for mortgage insurance bonds. An [ANY SUCH]  
16 agreement or [ANY OF] the rights of the corporation under the agreement and payments received  
17 or to be received under the agreement may be pledged or assigned by the corporation for the  
18 benefit of the holders of mortgage insurance bonds.

19 \* Sec. 8. AS 18.56.095(b) is amended to read:

20 (b) In addition to any other fees and charges that the corporation may charge on  
21 mortgage loans, it may collect or cause to be collected on all mortgage loans made or purchased  
22 with the proceeds of the sale of mortgage insurance bonds, either or both a special mortgage loan  
23 insurance commitment fee or a mortgage loan insurance premium. The special mortgage loan  
24 insurance commitment fees and special mortgage loan insurance premiums when received shall  
25 be deposited in the mortgage insurance fund by the corporation, or by any mortgage loan  
26 servicer, trustee, or agent designated by the corporation to receive them, and shall be held,  
27 invested and, together with all investment income derived from them, reinvested by the State  
28 Investment Board [COMMISSIONER OF REVENUE] as set out in AS 37.10.071, subject to  
29 any agreement with the corporation under (a) of this section.

30 \* Sec. 9. AS 22.25.048(c) is amended to read:

31 (c) The State Investment Board [COMMISSIONER OF REVENUE] is the

1 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund and has the same powers  
2 and duties under this section in regard to the judicial retirement trust fund as are provided in  
3 AS 14.25.180.

4 \* Sec. 10. AS 26.05.228(c) is amended to read:

5 (c) The State Investment Board [COMMISSIONER OF REVENUE] is the  
6 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund and has the same powers  
7 and duties under this section in regard to the fund as are provided under AS 14.25.180.

8 \* Sec. 11. AS 36.30.850(b) is amended to read:

9 (b) This chapter applies to every expenditure of state money by the state, acting through  
10 an agency, under a contract, except that this chapter does not apply to

11 (1) grants;

12 (2) contracts for professional witnesses to provide for professional services or  
13 testimony relating to existing or probable lawsuits in which the state is or may become a party;

14 (3) contracts of the University of Alaska where the work is to be performed  
15 substantially by students enrolled in the university;

16 (4) contracts for medical doctors and dentists;

17 (5) acquisitions or disposals of real property or interest in real property, except  
18 as provided in AS 36.30.080;

19 (6) disposals under AS 38.05;

20 (7) contracts for the preparation of ballots under AS 15.15.030;

21 (8) acquisitions or disposals of property and other contracts relating to airports  
22 under AS 02.15.070, 02.15.090, 02.15.091, and AS 44.88;

23 (9) disposals of obsolete property under AS 19.05.060;

24 (10) disposals of obsolete material or equipment under AS 35.20.060;

25 (11) agreements with providers of services under AS 44.47.250; AS 47.07;  
26 AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, and 47.25.310;

27 (12) contracts of the Department of Fish and Game for flights that involve  
28 specialized flying and piloting skills and are not point-to-point;

29 (13) purchases of income-producing assets for the state treasury or a public  
30 corporation of the state;

31 (14) operation of the state boarding school established under AS 14.16, if the

1 State Board of Education or the commissioner of education adopts regulations for use by the state  
2 boarding school in procurement and contracting;

3 (15) a contract that is a delegation, in whole or in part, of investment powers  
4 held by the State Investment Board [COMMISSIONER OF REVENUE] under AS 14.25.180,  
5 AS 14.40.400, AS 14.42.200, 14.42.210, AS 18.56.095, AS 22.25.048, AS 26.05.228,  
6 AS 37.10.070, 37.10.071, AS 37.14, or AS 39.35.080;

7 (16) a contract that is a delegation, in whole or in part, of investment powers  
8 of the Board of Trustees of the Alaska Permanent Fund Corporation under AS 37.13;

9 (17) the purchase of books, book binding services, newspapers, periodicals,  
10 audio-visual materials, network information services access, approval plans, professional  
11 memberships, archival materials, objects of art, and items for museum or archival acquisition  
12 having cultural, historical, or archaeological significance; in this paragraph

13 (A) "approval plans" means book selection services in which current book  
14 titles meeting an agency's customized specifications are provided to the agency subject  
15 to the right of the agency to return those books that do not meet with the agency's  
16 approval;

17 (B) "archival materials" means the noncurrent records of an agency that  
18 are preserved after appraisal because of their value;

19 (C) "audio-visual materials" means nonbook prerecorded materials,  
20 including records, tapes, slides, transparencies, films, filmstrips, cassettes, videos, compact  
21 discs, laser discs, and items that require the use of equipment to render them usable;

22 (D) "network information services" means a group of resources from  
23 which cataloging information, holdings records, inter-library loans, acquisitions  
24 information, and other reference resources can be obtained;

25 (18) contracts for the purchase of standardized examinations for licensure under  
26 AS 08;

27 (19) contracts for home health care and adult residential and foster care services  
28 provided under regulations adopted by the Department of Health and Social Services;

29 (20) contracts for supplies or services for research projects funded by money  
30 received from the federal government or private grants;

31 (21) guest speakers or performers for an educational or cultural activity; or

1 (22) contracts of the Alaska Industrial Development and Export Authority for  
2 a clean coal technology demonstration project that

3 (A) is attempting to develop a coal-fired electric generation project;

4 (B) uses technology that is capable of commercialization during the  
5 1990's; and

6 (C) qualifies for federal financial participation under P.L. 99-190 as  
7 amended.

8 \* Sec. 12. AS 37.05.540(d) is amended to read:

9 (d) The State Investment Board [DEPARTMENT OF REVENUE] shall manage and  
10 invest assets of the budget reserve fund in the manner set out for the management and investment  
11 of the assets of the general fund under AS 37.10.070. Income from investment of the budget  
12 reserve fund may be appropriated to the fund each year by law.

13 \* Sec. 13. AS 37.05.550(a) is amended to read:

14 (a) There is in the general fund the Alaska marine highway system vessei replacement  
15 fund. The fund consists of money appropriated to it by the legislature. Money appropriated to  
16 the fund does not lapse. The State Investment Board [DEPARTMENT OF REVENUE] shall  
17 manage the fund. Interest received on money in the fund shall be accounted for separately and  
18 may be appropriated into the fund annually. The legislature may appropriate money from the  
19 fund for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels,  
20 or replacement of retired or outmoded state ferry vessels.

21 \* Sec. 14. AS 37.10.070 is amended to read:

22 Sec. 37.10.070. INVESTMENT OF RESIDUAL MONEY. (a) The board  
23 [COMMISSIONER] shall invest, as set out in AS 37.10.071, the money in the state treasury  
24 above an amount sufficient to meet immediate expenditure needs. In managing the invested  
25 assets, the board [COMMISSIONER] shall

26 (1) consider the status of the assets and liabilities on both a current and a probable  
27 future basis;

28 (2) determine the appropriate investment objectives;

29 (3) establish investment policies to achieve the objectives; and

30 (4) act only in regard to the best financial interests of the state.

31 (b) The board [COMMISSIONER] may invest on the basis of probable total rate of

1 return without regard to the distinction between principal and income and without regard to the  
2 generation of income.

3 (c) In this section, "board" means the State Investment Board ["COMMISSIONER"  
4 MEANS THE COMMISSIONER OF REVENUE].

5 \* Sec. 15. AS 37.10.071 is amended to read:

6 Sec. 37.10.071. INVESTMENT POWERS AND DUTIES. (a) In making investments  
7 under this section, the board [COMMISSIONER OF REVENUE] shall

8 (1) act as official custodian of cash and investments by securing adequate and safe  
9 custodial facilities for them;

10 (2) receive all items of cash and investments;

11 (3) collect and deposit the principal of and income from owned or acquired  
12 investments;

13 (4) invest and reinvest the assets in accordance with this section;

14 (5) receive and spend appropriations to cover the cost of the exercise of duties  
15 under this section;

16 (6) exercise the powers of an owner with respect to the assets;

17 (7) perform all acts, not prohibited by this section, whether or not expressly  
18 authorized, that the board [COMMISSIONER] considers necessary or proper in administering  
19 the assets;

20 (8) maintain accounting records in accordance with generally accepted  
21 [INVESTMENT] accounting principles;

22 (9) engage an independent certified public accountant to conduct an annual audit  
23 of the financial condition and investment transactions;

24 (10) enter into and enforce contracts or agreements considered necessary,  
25 convenient, or desirable for the investment purposes of this section; and

26 (11) when choosing to acquire or dispose of investments, secure competitive  
27 national or international market rates or prices, or the equivalence of those rates or prices in the  
28 judgment of the board [COMMISSIONER].

29 (b) Under this section, the board or the board's [COMMISSIONER OR THE  
30 COMMISSIONER'S] designee may

31 (1) delegate investment, custodial, or depository authority on a discretionary or

1 nondiscretionary basis to officers or employees of the state or to independent firms, banks, or  
2 trust companies, by designation through appointments, contracts, or letters or authority;

3 (2) acquire or dispose of investments either directly, indirectly, or through  
4 investment pools or trusts, by competitive or negotiated agreements, contracts, or auctions, in  
5 public or private markets;

6 (3) concentrate or diversify investments as the board [COMMISSIONER]  
7 considers appropriate to increase the probable total rate of return or to decrease the overall  
8 exposure to potentially adverse market value risks;

9 (4) protect the market value or the rate of return of the investments by entering  
10 into forward agreements to buy or sell assets at a future date as a hedge against existing held  
11 assets or as a precommitment of future cash flows;

12 (5) lend assets, under an agreement and for a fee, against deposited collateral of  
13 equivalent market value;

14 (6) borrow assets on a short-term basis, under an agreement and for a fee, against  
15 the deposit of collateral consisting of other assets in order to accommodate temporary cash or  
16 investment needs;

17 (7) hold investments in bearer or registered form in the name of the state, a fund,  
18 or nominees authorized by the board [COMMISSIONER];

19 (8) utilize consultants, advisors, custodians, investment services, and legal counsel  
20 for assistance in investment matters on either a continuing or a limited-term basis and with or  
21 without compensation;

22 (9) declare records to be confidential and exempt from AS 09.25.110 and  
23 09.25.120 if the records contain information that discloses the particulars of the business or the  
24 affairs of a private enterprise, investor, borrower, advisor, consultant, counsel, or manager.

25 (c) In exercising investment, custodial, or depository powers or duties under this section,  
26 the board [COMMISSIONER] shall exercise the judgment and care under the circumstances then  
27 prevailing that an institutional investor of ordinary professional prudence, discretion, and  
28 intelligence exercises in managing large investments with consideration for the purpose of the  
29 fund, the investment objectives, the continuing disposition of the fund's investments, and the  
30 probable safety of the capital as well as the probable investment returns.

31 (d) In exercising investment, custodial, or depository powers or duties under this section,

1 the board or the board's [COMMISSIONER OR A] designee [OF THE COMMISSIONER] is  
2 liable for a breach of a duty that is assigned or delegated under this section, or under AS 14.25.-  
3 180, AS 14.40.400(b), AS 37.10.070, AS 37.14.110(c), 37.14.160, 37.14.170, or AS 39.35.080.  
4 However, the board or the board's [COMMISSIONER OR THE COMMISSIONER'S] designee  
5 is not liable for a breach of a duty that has been delegated to another person if the delegation is  
6 prudent under the applicable standard of prudence set out in statute or if the duty is assigned by  
7 law to another person, except to the extent that the board [COMMISSIONER] or designee

8 (1) knowingly participates [PARTICIPATE] in, or knowingly undertakes to  
9 conceal, an act or omission of another person, knowing that the act or omission is a breach of  
10 that person's duties under this chapter;

11 (2) by failure to comply with this section in the administration of specific  
12 responsibilities, enables another person to commit a breach of duty; or

13 (3) has knowledge of a breach of duty by another person, unless the board  
14 [COMMISSIONER] or designee makes reasonable efforts under the circumstances to remedy the  
15 breach.

16 (e) The state shall defend and indemnify the board [COMMISSIONER] or an officer or  
17 employee of the state against liability under (d) of this section to the extent that the alleged act  
18 or omission was performed in good faith and was prudent under the applicable standard of  
19 prudence.

20 (f) In this section, "board" ["COMMISSIONER OF REVENUE" OR  
21 "COMMISSIONER"] means

22 (1) the State Investment Board [COMMISSIONER OF REVENUE] for  
23 investments under AS 14.25.180 or AS 37.10.070; or

24 (2) the person or body provided by law to manage the investments, for  
25 investments not subject to AS 14.25.180 or AS 37.10.070.

26 \* Sec. 16. AS 37.14.110(c) is amended to read:

27 (c) The State Investment Board [COMMISSIONER OF REVENUE] shall account for  
28 the fund in accordance with generally accepted accounting principles and shall determine  
29 the net income of the fund [IN ACCORDANCE WITH INVESTMENT ACCOUNTING  
30 PRINCIPLES AND] in a manner that preserves the distinction between principal and income and  
31 that excludes capital gains or losses realized on principal. The principal of the fund and the

1 capital gains or losses realized on principal shall be perpetually retained in the fund for  
2 investment purposes.

3 \* Sec. 17. AS 37.14.140 is amended to read:

4 Sec. 37.14.140. UTILIZATION OF INCOME. The net income of the fund may not be  
5 appropriated for a purpose other than the support of the state public school program. The State  
6 Investment Board [COMMISSIONER OF REVENUE] shall invest realized net income that has  
7 not been appropriated or that has been appropriated but not expended until the income is  
8 appropriated and expended.

9 \* Sec. 18. AS 37.14.160 is amended to read:

10 Sec. 37.14.160. DUTIES OF THE STATE INVESTMENT BOARD [COMMIS-  
11 SIONER OF REVENUE]. The State Investment Board [COMMISSIONER OF REVENUE]  
12 is the treasurer of the trust fund created in AS 37.14.110 and shall

13 (1) exercise the powers and duties established in AS 14.25.180(c);

14 (2) deposit the principal and income from investments in separate principal and  
15 income accounts for the fund;

16 (3) invest and maintain accounting records that distinguish between the principal  
17 and income of the fund;

18 (4) provide reports to the board established under AS 37.14.120 on the condition  
19 and investment performance of the fund.

20 \* Sec. 19. AS 37.14.170 is amended to read:

21 Sec. 37.14.170. INVESTMENTS. The State Investment Board [COMMISSIONER OF  
22 REVENUE] is the fiduciary of the trust fund and shall invest the fund to provide increasing net  
23 income over long-term periods to the fund's income beneficiaries. The board  
24 [COMMISSIONER] may invest the money in the fund on the basis of probable total rate of  
25 return to promote the long-term generation of income. In managing the trust fund, the board  
26 [COMMISSIONER] shall

27 (1) consider the status of the fund's capital and the income generated on both a  
28 current and a probable future basis;

29 (2) determine the appropriate investment objectives;

30 (3) establish investment policies to achieve the objectives; and

31 (4) act only in regard to the financial interests of the fund's beneficiaries.

1 \* Sec. 20. AS 37.14.200(c) is amended to read:

2 (c) The net income of the fund shall be determined by the State Investment Board  
3 [COMMISSIONER OF REVENUE] in accordance with generally accepted [INVESTMENT]  
4 accounting principles. However, the board shall preserve [AND IN A MANNER THAT  
5 PRESERVES] the distinction between principal and income.

6 \* Sec. 21. AS 37.14.210 is amended to read:

7 Sec. 37.14.210. POWERS AND DUTIES OF THE STATE INVESTMENT BOARD  
8 [COMMISSIONER OF REVENUE]. The State Investment Board [COMMISSIONER OF  
9 REVENUE] is the fiduciary [TREASURER] of the fund and has the power and duty to:

10 (1) act as official custodian of the cash and investments belonging to the fund by  
11 securing adequate and safe custodial facilities;

12 (2) receive all items of cash and investments belonging to the fund;

13 (3) collect the principal and income from investments owned or acquired by the  
14 fund and deposit the amounts in separate principal and income accounts for the fund;

15 (4) invest and reinvest the assets of the fund as provided in this section and as  
16 provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

17 (5) exercise the powers of an owner with respect to the assets of the fund;

18 (6) maintain accounting records of the fund in accordance with generally  
19 accepted [INVESTMENT] accounting principles; however, the board shall preserve the [AND  
20 WITH] distinction between the principal and income accounts of the fund;

21 (7) engage an independent firm of certified public accountants to annually audit  
22 the financial condition of the fund's investments and investment transactions;

23 (8) enter into and enforce contracts or agreements considered necessary for the  
24 investment purposes of the fund;

25 (9) report to the commission the condition and investment performance of the  
26 fund;

27 (10) do all acts, whether or not expressly authorized, that the State Investment  
28 Board [COMMISSIONER OF REVENUE] considers necessary or proper in administering the  
29 assets of the fund.

30 \* Sec. 22. AS 39.30.095(d) is amended to read:

31 (d) If the commissioner of administration determines that there is more money in the

1 fund than the amount needed to pay premiums or benefits for the current fiscal year, the surplus,  
2 or so much of it as the commissioner of administration considers advisable, may be invested by  
3 the State Investment Board [COMMISSIONER OF REVENUE] in the same manner as  
4 retirement funds are invested under AS 14.25.180.

5 \* Sec. 23. AS 39.30 is amended by adding a new section to read:

6 Sec. 39.30.175. INVESTMENT OF BENEFIT PROGRAM RECEIPTS. The State  
7 Investment Board is the fiduciary of the receipts of the employee benefits program established  
8 under AS 39.30.150 - 39.30.180 and has the same powers and duties concerning the management  
9 and investment in regard to those receipts as are provided under AS 14.25.180.

10 \* Sec. 24. AS 39.35.020 is amended to read:

11 Sec. 39.35.020. ADMINISTRATION. The commissioner of administration is responsible  
12 for the administration of the system and for carrying out this chapter. In addition the  
13 commissioner shall

14 (1) maintain the accounts of the system;  
15 (2) make payments for the various purposes specified;  
16 (3) submit periodic reports or statements of account that are needed;  
17 (4) issue a statement of account to an employee requesting it showing the amount  
18 of the employee's contributions to the system;

19 (5) as soon as possible after the close of each fiscal year, and not later than six  
20 months after the close of each fiscal year, send to the governor, the legislature, and the board an  
21 annual statement on the operations of the system containing

22 (A) a balance sheet;  
23 (B) a statement of income and expenditures for the year;  
24 (C) a report on an actuarial valuation of its assets and liabilities;  
25 (D) a summary of assets held in the pension fund listed by the categories  
26 of investment, as provided by the State Investment Board [COMMISSIONER OF  
27 REVENUE];

28 (E) other statistical financial data that are necessary for a proper  
29 understanding of the financial condition of the system and the result of its operations;

30 (6) establish a public employees retirement trust fund in which the assets of the  
31 system shall be deposited and held;

1 (7) engage an independent certified public accountant to conduct an annual audit  
2 of the system's accounts and the annual report of the system's financial condition and activity;  
3 (8) report to the board concerning the condition and administration of the system  
4 and distribute the report to the members of the system.

5 \* Sec. 25. AS 39.35.040 is amended to read:

6 Sec. 39.35.040. POWERS AND DUTIES OF BOARD. The Public Employees  
7 Retirement Board has the following powers and duties:

8 (1) to hold regular meetings and special meetings considered necessary; all  
9 meetings are open to the public and the board keeps a full record of all its proceedings;

10 (2) to adopt, with modifications it considers proper, regulations recommended by  
11 the administrator for carrying out this chapter;

12 (3) to consider and adopt resolutions on matters referred to it by the administrator  
13 in connection with changes in policy and revisions of this chapter;

14 (4) to act as an appeals board, hold hearings at the request of an employer,  
15 employee, surviving spouse or a beneficiary on decisions made by the administrator, and submit  
16 its findings to the administrator;

17 (5) to have prepared, at least biennially, an actuarial valuation of the total  
18 obligations under the system of each employer and, on the basis of the valuation and in time for  
19 incorporation of the results in the state budget, to certify to the appropriate budgetary authorities  
20 of each employer:

21 (A) an appropriate contribution rate for all employers; and

22 (B) an amount appropriate for each employer to liquidate the employee's  
23 past service liability; the board shall have an actuarial and financial experience analysis  
24 of the system conducted at appropriate intervals, but no less frequently than once every  
25 six years; the actuarial valuations and the actuarial and financial experience analysis shall  
26 be prepared and certified by a member of the American Academy of Actuaries;

27 (6) to prescribe the policies for the proper operation of the system and carry on  
28 other activities that are considered necessary to carry out the intent and purpose of the system  
29 in accordance with this chapter;

30 (7) to prescribe the rate of interest that shall be credited to the employee accounts  
31 each year;

- 1 (8) to waive the requirements of AS 39.35.520 in accordance with AS 39.35.522;  
2 (9) to exercise the duties set out in AS 39.30.155 with respect to the supplemental  
3 employee benefit program (AS 39.30.150 - 39.30.180);  
4 (10) to exercise the duties set out in AS 39.45.025 with respect to the deferred  
5 compensation program for state employees;  
6 (11) to adopt regulations under AS 37.10.210(b) concerning elections to the  
7 State Investment Board; the regulations relate to the internal management of a state agency  
8 and their adoption is not subject to the Administrative Procedure Act (AS 44.62).

9 \* Sec. 26. AS 39.35.080 is amended to read:

10 Sec. 39.35.080. DUTIES OF THE STATE INVESTMENT BOARD [COMMISSIONER  
11 OF REVENUE]. The State Investment Board [COMMISSIONER OF REVENUE] is the  
12 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund. The board  
13 [COMMISSIONER] has the same powers and duties established under this chapter in regard to  
14 the fund as are provided in AS 14.25.035(d) and 14.25.180.

15 \* Sec. 27. AS 39.45.030(a) is amended to read:

16 (a) The State Investment Board [ADMINISTRATOR OF THE STATE OR POLITICAL  
17 SUBDIVISION DEFERRED COMPENSATION PROGRAM] is authorized, subject to contracts  
18 with individual employees, to invest the funds held under a deferred compensation program in

19 (1) fixed and variable life insurance and annuity contracts or other contracts  
20 issued by life insurance companies;

21 (2) shares of or deposits in insured state or federal chartered credit unions in the  
22 state;

23 (3) shares of or deposits in insured state or federal chartered savings and loan  
24 associations in the state;

25 (4) deposits in insured mutual savings banks in the state;

26 (5) deposits in insured state and national banks in the state; and

27 (6) multi-employer trusts established for investment of deferred compensation  
28 assets of state and local governments.

29 \* Sec. 28. AS 39.50.200(b) is amended by adding a new paragraph to read:

30 (52) State Investment Board (AS 37.10.210).

31 \* Sec. 29. AS 43.23.015(e) is amended to read:

1 (e) If a public agency claims a permanent fund dividend on behalf of an individual, the  
2 public agency shall hold the dividend in trust for the individual. Money held in trust under this  
3 subsection shall be invested by the State Investment Board under [COMMISSIONER IN  
4 ACCORDANCE WITH] AS 37.10.070.

5 \* Sec. 30. AS 43.23.045(a) is amended to read:

6 (a) The dividend fund is established as a separate fund in the state treasury. The  
7 dividend fund shall be administered by the commissioner and shall be invested by the State  
8 Investment Board [COMMISSIONER] in the same manner as provided in AS 37.10.070.

9 \* Sec. 31. AS 44.25.020 is amended to read:

10 Sec. 44.25.020. DUTIES OF DEPARTMENT. The Department of Revenue shall

11 (1) enforce the tax laws of the state;

12 (2) collect, account for, and have custody of [, INVEST, AND MANAGE] all  
13 state funds and all revenues of the state except revenues incidental to a program of licensing and  
14 regulation carried on by another state department;

15 (3) register cattle brands;

16 (4) supply necessary clerical and administrative services for the Alcoholic  
17 Beverage Control Board and the State Investment Board; and

18 (5) implement the investment and management policies and directives of the  
19 State Investment Board [INVEST AND MANAGE THE BALANCE OF THE POWER  
20 DEVELOPMENT FUND IN ACCORDANCE WITH AS 44.83.386].

21 \* Sec. 32. AS 44.83.386 is amended to read:

22 Sec. 44.83.386. INVESTMENT OF FUND. The State Investment Board  
23 [DEPARTMENT OF REVENUE] shall invest the money in the fund in accordance with  
24 AS 37.10.070, 37.10.071, and 37.10.075. The board [DEPARTMENT OF REVENUE] shall  
25 provide money in the fund to the authority only after costs have been incurred or amounts in the  
26 fund have been otherwise obligated under contracts for the acquisition and construction of a  
27 project. Amounts that have been obligated, but for which costs have not yet been incurred, may  
28 be segregated by the Department of Revenue or transferred to the authority only with the prior  
29 approval or agreement of the commissioner of revenue. Income received on money that is  
30 segregated or transferred under this section must be deposited in the general fund.

31 \* Sec. 33. AS 46.11.050(b) is amended to read: