

ALASKA LEGISLATURE

1575

HOUSE and SENATE FINANCE COMMITTEE FILES, © 1995-1996

1 Page 21, line 29:

2 Delete "sec. 30(d) or (e)"

3 Insert "sec. 21(d) or (e)"

4 Page 22, lines 30 and 31:

5 Delete "sec. 30"

6 Insert "sec. 21"

7 Page 23, line 16:

8 Delete "secs. 35, 37, 38, 41, and 43"

9 Insert "secs. 26, 28, 29, 32, and 34"

10 Page 23, line 19:

11 Delete "secs. 30 - 32"

12 Insert "secs. 21 - 23"

13 Page 23, line 27:

14 Delete "and separation incentive programs"

15 Insert "program"

16 Page 24, lines 18 and 19:

17 Delete "secs. 30 - 38 and 40 - 43"

18 Insert "secs. 21 - 29 and 31 - 34"

19 Page 24, lines 21 and 24:

20 Delete "secs. 31 - 39"

21 Insert "secs. 22 - 30"

22 Page 25, line 22:

23 Delete "sec. 13"

24 Insert "sec. 10"

1 Page 25, lines 22 - 24:

2 Delete ", and to receive geographic differentials comparable to those received by the
3 classified and partially exempt employees of the executive branch under AS 39.25.020, as
4 enacted by sec. 14 of this Act"

5 Page 26, line 3:

6 Delete "sec. 13"

7 Insert "sec. 10"

8 Page 26, lines 3 - 5:

9 Delete ", and geographic differential adjustments comparable to those received by the
10 classified and partially exempt employees of the executive branch under AS 39.27.020, as
11 enacted by sec. 14 of this Act"

12 Page 26, line 12:

13 Delete "sec. 13"

14 Insert "sec. 10"

15 Page 26, line 20:

16 Delete "sec. 13"

17 Insert "sec. 10"

18 Page 27, line 19, through page 28, line 1:

19 Delete all material.

20 Renumber the following bill sections accordingly.

21 Page 28, line 4:

22 Delete all material.

23 Renumber the following bill sections accordingly.

1 Page 28, line 5:

2 Delete "Sections 30, 31, and 39"

3 Insert "Sections 21, 22, and 30"

4 Page 28, line 6:

5 Delete "Sections 32 - 36"

6 Insert "Sections 23 - 27"

AMENDMENT

#3

BY: *Miller*

CSSB 1003 (FIN)

Page 26, line 27

delete "."
insert "; and"

add new subsection

"(3) satisfies only those monetary terms funded in appropriation legislation passed by the ~~Second Session~~ of the Nineteenth Alaska State Legislature.

Page 26, line 28

insert after "approval"

", subject to the conditions in (a) of this section,"

A M E N D M E N T #4

OFFERED IN THE SENATE
TO: CSSB 1003(FIN)

BY SENATOR MILLER

1 Page 5, line 7, following "director":

2 Insert "of the division of personnel in the Department of Administration"

3 Page 5, line 25, through page 6, line 6:

4 Delete all material and insert:

5 **"* Sec. 12. AS 39.20.200 is amended by adding a new subsection to read:**

6 (b) Personal leave accrued by an officer or employee during each pay period
7 shall be converted monthly to a cash value by multiplying the hours accrued during
8 the pay periods in that month by the officer's or employee's annualized hourly rate
9 of pay for the pay period. The resulting amount shall be added to the cash value
10 amounts calculated for previous pay periods. The total of all of the cash values is the
11 cash value of the officer's or employee's personal leave balance.

12 *** Sec. 13. AS 39.20.250(a) is amended to read:**

13 (a) Terminal leave for unused personal leave shall be allowed upon separation
14 from service. The payment equals the cash value of the officer's or employee's
15 personal leave balance at the time of separation from state service
16 [COMPENSATION THAT THE OFFICER OR EMPLOYEE WOULD HAVE
17 RECEIVED IF THE OFFICER OR EMPLOYEE HAD REMAINED IN THE
18 SERVICE UNTIL THE EXPIRATION OF THE PERIOD OF UNUSED PERSONAL
19 LEAVE. A PAYMENT OF TERMINAL LEAVE TO AN EMPLOYEE SHALL BE
20 MADE AS A LUMP SUM PAYMENT OR IN INSTALLMENTS OVER A PERIOD
21 OF TIME, AS THE EMPLOYEE ELECTS]."

22 Renumber the following bill sections accordingly.

1 Page 13, lines 23, 28, and 29; page 14, lines 2, 12, and 22; page 15, lines 13, 21, and 30;
2 page 18, line 18; page 19, line 18; page 21, lines 24, 25, and 27 - 28; page 22, lines 5 and
3 18; page 23, line 27; and page 24, lines 7, 9, 11, 20, 23, and 27;

4 Delete "30 - 43"

5 Insert "31 - 44"

6 Page 14, line 21:

7 Delete "sec. 37"

8 Insert "sec. 38"

9 Page 16, line 28; page 17, line 8; page 18, line 2; and page 23, line 4:

10 Delete "sec. 30(b)"

11 Insert "sec. 31(b)"

12 Page 21, line 14:

13 Delete "sec. 30(c)(2)"

14 Insert "sec. 31(c)(2)"

15 Page 21, line 29:

16 Delete "sec. 30(d) or (e)"

17 Insert "sec. 31(d) or (e)"

18 Page 22, lines 30 and 31:

19 Delete "sec. 30"

20 Insert "sec. 31"

21 Page 23, line 16:

22 Delete "secs. 35, 37, 38, 41, and 43"

23 Insert "secs. 36, 38, 39, 42, and 44"

24 Page 23, line 19:

25 Delete "secs. 30 - 32"

- 1 Insert "secs. 31 - 33"
- 2 Page 24, lines 18 and 19:
- 3 Delete "secs. 30 - 38 and 40 - 43"
- 4 Insert "secs. 31 - 39 and 41 - 44"
- 5 Page 24, lines 21 and 24:
- 6 Delete "secs. 31 - 39"
- 7 Insert "secs. 32 - 40"
- 8 Page 25, line 22:
- 9 Delete "sec. 13"
- 10 Insert "sec. 14"
- 11 Page 25, line 24:
- 12 Delete "sec. 14"
- 13 Insert "sec. 15"
- 14 Page 25, line 26:
- 15 Following "FOR":
- 16 Insert "CERTAIN"
- 17 Page 25, line 29:
- 18 Following "FOR":
- 19 Insert "CERTAIN"
- 20 Following "BRANCH.":
- 21 Insert "(a) Effective July 1, 1996, the permanent and temporary employees of the
- 22 judicial branch, other than justices and judges, who are not members of a collective
- 23 bargaining unit, are entitled to receive a one-time salary increase of 5.2 percent of the
- 24 employee's base salary as of June 30, 1996."
- 25 Page 25, line 30:

1 Delete "For the fiscal years beginning"

2 Insert "(b) On"

3 Page 26, line 3:

4 Delete "sec. 13"

5 Insert "sec. 14."

6 Page 26, lines 3 - 5:

7 Delete ", and geographic differential adjustments comparable to those received by the
8 classified and partially exempt employees of the executive branch under AS 39.27.020, as
9 enacted by sec. 14 of this Act."

10 Page 26, line 12:

11 Delete "sec. 13"

12 Insert "sec. 14"

13 Page 26, line 20:

14 Delete "sec. 13"

15 Insert "sec. 14"

16 Page 27, following line 18:

17 Insert a new bill section to read:

18 **"* Sec. 52. TRANSITION FOR STATE EMPLOYEE LEAVE PROVISIONS.** For the
19 purpose of implementing secs. 12 and 13 of this Act, the beginning total cash value of an
20 officer's or employee's personal leave balance on the effective date of secs. 12 and 13 of this
21 Act is calculated by multiplying the officer's or employee's personal leave balance as of the
22 day before the effective date of secs. 12 and 13 of this Act by the officer's or employee's
23 annualized hourly rate of pay on the effective date of secs. 12 and 13 of this Act."

24 Renumber the following bill sections accordingly.

25 Page 27, lines 21, 23, and 29:

1 Delete "sec. 14"

2 Insert "sec. 15"

3 Page 28, line 4:

4 Delete "Section 51"

5 Insert "Section 53"

6 Page 28, line 5:

7 Delete "Sections 30, 31, and 39"

8 Insert "Sections 31, 32, and 40"

9 Page 28, line 6:

10 Delete "Sections 32 - 36"

11 Insert "Sections 33 - 37"

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CS FOR SENATE BILL NO. 1003(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to public employee compensation, benefits, and labor relations;
2 relating to salaries, geographic and cost-of-living differentials for certain state
3 employees, and to salary surveys and preparation of an annual pay schedule
4 regarding certain state employees; relating to retirement and early retirement
5 incentives for certain public employees; relating to severance and other pay and
6 benefit programs for public employees; relating to and making conforming
7 amendments concerning certain state aid calculations formerly based on
8 geographic differentials for state employee salaries; relating to the exempt status
9 of certain state employees; and providing for an effective date."

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

11 * Section 1. PURPOSE AND LEGISLATIVE INTENT. The purpose of sec. 7 of this Act
12 is to affirm the interpretation and practice of the state with regard to the use of criteria similar

1 to the criteria in the permanent fund dividend program for determining the establishment and
2 maintenance of state residency for eligibility for the cost-of-living differential under
3 AS 23.40.210. It is also the intent of the legislature to provide express statutory authority to
4 the state to establish or clarify those standards through adoption of regulations by the
5 Department of Administration and to set the eligibility criteria for the differential outside the
6 collective bargaining context.

7 * Sec. 2. AS 22.05.140(a) is amended to read:

8 (a) Except as provided in (d) of this section, the monthly base salary of the
9 chief justice is \$9,203 [\$8,333] and for each other justice, the monthly base salary is
10 \$9,159 [\$8,292].

11 * Sec. 3. AS 22.07.090(a) is amended to read:

12 (a) Except as provided in (c) of this section, the monthly base salary of a
13 judge of the court of appeals is \$8,652 [\$7,833]. The compensation of a judge may
14 not be diminished during the term of office, unless by a general law applying to all
15 salaried officers of the state.

16 * Sec. 4. AS 22.10.190(a) is amended to read:

17 (a) Except as provided in (d) of this section, the monthly base salary for each
18 superior court judge is \$8,469 [\$7,667].

19 * Sec. 5. AS 22.15.220(a) is amended to read:

20 (a) Except as provided in (e) of this section, the monthly base salary for each
21 district court judge is \$7,179 [\$6,500].

22 * Sec. 6. AS 22.15.220(b) is amended to read:

23 (b) Each magistrate shall receive annual compensation including geographic
24 differential pay to be determined by the supreme court. Salary increases shall be
25 determined on the basis of percentage of pay increase the legislature provides for state
26 employees in the classified service. [THE BASE SALARY OF A MAGISTRATE
27 SHALL BE INCREASED BY A PERCENTAGE EQUAL TO THREE AND ONE-
28 HALF PER CENT TIMES THE NUMBER OF STEP INCREASES PROVIDED
29 UNDER AS 39.27.020 THAT A STATE EMPLOYEE WOULD RECEIVE
30 WORKING IN THE SAME ELECTION DISTRICT.] A magistrate's annual
31 compensation may be payable, at the option of the magistrate, either monthly in 12

1 equal installments or semi-monthly in 24 equal installments.

2 * Sec. 7. AS 23.40.210 is amended by adding new subsections to read:

3 (b) An employee is eligible for the cost-of-living differential under (a) of this
4 section only if the individual is a state resident. The required presence of an employee
5 at a work station where room and board are provided or reimbursed by the employer
6 may not be considered to be physical presence in the state or physical absence from
7 the state for purposes of determining eligibility for the cost-of-living differential.

8 (c) The commissioner of administration may adopt regulations under AS 44.62
9 (Administrative Procedure Act) to clarify and implement the criteria for establishing
10 and maintaining eligibility for the cost-of-living differential.

11 (d) An agreement entered into under AS 23.40.070 - 23.40.260 must require
12 compliance with the eligibility criteria for receiving the cost-of-living differential
13 contained in this section and the regulations adopted by the commissioner under (c)
14 of this section.

15 (e) In this section, "state resident" means an individual who is physically
16 present in the state with the intent to remain permanently in the state under the
17 requirements of AS 01.10.055 or, if the individual is not physically present in the state,
18 intends to return to the state and remain permanently in the state under the
19 requirements of AS 01.10.055, and is absent only temporarily for reasons allowed
20 under AS 43.23.095(8) or a successor statute.

21 * Sec. 8. AS 29.60.160(a) is amended to read:

22 (a) Payments to a municipality or other eligible recipient under AS 29.60.110
23 - 29.60.130 shall reflect area cost-of-living differentials. Payments shall be based on
24 the sum of per capita, per mile, and per bed or facility grants due each municipality
25 or other recipient multiplied by the appropriate area cost-of-living differential. The
26 area cost-of-living differential for each recipient shall be determined [ANNUALLY BY
27 ELECTION DISTRICT] under the provisions of AS 29.60.164 and 29.60.165
28 [AS 39.27.030]. Application of the area cost-of-living differential may not result in
29 distribution of an amount less than the amount of the payment determined without
30 reference to application of this section.

31 * Sec. 9. AS 29.60 is amended by adding new sections to read:

1 Sec. 29.60.164. AREA COST-OF-LIVING DIFFERENTIALS. (a) The area
2 cost-of-living differential multiplier shall be determined by multiplying the cost-of-
3 living steps found in the table in this subsection by three and one-half percent. The
4 following area cost-of-living steps apply:

	Election District	Cost of Living
5		
6	1	0
7	2	1
8	3	1
9	4	0
10	5	2
11	6a (excluding Valdez Duty Station)	4
12	6b (Valdez Duty Station)	5
13	7	1
14	8	0
15	9	2
16	10	2
17	11	2
18	12	7
19	13	7
20	14	8
21	15a (excluding Nenana Duty Station)	9
22	15b (Nenana Duty Station)	8
23	16a (south of Arctic Circle)	4
24	16b (north of Arctic Circle)	9
25	17	9
26	18	9
27	19	8
28	In other states	minus 6.

29 (b) For purposes of (a) of this section, "election district" means an election
30 district designated in the governor's proclamation of reapportionment and redistricting
31 of December 7, 1961.

1 Sec. 29.60.165. COST-OF-LIVING SURVEY. Subject to an appropriation
2 for this purpose, the director shall conduct a survey, at least every five years, to review
3 the differentials established in AS 29.60.164. This survey must address factors, as
4 determined by the director, that are also relevant in review of state salary schedules,
5 entitlement for beneficiaries of state programs, and payments for state service
6 providers. The survey must reflect the costs of living in various election districts of
7 the state, and Seattle, Washington, by using the cost of living in Anchorage as the
8 base.

9 * Sec. 10. AS 29.60.290(b) is amended to read:

10 (b) The area cost-of-living differential payable to each municipality under this
11 section shall be determined [ANNUALLY BY ELECTION DISTRICT] under the
12 provisions of AS 29.60.164 and 29.60.165 [AS 39.27.030]. Except as provided in
13 AS 29.60.300, application of the area cost-of-living differential may not result in a
14 payment that is less than the minimum payment determined under (a) of this section.
15 [FOR PURPOSES OF THIS SUBSECTION, THE ELECTION DISTRICTS USED
16 ARE THOSE DESIGNATED BY THE PROCLAMATION OF REAPPORTIONMENT
17 AND REDISTRICTING OF DECEMBER 7, 1961, AND RETAINED FOR THE
18 HOUSE OF REPRESENTATIVES BY PROCLAMATION OF THE GOVERNOR
19 SEPTEMBER 3, 1965.]

20 * Sec. 11. AS 39.20.250(a) is amended to read:

21 (a) Terminal leave for unused personal leave shall be allowed upon separation
22 from service. The payment equals the personal leave balance at the time of
23 separation from service multiplied by the officer's or employee's annualized
24 hourly rate of pay [THE COMPENSATION THAT THE OFFICER OR EMPLOYEE
25 WOULD HAVE RECEIVED IF THE OFFICER OR EMPLOYEE HAD REMAINED
26 IN THE SERVICE UNTIL THE EXPIRATION OF THE PERIOD OF UNUSED
27 PERSONAL LEAVE]. A payment of terminal leave to an employee shall be made as
28 a lump sum payment [OR IN INSTALLMENTS OVER A PERIOD OF TIME,
29 AS THE EMPLOYEE ELECTS].

30 * Sec. 12. AS 39.25.110 is amended by adding a new paragraph to read:

31 (31) persons employed in the labor relations section in the Department

1 of Administration except those persons employed in clerical or secretarial positions.

2 * Sec. 13. AS 39.27.011 is amended by adding new subsections to read:

3 (e) Effective July 1, 1996, the amounts set out in the salary schedule contained
4 in (a) of this section are increased by the lesser of

5 (1) 1.5 percent; or

6 (2) one-half of the percentage increase in the United States Department
7 of Labor, Bureau of Labor Statistics, consumer price index for all urban consumers for
8 Anchorage, Alaska, from the second half of 1994 to the second half of 1995.

9 (f) Effective July 1, 1997, the amounts set out in the salary schedule contained
10 in (a) of this section, as increased under (e) of this section, are increased by the lesser
11 of

12 (1) 1.5 percent; or

13 (2) one-half of the percentage increase in the United States Department
14 of Labor, Bureau of Labor Statistics, consumer price index for all urban consumers for
15 Anchorage, Alaska, from the second half of 1995 to the second half of 1996.

16 (g) Effective July 1, 1998, the amounts set out in the salary schedule contained
17 in (a) of this section, as increased under (e) and (f) of this section, are increased by
18 the lesser of

19 (1) 1.5 percent; or

20 (2) one-half of the percentage increase in the United States Department
21 of Labor, Bureau of Labor Statistics, consumer price index for all urban consumers for
22 Anchorage, Alaska, from the second half of 1996 to the second half of 1997.

23 * Sec. 14. AS 39.27.020 is repealed and reenacted to read:

24 Sec. 39.27.020. PAY DIFFERENTIALS. (a) The following pay differentials
25 are approved as an amendment to the basic salary schedule in AS 39.27.011:

26	Geographic Area	Percentage Above or Below
27	(Election Districts)	Basic Salary Schedule
28	3, 4, and 7 - 28	0
29	1, 2, 5, 6	5
30	34 - 36	10
31	29 - 33	4

1 39.27.040], "director" means the director of the division of personnel.

2 * Sec. 17. AS 39.35.160(a) is amended to read:

3 (a) A [BEGINNING JANUARY 1, 1987, EACH] peace officer or fire fighter
4 who is first hired on or after the effective date of this bill section shall contribute
5 to the system an amount equal to seven percent of the peace officer's or fire
6 fighter's compensation. A peace officer or fire fighter first hired before the
7 effective date of this bill section shall contribute to the system an amount equal to
8 seven and one-half percent of the peace officer's or fire fighter's compensation. Each
9 [BEGINNING JANUARY 1, 1987, EACH] other employee who is first hired on or
10 after the effective date of this bill section shall contribute to the system an amount
11 equal to six percent of the employee's compensation. Each other employee who
12 is first hired before the effective date of this bill section shall contribute to the
13 system an amount equal to six and three-quarters percent of the employee's
14 compensation. The contributions shall be deducted by the employer at the end of each
15 payroll period. The contributions shall be deducted from employee compensation
16 before computation of applicable federal taxes, and the contributions shall be treated
17 as employer contributions under 26 U.S.C. 414(h)(2).

18 * Sec. 18. AS 39.35.370(a) is amended to read:

19 (a) Subject to AS 39.35.450, a terminated employee is eligible for a normal
20 retirement benefit
21 (1) at age 60 with at least five years credited service;
22 (2) with at least 20 years of credited service as a peace officer or fire
23 fighter for peace officers or fire fighters first hired before the effective date of this
24 bill section; [OR]
25 (3) at age 50 with at least 20 years of credited service as a peace
26 officer or fire fighter, for peace officers and fire fighters first hired on or after the
27 effective date of this bill section;
28 (4) with at least 30 years of credited service for all other employees if
29 the employee was first hired before the effective date of this bill section; or
30 (5) at any time when the employee's age and amount of credited
31 service equal or exceed 85 when added together, for all other employees first

1 hired on or after the effective date of this bill section.

2 * Sec. 19. AS 39.35.370(b) is amended to read:

3 (b) Subject to AS 39.35.450, a terminated employee is eligi - for an early
4 retirement benefit at age 55 with at least five years credited service. An actuarial
5 adjustment shall be made to retirement benefits paid under this section for an early
6 retirement benefit. The monthly amount of a retirement benefit that would be due
7 under (c) of this section shall be reduced by multiplying one-half of one percent
8 times the number of months, to the nearest month, by which the retirement date
9 of the employee falls short of the date that the employee reaches age 60.

10 * Sec. 20. AS 39.35.370(c) is amended to read:

11 (c) The monthly amount of a retirement benefit for

12 (1) a peace officer or fire fighter is two percent of the average monthly
13 compensation times the years of credited service through 10 years, plus two and one-
14 half percent of the average monthly compensation times the years of service over 10
15 years;

16 (2) [. FOR] all other employees first hired before the effective date
17 of this bill section, [IT] is

18 (A) [(1)] two percent of the average monthly compensation
19 times all years of service before July 1, 1986, and for years of service through
20 a total of 10 years; plus

21 (B) [(2)] two and one-quarter percent of the average monthly
22 compensation times all years of service after June 30, 1986, over 10 years of
23 total service through 20 years; plus

24 (C) [(3)] two and one-half percent of the average monthly
25 compensation times all years of service after June 30, 1986, over 20 years of
26 total service;

27 (3) all other employees first hired on or after the effective date of
28 this bill section, is

29 (A) one and one-half percent of the average monthly
30 compensation times all years of service through a total of 10 years; plus

31 (B) one and three-quarters percent of the average monthly

1 compensation times all years of service over 10 years of total service
2 through 20 years; plus
3 (C) two percent of the average monthly compensation times
4 all years of service over 20 years.

5 * Sec. 21. AS 39.35.450(a) is amended to read:

6 (a) Benefits payable under this section are in place of benefits payable under
7 AS 39.35.370, 39.35.385, and former AS 39.35.460 [39.35.460]. Upon filing an
8 application with the administrator or when a disabled employee first attains eligibility
9 for normal retirement under AS 39.35.400(f) or 39.35.410(h), the employee shall
10 designate the person who is the employee's spouse at the time of appointment to
11 retirement as the contingent beneficiary. However, if the designation of the spouse is
12 revoked under (c) of this section, the employee may designate a dependent approved
13 by the administrator as the contingent beneficiary or may take normal or early
14 retirement under AS 39.35.370 or 39.35.385 [OR A LEVEL INCOME OPTION
15 UNDER AS 39.35.460]. The administrator shall pay benefits under the option elected
16 by the employee. The employee may elect an option that provides that

17 (1) the employee is entitled to receive a reduced benefit payable for
18 life, and, after the employee's death, the contingent beneficiary is entitled to payments
19 in the amount of 75 percent of the reduced benefit payable for life;

20 (2) the employee is entitled to receive a reduced benefit payable for
21 life, and, after the employee's death, the contingent beneficiary is entitled to receive
22 payments in the amount of 50 percent of the reduced benefit payable for life [;

23 (3) THE EMPLOYEE IS ENTITLED TO RECEIVE A REDUCED
24 BENEFIT PAYABLE DURING THE JOINT LIFETIME OF THE EMPLOYEE AND
25 THE CONTINGENT BENEFICIARY, AND, AFTER THE DEATH OF EITHER THE
26 EMPLOYEE OR THE CONTINGENT BENEFICIARY, THE SURVIVOR IS
27 ENTITLED TO RECEIVE PAYMENTS IN THE AMOUNT OF 66 2/3 PERCENT OF
28 THE REDUCED BENEFIT PAYABLE FOR LIFE].

29 * Sec. 22. AS 39.35.475(a) is amended to read:

30 (a) Once each year the administrator shall increase benefit payments to

31 (1) eligible disabled members;

1 (2) [, TO] persons age 60 or older receiving benefits under this system
2 in the preceding calendar year;

3 (3) members who were first hired before the effective date of this
4 bill section [, AND TO PERSONS] who have received benefits under this system for
5 at least five years and who are not otherwise eligible for an increase under this
6 section; and

7 (4) survivors of members described in (3) of this subsection when
8 the member and the survivor have together received benefits under this system
9 for at least five years.

10 * Sec. 23. AS 39.35.475(b) is amended to read:

11 (b) The increase in benefit payments applies to total benefit payments except
12 for the cost-of-living allowance under AS 39.35.480. For members first hired on or
13 after the effective date of this bill section, the amount of the increase is a
14 percentage of the current benefit equal to the lesser of 50 percent of the increase
15 in the cost of living in the preceding calendar year or six percent. For members
16 first hired before the effective date of this bill section, the [THE] amount of the
17 increase is a percentage of the current benefit equal to

18 (1) the lesser of 75 percent of the increase in the cost of living in the
19 preceding calendar year or nine percent, for recipients who on July 1 are at least 65
20 years old and for members receiving disability benefits; and

21 (2) the lesser of 50 percent of the increase in the cost of living in the
22 preceding calendar year or six percent, for recipients who on July 1 are at least 60 but
23 less than 65 years old or for recipients who are less than 60 years old on July 1 but
24 who have received benefits from the system for at least five years.

25 * Sec. 24. AS 39.35.485(a) is amended to read:

26 (a) An employee who is eligible for a benefit calculated in accordance with
27 AS 39.35.370(c) is entitled to a benefit of at least \$25 a month for each year of
28 credited service, not including adjustments made under AS 39.35.340 for military
29 service, AS 39.35.350 for reinstatement of credited service, AS 39.35.360 for credit
30 for earlier service, AS 39.35.370(c) for early retirement, AS 39.35.420 for
31 nonoccupational death benefits, AS 39.35.450 for the survivor's option, former

1 AS 39.35.460 for the level income option, AS 39.35.475 for the post-retirement
2 pension adjustment, and AS 39.35.480 for the cost of living.

3 * Sec. 25. AS 39.35.535(c) is amended to read:

4 (c) A benefit recipient may elect major medical insurance coverage in
5 accordance with regulations and under the following conditions:

6 (1) a person who is younger than 60 years of age must pay an amount
7 equal to the full monthly group premium for retiree major medical insurance coverage
8 and the full monthly group premium for any dependent coverage elected;

9 (2) a person who is at least 60 years of age but is younger than 65
10 years of age must pay an amount equal to one-half of the full monthly group premium
11 for retiree major medical insurance coverage and any dependent coverage elected;

12 (3) a disabled member or a person 65 years of age or older and who
13 is receiving a benefit based on membership which began before the effective date
14 of this bill section is not required to make premium payments for retiree major
15 medical insurance coverage or any dependent coverage;

16 (4) a disabled member or person 65 years of age or older and who
17 is receiving a benefit based on membership that began on or after the effective
18 date of this bill section is not required to make premium payments for retiree
19 major medical insurance coverage; however, for any dependent coverage elected,
20 the person is required to pay an amount equal to one-half of the monthly group
21 premium.

22 * Sec. 26. AS 39.35.680(4) is amended to read:

23 (4) "average monthly compensation" means the result obtained by
24 dividing the compensation earned by an employee during a considered period by the
25 number of months, including fractional months, for which compensation was earned;
26 the considered period consists of (A) for employees first hired before the effective
27 date of this bill section, the three consecutive payroll years during the period of
28 credited service that yields the highest average, and (B) for employees first hired on
29 or after the effective date of this bill section, the five consecutive payroll years
30 during the period of credited service that yield the highest average, or if the
31 employee does not have the required number of [THREE.] consecutive payroll years,

1 the employee's period of credited service; an employee must have at least 115 days of
2 credited service in the last payroll year in order for that year to be used as part of the
3 [THREE] consecutive payroll years;

4 * Sec. 27. AS 44.31.020 is amended to read:

5 Sec. 44.31.020. DUTIES OF DEPARTMENT. The Department of Labor shall

6 (1) enforce the laws, and adopt regulations under them concerning
7 employer-employee relationships, including the safety, hours of work, wages, and
8 conditions of workers, including children;

9 (2) accumulate, analyze, and report labor statistics;

10 (3) operate systems of workers' compensation and unemployment
11 insurance; and

12 (4) gather data reflecting the cost of living in the various election
13 districts of the state upon request of the director of personnel for determination of
14 area cost-of-living differentials under AS 29.60.164 and 29.60.165 or under
15 AS 39.27.030 [AS 39.27.030 - 39.27.040].

16 * Sec. 28. AS 39.27.035, 39.27.040; and AS 39.35.460 are repealed.

17 * Sec. 29. FINDINGS AND PURPOSE AS TO SECS. 30 - 43. The State of Alaska and
18 many local governments are facing the need to restructure their operations and their work
19 forces in order to reduce expenditures and to balance budgets. Retirement incentives are
20 management tools that have been used extensively by the private sector, the federal
21 government, and other state and local governments across the country. The purpose of secs.
22 30 - 43 of this Act is to make these management tools temporarily available to the state and
23 to the municipalities of the state. Sections 30 - 43 of this Act will enable these entities to
24 be more efficient and cost-effective by eliminating certain nonessential positions and
25 producing a net reduction in personnel costs.

26 * Sec. 30. RETIREMENT INCENTIVE PROGRAM. (a) An employer may adopt a
27 retirement incentive plan under secs. 30 - 43 of this Act, as appropriate, and designate
28 categories of employees eligible to participate in that plan. An employer need not extend the
29 incentive plan to all employees who would otherwise be eligible, but may choose to extend
30 the plan only to employees

31 (1) in specific budget or administrative components of the employer;

1 (2) in specific job classifications;
2 (3) in specific geographic locations; or
3 (4) on the basis of any combination of factors under (1) - (3) of this
4 subsection.

5 (b) An employee is eligible to participate in a retirement incentive plan under secs.
6 30 - 43 of this Act only if the

7 (1) employee is a vested member of the public employees' retirement system
8 or the teachers' retirement system;

9 (2) employee will be qualified to retire under AS 14.25.110 or AS 39.35.370
10 after receipt of the credit described in (f) of this section;

11 (3) savings to the employer in personal services costs for the employee's
12 position will exceed the costs to the employer for that position within three years after the
13 employee is appointed to retirement.

14 (c) An employer shall file its proposed retirement incentive plan with the
15 commissioner of administration. Except as provided in sec. 37 of this Act, the commissioner
16 shall approve the plan if the plan meets the requirements of secs. 30 - 43 of this Act, except
17 that the commissioner may approve a state agency's retirement incentive plan only if the
18 office of management and budget approves the calculation of savings under (b)(3) of this
19 section. A proposed plan filed under this section must

20 (1) identify job classifications of employees, and specific budget or
21 administrative components, eligible to participate in the plan;

22 (2) include a reimbursement agreement that

23 (A) requires the employer, for each employee who retires under the
24 plan, to reimburse the appropriate retirement system, within three years after the end
25 of the fiscal year in which the employee is appointed to retirement, in an amount equal
26 to

27 (i) the actuarial equivalent of the difference between the benefits
28 the participant receives after the addition of the credit under (f) of this section
29 and the amount the participant would have received without the credit, less the
30 amount the participant has paid on the indebtedness determined under (d) or (e)
31 of this section; and

1 (ii) an appropriate share of the administrative costs of the
2 program; and

3 (B) provides that contributions from the employer under this section
4 take priority over other obligations of the employer to the maximum extent permitted
5 by law.

6 (d) A member of the teachers' retirement system who participates in an approved
7 retirement incentive plan under secs. 30 - 43 of this Act is indebted to that system for an
8 amount calculated under this subsection. The indebtedness is 25.95 percent of the member's
9 actual compensation for the school year in which the member terminates employment, or the
10 calculated school year compensation for a member who works less than the entire school year.
11 An outstanding indebtedness at the time a member is appointed to retirement under an
12 approved retirement incentive plan requires an actuarial adjustment to the benefits payable to
13 that member.

14 (e) A member of the public employees' retirement system who participates in an
15 approved retirement incentive plan under secs. 30 - 43 of this Act is indebted to that system
16 for an amount calculated under this subsection. The indebtedness is 22 1/2 percent for a
17 peace officer or fire fighter, and 20 1/4 percent for other members, of the member's actual
18 annual compensation for the year in which the member terminates employment, or the
19 calculated annual compensation for a member who works fewer than 12 months. An
20 outstanding indebtedness at the time a member is appointed to retirement under an approved
21 retirement incentive plan requires an actuarial adjustment to the benefits payable to that
22 member.

23 (f) An employee who participates in an approved retirement incentive plan under secs.
24 30 - 43 of this Act receives a credit of three years. The three years must be applied in the
25 following order until exhausted:

26 (1) to meet the age or service required for eligibility for normal retirement
27 under AS 14.25.110 or AS 39.35.370, as appropriate;

28 (2) to meet the age required for early retirement under AS 14.25.110 or
29 AS 39.35.370, as appropriate;

30 (3) to reduce the actuarial adjustment required for early retirement under
31 AS 14.25.110 or AS 39.35.370, as appropriate;

1 (4) as years of credited service for calculating retirement benefits.

2 (g) In this section,

3 (1) "department" means

4 (A) a principal department of the executive branch of state government;
5 an independent state entity that is attached to a principal department of the executive
6 branch for administrative purposes but that is not a public organization as defined in
7 AS 39.35.680 is part of that department for purposes of this paragraph; and

8 (B) the Office of the Governor;

9 (2) "employer"

10 (A) for purposes of a retirement incentive plan under AS 14.25, means
11 the Board of Regents of the University of Alaska, the Department of Education, or the
12 Regional Resource Center, but does not include a school district; and

13 (B) for purposes of a retirement incentive plan under AS 39.35, has the
14 meaning given in AS 39.35.680 and includes a department but does not include a
15 school district.

16 * **Sec. 31. AUTHORIZATION FOR STATE EMPLOYEE RETIREMENT INCENTIVE.**

17 (a) A state agency may adopt, and file with the commissioner of administration for approval,
18 a proposed retirement incentive plan for its employees as part of a permanent reduction in the
19 personal services costs in that section of the state agency.

20 (b) Upon the request of a state agency, the commissioner of administration shall
21 establish one or more periods during which the employees of that state agency who are
22 eligible under sec. 30(b) of this Act to participate in a retirement incentive plan may apply to
23 the commissioner of administration to participate in the state agency's approved plan. The
24 periods shall begin no earlier than June 30, 1996, and end no later than June 30, 1999. The
25 periods shall be no less than 30 days and no more than 60 days in duration, and may not
26 begin less than 30 days after their establishment. A state agency is not required to request an
27 application period and may request more than one application period.

28 (c) A proposed retirement incentive plan adopted under this section may not permit
29 an employee who is the governor, the lieutenant governor, or a commissioner, deputy
30 commissioner, or assistant commissioner of a principal department of the executive branch to
31 participate in the plan.

1 (d) A proposed retirement incentive plan adopted under this section may permit
2 participation only by an employee who is eligible to participate under sec. 30(b) of this Act
3 and who

4 (1) has been continuously employed by the state for at least one year before
5 the employee applies to participate in the state agency's approved plan;

6 (2) is a permanent seasonal employee who has been continuously employed
7 by the state in a permanent seasonal position during all of the time in the one year before the
8 employee's application to participate in which the position normally is filled;

9 (3) has a job sharing agreement with a state agency in which two or more
10 employees share a single position identified by a single position control number and in which
11 the employee who applies to participate in the plan was continuously employed by the agency
12 during the portion of the one year before the employee's application in which the employee
13 normally worked under the job sharing agreement; or

14 (4) meets a combination of the requirements of this subsection.

15 (e) The commissioner of administration may not accept the application of an employee
16 to participate in an approved retirement incentive plan adopted under this section unless the
17 employee will be appointed to retirement not later than the first day of the month that is six
18 months after the last day of the application period established by the commissioner under (b)
19 of this section. A state agency, in a plan adopted under this section, may set an earlier date
20 by which an employee must be appointed to retirement in order to participate in the plan.

21 * Sec. 32. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR EMPLOYEES OF
22 THE UNIVERSITY OF ALASKA. (a) The Board of Regents of the University of Alaska
23 may adopt, and file with the commissioner of administration for approval, a proposed
24 retirement incentive plan for university employees.

25 (b) Upon the request of the Board of Regents, the commissioner of administration
26 shall establish one or more periods during which the employees of the university who are
27 eligible under sec. 30(b) of this Act to participate in a retirement incentive plan may apply to
28 the commissioner of administration to participate in the university's approved plan. The
29 periods shall begin no earlier than June 30, 1996, and end no later than June 30, 1999. The
30 periods shall be no less than 30 days and no more than 60 days in duration and may not begin
31 less than 30 days after their establishment. The Board of Regents is not required to request

1 an application period and may request more than one application period.

2 (c) The commissioner of administration may not accept the application of an employee
3 to participate in an approved retirement incentive plan adopted under this section unless the
4 employee will be appointed to retirement not later than the first day of the month that is six
5 months after the last day of the application period established by the commissioner under (b)
6 of this section. The Board of Regents, in a plan adopted under this section, may set an earlier
7 date by which an employee of the University of Alaska must be appointed to retirement in
8 order to participate in the plan.

9 (d) A participant in the optional university retirement program under AS 14.40.661 -
10 14.40.799 who is vested in the public employees' retirement system or the teachers' retirement
11 system may participate in a retirement incentive plan for that system if the participant meets
12 the other qualifications of secs. 30 - 43 of this Act. If a provision of this subsection is
13 inconsistent with another provision of law, the provision of this subsection governs.

14 * Sec. 33. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER
15 EMPLOYEES IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM. (a) The
16 governing body of a political subdivision of the state or public organization that has elected
17 to participate in the public employees' retirement system under AS 39.35.550 - 39.35.650 may
18 adopt, and file with the commissioner of administration for approval, a proposed retirement
19 incentive plan for its employees. A plan adopted under this section must provide that the
20 application period for participation in the retirement incentive plan is December 31, 1996,
21 through June 30, 1997.

22 (b) The commissioner of administration may not accept the application of an employee
23 to participate in an approved retirement incentive plan adopted under this section unless the
24 employee will be appointed to retirement on or before February 1, 1998. The governing body
25 of the political subdivision or public organization, in a plan adopted under this section, may
26 set an earlier date by which an employee must be appointed to retirement in order to
27 participate in the plan.

28 * Sec. 34. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR EMPLOYEES OF
29 REGIONAL RESOURCE CENTERS IN THE TEACHERS' RETIREMENT SYSTEM. (a)
30 A regional resource center that has employees who are members of the teachers' retirement
31 system may adopt, and file with the commissioner of administration for approval, a proposed

1 retirement incentive plan for its employees. A plan adopted under this section must provide
2 that the application period for participation in the retirement incentive plan is June 30, 1996,
3 through December 31, 1996.

4 (b) The commissioner of administration may not accept the application of an employee
5 to participate in an approved retirement incentive plan adopted under this section unless the
6 employee will be appointed to retirement on or before August 1, 1997. The regional resource
7 center, in a plan adopted under this section, may set an earlier date by which an employee
8 must be appointed to retirement in order to participate in the plan.

9 * **Sec. 35. POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.**

10 For purposes of determining the years of service requirements for retirement under
11 AS 14.25.110 or AS 39.35.370, as appropriate, a vested member who is a state employee and
12 who applies to participate in a retirement incentive plan under secs. 30 - 43 of this Act may
13 receive credit for employment with a political subdivision or public organization before the
14 political subdivision or organization became an employer under the public employees'
15 retirement system. The member may not receive credit for those years under this section for
16 purposes of determining benefits. If a provision of this section is inconsistent with any other
17 provision of law, the provision of this section governs.

18 * **Sec. 36. PROVISION AND AUTHORIZATION FOR ADMINISTRATIVE DIRECTOR**

19 **OF COURT.** (a) The chief justice of the state supreme court may adopt a retirement
20 incentive plan for an administrative director of the Alaska Court System who is a member of
21 the judicial retirement system under AS 22.25.012 if participation in the plan will result in
22 savings to the court system in personal services costs within three years after commencement
23 of the plan. The administrative director may participate only if the administrative director is
24 vested in the judicial retirement system and will be qualified to retire under AS 22.25.010
25 after receipt of the retirement incentive. To participate, the administrative director shall apply
26 to the commissioner of administration to participate in the approved court system plan.

27 (b) The court system shall include in the retirement incentive plan a reimbursement
28 agreement that requires the court system, for each administrative director of the Alaska Court
29 System who is retired under the plan, to reimburse the judicial retirement system within three
30 years after the end of the fiscal year in which the administrative director is appointed to
31 retirement in an amount equal to

1 (1) the actuarial equivalent of the difference between the benefits the
2 administrative director receives after the addition of the credit under (e) of this section and
3 the amount the participant would have received without the credit, less the total of the amount
4 the participant has paid on the indebtedness determined under (d) of this section; and

5 (2) an appropriate share of the administrative costs of the program.

6 (c) A retirement incentive plan adopted under this section must provide that
7 contributions from the court system under (b) of this section take priority over other
8 obligations of the court system under (b) of this section to the maximum extent permitted by
9 law.

10 (d) An administrative director of the Alaska Court System who participates in an
11 approved retirement incentive plan is indebted to the system. The amount of indebtedness is
12 equal to 21 percent of the director's actual annual compensation for the year in which the
13 director terminates employment to participate in the program, or the calculated annual
14 compensation for an administrative director who works fewer than 12 months. An outstanding
15 indebtedness at the time the administrative director is appointed to retirement under an
16 approved retirement incentive plan will require an actuarial adjustment to the benefits payable
17 to the director.

18 (e) An administrative director of the Alaska Court System who participates in an
19 approved retirement incentive plan receives a credit of three years that may only be used to
20 meet the age requirements for normal or early retirement under AS 22.25.010(d).

21 (f) The chief justice of the Alaska Supreme Court may adopt and file with the
22 commissioner of administration for approval, a proposed retirement incentive plan for the
23 administrative director of the court system who is a member of the judicial retirement system.
24 Upon the request of the chief justice, the commissioner of administration shall establish a
25 period during which an administrative director eligible to participate in the retirement incentive
26 plan of the court system may apply to the commissioner of administration to participate in the
27 court system's approved plan. The period shall begin no earlier than July 1, 1996, and end
28 no later than June 30, 1999. The period shall be no less than 30 days and no more than 60
29 days in duration and may not begin less than 30 days after establishment. The chief justice
30 is not required to request an application period.

31 (g) The commissioner of administration may not accept the application of an

1 administrative director of the court system to participate in an approved retirement incentive
2 plan adopted under this section unless the administrative director will be appointed to
3 retirement not later than the first day of the month that is six months after the last day of the
4 application period established by the commissioner under (f) of this section. The chief justice,
5 in a plan adopted under this section, may set an earlier date by which an administrative
6 director must be appointed to retirement in order to participate in the plan.

7 * **Sec. 37. RECOVERY OF EMPLOYER DELINQUENCIES.** To recover a delinquency
8 owed by an employer other than the state under an agreement entered into under sec. 30(c)(2)
9 of this Act, the Department of Administration may

10 (1) direct that the amount of the delinquency or a lesser amount be withheld
11 from any money payable to the employer by a state department or agency and that the amount
12 withheld be credited to the delinquency; and

13 (2) bring action against the employer.

14 * **Sec. 38. REEMPLOYMENT INDEBTEDNESS; PROHIBITION ON REEMPLOYMENT.**

15 (a) If an individual is reemployed as a member of the public employees' retirement system
16 under AS 39.35, the teachers' retirement system under AS 14.25, the judicial retirement
17 system under AS 22.25, or the optional university retirement program under AS 14.40.661 -
18 14.40.799 after appointment to retirement under secs. 30 - 43 of this Act, that individual
19 forfeits the incentive credit received under secs. 30 - 43 of this Act and is indebted to the
20 system under which the individual took retirement. The indebtedness is 150 percent of the
21 amount the individual received as a result of participation in a retirement incentive plan under
22 secs. 30 - 43 of this Act and to which the individual would not otherwise have been entitled,
23 including the cost of health insurance. The amount that the individual has paid under
24 sec. 30(d) or (e) of this Act will be applied as a credit toward the reemployment indebtedness.
25 Interest on the reemployment indebtedness accrues from the date of reemployment until the
26 date that the individual either is appointed to retirement and accepts an actuarial adjustment
27 to the individual's future benefits or repays the indebtedness in full. The rate of interest is
28 that established by regulation for the public employees' retirement system by the public
29 employees' retirement board and for the teachers' retirement system by the teachers'
30 retirement board.

31 (b) An individual who was appointed to retirement under secs. 30 - 43 of this Act may

1 not be employed by, or enter into a contract for personal services with, a state agency or the
2 University of Alaska within the five years after the date of appointment to retirement, except
3 that

4 (1) the University of Alaska may enter into a personal services contract with
5 the individual for teaching or research that does not entitle the individual to receive retirement,
6 health, or leave benefits, except social security replacement if required by the Internal Revenue
7 Code; and

8 (2) the individual may accept employment with the legislature during a
9 legislative session if the employment is on an hourly basis and does not entitle the individual
10 to receive retirement, health, or leave benefits.

11 (c) Notwithstanding the prohibition in (b) of this section, a state agency or the
12 University of Alaska may enter into a personal services contract with an individual who was
13 appointed to retirement under secs. 30 - 43 of this Act if the Board of Regents, for the
14 University of Alaska, or the commissioner of administration, for a state agency, determines
15 that there is a compelling reason to do so because of the individual's specialized or extensive
16 experience that relates to a particular program or project of the state agency or university.
17 However, a state agency may not enter into a contract with an individual under this subsection
18 if the individual was employed by the state agency at the time of the individual's appointment
19 to retirement.

20 * **Sec. 39. LEGISLATIVE EMPLOYEE RETIREMENT INCENTIVE PLAN.** (a) The
21 Legislative Council may adopt and file with the commissioner of administration a retirement
22 incentive plan for employees of the legislative branch of state government. The plan must
23 designate categories of employees eligible to participate in that plan, include a reimbursement
24 agreement for the cost of participation by employees in the plan, and require employees to
25 meet the eligibility criteria and pay the indebtedness amount under sec. 30 of this Act. The
26 Legislative Council may exercise the powers of an employer under sec. 30 of this Act, but a
27 plan adopted by the council is not subject to review by the office of management and budget
28 or approval of the commissioner of administration.

29 (b) The application periods established by the Legislative Council under the plan
30 during which the employees of a legislative agency who meet the requirements of sec. 30(b)
31 of this Act are eligible to participate in the retirement incentive plan shall begin no earlier

1 than June 30, 1996, and end no later than June 30, 1999. The application periods shall be no
2 less than 30 days and not more than 60 days in duration, and may not begin less than 30 days
3 after their establishment. The Legislative Council is not required to establish an application
4 period and may establish more than one application period.

5 (c) The commissioner of administration may not accept the application of an employee
6 to participate in the Legislative Council retirement incentive plan under this section unless the
7 employee will be appointed to retirement not later than the first day of the month that is six
8 months after the last day of the application period established by the Legislative Council under
9 this section. The Legislative Council may set an earlier date by which an employee must be
10 appointed to retirement in order to participate in the plan.

11 (d) The provisions of secs. 35, 37, 38, 41, and 43 of this Act apply to a plan adopted
12 under this section.

13 * **Sec. 40. OFFICE OF MANAGEMENT AND BUDGET.** (a) When designating an
14 employee category for participation in a retirement incentive plan under secs. 30 - 32 of this
15 Act, the executive head of the relevant state agency shall describe in detail the expected effect
16 of the plan or program on the agency's personal services cost and operation. This financial
17 report must be approved by the director of the office of management and budget before the
18 commissioner of administration may approve the proposed plan or program. The state agency
19 shall report each year to the office of management and budget on the cost of each employee's
20 participation and the effect on the agency's personal services cost and operation.

21 (b) The office of management and budget shall submit to the legislature annual reports
22 on the retirement incentive under secs. 30 - 43 of this Act beginning January 15, 1998, and
23 continuing through January 15, 2000, and shall submit a final report January 15, 2001. Each
24 report must provide the information necessary for the legislature to evaluate the effectiveness
25 of the programs in achieving their objectives. The report must include information on the
26 designated employee categories under the incentive programs, the cost to the state, the cost
27 to the employee, the annual budgeted amount, by state agency, for the incentives, the number
28 of positions deleted or left vacant, and the projected or actual net savings over the three-year
29 period, and recommendations to the legislature for changes in appropriations that reflect the
30 cost and cost savings resulting from the retirement and separation incentive programs.

31 * **Sec. 41. PROGRAM CHANGES.** (a) An individual employee does not have a vested

1 or contractual right to a benefit under secs. 30 - 43 of this Act until an agreement is executed
2 with the administrator that specifically authorizes that employee to participate in the retirement
3 incentive program under secs. 30 - 43 of this Act or until an agreement is executed with the
4 commissioner of administration to participate in the separation incentive program under secs.
5 30 - 43 of this Act. The legislature reserves the right to change any aspect of either incentive
6 program as it relates to employees for whom participation agreements have not yet been
7 executed with the administrator or with the commissioner of administration.

8 (b) In this section, "administrator" means the administrator of the public employees'
9 retirement system of employees who are members of that system, and the administrator of the
10 teachers' retirement system for employees who are members of that system.

11 * Sec. 42. REGULATIONS. The commissioner of administration may adopt regulations
12 under AS 44.62 (Administrative Procedure Act) to implement and interpret secs. 30 - 38 and
13 40 - 43 of this Act.

14 * Sec. 43. DEFINITIONS. (a) Unless otherwise provided in secs. 30 - 43 of this Act, the
15 definitions set out in AS 14.25.220 apply to provisions in secs. 31 - 39 of this Act that relate
16 to teachers' retirement system and members of the teachers' retirement system.

17 (b) Unless otherwise provided in secs. 30 - 43 of this Act, the definitions set out in
18 AS 39.35.680 apply to provisions in secs. 31 - 39 of this Act that relate to the public
19 employees' retirement system and members of the public employees' retirement system except
20 that "employer" does not include a school district.

21 (c) In secs. 30 - 43 of this Act,

22 (1) "office of management and budget" means the office of management and
23 budget in the Office of the Governor;

24 (2) "public employees' retirement system" means the Public Employees'
25 Retirement System of Alaska (AS 39.35);

26 (3) "state agency"

27 (A) means

28 (i) the judicial branch of state government;

29 (ii) a principal department of the executive branch of state
30 government; and independent state entity that is attached to a principal
31 department of the executive branch for administrative purposes but that is not

1 a public organization as defined in AS 39.35.680 is part of that department for
2 purposes of this clause; and

3 (iii) the Office of the Governor;

4 (B) does not include

5 (i) the University of Alaska;

6 (ii) a political subdivision of the state; or

7 (iii) a public organization as defined in AS 39.35.680;

8 (4) "teachers' retirement system" means the Teachers' Retirement System of
9 Alaska (AS 14.25).

10 * Sec. 44. SALARY ADJUSTMENTS FOR CERTAIN EXEMPT EMPLOYEES OF THE
11 EXECUTIVE BRANCH. Permanent and temporary employees of the executive branch who
12 are in the exempt service under AS 39.25, who are not members of a collective bargaining
13 unit established under the Public Employment Relations Act (AS 23.40), and who are not
14 otherwise covered by AS 39.27.011(a), are entitled to receive salary adjustments comparable
15 to those received by the classified and partially exempt employees of the executive branch
16 under AS 39.27.011(e) - (g), as enacted by sec. 13 of this Act, and to receive geographic
17 differentials comparable to those received by the classified and partially exempt employees
18 of the executive branch under AS 39.25.020, as enacted by sec. 14 of this Act.

19 * Sec. 45. SALARY INCREASES FOR EMPLOYEES OF THE UNIVERSITY OF
20 ALASKA. The employees of the University of Alaska who are not members of a collective
21 bargaining unit are entitled to receive salary increases in accordance with the compensation
22 policy of the Board of Regents of the University of Alaska.

23 * Sec. 46. SALARY ADJUSTMENTS FOR EMPLOYEES OF THE JUDICIAL BRANCH.
24 For the fiscal years beginning July 1, 1997, and July 1, 1998, permanent and temporary
25 employees of the judicial branch, other than justices and judges, who are not members of a
26 collective bargaining agreement unit are entitled to receive salary adjustments comparable to
27 those received by the classified and partially exempt employees of the executive branch under
28 AS 39.27.011(f) - (g), as enacted by sec. 13 of this Act, and geographic differential
29 adjustments comparable to those received by the classified and partially exempt employees
30 of the executive branch under AS 39.27.020, as enacted by sec. 14 of this Act.

31 * Sec. 47. SALARY INCREASES FOR JUDICIAL BRANCH EMPLOYEES. For the

1 fiscal year beginning July 1, 1996, and ending June 30, 1997, the temporary and permanent
2 employees of the judicial branch, other than justices and judges, who are not members of a
3 collective bargaining unit are entitled to receive a salary increase of 5.2 percent of the
4 employee's base salary as of June 30, 1996.

5 * **Sec. 48. JUDGES AND JUSTICES.** Notwithstanding AS 22.05.140(d), AS 22.07.090(c),
6 AS 22.10.190(d), and AS 22.15.220(e), and sec. 13 of this Act, justices and judges in the
7 judicial branch are not entitled to receive the increases provided by AS 22.05.140(d),
8 AS 22.07.090(c), AS 22.10.190(d), and AS 22.15.220(e) for the fiscal year beginning July 1,
9 1996, and ending June 30, 1997.

10 * **Sec. 49. SALARY INCREASES FOR LEGISLATIVE BRANCH EMPLOYEES.**
11 Employees of the legislative branch of state government, other than legislators, are entitled
12 to receive salary adjustments comparable to those received by the classified and partially
13 exempt employees of the executive branch under AS 39.27.011(e) - (g), as enacted by sec. 13
14 of this Act.

15 * **Sec. 50. APPROVAL OF MONETARY TERMS OF AGREEMENTS.** (a) This section
16 (1) supersedes the provisions of any bill passed by the Second Session of the
17 Nineteenth Alaska State Legislature and enacted into law that disapproves the monetary terms
18 of the collective bargaining agreements listed in this section; and

19 (2) satisfies the terms of any bill passed by the Second Session of the
20 Nineteenth Alaska State Legislature and enacted into law that imposes conditions on the
21 approval of the monetary terms of those agreements.

22 (b) This section constitutes approval of the monetary terms of the collective bargaining
23 agreements entered into between the state and the following collective bargaining
24 organizations:

- 25 (1) Alaska State Employees Association, for the General Government Unit;
26 (2) Alaska Public Employees Association, for the Supervisory Unit;
27 (3) Public Employees Local 71, for the Labor, Trades and Crafts Unit;
28 (4) Inlandboatmen's Union of the Pacific, representing the unlicensed marine
29 unit;
30 (5) International Organization of Masters, Mates, and Pilots, Pacific Maritime
31 Region, for the Masters, Mates, and Pilots Unit;

1 (6) Public Safety Employees Association, representing state troopers and other
2 commissioned law enforcement personnel;

3 (7) the Classified Employees Association, representing University of Alaska
4 employees;

5 (8) the Alaska Community Colleges' Federation of Teachers, representing
6 faculty members of the University of Alaska;

7 (9) the Alyeska Correspondence School Education Association representing
8 teachers at the Alyeska Central School;

9 (10) Alaska Vocational Technical Center Teacher's Association representing
10 teachers at the Alaska Vocational Technical Center; and

11 (11) International Brotherhood of Electrical Workers representing nonjudicial,
12 supervisory, classified employees of the Alaska Court System.

13 * Sec. 51. LIMITATION ON THE REDUCTION OF EMPLOYEE SALARIES. (a) So
14 long as the employee remains in the same geographic area, as set out in AS 39.27.020, as
15 amended by sec. 14 of this Act,

16 (1) the salary that an employee is receiving on June 30, 1996, may not be
17 reduced by application of a provision of sec. 14 of this Act until June 30, 1997;

18 (2) for the fiscal year beginning July 1, 1997, the salary that an employee is
19 receiving on June 30, 1997, may not be reduced by more than five percent as a result of the
20 application of a provision of this Act.

21 (b) If an employee moves to another geographic area after June 30, 1996, the pay
22 differential in AS 39.27.020(a), as reenacted by sec. 14 of this Act, applies to that employee's
23 salary on the effective date of the move.

24 (c) Nothing in this Act prohibits a reduction in an employee's salary as a result of a
25 voluntary or involuntary demotion.

26 * Sec. 52. Nothing in this Act modifies or terminates the terms of a collective bargaining
27 agreement in effect on the effective date of this Act.

28 * Sec. 53. Section 51 of this Act is repealed July 1, 1998.

29 * Sec. 54. Sections 30, 31, and 39 of this Act are repealed July 1, 2000.

30 * Sec. 55. Sections 32 - 36 of this Act are repealed December 31, 1999.

31 * Sec. 56. This Act takes effect July 1, 1996.

Talking Points SB 152
Amendment

COLD

New criteria in bill saves the State \$120,000 per year. Those who do not qualify to receive a dividend will not receive COLD.

GEO-DIFF

FY97

Non-covered (exempt) turnover savings = \$30,000

FY98

Fairbanks at 4% saves	\$485.0
+ statewide total	\$500.0
+ courts/legislative	\$347.0
TOTAL	\$1,332,000

FYI

If Fairbanks was at 0% differential, cost savings would be \$689.0
Total saving with Fairbanks at 0% differential with contacts reopened could reach \$4,287,000.

TIER III

See attached sheet

RIP

\$1.5 million

TOTAL SAVINGS

	FY97	FY98	FY99	FY2000
COLD	120,000	120,000	120,000	120,000
GEO-DIFF	30,000	1,332,000	1,332,000	1,332,000
Tier III	375,180	1,142,190	2,125,425	3,530,138
RIP	1,500,000	1,000,000	1,000,000	0
TOTAL	2,025,180	3,594,190	4,577,425	4,982,138

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

1 fiscal year beginning July 1, 1996, and ending June 30, 1997, the temporary and permanent
2 employees of the judicial branch, other than justices and judges, who are not members of a
3 collective bargaining unit are entitled to receive a salary increase of 5.2 percent of the
4 employee's base salary as of June 30, 1996.

5 * Sec. 48. JUDGES AND JUSTICES. Notwithstanding AS 22.05.140(d), AS 22.07.090(c),
6 AS 22.10.190(d), and AS 22.15.220(e), and sec. 13 of this Act, justices and judges in the
7 judicial branch are not entitled to receive the increases provided by AS 22.05.140(d),
8 AS 22.07.090(c), AS 22.10.190(d), and AS 22.15.220(e) for the fiscal year beginning July 1,
9 1996, and ending June 30, 1997.

10 * Sec. 49. SALARY INCREASES FOR LEGISLATIVE BRANCH EMPLOYEES.
11 Employees of the legislative branch of state government, other than legislators, are entitled
12 to receive salary adjustments comparable to those received by the classified and partially
13 exempt employees of the executive branch under AS 39.27.011(e) - (g), as enacted by sec. 13
14 of this Act.

15 * Sec. 50. APPROVAL OF MONETARY TERMS OF AGREEMENTS. (a) This section
16 (1) supersedes the provisions of any bill passed by the Second Session of the
17 Nineteenth Alaska State Legislature and enacted into law that disapproves the monetary terms
18 of the collective bargaining agreements listed in this section; and

19 (2) satisfies the terms of any bill passed by the Second Session of the
20 Nineteenth Alaska State Legislature and enacted into law that imposes conditions on the
21 approval of the monetary terms of those agreements.

22 (b) This section constitutes approval of the monetary terms of the collective bargaining
23 agreements entered into between the state and the following collective bargaining
24 organizations:

- 25 (1) Alaska State Employees Association, for the General Government Unit;
26 (2) Alaska Public Employees Association, for the Supervisory Unit;
27 (3) Public Employees Local 71, for the Labor, Trades and Crafts Unit;
28 (4) Inlandboatmen's Union of the Pacific, representing the unlicensed marine
29 unit;
30 (5) International Organization of Masters, Mates, and Pilots, Pacific Maritime
31 Region, for the Masters, Mates, and Pilots Unit;

Sec. 49 (p. 26)

(a) AS 24.10.100

A 2,100

1 (6) Public Safety Employees Association, representing state troopers and other
2 commissioned law enforcement personnel;

3 (7) the Classified Employees Association, representing University of Alaska
4 employees;

5 (8) the Alaska Community Colleges' Federation of Teachers, representing
6 faculty members of the University of Alaska;

7 (9) the Alyeska Correspondence School Education Association representing
8 teachers at the Alyeska Central School;

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19 receiving on June 30, 1997, may not be reduced by more than five percent as a result of the
20 application of a provision of this Act.

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22 differential in AS 39.27.020(a), as reenacted by sec. 14 of this Act, applies to that employee's
23 salary on the effective date of the move.

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See attached sheet

RIP

\$1.5 million

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RIP	1,500,000	1,000,000	1,000,000	0
TOTAL	2,025,180	3,594,190	4,577,425	4,982,138

PROJSAV3.XLS

FY Years	% of State EE's at Proposed Tier III	State Salaries \$500,000,000.00 FY96 w/1.4% inc. in FY97 and 1.5% inc. thereafter	Projected Savings each YR at 3.7%/YR
FY 97	2.00%	\$507,000,000.00	\$375,180.00
FY 98	6.00%	\$514,500,000.00	\$1,142,190.00
FY 99	11.00%	\$522,217,500.00	\$2,125,425.23
FY 2000	18.00%	\$530,050,762.50	\$3,530,138.08
FY 2001	25.00%	\$538,001,523.94	\$4,976,514.10
FY 2002	32.00%	\$546,071,546.80	\$6,465,487.11
FY 2003	39.00%	\$554,262,620.00	\$7,998,009.61
FY 2004	44.00%	\$562,576,559.30	\$9,158,746.39
FY 2005	50.00%	\$571,015,207.69	\$10,563,781.34
FY 2006	55.00%	\$579,580,435.80	\$11,794,461.87
FY 2007	58.00%	\$588,274,142.34	\$12,624,363.09
FY 2008	61.00%	\$597,098,254.48	\$13,476,507.60
FY 2009	64.00%	\$606,054,728.29	\$14,351,375.97
FY 2010	67.00%	\$615,145,549.22	\$15,249,458.17
FY 2011	70.00%	\$624,372,732.46	\$16,171,253.77
FY 2012	74.00%	\$633,738,323.44	\$17,351,755.30
FY 2013	78.00%	\$643,244,398.29	\$18,564,033.33
FY 2014	82.00%	\$652,893,064.27	\$19,808,775.57
FY 2015	85.00%	\$662,686,460.23	\$20,841,489.17
FY 2016	88.00%	\$672,626,757.14	\$21,900,727.21
FY 2017	91.00%	\$682,716,158.49	\$22,987,053.06
FY 2018	94.00%	\$692,956,900.87	\$24,101,041.01
FY 2019	96.00%	\$703,351,254.38	\$24,983,036.56
FY 2020	98.00%	\$713,901,523.20	\$25,886,069.23
FY 2021	100.00%	\$724,610,046.05	\$26,810,571.70
These are estimates of savings which could occur with an annual 3.7% reduction in the State's annual contribution rate for Tier III employees. These projections are made using prior tier change experience for turnover and projecting continued salary growth at 1.5% per year. Any deviation in actual experience from these projections would result in different actual savings amounts, either higher or lower.			

CHANGES TO PROPOSED CS SB 152 (RLS)

1. **ALL PROPOSED CHANGES TO SBS DELETED**
2. **COLD--COST OF LIVING DIFFERENTIAL--MARINE HIGHWAY SYSTEM EMPLOYEES--RETURNED TO THE BILL AS ORIGINALLY INTRODUCED--KEEPS DIFFERENTIAL IN PERA--TAKES ELIGIBILITY CRITERIA (PFD) OUT OF PERA BARGAINING DOES NOT REDUCE DIFFERENTIAL**
3. **GEOGRAPHIC DIFFERENTIAL--ELIMINATES PROVISION WHICH WOULD HAVE LIMITED DIFFERENTIAL TO FIRST \$25,000 BASE WAGES; PROVIDES FOR A ONE YEAR GRACE/GRANDFATHER PERIOD; REDUCES FAIRBANKS DIFFERENTIAL FROM FIVE PERCENT TO TWO PERCENT. ALLOWS ADMINISTRATION TO REOPEN CONTRACTS FOR SUPERVISORY UNIT, LABOR TRADES AND CRAFTS, AND THE GENERAL GOVERNMENT UNIT-- MAXIMUM POTENTIAL SAVINGS IN FY 98=\$2.5 MILLION**
4. **RIP/SIP----RETIREMENT INCENTIVE/SEPARATION INCENTIVE RETURNS BILL TO SB 148 VERSION IN HOUSE FINANCE-- EXCEPT, DELETES LANGUAGE REQUIRING OMB TO SUBMIT PORTIONS WHICH HAVE RIPPED AND ARE BEING PROPOSED FOR REFILLING TO LBA--45 DAY REVIEW/APPROVAL; DELETES "ELECTIVITY" OF PROGRAM BY LOCAL GOVERNMENTS THEREBY REDUCING FISCAL NOTE BY \$850,000-1,000,000. MAINTAINS CONSISTENT APPLICATION OF PROGRAM; ADDS LANGUAGE MAKING CLEAR THAT SEPARATION INCENTIVE IS NOT A BENEFIT BARGAINABLE UNDER PERA**
5. **TIER III--SEE ATTACHED SHEET FOR DETAILS**
6. **INCLUDES ALL NON-COVERED EMPLOYEES IN SIMILAR BASE WAGE INCREASE BY UP TO 1.5% IN EACH OF THREE YEARS-- PROVIDES SIMILAR AUTHORIZATION FOR UNIVERSITY ; PROVIDES AUTHORIZATION TO COURTS, EXCEPT THAT COURTS MAY PROVIDE UP TO 5.2% IN FY 97 AND IN 98 AND 99 UP TO 1.5%--SAME AS PROVIDES IN CONTRACTS**
7. **DOES NOT INCLUDE ANY CHANGES TO TEACHER'S RETIREMENT SYSTEM--SAMES AS PORPOSED RULES CS**

*Public Employees' Retirement System
Comparison of CSSB 152 and an Alternate Tier III*

	CSSB 152	Alt. Tier III
Normal Retirement:		
CSSB 152:		
Age 60; Police/Fire 25 & out	-0.25%	
ALT. TIER III:		
Age 60; Police/Fire 20 & out at age 50		-0.10%
Post Retirement Pension Adjustment:		
CSSB 152 and Alt. Tier III:		
50% of CPI age 60 plus	-0.40%	-0.40%
Benefit Formula:		
CSSB 152:	-2.13%	
All employees including Police/Fire;		
1.5% first 10 years		
1.75% 10 to 20 years		
2% over 20 years		
ALT. TIER III:		- 2.13%
Police/Fire, no change,	2% first 10 year;	
	2.5% over 10 years	
All Other employees:		
1.5% first 10 years		
1.75% 10 to 20 years		
2% over 20 years		
(The same cost is represented because the Police/Fire member will be paying a higher employee rate (7%))		
Medical Coverage:		
CSSB 152:	-2.20%	
Coverage for Retiree only, Spouse and dependent coverage can be purchased at group rate		
ALT. TIER III:		
Coverage for Retiree only. Spouse and dependent coverage can be purchased at 1/2 of group rate		-1.40%
Final Average Salary (FAS):		
CSSB 152:		
Proposes to leave FAS at high 3 consecutive years.	<u>-0.00%</u>	
ALT. TIER III:		
High 5 consecutive years		<u>- .42%</u>
TOTAL REDUCTIONS	<u>-4.98%</u>	<u>-4.45%</u>

ESTIMATED EMPLOYER AND EMPLOYEE RATES

	CSSB 152	Alt. Tier III
Current Combined Rate: (6.75% employee + 10% Tier II employer= 16.75%)		
Estimated Total New Contribution Rate	11.77%	12.30%
Employee Contribution Rate:		
CSSB 152:		
All Other	5.5%	
Police/Fire	6.0%	
ALT. TIER III:		
All Other	6.0%	
Police/Fire	7.0%	
Estimated New Employer Rate	<u>6.27%</u>	<u>6.30%</u>

Comparison of Tier II, CSSB 152, and Alternative Tier III

<i>Tier II</i>	<i>CSSB 152</i>	<i>Alternative Tier III</i>	<i>Cost Savings</i>	
			CSSB 152	Alternative Tier III
Normal retirement age is 60; TRS, peace officers and fire fighters are eligible to retire after 20 years of service. "All other" in PERS are eligible to retire after 30 years	Sets normal retirement age to 60; peace officers and fire fighters are eligible to retire after 25 years. "All others" in PERS are eligible to retire utilizing the "rule of 85."	Sets normal retirement age to 60; peace officers and fire fighters are eligible to retire after 20 years of service after attaining the age of 50 "All others" in PERS are eligible to retire utilizing the "rule of 85."	-0.25%	-0.10%
Early retirement is allowed at age 55.	Sets the age for early retirement to age 55. The actuarial reduction will be 1/2% per month; 6% per year.	Sets the age for early retirement to age 55. The actuarial reduction will be 1/2% per month; 6% per year.	n/a	n/a
Grants PRPA increases to disabled members, retirees 60 and over and those who have received benefits for 8 years in the TRS and 5 years in the PERS.	Grants PRPA increases of 50% CPI to disabled members and retirees 60 and over.	Grants PRPA increases of 50% CPI to disabled members and retirees 60 and over.	-0.40%	-0.40%
Major medical insurance is provided free of charge to disabled members and retirees over the age of 65. Retirees under age 60 must pay the full cost of the insurance, while those between the ages of 60 and 65 must pay one-half the premium cost. Health coverage also includes dependents	Major medical insurance will be provided free of charge to disabled members and retirees at least age 65. Retirees under age 60 must pay the full cost of the insurance, while those between the ages of 60 and 65 must pay one-half the premium cost. Health coverage is for the retiree only. Dependent coverage is optional and may be purchased by the retiree at group costs	Major medical insurance will be provided free of charge to disabled members and retirees at least age 65. Retirees under age 60 must pay the full cost of the insurance, while those between the ages of 60 and 65 must pay one-half the premium cost. Health coverage is free for the retiree only. Dependent coverage is optional and may be purchased by the retiree by paying half of the group cost.	-2.20%	1.40%
PERS "all other" and elected officials formula is 2% for the first 10 years of service, 2.25% for the next 10 years, and 2.5% per year thereafter. PERS peace officer & fire fighter formula is 2% for the first 10 years and 2.5% thereafter.	The benefit formula for "all other" employees and peace officers will be 1.5% per year for the first 10 years of service, 1.75% per year for the next 10 years of service, and 2% per year for each year over 20 years	The benefit formula for "all other" employees will be 1.5% per year for the first 10 years of service, 1.75% per year for the next 10 years of service, and 2% per year for each year over 20 years. The benefit formula for peace officer/firefighters would remain at 2% for the first 10 years of service and 2.5% per year for each year of service exceeding 10 years.	-2.13%	-2.13%
PERS uses a Final Average Salary (FAS) of the three highest consecutive years.	PERS uses a FAS of the three highest consecutive years.	PERS would use a FAS of the five highest consecutive years of service.	-0.00%	-.42%
<i>Total Savings:</i>			-4.98%	-4.45%

FY Years	% of State	State	Projected
	EE's at	Salaries	Savings each YR
	Proposed	\$500,000,000.00	at 3.7%/YR
	Tier III	FY 96 w/1.4% inc. in FY 97 and 1.5% inc. there after	
FY 97	2%	\$507,000,000.00	\$375,180.00
FY 98	6.00%	\$514,500,000.00	\$1,142,190.00
Projections made beyond this point are solely based upon actuarial expectations and could vary significantly, both higher or lower because of future turnover, layoffs, Rips and budget cuts.			
FY 2001	25.00%	\$537,500,000.00	\$4,971,875.00
FY 2006	55.00%	\$577,812,500.00	\$11,758,484.38
FY 2011	70.00%	\$621,148,437.50	\$16,087,744.53
FY 2016	88.00%	\$667,734,570.31	\$21,741,437.61
FY 2021	100.00%	\$717,814,663.00	\$26,559,142.53

Impact of Geographic Differential Changes in Fairbanks

	dif. %	FY95 act.
Current Exec. Non-covered differential for Fbx (excluding AHFC)	14%	\$700.0
Current Court/Legislature differential in Fbx	14%	\$487.0
Current University differential in Fbx.	0%	\$0.0
Current Union differential for Fairbanks	4%	
General Government Unit		\$1,600.0
Labor, Trades & Crafts		\$1,100.0
Supervisors		\$400.0
Total differential paid in Fairbanks-FY95		\$4,287.0

Cost per percentage point

Union	\$	775.0
Non-covered	\$	50.0
Total	\$	825.0

Analysis of amounts paid in Fairbanks under differing scenarios compared to FY95:

Employee groups	current %	0%	2%	4%	5%
University (non-covered)	0%	\$ -	\$ -	\$ -	\$ -
Executive non-covered	14%	\$ (700.0)	\$ (600.0)	\$ (500.0)	\$ (450.0)
Unions	4%	\$ (3,100.0)	\$ (1,550.0)	\$ -	\$ 775.0
Courts/Legislature	14%	\$ (487.0)	\$ (417.0)	\$ (347.0)	\$ (312.0)
Totals		\$ (4,287.0)	\$ (2,567.0)	\$ (847.0)	\$ 13.1

Assume:

- 1 year grace period-no savings until FY98
- \$30,000 salary cap for differential application
- 2% differential in Fairbanks
- Application to the Court System
- Savings in FY98 to Fairbanks employee differential

\$ (2,567.0)

Executive Contracts/XE *

	<u>GF</u>	<u>Other</u>	<u>Total</u>	<u>%</u>
MMP		90.7	90.7	1.4 ¹
IBU		470.7	470.7	1.4 ¹
LTC	724.9	588.4	1313.3	1.4
GGU	3621.5	2717.7	6339.2	1.4
SU	702.8	503.6	1206.4	1.4/1.5
PSEA	497.8	127.0	624.8	1.5
EX.XE	764.2	661.2	1425.4	1.4
Univ. ACCFT	466.2	32.9	499.1	3.0
Univ. CEA	220.9	3.2	224.1	3.0
Univ. Non-Cov	1297.0		1297.0	1.4
<hr/>				
Subtotal	8,295.3	5,195.4	13,490.7	
Legislative	342.9		342.9	1.4
Court/Covered	592.1		592.1	5.2
Court/Noncovered	1202.3		1202.3	5.2
<hr/>				
Subtotal	2,137.3		2,137.3	
TOTAL	10,432.6	5,195.4	15,528.0	

Gov's contract
cost, GF, only
\$ 5,547,000

* Legislative Finance Division 3/6/96

¹ Non-GF/AMHS Fund/GF lump sum funded FY 96 supplemental

SB

1005

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: June 5, 1996

FURTHER REFERRALS:

Date of Committee Action: 6/6/96

The FINANCE Committee considered:

CSSB 1005(FIN) am

CS FOR SENATE BILL NO. 1005(FIN) am

APPROP: MISCELLANEOUS

"An Act making and amending appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; providing for an effective date for versions of HB 412 and SB 136 that were passed by the Nineteenth Alaska State Legislature; and providing for an effective date."

recommends it be replaced the same title
 with the following committee substitute _____ a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

 zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Richard Foster</i> Foster	X			
<i>Alan Mulder</i> Mulder	X			
<i>Ferry Martin</i> Martin			X	
<i>Sean Parnell</i> Parnell				
<i>Ben Grossendort</i> Grossendort	X			
<i>Mike Navarre</i> Navarre				X
<i>Tain Brown</i> Brown				X
<i>Hell Kelly</i> Kelly			X	
<i>Gary Thordiant</i> Thordiant	X			
<i>Mark Hawley</i> Hawley	X			

CO
 CHAIR'S SIGNATURE *Mark Hawley* *Richard Foster*
Hawley *Foster*

AMENDMENT

#3

BY FRANK

OFFERED IN THE SENATE
TO: CSSB 1005(FIN)

- 1 Page 3, line 9:
- 2 Delete "\$13,275,389"
- 3 Insert "\$14,005,389"

- 4 Page 3, line 17:
- 5 Delete "7,445,900"
- 6 Insert "6,275,900"

- 7 Page 5, following line 1:
- 8 Insert the following material to read:
- 9 "Group health and life benefits fund (AS 39.30.095) 1,900,000"

- 10 Page 5, line 25:
- 11 Delete "\$975,000"
- 12 Insert "\$245,000"

- 13 Page 5, line 26, before "public":
- 14 Delete "reduced"
- 15 Insert "the"

- 16 Page 5, lines 26 - 27:
- 17 Delete "reduced geographic differential,"

- 18 Page 5, line 31:
- 19 Delete "\$8,448,800"

Frank moved

adopted unanimous consent
 or Y ___ N ___
 () failed Y ___ N ___

CERTIFIED AMENDMENT

Nancy Quinto
Secretary of the Senate

1 Insert "\$7,278,800"

2 Page 6, lines 4 - 5:

3 Delete "establishes a reduced version of the public employees' retirement system for
4 new employees, reduces the geographic differential for certain state employees,"

5 Insert "makes a reduction for new employees under the public employees' retirement
6 system,"

7 Page 7, following line 20:

8 Insert new bill sections to read:

9 *** Sec. 13.** The unexpended and unobligated balance, not to exceed \$25,000, of the general
10 fund appropriation made by sec. 47, ch. 94, SLA 1995, page 22, line 10 (Medical assistance -
11 \$342,667,300) is reappropriated to the Department of Public Safety for payment as a grant
12 under AS 37.05.316 to Victims for Justice for personal services, office supplies, and
13 equipment.

14 *** Sec. 14.** The unexpended and unobligated balance, not to exceed \$200,000, of the general
15 fund appropriation made in sec. 47, ch. 94, SLA 1995, page 22, line 10 (Medical assistance -
16 \$342,667,300) is reappropriated to the Department of Health and Social Services for child care
17 benefits to eligible needy families, welfare, and Alaska work programs for the fiscal year
18 ending June 30, 1997.

19 *** Sec. 15.** The unexpended and unobligated balance, not to exceed \$200,000, of the general
20 fund appropriation made in sec. 47, ch. 94, SLA 1995, page 22, line 10 (Medical assistance -
21 \$342,667,300) is reappropriated to the Department of Fish and Game for fisheries management
22 activities for the fiscal year ending June 30, 1997.

23 *** Sec. 16.** The unexpended and unobligated balance, not to exceed \$140,000, of the general
24 fund appropriation made in sec. 47, ch. 94, SLA 1995, page 22, line 10 (Medical assistance -
25 \$342,667,300) is reappropriated to the Department of Health and Social Services to fund costs
26 of phasing out the Juneau public health laboratory for the fiscal year ending June 30, 1997.

27 *** Sec. 17.** The sum of \$1,615,000 is appropriated from corporate receipts of the Alaska
28 Housing Finance Corporation to the Department of Transportation and Public Facilities for
29 Bethel seawall construction.

30 *** Sec. 18.** The sum of \$250,000 is appropriated from corporate receipts of the Alaska

1 Housing Finance Corporation to the Department of Administration for payment as a grant
2 under AS 37.05.315 to the City of Valdez for reviewing and implementing a study of
3 alternative uses of the Harborview facility."

4 Renumber the following bill sections accordingly.

5 Page 8, line 7:

6 Delete "sec. 11"

7 Insert "secs. 11 and 17"

8 Page 8, line 10:

9 Delete "and 5 - 18"

10 Insert "5 - 16, and 19 - 24"

11 Page 8, line 12:

12 Delete "sec. 19"

13 Insert "sec. 25"

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES

P.O. BOX 110650
JUNEAU, ALASKA 99811-0650
PHONE: (907) 465-3082
FAX: (907) 465-2499

May 10, 1996

The Honorable Rick Halford
Co-Chair Senate Finance
Room 508 Capitol Bldg
Juneau, Alaska, 99801

Dear Senator Halford:

Attached, per the Senate Finance Committee request of May 9, 1996 is a funding chart for the Medicaid Sections found in SB 1005.

If you have any questions, please call me at 465-3082.

Sincerely,


Janet Clarke
Director

cc: Representative Mark Hanley
Representative Richard Foster
Annalee McConnell, OMB Director

SB 1005 - MEDICAID SECTIONS

BILL SECTION	DESCRIPTIONS	EXTENDED LAPSE DATES		NEW APPROPRIATIONS		
		GEN FUND	OTHER	GEN FUND	OTHER	FEDERAL
9 (a)	Extend RSA for Div of Senior Services through FY97 to improve home and community care for the elderly. This section was requested because it is not clear that all of the projects will be completed by 6/30/96. WORK IS CURRENTLY UNDERWAY.	1,500.0				
9 (b)	Extend the lapse date through FY97 for the Medicaid Non-Facility up to \$1.5 million to allow general funds to become available which could be used with 9 (c) to restore optional services (vision & dental) for most of FY97. NO SERVICES HAVE BEEN RESTORED IN FY96.	1,500.0				
3 (c)	Appropriation of Mental Health Trust Authority funds and federal funds, which when matched with 9 (b) will allow some of the optional services (vision & dental) to be restored in FY97.				1,000.0	2,500.0
21	Appropriation of unrestricted federal receipts recieved as reimbursement from the federal Medicaid program for administrative claims in public schools to the Children's Trust (AS 37.14.200).					2,500.0
23	Extend the lapse date of Medicaid Facility component for a maximum of \$250.0 to go to Harborview convection to a correctional facility.	250.0				
	TOTAL	3,250.0	0.0	0.0	1,000.0	5,000.0

FY96/97 ALL FUNDS FISCAL SUMMARY

(in millions of dollars)

	FY96 Authorized				FY97 Legislative Actions to date				Comparison, FY97 vs. FY96			
	GF/CBR	Federal	Other	Total	GF/CBR	Federal	Other	Total	GF/CBR	Federal	Other	Total
REVENUES												
Unrestricted General Fund	2,000.6			2,000.6	1,910.1			1,910.1	(90.5)			(90.5)
Revenue Adjustments	101.7			101.7	35.8			35.8	(65.9)			(65.9)
AHFC Transfer to General Fund	70.0			70.0	50.0			50.0	(20.0)			(20.0)
AIDEA Transfer to General Fund					16.7			16.7	16.7			16.7
From Constitutional Budget Reserve	316.6			316.6	402.7			402.7	86.1			86.1
Federal and Other Funds		1,085.1	3,716.0	4,801.1		1,090.8	2,134.0	3,224.9		5.8	(1,582.0)	(1,576.2)
TOTAL AVAILABLE	2,488.9	1,085.1	3,716.0	7,290.0	2,415.3	1,090.8	2,134.0	5,640.2	(73.6)	5.8	(1,582.0)	(1,649.8)
EXPENDITURES												
Operating												
Agency Operations (Non-Formula)	1,144.0	427.9	716.0	2,287.9	1,114.5	421.0	731.7	2,267.2	(29.5)	(6.9)	15.7	(20.8)
Formula Programs	1,074.1	301.6	155.3	1,531.0	1,064.5	307.5	147.5	1,519.5	(9.6)	5.9	(7.8)	(11.5)
New Legislation					6.9	2.0	2.5	11.4	6.9	2.0	2.5	11.4
Debt Service	109.4		36.8	146.2	94.7		31.9	126.7	(14.7)		(4.9)	(19.5)
Capital	116.0	343.4	121.2	580.6	100.1	353.0	187.6	640.7	(15.9)	9.6	66.4	60.1
Loans	1.5	7.6		9.1	1.5	7.3		8.8	(0.0)	(0.2)	0.0	(0.3)
Specials & Fund Transfers (3)	17.1		2,678.2	2,695.3	13.9		1,032.8	1,046.7	(3.2)		(1,645.4)	(1,648.6)
Supplementals	24.5	4.6	8.5	37.6	17.0			17.0	(7.5)	(4.6)	(8.5)	(20.6)
RPLs FY96 to date and FY97 estimate	2.3			2.3	2.3			2.3	0.0			0.0
TOTAL APPROPRIATIONS	2,488.9	1,085.1	3,716.0	7,290.0	2,415.3	1,090.8	2,134.0	5,640.2	(73.6)	5.7	(1,582.0)	(1,649.8)
Less Duplicated Expenditures			-506.5	-506.5			-484.3	-484.3	0.0	0.0	22.2	22.2
UNDUPLICATED EXPENDITURES	2,488.9	1,085.1	3,209.5	6,783.5	2,415.3	1,090.8	1,649.7	5,155.9	(73.6)	5.7	(1,559.8)	(1,627.6)

Notes: (1) The GF/CBR columns include both general funds and direct appropriations of Constitutional Budget Reserve funds.

(2) Shared tax and salmon enhancement tax programs are off-budget.

(3) See the Specials and Fund Transfers detail attached.

5/9/96
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F55

FY96/97 Special Appropriations and Fund Transfers
(in millions of dollars)

Special Appropriations/Fund Transfers	FY96 Authorized			FY97 Legislative Action to date			Comparison, FY97 vs. FY96		
	GF/CBR	Other	Total	GF/CBR	Other	Total	GF/CBR	Other	Total
Permanent Fund Dividends		536.2	536.2		606.7	606.7		70.6	70.6
Permanent Fund Inflation Proofing		347.6	347.6		406.0	406.0		58.4	58.4
Perm. Fund Earnings Reserve to Principal, Ch 103/95		500.0	500.0				(500.0)		(500.0)
Perm. Fund Earnings Reserve to Principal, HCS CSSB 84(FIN)		1,288.0	1,288.0				(1,288.0)		(1,288.0)
Four Dam Pool Transfer Fund		6.4	6.4		11.2	11.2		4.8	4.8
Surcharge Transfer to OHSR Prevention Account	9.9		9.9	13.6		13.6	3.7		3.7
Surcharge Transfer to OHSR Response Account	4.0		4.0			0.0			(4.0)
Storage Tank Assistance Fund Receipts	0.4		0.4	0.3		0.3	(0.1)		(0.1)
Storage Tank Assistance Fund Capitalization	2.8		2.8		2.9	2.9		2.9	0.1
Alaska Children's Trust Capitalization					6.0	6.0		6.0	6.0
TOTAL	17.1	2,678.2	2,695.3	13.9	1,032.8	1,046.7	(3.2)	(1,645.4)	(1,648.6)

3801 C Street, Suite 742

Frontier Building

Anchorage, AK 99503

Main: (907) 269-7960

FAX: (907) 269-7966

**Alaska Mental Health
Trust Authority**

Memo

To: Senator L. rue Pearce, President of the Senate
Representative Gail Phillips, Speaker of the House of Representatives
Senator Rick Halford
Representative Mark Hanley

From: Jeff Jessee, Executive Director

Date: May 10, 1996

Re: **One year restoration of Medicaid Options (SB/HB 1005 Section 9 (c))**

I am writing to explain the willingness of the Trustees to commit \$1,000,000 of Trust income toward restoring several Medicaid options for one year. These options include optometrist service and eyeglasses, care for hearing and language disorders, and dental services for adults.

The Trustees recognize that the rising cost of basic health care has made it difficult for the State to meet these important needs. The only thing certain about the future of health care delivery and financing is that major change is needed and inevitable. The Trustees have allocated these funds to help the State address beneficiary needs that fall through the cracks during this transition period. However, federal changes have been slower than expected and the State continues to struggle with long term strategies to meet these needs.

In the meantime, the beneficiaries suffer from the lack of these basic services. Beneficiaries who can't see, can't hear, can't be understood, can't use what abilities they do have and who can't even get dental attention until they have to go to the emergency room can only become more dependent on the system. This is not only bad for the beneficiaries but bad for the State and the Trust as well as we attempt to stretch limited dollars as far as possible.

The Trustees believe that this one year stop gap measure would be a good investment of both Trust income and reappropriated general fund dollars. It would assist the State by minimizing the commitment of general fund dollars while providing critically needed services to beneficiaries. The Trustees and beneficiaries look forward to working with the State in its health care reform efforts to develop a system that will meet the ongoing need for these basic services.

Finally, the Trustees understand that a special session is a difficult time and offer any assistance to the legislature you may require. On behalf of the beneficiaries, thank you for your consideration of this proposal.

JFC-96
F35

SENATE FINANCE COMMITTEE
FISCAL SUMMARY OF GOVERNOR'S FIRST SPECIAL SESSION BUDGET BILL
As of May 8, 1996

BIM Section	New Appropriation Amounts by Funding Source				Reapprop Amounts
	Total	GE	Fed	Other	
1	0.0				
2	0.0				
3	739.5	739.5			
4	80.8	80.8			
5	864.7	852.1	4.8	7.8	
6	499.1	466.2	2.1	30.8	
7	720.0	720.0			
8	250.0	250.0			
9 (a)	0.0				1,500.0
9 (b)	0.0				1,500.0
9 (c)	3,500.0		2,500.0	1,000.0	
10 (a)	11,008.9	6,252.3	1,310.2	3,446.4	
11	592.0	592.0			
12	1,202.6	1,202.6			
13	320.0	320.0			
14	224.1	220.9	1.2	2.0	
15	1,013.2	946.4	4.3	62.5	
16	1,389.6	1,389.6			
17	0.0				
18	0.0				650.0
19	0.0				
20	0.0				1,000.0
21	2,500.0		2,500.0		
22	0.0				300.0
23	0.0				250.0
24 (a)	0.0				
24 (b)	750.0			750.0	
25	0.0				100.0
26	0.0				400.0
27	0.0				
28	0.0				
29	0.0				1,232.4
30	0.0				
31	0.0				
32	0.0				
33	0.0				
34	0.0				
35	13,302.0	11,802.0		1,500.0	
36	2,081.6	1,270.3		811.3	
37	11,094.0	2,994.0	700.0	7,400.0	
38	0.0				
Total Governor's Request	52,132.1	30,098.7	7,022.6	15,010.8	6,932.4
FY 96 Supplementals					
Operating	2,184.1	2,138.6	6.9	38.6	
Capital	720.0	720.0	0.0	0.0	
Total FY 96 Supplementals	2,904.1	2,858.6	6.9	38.6	
FY 97 Operating					
Labor Contracts	15,750.4	10,923.8	1,315.7	3,510.9	
Programs	17,052.0	12,052.0	2,500.0	2,500.0	
New Legislation	2,081.6	1,270.3	0.0	811.3	
Total FY 97 Operating	34,884.0	24,246.1	3,815.7	6,822.2	
FY 97 Capital & Grants	11,844.0	2,994.0	700.0	8,150.0	
Capitalize Children's Fund	2,500.0	0.0	2,500.0	0.0	
Total Governor's Request	52,132.1	30,098.7	7,022.6	15,010.8	

SENATE BILL 1005
SALARY RELATED SECTIONS

		General fund	Other Funds	Total Funds	
SUPPLEMENTAL OPERATING APPROPRIATIONS					
SEC 3	Inland Boatmen's Union	739,511	0	739,511	\$950 Lump Sum portion of agreement
SEC 4	Master's, Mates and Pilots	80,847	0	80,847	\$950 Lump Sum portion of agreement
SEC 5	U of A, AK Classified Employees Assn	852,095	12,562	864,657	FY 95 and FY96
SEC 6	U of A, AK Community College Federation of Teachers	466,207	32,901	499,108	FY96
	SUBTOTAL	2,138,660	45,463	2,184,123	
FY97 OPERATING APPROPRIATIONS					
SEC 10 (a)	Monetary Terms of Collective Agreements in (b)	6,252,300	4,756,600	11,008,900	FY97 Costs
	(b)				
	1 ASEA for General Government Unit				
	2 APEA for Supervisory Unit				
	3 Local 71 for Labor Trades and Crafts				
	4 Inland Boatmen's Union for Unlicensed marine unit				
	5 Int'l Org of Masters, Mates and Pilots				
	6 PSEA for Troopers and other Commissioned Law Personnel				No FY97 Funding Requested
	7 Alyeska Correspondence School				No FY97 Funding Requested
	8 Alaska Vocational Technical Center Teacher's Assn				
SEC 11	Alaska Court System, Intl Brotherhood of Electrical Workers Nonjudicial, nonsupervisory, Classified employees	592,000	0	592,000	
SEC 12	Alaska Court System, Employees not members of Collective Bargaining Unit	1,202,600	0	1,202,600	
SEC 13	Alaska State Legislature, Employees not members of Collective Bargaining Unit	320,000	0	320,000	
SEC 14	U of A, AK Classified Employees Assn	220,900	3,200	224,100	FY97 Costs
SEC 15	U of A, AK Community College Federation of Teachers	946,400	66,789	1,013,189	FY97 Costs
SEC 16	U of A, Employees not members of Collective Bargaining Unit	1,389,600	0	1,389,600	
	SUBTOTAL	10,923,800	4,826,589	15,750,389	
	TOTAL	13,062,460	4,872,052	17,934,512	

5/9/96
JKL-96
FSS
Contact
IAMS



CITY OF BETHEL

P.O. Box 200 • Bethel, Alaska 99503

643-2287 — Area Code 907

MEMORANDUM

DATE: November 9, 1995
 TO: Kenneth L. Weaver, City Manager
 FROM: Bonnie Duke, Finance Director *Bonnie Duke*
 RE: Match-Bethel Bank Stabilization

As we discussed yesterday, following is a brief summary of the funding for the Bethel Bank Stabilization project.

Estimated Total Project Costs \$21,600,000

25% Local Match-City of Bethel		\$5,400,000
FY95 Contribution from DOT (credit for City's match)	\$1,296,000	
FY95 Cash Contribution-City of Bethel (from Designated Retained Earnings of Port Fund)	204,000	
Total FY95 Credit		1,500,000
REMAINING REQUIRED MATCH		3,900,000
Land Acquisition and Administrative Costs for non-City-Owned Real Estate (from Designated Retained Earnings of Port Fund and General Fund Contribution for Administrative Costs)		781,000
REMAINING REQUIRED MATCH		3,119,000
Estimated Credit for City-Owned Real Estate dedicated to the project (Non-cash credit from General Fund Food Assets Account Group)		400,000
REMAINING REQUIRED MATCH		2,719,000
Estimated Cash Contribution from Designated Retained Earnings in Port Fund (Note: All liquid assets of the Port Fund have been designated for the Bethel Bank Stabilization project. Therefore, the Port Fund is "broke" and will need to begin to accumulate future earnings to become "sanguine")		1,000,000
REMAINING REQUIRED MATCH		1,719,000

The City will require at least \$1,710,000 in additional funding in order to complete the project. Additional funding in excess of \$1,719,000 is desirable since the designation in the Port Fund has impaired the liquidity of the Port fund, which may hamper the City's ability to properly fund future maintenance of the project.

"Deep Sea Port and Transportation Center of the Kuskokwim"

SB

1005

SFIN

FILE

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES

P.O. BOX 110650
JUNEAU, ALASKA 99811-0650
PHONE: (907) 465-3082
FAX: (907) 465-2499

May 10, 1996

The Honorable Rick Halford
Co-Chair Senate Finance
Room 508 Capitol Bldg
Juneau, Alaska, 99801

Dear Senator Halford:

Attached, per the Senate Finance Committee request of May 9, 1996 is a funding chart for the Medicaid Sections found in SB 1005.

If you have any questions, please call me at 465-3082.

Sincerely,



Janet Clarke
Director

cc: Representative Mark Hanley
Representative Richard Foster
Annalee McConnell, OMB Director

SB 1005 - MEDICAID SECTIONS

BILL SECTION	DESCRIPTIONS	EXTENDED LAPSE DATES		NEW APPROPRIATIONS		
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9 (a)	Extend RSA for Div of Senior Services through FY97 to improve home and community care for the elderly. This section was requested because it is not clear that all of the projects will be completed by 6/30/96. WORK IS CURRENTLY UNDERWAY.	1,500.0				
9 (b)	Extend the lapse date through FY97 for the Medicaid Non-Facility up to \$1.5 million to allow general funds to become available which could be used with 9 (c) to restore optional services (vision & dental) for most of FY97. NO SERVICES HAVE BEEN RESTORED IN FY96.	1,500.0				
9 (c)	Appropriation of Mental Health Trust Authority funds and federal funds, which when matched with 9 (b) will allow some of the optional services (vision & dental) to be restored in FY97.				1,000.0	2,500.0
21	Appropriation of unrestricted federal receipts recieved as reimbursement from the federal Medicaid program for administrative claims in public schools to the Children's Trust (AS 37.14.200).					2,500.0
23	Extend the lapse date of Medicaid Facility component for a maximum of \$250.0 to go to Harborview conversion to a correctional facility.	250.0				
	TOTAL	3,250.0	0.0	0.0	1,000.0	5,000.0

FY96/97 ALL FUNDS FISCAL SUMMARY
(in millions of dollars)

	FY96 Authorized				FY97 Legislative Actions to date				Comparison, FY97 vs. FY96			
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REVENUES												
Unrestricted General Fund	2,000.6			2,000.6	1,910.1			1,910.1	(90.5)			(90.5)
Revenue Adjustments	101.7			101.7	35.8			35.8	(65.9)			(65.9)
AHFC Transfer to General Fund	70.0			70.0	50.0			50.0	(20.0)			(20.0)
AIDEA Transfer to General Fund					16.7			16.7	16.7			16.7
From Constitutional Budget Reserve	316.6			316.6	402.7			402.7	86.1			86.1
Federal and Other Funds		1,085.1	3,716.0	4,801.1		1,090.8	2,134.0	3,224.9		5.8	(1,582.0)	(1,576.2)
TOTAL AVAILABLE	2,488.9	1,085.1	3,716.0	7,290.0	2,415.3	1,090.8	2,134.0	5,640.2	(73.6)	5.8	(1,582.0)	(1,649.8)
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Loans	1.5	7.6		9.1	1.5	7.3		8.8	(0.0)	(0.2)	0.0	(0.3)
Specials & Fund Transfers (3)	17.1		2,678.2	2,695.3	13.9		1,032.8	1,046.7	(3.2)		(1,645.4)	(1,648.6)
Supplementals	24.5	4.6	8.5	37.6	17.0			17.0	(7.5)	(4.6)	(8.5)	(20.6)
RPLs FY96 to date and FY97 estimate	2.3			2.3	2.3			2.3	0.0			0.0
TOTAL APPROPRIATIONS	2,488.9	1,085.1	3,716.0	7,290.0	2,415.3	1,090.8	2,134.0	5,640.2	(73.6)	5.7	(1,582.0)	(1,649.8)
Less Duplicated Expenditures			-506.5	-506.5			-484.3	-484.3	0.0	0.0	22.2	22.2
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- Notes: (1) The GF/CBR columns include both general funds and direct appropriations of Constitutional Budget Reserve funds.
(2) Shared tax and salmon enhancement tax programs are off-budget.
(3) See the Specials and Fund Transfers detail attached.

FY96/97 Special Appropriations and Fund Transfers
(in millions of dollars)

Special Appropriations/Fund Transfers	FY96 Authorized			FY97 Legislative Action to date			Comparison, FY97 vs. FY96		
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Perm. Fund Earnings Reserve to Principal, Ch 103/95		500.0	500.0					(500.0)	(500.0)
Perm. Fund Earnings Reserve to Principal, HCS CSSB 84(FIN)		1,288.0	1,288.0					(1,288.0)	(1,288.0)
Four Dam Pool Transfer Fund		6.4	6.4		11.2	11.2		4.8	4.8
Surcharge Transfer to OHSR Prevention Account	9.9		9.9	13.6		13.6	3.7		3.7
Surcharge Transfer to OHSR Response Account	4.0		4.0			0.0			(4.0)
Storage Tank Assistance Fund Receipts	0.4		0.4	0.3		0.3	(0.1)		(0.1)
Storage Tank Assistance Fund Capitalization	2.8		2.8		2.9	2.9		2.9	0.1
Alaska Children's Trust Capitalization					6.0	6.0		6.0	6.0
TOTAL	17.1	2,678.2	2,695.3	13.9	1,032.8	1,046.7	(3.2)	(1,645.4)	(1,648.6)

3601 C Street, Suite 742

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Anchorage, AK 99503

Main: (907) 269-7960

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**Alaska Mental Health
Trust Authority**

Memo

To: Senator Drue Pearce, President of the Senate
Representative Gail Phillips, Speaker of the House of Representatives
Senator Rick Halford
Representative Mark Hanley

From: Jeff Jessee, Executive Director

Date: May 10, 1996

Re: **One year restoration of Medicaid Options (SB/HB 1005 Section 9 (c))**

I am writing to explain the willingness of the Trustees to commit \$1,000,000 of Trust income toward restoring several Medicaid options for one year. These options include optometrist service and eyeglasses, care for hearing and language disorders, and dental services for adults.

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Finally, the Trustees understand that a special session is a difficult time and offer any assistance to the legislature you may require. On behalf of the beneficiaries, thank you for your consideration of this proposal.

JFC-96
F35

SENATE FINANCE COMMITTEE
FISCAL SUMMARY OF GOVERNOR'S FIRST SPECIAL SESSION BUDGET BILL
As of May 8, 1996

BIN Sector:	New Appropriation Amounts by Funding Source				Reapprop Amounts
	Total	GE	Fed	Other	
1	0.0				
2	0.0				
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5	864.7	852.1	4.8	7.8	
6	499.1	466.2	2.1	30.8	
7	720.0	720.0			
8	250.0	250.0			
9 (a)	0.0				1,500.0
9 (b)	0.0				1,500.0
9 (c)	3,500.0		2,500.0	1,000.0	
10 (a)	11,008.9	6,252.3	1,310.2	3,446.4	
11	592.0	592.0			
12	1,202.6	1,202.6			
13	320.0	320.0			
14	224.1	220.9	1.2	2.0	
15	1,013.2	946.4	4.3	62.5	
16	1,389.6	1,389.6			
17	0.0				
18	0.0				950.0
19	0.0				
20	0.0				1,000.0
21	2,500.0		2,500.0		
22	0.0				300.0
23	0.0				250.0
24 (a)	0.0				
24 (b)	750.0			750.0	
25	0.0				100.0
26	0.0				400.0
27	0.0				
28	0.0				
29	0.0				1,232.4
30	0.0				
31	0.0				
32	0.0				
33	0.0				
34	0.0				
35	13,302.0	11,802.0		1,500.0	
36	2,081.6	1,270.3		811.3	
37	11,094.0	2,994.0	700.0	7,400.0	
38	0.0				
Total Governor's Request	52,132.1	30,098.7	7,022.6	15,010.8	6,932.4
FY 96 Supplementals					
Operating	2,184.1	2,138.6	6.9	38.6	
Capital	720.0	720.0	0.0	0.0	
Total FY 96 Supplementals	2,904.1	2,858.6	6.9	38.6	
FY 97 Operating					
Labor Contracts	15,750.4	10,923.8	1,315.7	3,510.9	
Programs	17,052.0	12,052.0	2,500.0	2,500.0	
New Legislation	2,081.6	1,270.3	0.0	811.3	
Total FY 97 Operating	34,884.0	24,246.1	3,815.7	6,822.2	
FY 97 Capital & Grants					
	11,844.0	2,994.0	700.0	8,150.0	
Capitalize Children's Fund					
	2,500.0	0.0	2,500.0	0.0	
Total Governor's Request	52,132.1	30,098.7	7,022.6	15,010.8	

F. U.

FINA DIV. 00.4030000

LEG. F. DIVISION

5.4.

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SENATE BILL 1005
SALARY RELATED SECTIONS

		General Fund	Other Funds	Total Funds	
SUPPLEMENTAL OPERATING APPROPRIATIONS					
SEC 3	Inland Boatmen's Union	739,511	0	739,511	\$950 Lump Sum portion of agreement
SEC 4	Master's, Mates and Pilots	80,847	0	80,847	\$950 Lump Sum portion of agreement
SEC 5	U of A, AK Classified Employees Assn	852,095	12,562	864,657	FY 95 and FY96
SEC 6	U of A, AK Community College Federation of Teachers	466,207	32,901	499,108	FY96
	SUBTOTAL	2,138,660	45,463	2,184,123	
FY97 OPERATING APPROPRIATIONS					
SEC 10 (a)	Monetary Terms of Collective Agreements in (b)	6,252,300	4,756,600	11,008,900	FY97 Costs
	(b) 1 ASEA for General Government Unit				
	2 APEA for Supervisory Unit				
	3 Local 71 for Labor Trades and Crafts				
	4 Inland Boatmen's Union for Unions and marine unit				
	5 Intl Org of Masters, Mates and Pilots				
	6 PSEA for Troopers and other Commissioned Law Personnel				
	7 Alyeska Correspondence School				No FY97 Funding Requested
	8 Alaska Vocational Technical Center Teacher's Assn				No FY97 Funding Requested
SEC 11	Alaska Court System, Intl Brotherhood of Electrical Workers Nonjudicial, nonsupervisory, Classified employees	592,000	0	592,000	
SEC 12	Alaska Court System, Employees not members of Collective Bargaining Unit	1,202,600	0	1,202,600	
SEC 13	Alaska State Legislature, Employees not members of Collective Bargaining Unit	320,000	0	320,000	
SEC 14	U of A, AK Classified Employees Assn	220,900	3,200	224,100	FY97 Costs
SEC 15	U of A, AK Community College Federation of Teachers	946,400	66,789	1,013,189	FY97 Costs
SEC 16	U of A, Employees not members of Collective Bargaining Unit	1,389,600	0	1,389,600	
	SUBTOTAL	10,923,800	4,826,589	15,750,389	
	TOTAL	13,062,460	4,872,052	17,934,512	

5/9/96
SKL-96
FSS
Contact
I Hms



CITY OF BETHEL

P.O. Box 308 • Bethel, Alaska 99559

543-2287 — Area Code 587

MEMORANDUM

DATE: November 9, 1995
 TO: Kenneth L. Weaver, City Manager
 FROM: Bonnie Duke, Finance Director *Bonnie Duke*
 RE: Match-Bethel Bank Stabilization

As we discussed yesterday, following is a brief summary of the funding for the Bethel Bank Stabilization project:

Estimated Total Project Costs \$21,600,000

25% Local Match—City of Bethel		\$5,400,000
FY95 Contribution from DOT (credit for City's match)	\$1,296,000	
FY95 Cash Contribution—City of Bethel (from Designated Retained Earnings of Port Fund)	204,000	
Total FY95 Credit		1,500,000
REMAINING REQUIRED MATCH		3,900,000
Land Acquisition and Administrative Costs for non-City-Owned Real Estate (from Designated Retained Earnings of Port Fund and General Fund Contribution for Administrative Costs)		781,000
REMAINING REQUIRED MATCH		3,119,000
Estimated Credit for City-Owned Real Estate dedicated to the project (Non-cash credit from General Fund Fixed Assets Account Group)		400,000
REMAINING REQUIRED MATCH		2,719,000
Estimated Cash Contribution from Designated Retained Earnings in Port Fund (Note: All liquid assets of the Port Fund have been designated for the Bethel Bank Stabilization project. Therefore, the Port Fund is "broke" and will need to begin to accumulate future earnings to become "margin")		1,000,000
REMAINING REQUIRED MATCH		1,719,000

The City will require at least \$1,710,000 in additional funding in order to complete the project. Additional funding in excess of \$1,719,000 is desirable since the designation in the Port Fund has impaired the liquidity of the Port fund, which may hamper the City's ability to properly fund future maintenance of the project.

"Deep Sea Port and Transportation Center of the Kuskokwim"

SENATE FINANCE COMMITTEE REPORT

DATE: 5/9/96

DATE TURNED INTO OFFICE: 6-4-96

The Finance Committee considered SENATE BILL NO. 1005

Making, amending, and repealing appropriations; efd.

and recommends:

- be replaced with _____ CS SB 1005 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

6/4/96 R. H. [unclear] [unclear]

SENATE FINANCE COMMITTEE / as amended

Amendment Number: _____
Bill Number: CSSB 1005 (FIN)
Sponsor: _____ Date: 6/4/96
Logged In By: _____

AMENDMENT TO CSSB 1005 (FIN)

- 1. Amend Sec. 9:

The sum of \$10,000,000 is appropriated to the Dept. of Natural Resources for fire suppression activities for the fiscal year ending June 30, 1996⁹⁷ from the following fund sources:

Federal Receipts	\$5,000,000
General Fund	\$5,000,000

- 2. Add a new section:

The sum of \$200,000 is appropriated from the general fund for payment as a grant to the Matanuska-Susitna Borough for fire response/clean-up costs for fires during 1996.

6-4-96

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: CS5B1005(Fin)
Sponsor: _____ Date: 6/4/96
Logged in By: _____

A M E N D M E N T

Sec. . The balance on June 30, 1996, of the Alaska Public Utilities Commission designated program receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1996 is appropriated to the Alaska Public Utilities Commission to meet its duties under the Federal Telecommunications Act of 1996 (P.L. 104-104) and shall be assessed against the telephone utilities in FY 1997. It is the intent of the Legislature that ~~in~~ addressing the issue of what constitutes "universal service" under the Act, the Alaska Public Utilities Commission should define "universal service" so that Alaskans will have the same access to the benefits of modern telecommunications services as the residents of the lower 48 states and that the APUC should carefully review ^{any} steps taken by the Federal Communications Commission to implement the 1996 Federal Telecommunications Act prior to taking any significant action which would affect the current telecommunications marketplace in Alaska.

RH
moved
SR
Obj.
Adopted - 1st deletion
RH
Adopted - 2nd deletion
to
Adopted
addition delete
Adopted
amend
to amend
SF further
deletion
RH moved
2nd
deletion
Adopted
SR insert
"any"
Adopted

Amend # 2
Adopted
as amended
3 times

SENATE FINANCE COMMITTEE

Page 2 6/4/96

Amendment Number: 6 BS
Bill Number: CSSB 1005 mnd
Sponsor: _____ Date: 6/4/96
Logged In By: _____

AMENDMENT

OFFERED IN THE SENATE

BY: Sharp 6-1
Alyson

TO: CSB 1005

After Section 9 Page 9;
Add New Section

~~Section 18, page 9, lines 15-18 is amended to read:~~

(9) ~~Sec. 18~~ The sum of \$650,000 is reappropriated from the Power Project Fund otherwise subject to lapse into the general fund as of June 30 and August 10, 1994, in accordance with the former AS 44.83.170(g), to the Department of Community & Regional Affairs, Division of Energy for hydroelectric projects and regional intertie projects [~~DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES FOR BETHEL SEAWALL CONSTRUCTION~~].

~~Section 19, Page 9, lines 19-22, is amended to read:~~

(9) ~~Sec. 19~~ The fund balance in the Rural Electrification Revolving Loan Fund on June 30, 1996, otherwise subject to lapse into the general fund (AS 42.45.020(g)), is appropriated to the Department of Community & Regional Affairs, Division of Energy for hydroelectric projects and regional intertie projects [~~DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES FOR BETHEL SEAWALL CONSTRUCTION~~].

And Remember accordingly

6-4-96
#7
Adopted

Sec. _____. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS.
The sum of \$4,000,000 is appropriated from the general fund to the disaster relief fund (AS 26.23.300) for costs associated with declared disasters. [This is for the capitalization of a fund and does not lapse.]

SENATE FINANCE
COMMITTEE
Amendment Number: 8
Bill Number: _____
Sponsor: _____ Date: _____
Logged In By: _____

6/4/96
9-LS9000B.1
Utermohle
5/10/96

2
mud
Adopted

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR ZHAROFF

TO:

1 * Sec. . The appropriation made in the version of SB 136 that is passed by the
2 Nineteenth Alaska State Legislature and enacted into law that corresponds to the
3 appropriation made by sec. 80, HCS 2d CSSB 136(FIN), page 70, lines 36 - 37, is amended
4 to read:

	APPROPRIATION	OTHER
	ITEMS	FUNDS
5		
6		
7 Point Baker <u>Community Facilities and</u>	25,000	25,000
8 <u>Equipment</u> [WATER SYSTEM		
9 PHASE IV] (ED 5)		

9-GS2073VO
Utermohle
6/4/96

6/4/96
RH
moved
w/o
Sec. 1
Adopted
w/o
Sec. 1

CS FOR SENATE BILL NO. 1005(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making and amending appropriations; making appropriations under art.
2 IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget
3 reserve fund; providing for an effective date for versions of HB 412 and
4 SB 136 that were passed by the Nineteenth Alaska State Legislature; and
5 providing for an effective date."

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

7 * **Section 1. LEGISLATIVE FINDINGS AND INTENT FOR LONG RANGE**
8 **FINANCIAL PLAN.** (a) The legislature finds that

9 (1) the members of the Long Range Financial Planning Commission who were
10 jointly appointed by the governor and the legislature, conducted hearings across the state,
11 raising the awareness of and educating Alaskans about the fiscal gap;

12 (2) the state has spent more than it has collected in annually recurring revenues
13 during six of the past nine fiscal years;

cut