

ALASKA LEGISLATIVE COMMITTEE

1414

SHESS

RETIREMENT PACKAGE

1414

also receive some credit with the municipality although they do not work for the State. He cites bill in House State Affairs Committee which would do this is still in House.

0360 John Logan in Anchorage states that participation agreement of Municipality with State may be amended and service may be credited subject to approval by Administration.

Sitka

0400 Louis McCarey, Acting Superintendent for Sitka School District.
SB 143 - Classified employees under P.E.R.S. - supports
CSHB 121 - Individual bills seem to be included in larger bill.
Wants comments on that.

Sen. Stimson - Main difference is with Judicial employees.

Wrangell

0477 Janice Ende, Wrangell Teachers' Association
SB 400 - Supports if amended to give Teacher's Retirement Board regulatory powers.

Juneau

0503 Robert J. Dupere, North Slope Borough and representing self
1959 - Joint legislative retirement hearings yielded suggestion that the state fully fund a uniform retirement program including all political subdivisions.
There resulted instead a state personnel retirement system, with addition in 1965 of first political subdivision Juneau.
No transferability among municipalities.
State should fully fund comprehensive, uniform system similar to a form of revenue sharing.
Municipal functions performed by Federal Gov't should receive credit.
Should be uniformity between municipalities and ASHA should get retirement credits.
Comprehensive retirement system should be developed rather than bills calling for piece-meal changes.
Many rural residents working for State were considered temporary employees year after year and thus received no credit. This should be covered.

SB 262 - Retirement for National Guard.

HB 388 - Represents Military Department. Mr. Dupere supports balanced bill of HB 388 & SB 262 plus adjustment to reflect passage of SB 54.

HB 388 - extends benefits to worthy people in recognition of

National Guard time. Sec.28 refers to Ebon Hobson who contributed to Alaska National Guard and his widow receives no benefits. This should be rectified.

Tape 1
Side 2
0012

Demar C. Long, representing himself on the reasons National Guardsmen should be treated fairly.

HB 388

SB 262 - Guardsmen participate in state active duty. E.G. 1964 earthquake, 1967 flood in Fairbanks, etc. Guardsmen lose their lives more often than firefighters and peace officers combined. A great number of people who participate for 20 to 30 years don't qualify for retirement. Would like to see longevity bonus or something similar in Guards plan.

0060

Sen. Colletta - Believes extraordinary compensation for guard call duty is covered in SB 54.

Robert Dupere in Barrow says, "Yes, can be called from SB 262."

Kotzebue

Dennis Johnson - Started teaching here in Alaska in 1971. Requests B.I.A. teaching in Alaska receive retirement credit.

SB 191 - I.R.S. used to credit this service then limited it to 5 years. This bill eliminates double-dipping, and affects few people.

0106

Sen. Stimson - Could this enable a B.I.A. teacher to bring in more than 10 years of service?

Dennis Johnson - A 10 year top would be adequate.

0122

Sen. Colletta - At the time we worked on the legislation, B.I.A. transfer to state was under consideration. I think consideration was given to these people.

0177

Break - 2:10pm

Sen. Colletta - Re-opens meeting at 2:25

Anchorage

0218

Cherie Shelley - A.P.E.A.

SB 568 - Credit for AVFW and American Legion, concerned about that opening up P.E.R.S. to taxation. Cites A.G.'s opinion on APEA staff seeking P.E.R.S. coverage.

SB 143 - Retirement service credit non-negotiable,

if it is done it should.

SB 195 - Supports

SB 196 - Supports

SB 197 - A.P.E.A. has not had a problem with regulations, notes Dept. of Admin's objection.

HB 121 - Greatest concern for it's passage.

0263 Frank Lee - Representing Sen. Bradley, says, "It only affects 4 people."

Cherie Shelley - Still, according to A.G.'s opinion, 1 exception taints the system and would make it liable to taxation.

Juneau

0294 Cliff Berg, Legislative Chair, Alaska Retired Teachers' Assoc.
HB 121 - Supports the bill and P.R.P.A. section. He has the support of the A.P.E.A., N.E.A., Dept. of Admin and the Retired Teachers.

Retired teachers' pensions are fixed at the rate from 15 years age and hopes that the bill will pass next session.

0315 Kodiak

Martin Eaton, Employee, Ak Dept. of Fish & Game in Kodiak since 1965.

SB 143 - Favors adding sick leave to retirement.

SB 356 - Supports, can buy back temporary time at rate in effect at time of service.

HB 121 - Seems to exclude F&G employees covered under the peace officer provision. Page 28, sec.27, lines 14,15. Status - House Rules Committee.

SB 557 - Agreed with Sen. Fischer's answer to Mr. Lechner.

0389 Martin Eaton, is concerned that ADF&G will not be qualified under peace officer's retirement plan. Suggests that the language not be deleted.

Anchorage

0414 Cherie Shelley, A.P.E.A., answering questions for the Comm.

HB 121 - Removes new employees from 20 year system.

Problem with F&G was that people continually promoted in 6 out of 20 year retirement system which had different disability coverage from 30 year system. Now death and disability provisions are the same.

Martin Eaton - Field biologists face greater hazards, problems in separating ADF&G employees.

Kodiak

- 0490 Tad L. Tuck, representing self.
SB 394 - Recommends service credit not be granted to those who used it to avoid military service

Fairbanks

- 0508 Jane Windsor, Representing the Joint Legislative Committee of Retired Teachers'
SB 360 - What is the rationale behind investing in Housing bonds?
- 0528 Sen. Stimson - Thought it would be an appealing way to assist economy. As far as he knows no one is pursuing it.

Anchorage

- 0566 Bob Cooksey, President, N.E.A. Alaska. Supports P.R.P.A. bill
SB 195 - Supports and suggests that it be 1 year rather than 2 year limitation on investigating errors.
SB 197 - Supports it, however if HB 121 is enacted this is not needed.
SB 361 - Unfunded benefit liability. Program should be fully funded but should not precede P.R.P.A. being in place first.
SB 557 - Some sections covered in HB 121. Sec. 4 is appropriate. Sec.5 needs to receive further work. Disability and termination provisions, Administration should make determinations prior to termination. Person could get caught without job or retirement benefits.

- 0698 Sen. Colletta, Can't you get a determination prior to termination?

- Tape 2
Side 1
0010 Bob Cooksey, No!
Sec.7 of SB 557, good clarification of medical benefits.
Sec.8, okay
Sec.9, okay
Sec.10, okay

Nancy Groszek, Question to Bob Cooksey regarding retroactive date in SB 361.

- 0036 John Logan - To make it retroactive to statehood would mean that the Dept. would have to repay payments received years ago.

Fairbanks

- 0048 Lois Meyer, Question for Sen. Stimson. Regulation about sick

- leave and leave of absence and loss thereof in case of leave of absence in excess of 1 year.
- SB 394 - Credit for working with 2 year terms in Peace Corps should not affect credit for sick leave.

Barrow

- 0090 Bob Dupere - Addresses question of AHFC bonds for investment purposes, they are AA credit bonds. He supports this kind of investment, in response to Terry's dismissal of that type of investment.
- 0142 Sen. Stimson - Already a maximum investment in housing by retirement funds. There is a desire for a balanced portfolio.

Bob Dupere - You could give guideline/percentage limit.

Anchorage

- 0156 Frank Ray, Personnel Director, Alaska Court System, suggests sweeping change in Chapter 35, title 39.
- SB 557 - Needs to be written in light of Title 18, Chpt.20 which prevents discrimination on basis of sex, marital status and parenthood. Single retired persons cannot name beneficiary yet pay into system at the same rate as married employees. Single person cannot have beneficiary receive joint survivor benefits. These restrictions are based on the assumption that only spouses and children can have a dependent economic relationship. Retirement statutes are illegal! Div. of Retirement procedures based on outdated male/female mortality tables.
- 0234 SB 557 - Why is it necessary to create a separate fund?
SB 143 - Credit for unused sick leave. Problem is that all state employees would not benefit, AS 39.23.10, personal bank includes sick leave. 2/3rd: permanent state employees covered. This bill should not be passed out unless it is rewritten to include all state employees.
- SB 402 - Proposes to eliminate 5 years of employment before buying back 5 years military time. Those Vets who have already bought back their time and it will cost them more than a new employee. Under existing law Vets have bought back their time already, I support retention of 5 year employment period.
- 0297 SB 394 - Should not be passed. Why should this apply only to teachers? It's discriminatory. Supports member of P.E.R.S. board being retired.
- 0337 Merritt Olson, Chair, Teacher's Retirement Board He has previously testified at meetings in Juneau. Applauds Senate in passing SCSHF 121 with

- P.R.P.A.. The main squeeze of retirement bills. Includes T.R.S. Board being granted regulatory powers, the Board supports this concept also.
- 0386 SB 360 - Supports but wants to wait until HB 121 is in place. A.H.F.C. investment is palatable, although earmarking funds does raise some questions.
- SB 361 - Supports but does not want this to interfere with HB 121.
- SB 195 - A good bill, two years are adequate to correct errors in retirement credits. T.R.S. Board acts as hearing agent.

Sen. Colletta, A.H.F.C. provision - I don't construe it as earmarking, merely designation of an additional one.

- 0475 James Evans, President, Alaska Fire Chiefs Association.
SB 121 - Fire service personnel surely were left out as as an oversight. Thinks they are entitled to benefits.

0514 Frank Lee for Sen. Bradley, How do you verify which firefighters were volunteers prior to statehood.

James Evans - Will only cover those who were on the payroll. The burden of proof is on the recipient.

- 0580 Robert Crouse, Served on Fire Department prior to statehood
SB 121 - and would like to see it increase pension benefits with a rewording to "shall" from "may" and roll it back so one can take advantage of that on a paid fire department, law mandates their cooperation. Supports the bill.

Sen. Colletta, Federal service with a municipality should include "territorial" days on line 15

John Logan, In verifying service to 1961 we learned there is some federal service credited to retirement.

Tape 2
Side 2

Robert Crouse, Wants to see the language in the bill expanded to allow credit for the pre-statehood service.

- 0630 James Evans, Clarifies that firemen want to be included in changes provided in 1980 for peace officers be extended to firefighters.
SB 121 - May need to be re-written to be more plain.

3:50pm

Break

anchorage

Tape 2

Side 2

- 0053 Sen. Fischer opens meeting and introduces John Logan and Tom Linkletter.
- 0063 John Simich, Major, Alaska Army National Guard, President of Peace Officers Association and employee of Alaska Dept. of Military Affairs.
SB 262 - (Historical background, 6 months ago Col. Dupere asked them to support HB 388. SB 262 includes all of HB 388 which they stood behind except for those applying to Adjutant General.) SB 262 addresses 2 issues/State pensions for National Guard and Naval Militia with 20 years military service, at least 5 years in Alaska and would align with state Pioneer's pension.
- Committee tries to find place in bill which corresponds to Pioneer's benefits.
- Long silence. Should be in SB 262. HB 388 Sec.11, page 6, amending sec 224(b)
- John Simich, T.R.S. members can enhance benefits by getting National Guard credit. Benefits benefit some guardsmen and not others.
- Sen. Fischer, What benefit does it serve?
- John Simich - Would enhance retention, and as a reward to those we have rather than attracting others.
- Sen. Fischer, Purpose should treat guardsmen equally, doesn't seem to be specific justification. This case seems to pick out a limited number of people.
- 0229 John Simich - Damning by faint praise? We don't oppose. The rest of the bill benefits all guardsmen. SB 54 takes care of many concerns.
Scholarship Grant program. Federal law a year ago enabled ROTC to serve in active corps of National Guard. Of 3000 women in the National Guard, enlisted 400 - 7%, Commissioned 12 - 5%, Cites federal restrictions on women in military service preventing extensive participation because Alaska is largely combat force. Women can be in ROTC program but there is not one currently at U of A.
- 0327 John Logan
SB 262 - Sec. 10 credit in T.R.S.
Sec. 13 credit in P.S.R.S. Both do much the same thing, benefits given to people in the National Guard retirement system in other retirement system
Shouldn't the National Guard Retirement System

pick up the benefits?

As of 7-1-81 Division administers National Guard.

0369 Mary Putman, representing self, wants bill as put in 3 times already, allowing former employees of ASHA to buy into system for periods employed by ASHA. 15 or 20 vested PERS members who have ASHA time. It seems unreasonable that a State of Alaska employee cannot secure benefits of retirement system of the state. Seems related to ASHA's federal link. Feds have been able to buy into system but state employees can't. ASHA - 8 years of service after statehood. They had a modest federal retirement program from which we were able to withdraw. Needs permission of P.E.R.S. to buy in.

0446 John Logan, Falls in section of statute permitted to buy into ASHA, they must request, the cost to ASHA may be a deterrent.

Sen. Fischer, Are there other state agencies excluded?

0488 John Logan, AHFC voluntarily is in PERS, but are not considered state employees as members of a public organization. Change PERS statute to make ASHA public employees. It is up to ASHA to recognize who will receive credit. Will cost them more to recognize all employees past service.

Sen. Fischer, How have municipalities done it?

John Logan, Believe Anchorage recognized past service after 3 years of on board experience. Looks dismal. State will have to pick up tab, no incentive for organization to pick it up for past employees.

0632 Bernie Simon, Supports SB 394, was teaching in Peace Corps, Rural Action and teaching in Peru. Supports VISTA also.

Tape 3
Side 1
0035

Bill Jermain, Attorney, Public Safety Employees Association and Fraternal Order of State Troopers. SB 143 - A bargaining group comprised of peace officers, etc. has a collective leave bank. Bill should reflect crediting of personal leave in addition to sick leave.

John Logan, Personal leave can also be cashed in or devoted to retirement. There is a TRS provision allowing for retirement credit for annual leave.

Bill Jermain, Fraternal Order of State Troopers including supervisory personnel.

SB 557 - Group concerned with HB 123, which provides as does SB 557, 39.35.680(25), last page of SB 557 concerning "normal retirement", peace officers and firefighters.

Sen. Fischer, It is handled.

0103

Dr. Earl Albrecht,

SB 472 - Inequity of territorial employees not being included in retirement plan. This bill provides certain guidelines for that purpose. Hope that committee will pass bill out for consideration, will provide some retirement for persons in territorial gov't who did not work in statehood days. Was a former Commissioner of Health for 8 years in 1945. Boards count as employment for instance the Board of Regents. He believes 8 - 12 persons in Juneau area fall into this category.

John Logan, Does not know of Dept. position on SB 472.

0 86 Adjourn Meeting of Senate State Affairs Committee hearing on Retirement bills.



Alaska State Legislature

Senate

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 9, 1981

Behrends Building

1:30 p.m.

Juneau

MEMBERS PRESENT: SENATOR FISCHER, CHAIR
SENATOR STIMSON

AGENDA: RETIREMENT PACKAGE (see attached for titles of following bills)
SB 121, SB 143, SB 195, SB 196, SB 197, SB 356, SB 360, SB 400

Chairman Fischer opened the meeting at 1:40 p.m., and announced the addition to the agenda of SB 400, another retirement measure. Hearings on the previously considered package were reopened.

Fred Muller, Deputy Commissioner of the Department of Administration, presented the comparison sheet of PERS (Public Employees Retirement System) and TRS (Teachers Retirement System) as requested at the previous committee meeting. He highlighted some of the differences which emerged from the comparison, such as differing employee contribution rates, computation of military service for retirement credit, the cost of membership in years, and the "benefit year" used to calculate benefits.

He then provided the Department's position on each of the bills affecting Administration.

SB 121: (Under PERS) The state already has an agreement with participating municipalities to credit certain kinds of service upon request of the municipality. Mr. Muller called this legislation "special interest", and stated that it circumvents established mechanisms for getting credit through municipalities. If SB 121 is enacted, the state will pay the entire amount of the contribution and bear the entire financial burden.

SB 143: The Department of Administration opposes this measure, which would affect employees of political subdivisions and public organizations participating in PERS, allowing them to credit unused sick leave to retirement. Fred Muller explained that the department considered sick leave a negotiable item which should not bypass the bargaining process. He pointed out that SB 143 applies only to political subdivisions and public organizations, not all of PERS. The Chair requested that a fiscal note be prepared to reflect fiscal impact of all of PERS being included in the measure. Mr. Muller pointed out that not all state employees have "sick leave" as such; in many cases the employee has a "personal/medical leave" bank to draw upon.

SB 195: The Department of Administration opposes this measure, which would limit the adjustment of retirement benefits. The bill provides that if an error not caused by the employee is not detected within a given period of time, any amounts due to the state are not recoverable.

Mr. Muller explained that there is currently no statute of limitations, and that the established procedure is "fairly successful" in recovering amounts due the state. There is an appeal process through which hardship cases receive consideration. Mr. Muller likened the position of the state to that of a banking institution, which in the case of its own error holds a party responsible for funds wrongly deposited to the party's account.

Merritt Olson, Chair of the Teachers Retirement Board and a member of the NEA Executive Board, provided testimony on several of the bills.

SB 195: Speaking for himself on this measure, and perhaps reflecting some of the TRS members' views, Mr. Olson expressed support for SB 195 as recommended by the Blue Ribbon Commission on the State Personnel Act. He stated that the current practice of recovering benefits long after they have been received or long after the original miscalculation of a benefit amount takes place causes hardship to the retiree, especially in those cases where the error dates back a few years and the retiree has figured the benefit amount into a retirement budget. Mr. Olson suggested that the retirement system be granted two years to correct errors; if the retiree has caused the error, of course he or she would be liable. If an appeal is denied, Mr. Olson suggested that the appellant might go to court and the case may be decided in his or her favor. Under such a system the retirement system administrators would find it necessary to be more accurate with the records at the time of retirement---some cost may attend that extra care.

SB 360 and 361: These measures deal with the investment of the public employees' retirement fund and the funding of the unfunded benefit liabilities of PERS and TRS, respectively. Mr. Olson questioned the wisdom of designating types of investments which the Commissioner of Revenue may invest in. He stated that it was imprudent to tie investments to a particular portfolio (SB 360 requires a portion of the investment be made in AHFC). He pointed out that, notwithstanding the Commissioner of Administration's option to exercise choice in terms of the amount of such an investment, there would be substantial political pressure involved. He further stated that the retirement system cannot subsidize social causes; that its first responsibility is to its members and that prudent investments must be made. Their track record with the bond market, he stated, has not been excellent. With regard to SB 361, Mr. Olson stated that he supports the concept of retiring any financial obligations in periods of prosperity (a "pay as you go" concept) but he feels that he cannot support it at the expense of more desirable legislation (he cited the post-retirement pension adjustment legislation under consideration which would provide for automatic adjustment). He favors funding of the now unfunded ad hoc Post Retirement Pension Adjustment. In response to questions from the committee Mr. Olson expressed a desire to see TRS remain geared to providing credit for service in Alaska.

Colonel Compton, of the Department of Military Affairs and Director of the Recruiting and Retention Division of the Alaska National Guard, provided testimony on legislation not included on the original agenda: SSSB 262, a sponsor substitute including retirement provisions in an Act relating to military service. He expressed support for most of the provisions in the bill. He described problems surrounding the Senior ROTC Scholarship Program, and with getting qualifying officers from within the Guard System, in addition to difficulties in getting places for weekend trainings. He would like to see the program extended to the University system statewide and to the Community College system. The maximum membership in the program is 25 students per year at a cost of \$25,000 maximum per year.

Charlie Smith, a 17 year member of the National Guard, presented results of a survey to the committee members. The survey was done by the Legislative Council in 1980 to help determine what kind of legislation Guardsmen would like to see enacted. Survey results indicated an interest in retirement provisions among other things. Currently under PERS and TRS for every four years in the Alaska National Guard one gets one year of credited retirement service. Roughly 75 persons under TRS and 125 persons under PERS would be affected by enactment of the measure, thus enabling them to claim up to 15 months of retirement credit per year.

The Chair requested a fiscal note for the sponsor substitute and written testimony from Col Compton in support of the measure in accordance with his verbal testimony.

The meeting adjourned at 3:00 p.m.



Alaska State Legislature

Senate

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 7, 1981
1:30 p.m.

Behrends Bldg.
Juneau

MEMBERS PRESENT: SENATOR FISCHER, CHAIR
SENATOR ELIASON SENATOR BRADLEY
SENATOR STIMSON

AGENDA: see attached (Retirement legislation)

Chairman Fischer called the hearing to order at 1:40, outlined the agenda and announced the addition to it of SB 394 (Retirement credit for service in the Peace Corps for certain employees under TRS). Committee members attended to unfinished business signing off on confirmations of appointments and CSHB-36.

SB 143

Senator Charlie Parr, prime sponsor of SB 143 described the purpose of this legislation as permitting employees to apply unused sick leave to their retirement credit. It would apply to certain public employees who are not teachers (TRS already offers this) and might be extended to cover all employees under PERS rather than just those employed by a political subdivision or public organization under PERS.

Senator Parr pointed out that the measure carries a small fiscal note as it applies only to those who retire after 7-1-81, and employed prior to 7-1-80. He stated a need for equity across the board in all retirement systems.

SB 360 and 361

Dave Rose, Executive Director of the Alaska Bond Bank Authority, spoke in favor of these bills addressing investment of the public employees' and teachers' retirement funds and payment of the liabilities of those funds respectively.. The thrust of Dave Rose's testimony was that by funding the unfunded liability the state would clear up its financial statements and thus maintain a high bond rating. He stated that it would be a prudent state investment, and would free up money for other uses (he suggested AHFC).

SB 360 and 361

Tom Williams, Commissioner of the Department of Revenue, provided testimony in favor of these measures. He was in agreement with Mr. Rose on the subject of funding the unfunded benefit liabilities of the system, stating that it would improve the state's financial profile and improve the bond rating. An alternative method of doing this would be to defease school bonds---proposed in legislation discussed in committee prior to April 7. He stressed a need to diversify investments, and facilitate use of money. (employer contribution to retirement system would be temporarily reduced by paying off unfunded liability, thus freeing up money).

Commissioner Williams stated that these bills were one of the steps which would bring Alaska closer to achieving a good financial profile and a triple A bond rating: he cited ANCSA, Rainy Day account, \$900 million contribution to Permanent Fund as examples of the way in which Alaska has attempted to demonstrate sound fiscal management.

Fred Muller, Deputy Commissioner of the Department of Administration, provided testimony on SB 360 and 361. He stated that the Dept. of Administration's position on the measures was not yet formulated due to the fact that the Commissioners of Administration and Revenue have not yet discussed them together. He cited a problem with funding the unfunded benefit liabilities: the contribution rate of the state will be reduced as a result, soon to be built back up again due to an increase in benefits (and the reduction in employer contribution).

John Logan, also of the Dept. of Administration, joined Fred Muller in fielding questions from the committee members about credit under PERS and TRS for military service.

Senator Fischer cited parity between the two systems as a major concern, and requested that Mr. Muller provide a chart of similarities and differences between the two systems as related to the bills under consideration. Meeting adjourned at 3:00.

SENATE COMMITTEE ON STATE AFFAIRS

Hearing on Senate Bills Dealing with Retirement
March 18, 1982

Mr. Chairman:

My name is E. Robert Haag and today I am representing the 15 Chapters of the Alaska State Firefighters' Association and also the Alaska Fire Chiefs' Association.

We wish to speak in favor of Senate Bill No. 121 which is now before your committee.

S.B. 121 was introduced by Senator Bill Ray during the last session of the Legislature. This bill would authorize credited service under the public employees' retirement system for certain firemen. The bill would amend the existing Alaska Statute 39.35.360(a) which now provides in part that an employee employed before January 1, 1980 who completes three years of credited service with the State after January 1, 1961 and who make contributions to the system as required by law, is entitled to credited service for service rendered "(3) after January 1, 1961, as a peace officer or correctional officer of a participating political subdivision of the State is an employee is vested and is an active peace officer, in the system as of July 1, 1980".

Senator Ray's bill would add the words "or firemen" (note lines 18 and 20 of the bill) to the Statute. It is assumed that firemen were overlooked when A.S. 39.35.360(a) became law. Other sections in the existing Public Employees' Retirement System, where applicable, contain the words "peace officer, correctional officer, or fireman".

We respectfully request your committee put a due pass on this bill and then support it through the rest of the Legislative procedure to become law.

Mr. Chairman, for your information and that of your committee, I understand, subject to being corrected, that there are about six employees in State employment who would be benefited by this bill. Since they individually would have to make contributions to the retirement system for such service, there would be no expense to the State at this time.

Thank you, Mr. Chairman and members of the committee for allowing us this time out of your busy schedule to testify in support of this bill.

SECTIONAL ANALYSIS OF SB 827

Sections 1 and 2 would prevent abuse of the TRS by amending AS 14.20.345 (d) and (f) so that LWOP would not be creditable unless certified by the school district as being for educational purposes. This results in no measurable change in costs since the teacher will continue to pay the same portion of the cost (based on when the payment is made) to fund the attendant benefits.

Sections 3-5 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator functions in this capacity without any clear mandate that he consult the Board.

Sections 6, 15-16 and 19-21 would alter the death/survivor benefit provisions of the TRS. Specifically, the supplemental contributions provision would be eliminated for all teachers hired on or after July 1, 1982, open enrollment for the supplemental contributions provision would be eliminated, and equitable occupational and nonoccupational death benefits and joint and survivor options, such as currently exist in the PERS, would be created. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982. In addition, Section 21 creates a procedure for the designation of beneficiaries under the TRS which is identical to that in the PERS. This should substantially reduce uncertainty as to entitlement in the event of the death of a member.

Section 7 would amend the manner of discharging indebtedness under the TRS to bring it into conformity with the PERS.

Sections 8 and 57 would ensure that, in accordance with the Alaska Constitution, accrued benefits under the TRS and PERS may not be diminished by claiming service credit.

Section 9 would bring the statutes into conformity with current practice. The sentence in question was inadvertently omitted when the TRS statutes were amended by Chapter 13, SLA 1980.

Section 10 corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 11 would amend the provisions for Conditional Service Retirement Benefits to allow a member (1) to use his PERS salary if it is higher than his TRS salary, and (2) to figure his conditional service benefit based on all credited service rather than just membership service.

- Section 12 would amend AS 14.25.130(a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability. Additionally, it resolves an existing inequity wherein a member has enough years of membership service to qualify for disability but is over 55 and does not qualify for normal retirement. Under present law, such an individual would be in a "Catch-22" situation -- disabled and unable to work, but needing to work to gain the necessary credit to qualify for normal retirement and being too old to qualify for disability.
- Sections 13 and 51 would correct drafting errors in AS 14.25.143(b) and AS 39.35.475(b) committed two years ago. In the ceiling formula for pension adjustments, it changes "greater" to "lesser." This is not a substantive change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.
- Sections 14 and 27 would amend the refund provisions of the TRS to conform with current practice and allow for the refunding of interest paid on an indebtedness. "Member contribution account" is defined to include all of the other accounts.
- Section 17 would amend AS 14.25.160(b)(1) to agree with the changes in Sections 14 and 27 of this bill.
- Section 18 would eliminate an existing inequity by amending AS 14.25.162(b)(1) to allow a dependent child to interrupt his schooling, without permanently losing his survivor's allowance payment.
- Sections 22, 32, and 56 would conform the statutes to the longstanding practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the contributory and noncontributory Judicial Retirement Systems.
- Section 23 adds the appropriate statutory references to AS 14.25.169 to be in agreement with the death/survivor benefit changes in Sections 6, 15-16 and 19-21 of this bill. In addition, Section 23 puts into law three previously unwritten principles of equity which have been at the heart of the TRS since its inception: a teacher may not receive 1) duplicate TRS credit for the same period of service; 2) more than one year of credit during a school year; or 3) benefits while accruing service credit except as provided in AS 14.25.169.
- Sections 24 and 54 amend AS 14.25.175(a) and AS 39.35.522(a), respectively, to eliminate arbitrary, potentially detrimental requirements which must be met by persons wishing to appeal before the TRS or PERS Board.

Sections 25 and 62 would clarify what is and is not included in "compensation" for purposes of retirement in the TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 26 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105 which should have been done in 1980 when AS 14.25.105 was passed.

Section 28 defines "territorial employment" as it is used in Section 26.

Section 29 exempts insurance premiums paid by the State from the tax levied under AS 21.09.210. This does not have any ultimate fiscal impact since the premium taxes are passed on. It will serve to increase competition among insurance carriers.

Sections 30-31 and 33-34 would add new sections to AS 22.25 and AS 26.05. The sections, which should have been added when the statutes were amended by Chapter 146, SLA 1980, set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on an actuarially funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 35 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090(9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 36 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110. Section 36 also accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.

Section 37 removes outdated, irrelevant language from the PERS statutes.

Sections 38 and 39 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits

to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested comes from the reserve account.

Sections 40, 60, 61 and 64 would amend the refund provisions of the PERS to allow for the refunding of interest paid on an indebtedness. In addition, Section 40 would also amend AS 39.35.200(b) to eliminate a "Catch-22" situation. Currently, persons who terminate their employment having less than five years credited service and less than \$1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 41 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 42 would amend AS 39.35.350(c) to bring it into conformity with the rest of the PERS statutes regarding the manner of discharging an indebtedness.

Section 43 clarifies AS 39.35.360(b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360(a). This is consistent with current practice.

Section 44 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a substantive change.

Section 45 would amend Conditional Service Retirement Benefits to allow a member to use his TRS salary if it is higher than his PERS salary.

Section 46 would change the benefit reference in AS 39.35.420(b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed. In addition, Sections 46-48 would clarify the entitlement to death benefits when there is no surviving spouse or when a beneficiary other than the spouse has been designated. It would provide for the benefit to be paid to the deceased member's designated beneficiary.

- Section 49 would conform AS 39.35.440(b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 49 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.
- Section 50 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.
- Section 52 removes outdated statutory references from AS 39.35.485(a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a substantive change.
- Section 53 updates incomplete statutory references; the designation of a beneficiary or beneficiaries is applicable to all benefits throughout the chapter.
- Section 55 puts into law three previously unwritten principles of equity which have been at the heart of the PERS since its inception: an employee may not receive 1) duplicate PERS credit for the same period of service; 2) more than one year of credit during a calendar year; or 3) benefits while accruing service credit except as provided in AS 39.35.530.
- Section 58 would delete from AS 39.35.560 a definitional reference to "public organization." That term is now defined in Section 67 of this bill, AS 39.35.680(39).
- Section 59 amends AS 39.35.615(a) to codify the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the Attorney General that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.
- Section 63 clarifies the definition of "early retirement" and includes the appropriate statutory references.
- Section 65 excludes EPORS members from membership in the PERS.
- Section 66 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Section 67 defines "public organization."

Section 68 repeals obsolete laws.

Section 69 provides an effective date.



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

3-11-82

Official Business

SENATE STATE AFFAIRS CALENDAR

TUESDAY

Mar. 16

1:30 pm

<u>HCR 50</u>	Girls' State
<u>HCR 57</u>	Boys' State
<u>HJR 30</u>	Military Maneuvers on State Land
<u>HB 154</u>	APOC/Financial Disclosure
<u>SB 183</u>	APOC/exempt physicians/Financial disclosure
<u>SJR 80</u>	National Policy in the Arctic

THURSDAY

Mar. 18

1:30 pm

BILLS IN STATE AFFAIRS DEALING WITH RETIREMENT

SB 121, SB 143, SB 195, SB 196, SB 197, SB 262, SB 356,
SB 360, SB 361, SB 394, SB 402, SB 471, SB 472, SB 557,
SB 568, SB 589, SB 827

COMMITTEE MEETINGS WILL BE CONDUCTED IN ROOM 423 CAPITOL

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Ph: 465-2200

November 19, 1981

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Legislature
221 East Seventh Avenue #204
Anchorage, AK 99501

Dear Senator Fischer:

This is in response to your request to John A. Logan, Deputy Director of the Division of Retirement and Benefits, during his visit to Anchorage on October 12, 1981. The enclosed sets forth the Department of Administration's position on retirement bills presently pending before the legislature.

Please let me know if you need additional information.

Respectfully,

W. R. Hudson
Commissioner

WRR/kg

Enclosure

cc: Paul D. Arnoldt ✓
Director
Division of Retirement & Benefits
Department of Administration
w/enclosures

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

PENDING RETIREMENT BILLS

1. Bill: HB 35, [SB 61]
Subject: Increase in the Benefit Formula Multiplier
D.O.A. Position: Opposed
Rationale: We support an amended increase in the benefit formula multiplier as contained in SCS CSHB 121 (R1s) an S re-eng which we believe would better serve the purposes of the system at less cost.
2. Bill: CSSS HB 41 (Fin), [SB 417]
Subject: Health Insurance for Residents of the State
D.O.A. Position: No position
Rationale: In principle, we support the proposals. However, we have serious reservations about the cost and administrative difficulties.
3. Bill: SB 60
Subject: Automatic PRPAs under the PERS and TRS
D.O.A. Position: Opposed
Rationale: We support the automatic PRPA provisions contained in SCS CSHB 121 (R1s) an S re-eng which we believe would better serve the purposes of the system at less cost.
4. Bill: SB 61, [HB 35]
Subject: Increase in the Benefit Formula Multiplier
D.O.A. Position: Opposed
Rationale: We support an amended increase in the benefit formula multiplier as contained in SCS CSHB 121 (R1s) an S re-eng which we believe would better serve the purposes of the system at less cost.

5. Bill: SB 62, [SB 143, HB 172, HC 379]
Subject: Retirement Credit for Unused Sick Leave
D.O.A. Position: Opposed
Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. We were opposed to its inclusion in the TRS, and we are opposed to its inclusion in the PERS.

6. Bill: SB 63, [HB 120]
Subject: Special Credited Service for 20-year PERS Retirement
D.O.A. Position: Opposed
Rationale: The department opposes any expansion of the 20-year retirement for public employees. Our goal is to retain these employees during their most productive years, not foster second careers outside State service. The "20 and out club" would be counter to State interests with the State paying increased benefit costs.

7. Bill: HCS SB 101 (HESS)
Subject: Would Grant the TRS Board the Authority to Adopt Regulations for the System
D.O.A. Position: Support, if amended.
Rationale: This bill would place TRS Regulations under the Administrative Procedure Act, and it would put the TRS Board on equal footing with the PERS Board which already has the authority to adopt regulations. In practice, all TRS regulations are now reviewed by the TRS Board before they are sent to the Commissioner for official approval and signature. Provisions granting the TRS Board this authority are contained in SCS CSHB 121 (R1s) am S re-eng.

8. Bill: CSHB 118 (HESS), [SB 52G]
Subject: Earlier Retirement in TRS
D.O.A. Position: Opposed
Rationale: This bill would allow teachers to retire with only 10 years teaching in Alaska when combined with 10 years teaching outside; contradicts the statutory purpose of the TRS by encouraging teachers to retire rather than remain in service.
9. Bill: HB 119, [(CSSB 144) (HESS)]
Subject: Extends TRS Coverage to Alaska Federation of Teachers and Alaska Association of School Boards
D.O.A. Position: Opposed
Rationale: The Attorney General has advised that including AFT employees is unconstitutional. No public purpose is served by this expansion of the TRS.
10. Bill: HB 120, [SB 63]
Subject: Special Credited Service for 20-year PERS Retirement
D.O.A. Position: Opposed
Rationale: The department opposes any expansion of the 20-year retirement for public employees. Our goal is to retain these employees during their most productive years, not foster second careers outside State service. The "20 and out club" would counter State interests with the State paying administrative costs.
11. Bill: SCS CSHB 121 (RIs) am S re-eng, [(CSSB 400(SA))]
Subject: Automatic PRPA's, Increase in the Benefit Formula Multiplier, Housekeeping and Other Provisions Affecting the PERS, TRS, JRS, EPORS, and National Guard Retirement Systems
D.O.A. Position: Support, if amended.

- Rationale: This bill is the result of extensive effort and compromise, and although there are some provisions which we would like to see changed, we believe it resolves the issue of PRPAs in a fiscally responsible manner.
12. Bill: SB 121
- Subject: PERS Service Credit for Political Subdivision Fireman Service
- D.O.A. Position: Opposed
- Rationale: This is apparently "special interest" legislation to expand the much-abused AS 39.35.360. It would provide credit for a special category of service at State expense in cases where the employer (political subdivision) has chosen not to credit the service.
13. Bill: HB 122
- Subject: Reduced Vesting for PERS Seasonal Employees
- D.O.A. Position: Opposed
- Rationale: This bill would provide a lifetime retirement benefit, including valuable major medical coverage, to seasonal employees with as little as 300 days service (60 days in each of 5 years). It is clearly patterned after the provision for legislative temporary employees which we believe was an unwarranted erosion of the five-year vesting requirement. The service is now creditable; if they are truly career employees, they can draw a benefit, after 5 years service, otherwise, they shouldn't. Additionally, this bill would remove the age requirements for normal and early retirement for this group of employees.
14. Bill: SB 143, [SB 62, HB 172, HB 379]
- Subject: Retirement Credit for Unused Sick Leave
- D.O.A. Position: Opposed
- Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. It is not appropriate to include it in the PERS.

- Subject: Extends Coverage to Alaska Federation of Teachers and Alaska Association of School Boards
- D.O.A. Position: Opposed
- Rationale: The Attorney General has advised that including AFT employees is unconstitutional. No public purpose is served by this expansion of the TRS.
16. Bill: HB 172, [SB 62, SB 143, HB 379]
- Subject: Retirement Credit for Unused Sick Leave
- D.O.A. Position: Opposed
- Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave, cash-outs, or the like. It is not appropriate to include it in the PERS.
17. Bill: SB 195
- Subject: Two Year "Statute of Limitations" on Recovery of Overpayment of PERS and TRS Benefits
- D.O.A. Position: Opposed
- Rationale: We do not believe recovery should be arbitrarily limited without scrutiny and without regard for hardship, equity or the amount of the overpayment. AS 39.35.522 and 14.25.175 currently provide a mechanism for waivers of overpayments when warranted and we believe it is more equitable to do it in this manner.
18. Bill: SB 196
- Subject: Alter Composition of PERS Board
- D.O.A. Position: Opposed
- Rationale: This bill would provide for four elected Board members and one appointed by the Governor. Currently, the three members of the Labor Relations Board serve ex officio with two elected members. The present Board has the balance required to function in a fiduciary and quasi-judicial capacity and to hear

make a potentially dangerous change when the present Board functions well.

19. Bill: SB 197
Subject: Placing PERS and TRS Regulations Under the Administrative Procedure Act
D.O.A. Position: Opposed
Rationale: Currently PERS and TRS regulations are specifically exempt from the A.P.A. because they deal with the internal management of a State agency and do not have broad, policy-setting implications. In response to suggestions by the Unbudsman, we have already agreed to a compromise which involves publicizing proposed regulations. The A.P.A. is so cumbersome that the delays involved in implementing technical regulations would often adversely impact members as well as the division's efficiency. Senate bill 101 also contains a provision to place TRS regulations under the A.P.A.

20. Bill: SB 199
Subject: Removes Limit On Amount of Alaska BIA Service Which may be Credited Under the TRS
D.O.A. Position: Opposed
Rationale: This bill is contrary to the statutory purpose of the TRS which is to recruit and retain qualified teachers; it would enable teachers to retire with a smaller number of years of membership service, thus encouraging them to leave rather than remain in service. It is no longer necessary to entice teachers to membership service by offering them credit for service rendered outside the system.

21. Bill: SSSB 262, [CSHB 388 (SA)]
Subject: Crediting Alaska National Guard and Alaska Naval Militia Service
D.O.A. Position: Opposed

then action should be taken to
retirement system without disrupting the PERS
and the TRS.

22. Bill: CSSB 286 (R1s)
- Subject: Dental-Vision-Audio Insurance Coverage for
Judicial Retirement System and EPORS Benefit
Recipients
- D.O.A. Position: No Position
- Rationale: Consideration of this bill is moot since the
companion bill in the House, CSHB 354(SA),
passed last session and was signed into law.
23. Bill: SB 356
- Subject: Altering the Indebtedness for Temporary
Service Credit Under the PERS
- D.O.A. Position: Opposed
- Rationale: By definition, the system exists to recruit
and retain long-term employees. This bill is
aimed at short-term employees and would
contradict the statutory purpose of the PERS
by making it more desirable to leave rather
than remain in service.
24. Bill: SB 360
- Subject: Investment of the PERS and TRS Retirement
Funds in Alaska Housing Finance Corporation
- D.O.A. Position: Do not oppose
- Rationale: The above position is based on the assumption
that such an investment gives at least the same
return as is now being earned by the funds.
We do have a concern that this may be the first
with others to follow of a way to subsidize
Alaska programs with retirement funds.
25. Bill: SB 361
- Subject: Special Appropriation to Pay Off Unfunded
Liabilities of the PERS and the TRS
- D.O.A. Position: Opposed

payoff, employer and state contributions rates will drop considerably - it will be followed by a rush to enhance benefits, the result of which will be a new increase in the employer/state contribution rate. The logic - "if we could afford X% last year, there's no reason why we can't afford it this year." And, (2) all employers do not pay the same past service rate, therefore, paying off the unfunded liability would be more beneficial to some employers and of little benefit to other .

26. Bill: HB 376
Subject: Establishes Provisions Whereby LWOP may be Counted as Membership Service in the TRS
D.O.A. Position: Opposed
Rationale: This is contrary to the statutory purpose of the system in that it would provide an additional, unwarranted means for TRS members to retire earlier than they may now do.
27. Bill: HB 379, [SB 62, SB 143, HB 172]
Subject: Retirement Credit for Unused Sick Leave
D.O.A. Position: Opposed
Rationale: Leave is a negotiable working condition and should be addressed at the bargaining table. Individual employers should have the ability to deal with this through personal leave.
28. Bill: CSHB 388 (SA), [SSSB 262]
Subject: Crediting Alaska National Guard and Alaska Naval Militia Service
D.O.A. Position: Opposed
Rationale: If it's necessary to improve benefits for the Alaska National Guard and Alaska Naval Militia then action should be taken to do so in their retirement system without disrupting the PERS and the TRS.

D.O.A. Position: Opposed

Rationale: It is not necessary as a recruiting tool and it is contrary to the statutory purpose of the TRS in that it would encourage qualified teachers to leave rather than remain in service.

30. Bill: CSSB 400 (SA), [SCS CSHB 121 (RIs) am S re-eng]

Subject: Automatic PRPAs, Increase in the Benefit Formula Multiplier, and Housekeeping and Other Provisions Affecting the PERS, TRS, JRS, EPORS, and National Guard Retirement Systems

D.O.A. Position: Support, if amended

Rationale: This bill is the Senate version of SCS CSHB 121 (RIs) am S re-eng.

31. Bill: HB 401

Subject: Transfer of Magistrates from the PERS to the Judicial Retirement System at their Option

D.O.A. Position: Opposed

Rationale: Serves no useful public purpose; magistrates are presently provided adequate coverage in PERS. This appears to be special interest legislation.

32. Bill: SB 402

Subject: Removes Vesting Requirement for Claiming Military Service Under the PERS

D.O.A. Position: Opposed

Rationale: Would allow public employees to receive additional credit at a much lower rate than now exists. No public purpose is served.

33. Bill: SB 417, [CSSS HB 41 (Fin)]

Subject: Health Insurance for Residents of the State

D.O.A. Position: No Position

- Rationale: In principal, we support this proposal. However, we also have reservations about cost and administrative difficulties.
34. Bill: SB 471
- Subject: Retroactive Service for Elected or Former Elected Officials
- D.O.A. Position: Opposed
- Rationale: This is "special interest" legislation and no public purpose is served.
35. Bill: SB 472
- Subject: Provisions to Allow Territorial Employees to retire under PERS
- D.O.A. Position: Opposed
- Rationale: This bill does not fit within the basic intent of the PERS statutes. If the intent is to reward certain Alaskan pioneers for their service to the territory and state, then it should be done without utilizing the PERS.
36. Bills: SB 526, [CSHB 118] (Hess)
- Subject: Earlier Retirement in the TRS
- D.O.A. Position: Opposed
- Rationale: This bill would allow teachers to retire with only 10 years teaching in Alaska when combined with 10 years teaching outside. It serves no public purpose, and is contrary to the stated purpose of the system . . . "to retain."
37. Bill: SB 557
- Subject: Housekeeping in the PERS, TRS, JRS, EPORS and HGRS
- D.O.A. Position: Support
- Rationale: This bill contains the housekeeping provisions which are already contained in SCS CSM 121 (R1s) am S re-eng and SB 400.

38. Bills:

SB 568, [HB 584]

Subject:

~~Authorizes the American Legion, and the Department of Alaska Veterans of Foreign Wars of the United States to Participate in State Group Health/Life Insurance and the PERS~~

D.O.A. Position: Opposed

Rationale:

This bill is contrary to the basic intent of the insurance and PERS statutes and serves no useful public purpose.

39. Bills:

HB 584, [SB 568]

Subject:

~~Authorizes the American Legion, and the Department of Alaska Veterans of Foreign Wars of the United States to Participate in Group Health/Life Insurance and the PERS~~

D.O.A. Position: Opposed

Rationale:

This bill is contrary to the basic intent of the insurance and PERS statutes and serves no useful public purpose.

40. Bill:

SB 589

Subject:

Credit Under the PERS for Temporary Federal Service Prior to 1961

D.O.A. Position: Opposed

Rationale:

Granting credit for temporary service is contrary to the purpose of the PERS which was created to recruit and retain long-term employees.

COMPARISONS

	<u>PERS</u>	<u>TRS</u>
Employee Contributions	4 1/4%	7%
Employer Contributions	13.66%	15.74% (State pays half)
Earnings on Contributions	4 1/2%	4 1/2%
Other Creditable Service	Military (5 yr max), Territorial (No max) & Certain Temporary (No max)	Outside Service (10 yr max)*, Military (5 yr max)*, Alaska BIA (15 or 5 yr max)* & Territorial (5 yr max)
Salary Used to Compute Indebtedness for Military	5th Year Salary**	Entrance Salary
Vest (Membership Service)	5 Years (paid-up)	8 Years (paid-up)(can be 3 yrs BIA)
Retirement Age	50 Early & 55 Normal Exceptions: (1) 20 yrs Peace Officers- any age (2) 30 yrs PERS-any age	50 Early & 55 Normal Exceptions: (1) 20 yrs membership service-any age (2) 25 yrs combined membership and outside service-any age
Benefit Formula	2% x Years of Service***	2% x Years of Service
Benefit is Based on a % of	Average of Three Highest Consecutive Calendar Years	Average of the Three Highest Contract Salaries
Additional Benefits	Free Medical (80%) plus Optional Audio-Dental-Visual	Free Medical (80%) plus Optional Audio-Dental-Visual
Cost of Living Adjustments	Ad Hoc PRPA's (max 4%)	Ad Hoc PRPA's (max 4%)
Year of Service Credit	365 Days	372 Days
Funded	Actuarially	Actuarially

* Total of these cannot exceed 15 years

** Must be vested to claim

*** Peace officers receive 2 1/2% x all service over 10 years

	<u>PERS</u>	<u>TRS</u>
Number of People on Retirement	2,688	1,374
Average Monthly Benefit	\$620.00	\$1130.00
Eligibility for Disability	5 Years of Membership	1 School Year (172 Days)
Reduced Benefits for Indebtedness	Yes	Yes
Credit for Unused Sick Leave	No	Yes
Survivor Benefits	75, 66, 50% with a reduced benefit	Pay 1% of earnings--full benefit and spouse receives 50%



Box 1210 602 Railroad Avenue
Cordova, Alaska 99574
Phone: (907) 424-3237
or 424-3238

"The Friendly City"

James A. Poor
Mayor

Perry D. Lovatt,
Manager

Donna M. Sherby,
Clerk / Treasurer

Council Members
Don Nerrance
Jay Byrum
Richard Groll
R.J. Kopchak
Garry Purvis
Joe Gunderson

March 12, 1982

Senator Bob Mulcahy
Chairman Labor & Commerce Committee
Pouch V
Juneau, Alaska 99811

Re: SB 752,767,827

Dear Sir:

The City of Cordova desires to go on record as being opposed to any bill that will increase the cost to local government or school district for retirement and/or other employee benefits. The present employee retirement system provides a generous retirement for public employees.

The City is not opposed to any change in law that would permit the employee to pay for additional retirement benefits.

Sincerely,


Perry D. Lovatt
City Manager

cc: Sen. Jay Kerttula
Rep. Betty Cato
Ginny Chitwood, Executive Director AML

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

(907) 465-2200

March 15, 1982

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

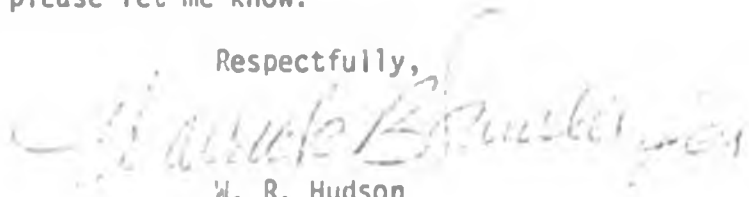
Dear Senator Fischer:

As you requested during your committee hearing of February 25, 1982, I am enclosing copies of the PERS and TRS statutes which provide for conditional service retirement benefits in the two retirement systems.

I am also providing you with a chart which shows the relative costs to the state, to other TRS/PERS employers, and to TRS/PERS employees (using various employee contributions) for the PRPA provision of Senate Bill 753.

If you have any questions, please let me know.

Respectfully,



W. R. Hudson
Commissioner

WRH/lw
Enclosure

cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits

SB 753

Costs in FY83 if the employee contribution rate is increased as indicated below:

<u>Employee Contribution Rate</u>	<u>Cost to All TRS/PERS Employees</u>	<u>Cost to State</u>	<u>Cost to All Other TRS/PERS Employers</u>
.5%	\$ 4,525.5	\$30,219.8	\$22,282.4
1.0%	\$ 9,051.0	\$28,133.1	\$20,751.6
1.5%	\$13,576.5	\$26,046.4	\$19,220.8
2.0%	\$18,102.0	\$23,959.7	\$17,690.0
2.5%	\$22,627.5	\$21,873.0	\$15,159.2
3.0%	\$27,153.0	\$19,786.3	\$14,023.4

Costs are in thousands of dollars

obtain service credit for unused sick leave, a teacher must apply to the administrator no later than one year after appointment to retirement. Unused sick leave shall be credited on a day-for-day basis in accordance with the table for service after July 1, 1969 contained in sec. 220 (16) of this chapter. No teacher contributions may be required for credited unused sick leave.

(b) A teacher appointed to retirement before July 1, 1978 who returns to membership service on or after July 1, 1978 and is subsequently reappointed to retirement is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1978.

(c) Benefits payable under this section accrue from the first day of the month after which all the following requirements are met: (1) the teacher meets the eligibility requirements of this section; (2) the teacher's written application for unused sick leave credit is received and verified by the administrator; and (3) a period of time has elapsed since the date of appointment to retirement equal to the amount of verified unused sick leave. Benefits are payable on the last day of the month.

✓ Sec. 14.25.125. CONDITIONAL SERVICE RETIREMENT BENEFITS. (a) A member is eligible for a normal retirement salary at age 55 with at least two years membership service if the member also is eligible for a normal retirement benefit under the public employees' retirement system (AS 39.35).

(b) A member is eligible for an early retirement salary at age 50 with at least two years of membership service if the member also is eligible for an early retirement benefit under the public employees' retirement system (AS 39.35).

(c) Membership service for which contributions were refunded is not creditable under this section unless the refunded contributions have been repaid. For purposes

of this section, a member or former member does not have to be reemployed under this system in order to repay refunded contributions. Compound interest at the rate prescribed by regulation must be added to the reinstatement indebtedness from the date of the refund to the date of repayment.

(d) The monthly amount of a normal retirement salary is two percent of the average monthly compensation times the number of years of membership service. An actuarial adjustment of this amount must be made for an early retirement salary.

(e) Benefits payable under this section accrue from the first day of the month (1) in which the member meets the eligibility requirements of this section, (2) following the date of termination, and (3) following application for retirement, and are payable the last day of the month. If payment is delayed, a retroactive payment shall be made to cover the period of deferment. The last payment shall be made for the month in which the members dies or is no longer eligible for a benefit under this section.

Sec. 14.25.130. DISABILITY BENEFITS.

(a) A member who has become permanently disabled, as defined in AS 14.25.220, after July 1, 1966, before age 55 and who has five or more years of membership service may be retired by the administrator as of the first day of the month following the permanent disability. After a report of medical examination of the member, an application and other requested information has been submitted, the administrator shall determine if the member is physically or mentally incapacitated for further performance of duty, and if the incapacity is likely to be permanent and whether the member should receive disability benefits.

(b) Repealed.

(c) Once each year during the first five years following appointment to disability under this section, and

(a) and (c) of this section when he has completed 20 years of credited service.

✓ Sec. 39.35.385. CONDITIONAL SERVICE RETIREMENT BENEFITS.

(a) An employee is eligible for a normal retirement benefit at age 55 with at least two years of credited service if the employee also is eligible for a normal retirement salary under the teachers' retirement system (AS 14.25).

(b) An employee is eligible for an early retirement benefit at age 50 with at least two years of credited service if the employee also is eligible for an early retirement salary under the teachers' retirement system (AS 14.25).

(c) Credited service for which contributions were refunded is not creditable under this section unless the refunded contributions have been repaid. For purposes of this section, a member or former member does not have to be reemployed under this system in order to pay refunded contributions. Compound interest at the rate prescribed by regulation must be added to the reinstatement indebtedness from the date of the refund to the date of repayment.

(d) The monthly amount of a normal retirement benefit for a peace officer or fireman is two percent of the average monthly compensation times the years of service up through 10 years, plus two and one-half percent of the average monthly compensation times the years of service over 10 years. For all other employees it is two percent of the average monthly compensation times the number of years of service. An actuarial adjustment of this amount must be made for an early retirement benefit.

(e) Benefits payable under this section accrue from the first day of the month (1) in which the member meets the eligibility requirements of this section, (2) following the date of termination, and (3) following application for retirement, and are payable the last day of the month. If payment is delayed, a retroactive payment

shall be made to cover the period of deferment. The last payment shall be made for the month in which the member dies or is no longer eligible for a benefit under this section.

(f) An employee is eligible for a normal retirement benefit at age 55 or an early retirement benefit at age 50 if he has at least 60 days of credited service as a temporary employee of the legislature during each of five legislative sessions.

Sec. 39.35.395. VOLUNTARY CONTRIBUTION BENEFIT. The balance of the employee's savings account will be paid in one of the following options as elected by the employee: (1) a lump sum payment; or (2) a life annuity on a full cash refund or term-certain basis; or (3) installments over a designated period of time.

Sec. 39.35.400. NONOCCUPATIONAL DISABILITY PENSIONS.

(a) An employee is eligible for a nonoccupational disability pension if his employment is terminated because of a total and apparently permanent nonoccupational disability, as defined in sec. 680 of this chapter, before his normal retirement date and after five or more years of credited service.

(b) The nonoccupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment. Benefits shall be continued after one year from the date of appointment to nonoccupational disability only if the disabled employee fulfills the requirements set out in (c) of this section. The last payment shall be for (1) the month in which the death of the disabled employee occurs, or (2) the month in which the disabled employee recovers from disability, or (3) the month in which the disabled employee ceases to be eligible for disability benefits under the Social Security Act, or (4) the month in which the disabled employee reaches normal retirement age, whichever occurs first.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

Ph: 465-2200

December 9, 1981

Honorable Vic Fischer
Alaska State Legislature
511 West 4th, Suite 5
Anchorage, AK 99501

Dear Senator Fischer:

Your request for information pertaining to the Alaska State Housing Authority and its dealings with the Public Employees' Retirement System has been conveyed to me by John Logan of the Division of Retirement and Benefits. The following is a brief history.

We responded to a request for information from Tolbert Elliot, Acting Executive Director of ASHA in July of 1975 with a letter describing the terms and conditions under which an entity such as ASHA may become a participating member of the PERS. There is no record of a response by ASHA.

On December 1, 1975, a similar letter was sent to Bill Miles, the new Executive Director of ASHA. Mr. Miles responded by letter, thanking us for the information and explaining that they were examining various plans.

In 1978, House bills 818 and 823 and Senate bill 512 were introduced in the legislature concerning ASHA service credit in the PERS. We requested data for the preparation of fiscal notes from Daisy Korpi, ASHA Accountant, and a description of the retirement plan currently in effect for ASHA employees.

A letter dated March 3, 1978 from Harry F. Goldbar, Executive Director of ASHA, asked for information regarding PERS and stated that ASHA might consider PERS membership on July 1, 1978. We responded on March 14, 1978, with an informational letter and requested that ASHA have an actuarial study performed to establish the proper employer contribution rate based on their needs and system requirements.

December 9, 1981

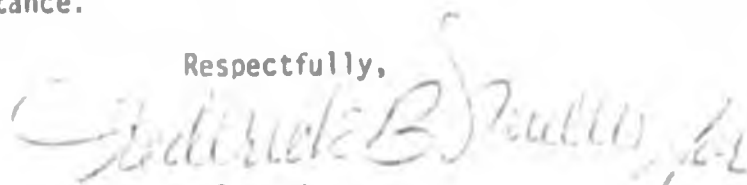
On April 28, 1978, the firm of William M. Mercer, Incorporated, provided ASHA with the actuarial study. On June 15, 1978, we wrote ASHA to inquire whether they had arrived at a decision concerning PERS membership. Harry F. Goldbar responded that a decision had not yet been made.

Legislation (HB 366) to allow former ASHA employees to purchase up to 10 years of ASHA service under the PERS was introduced in 1979. Only service for which the person did not receive credit under ASHA's private retirement system would have been allowed.

To date, no provision has been enacted into law that would allow ASHA service to be credited and purchased under PERS without ASHA first joining PERS. We would be opposed to any such legislation as no public purpose would be served by granting credit for past ASHA employment in PERS at the expense of the state. It would seem more appropriate for ASHA to join the PERS (which is already permissible under the PERS statutes), incur the liability for its employees' past service, and then such service could be granted under the PERS. We feel it would be unfair to other employers who are required to pay the costs of providing service credit for their employees to make an exception for ASHA. In effect, the state would have to pay the costs for ASHA service credit, while other employers must pay their own costs.

I hope this information is helpful to you. Please let me know if I may be of further assistance.

Respectfully,



W.R. Hudson
Commissioner

WRH/gb

cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 827
 Title An Act Relating to Refunds, Retirement and Benefits in TRS, PERS, JRS and WGRS and
 Requested by Providing For an Effective Date

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

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 RETIREMENT BENEFITS						
300 TRAVEL						
300 CONTRACTUAL		10.0	10.0	10.0	10.0	10.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		10.0	10.0	10.0	10.0	10.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUNDS						
PERS		5.0	5.0	5.0	5.0	5.0
TRS		5.0	5.0	5.0	5.0	5.0

POSITIONS NONE

FULL TIME
PART TIME
TEMPORARY

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

1. The fiscal impact of this bill is negligible except for the expenses for the Disability Review Board.
2. Estimate \$10,000 annually for compensation of physicians and travel and per diem for board members.
3. Board expenses split equally between the PERS and TRS.

DATE March 13, 1982 PREPARED BY Paul S. Arnold, Director
Division of Retirement and Pensions
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Vic Fischer
 Office of the Governor (Keith Specimens)

Susitna Hydro Project
(preliminary work)

SENATE BILL NO. 826, by the Rules Committee by request of the Governor. Would allow the Alaska Power Authority to enter into contracts for preliminary work on the Susitna Hydro project without the legislative approval required by AS 44.83-.325. The AK Power Authority is required by 44.83.320(b) to submit a report to the Legislature by April 30, 1982 recommending whether work should continue on the project. Until approval of this recommendation, the Authority is limited by AS 44.83.325 to entering into contracts for (1) feasibility studies, (2) preliminary reports required by law, or (3) construction of the Anchorage-Fairbanks intertie. The bill specifically does not authorize the Authority to enter into contracts for the actual construction of the project or for the preparation of the site without the required legislative approval. Does not provide for an effective date.

Introduced March 2 and referred to Resources and Finance.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to preliminary work on the Susitna River hydroelectric project. The bill authorizes the Alaska Power Authority to enter into contracts for preliminary work on the project without waiting for approval of the project under AS 44.83.325. The provisions of AS 44.83.325 currently authorize the Alaska Power Authority to enter into contracts for feasibility studies, preliminary reports, and the Anchorage to Fairbanks intertie. However, it is not clear that the authority would be authorized to continue to enter into these contracts should the authority be unable to present its report to the legislature by April 30, 1982 (as required by AS 44.83.-320(b)) or should the legislature be unable to approve the report by that date. This bill would simply allow the Alaska Power Authority to enter into contracts to conduct the work which must be done before actual construction on the Susitna River hydroelectric project may begin and will make it clear that those contracts are authorized even in the absence of approval of the project under AS 44.83.325.

State Retirement Systems
(misc. amendments)

SENATE BILL NO. 827, by the Rules Committee by request of the Governor. Proposes numerous amendments to statutes governing the teachers', judicial, national guard, and public employees' retirement systems. Effective July 1, 1982.

Introduced March 2 and referred to Health, Education & Social Services and Labor and Commerce.

In his message transmitting the bill to the Senate for consideration, Governor Hammond stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the teachers', judicial, national guard and public employees' retirement systems. Many of the provisions are "housekeeping" in nature. The more significant features are discussed below.

Sections 1 and 2 of the bill codify the Department of Education practice of awarding leaves of absence that earn a teacher retirement credit only if the leave is for educational purposes. This results in no change in costs since the teacher has always had to pay the full cost (both the teacher and school district contributions) to fund the attendant benefits.

Section 6 of the bill effectively eliminates the supplemental contributions program whereby employees could essentially purchase additional death and survivor benefits. The change works no impairment of accrued rights since it affects only those who first join the system on or after July 1, 1982.

Section 7 of the bill eliminates one option which members have had when they were indebted to the system. In the past, in lieu of paying their indebtedness, they could forgo receipt of their retirement benefit until the indebtedness was paid, or accept a permanent, reduced benefit. Under section 7, the first option is eliminated. Because this does not change an eligibility or vesting requirement or reduce a benefit, it is a change which may equally operate on current as well as future members.

Sections 13 and 31 of the bill correct a drafting error committed two years ago. In the calling formula for pension adjustments, it changes "greater" to "lesser." This does not work a real change in the law since it has always been within the administrator's discretion to grant as small an increase as fiscal prudence dictates.

Section 15 of the bill aids nonoccupational and occupational death benefits which may be paid instead of benefits under other sections.

Section 21 of the bill creates a procedure for the designation of beneficiaries by teachers which is identical to that in AS 19.15.490 for other public employees. This should substantially reduce uncertainty as to entitlement in the event of the death of a member. Section 21 also provides a new joint and survivor option for teachers similar to that in AS 19.15 for other public employees. Under this section, a member may elect to receive an actuarially reduced benefit upon retirement in exchange for the payment of a monthly benefit to a contingent beneficiary, typically a spouse, after the death of the retired member.

Sections 22, 32, and 36 of the bill extend medical insurance coverage to spouses and dependent children of retired members.

Sections 24 and 34 of the bill empower the retirement boards to waive adjustments in retirement benefits, usually necessitated by overpayments of benefits, even if the appellant's retirement is not imminent and even if the amount at issue is less than \$10 per month. The boards retain the power, as a matter of discretion, to deny a waiver on either of these grounds, but they are no longer jurisdictional prerequisites.

Sections 25 and 33 of the bill codify the division's continuing practice with respect to the definition of "compensation" by listing some of the items that are typically included or excluded from "compensation" for retirement purposes.

Sections 30 and 31 of the bill codify the existing system of fund administration of the judicial retirement system whereby the employee and employer contributions are segregated and separately tracked.

Section 36 of the bill establishes a group health and life insurance fund. The existence of this fund will give the administrator the flexibility to negotiate the best possible rates with carriers. Experience in other states indicates the likelihood of substantial savings to the state under such a system. Section 36 also accomplishes a badly needed reform of disability evaluation procedures by creating an expert board to evaluate claims and the claimant's ability to perform other work.

Sections 38 -- 49 of the bill make important clarifications in the laws on occupational and nonoccupational death benefits. In particular, they clarify that, when a member designates as beneficiary someone other than a spouse or dependent child, death benefits in a lump sum are paid to the designated beneficiary. However, if the member designates no one or designates the spouse or child as beneficiary, the spouse or child may elect to receive the lump sum benefit or a monthly benefit.

Section 59 of the bill codifies the procedure for amendment of participation agreements with political subdivisions. Its terms are consistent with the opinion of the attorney general that, since the original participation agreement must be endorsed by the governing body of the political subdivision, amendments to it must also be approved by that body.

I urge your prompt action on this important measure.

Hydro
Financing

SENATE BILL NO. 828, by the Finance Committee. Amends portions of the Energy Program for Alaska (AS 44.83.380-425) relating to the financing of hydroelectric projects in the state (passed last session as Ch. 116, SLA 1981).

Deletes from 44.83.394, "Revenue Requirements," that after construction of a state power project, operation of the project must provide revenue sufficient to provide the state with a 5% a year return on its investment in the project.

Repeals AS 44.83.388(b), "Allotment to Projects"--"Income earned from investment of the money appropriated to the [Power Development] fund shall be deposited in the general fund and may be appropriated to the fund by the legislature."

Amends 44.83.398(c), "Sale of Power from Power Project," to direct the Authority to transmit all the money it receives from the sale of power to the commissioner of revenue "except for money it has pledged to secure bonds in accordance with contracts with bondholders." Deletes language which did not require the Authority to transmit money received under (b)(1)(A) and (b)(2)(B)(i) and (ii) of AS 44.83.398 (revenues sufficient to pay operation, maintenance, equipment replacement costs, and debt service costs of a power project).

Amends AS 44.83.398(e) which allows the legislature to annul or change wholesale power rates adopted by the Alaska Power Authority. Adds: "except to the extent the authority makes an agreement with bondholders to maintain or increase the wholesale power rate."

Amends a portion of Ch. 118, SLA 1981 which relates to the location of the proposed electrical transmission system connecting Anchorage and Fairbanks. Last year's legislation provided that the route of the system "shall be located within the Denali State Park." Amended to read: "may be located within the . . . Park." Provides for an immediate effective date.

Introduced March 2 and referred to Resources and Finance.

AK Commis.
on the Status
Women

SENATE BILL NO. 829, by the State Affairs Committee. Would extend the existence of the Alaska Commission on the Status of Women until June 30, 1986 (the Commission is set to terminate

Alaska Fire Chiefs' Association.



TELECONFERENCE TESTIMONY 10-12-81:

The Alaska Fire Chief's Assn became aware of a problem in the PERS at the 1980 conference in Juneau.

One of our members made note that there had been a change made in the Police/Fire section of PERS wherein various police officers were allowed PERS credit for pre-statehood service. Obviously this was of concern to our members.

The Assn passed a unanimous resolution to work toward a change or an amendment to the Act to also include members of the fire service that had served the State in the pre-statehood days. Since the retirement system serves both the police and fire officers of the state, our members were sure that the makers of the 1980 changes left the fire service members out through an oversight only.

This oversight was pointed out to Senator Ray, who sponsored the 1980 change, and he agreed to sponsor the bill to include firefighters -- the result was SB 121.

The only change to the 1980 bill was the inclusion of the words "or fireman" in two places where those people qualified were listed. The 1980 Bill was not changed or amended in any other way.

Our Assn feels very strongly that the legislature agrees that the members of the fire service in Alaska are an important part of the protection services of this State, and are certainly equally entitled to the provisions of the police/fire retirement sections of PERS.

To do otherwise would relegate firemen to a lesser class of employee than the others in the PERS police/fire section. I'm sure that this is not now, or ever in the past, the intent of the Alaska legislature.

If there are any questions that I can answer at this time I will be happy to do so, and as always, our Association places itself at your disposal for assistance, advice, or resource, in this or any other fire and life safety matter.



JAMES R. EVANS, President

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill 121
 Title An Act Authorizing Credited Service Under PERS for Certain Clergy
 Requested by Senator Vic Fischer Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected LABOR SERVICES
 BRU, Program, or Subprogram(s) Affected 02-16-01-01-01 (PERS)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 24	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS	-0-	16.9	18.6	20.4	22.5	24.7
TOTAL	-0-	16.9	18.6	20.4	22.5	24.7

FUNDING (Thousands of Dollars)

GENERAL FUND		11.8	13.1	14.1	15.6	16.7
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRF						

POSITIONS NONE

FULL TIME _____
 PART TIME _____
 TEMPORARY _____

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

1. Estimate that approximately 18 members could qualify for benefits under this bill.
2. Estimate that these members will receive an average of two years additional service credit under this bill.
3. Estimate FY 82 State covered payroll to be \$294,614,500; increasing 10% annually.
4. Increase in State contribution rate would be .0097% of covered payroll.

IV. DATE April 7, 1981 PREPARED BY Paul J. Lynch, Director
 AGENCY Division of Retirement & Benefits
 PHONE 224-2111
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named): Senator Jay
 Office of the Governor (With Specifying)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 143
 Title An Act allowing retirement credits for unused sick leave (Political subdivisions only)
 Requested by _____ Date _____

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICE		28.1	30.0	31.8	33.8	36.0
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.1	0.2	0.2	0.3	0.3
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 STATE TDS MATCHING						
800 BENEFITS						
TOTAL	0.0	53.0	30.2	32.0	34.0	36.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUND						
VEHICLE FUND						
STATE FUND						
HIGHWAY FUND						
STREET FUND						
CAPITAL FUND						
FEES		53.0	30.2	32.0	34.0	36.0
TOTAL						

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

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

- Assumes current retirees and all State employment will not be affected by this bill.
- Estimate that the average political subdivision employ. will receive an additional 4.7 days (unused medical leave) of service credit for each year of employment under PERS.
- Estimate FY 82 political subdivision covered payroll to be \$256,656,000; increasing 1.3% annually.
- Increase in political subdivision contribution rate would be .2683% of covered payroll.
- State Personal Services to increase at \$5 per year.
- State costs for data processing system modifications (one time only) \$20,000.
- Costs to political subdivisions is estimated to be as follows:

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
	11.3	1752.0	1827.4	1910.4	1991.1	2071.1

PREPARED BY _____
 AGENCY _____
 PHONE _____
 Division of Retirement & Benefits
 100 North Legislature Street
 100 North Legislature Street

1	POSITION TITLE Retirement & Benefits Technician			RANGE/STEP 12/8	DANG. UNIT. G	LOCATION Juneau	GOV	APPROV	USAC
2	TYPE OF POSITION PFT	STAFF MONTHS 12	IP No.	FCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
5	SALARY	\$1,014/month	\$21,768
6	BENEFITS	15.79%	1,437
7		\$85,613%	1,334
8	HEALTH INS.	\$150/month	1,800
9	TOTAL PERSONAL SERVICES	01	\$28,339
10	TRAVEL	02	
11	CONTRACTUAL	03	2,700
12	COMMODITIES	04	200
13	EQUIPMENT	05	1,800
14	OTHER		
15	TOTAL COST		\$33,039

JUSTIFICATION:

This employee will be responsible for verifying and recording the additional credited service granted for unused sick leave, for calculating the additional benefit, and for handling correspondence.

It is estimated that approximately 30% or 4,400 members of the current PERS political subdivision membership will ultimately retire and will require crediting of unused sick leave under this bill.

	CODE	FUNDING SOURCE	
16		FED RCPTS. 1002	
17		GF MATCH. 1001	
18		GEN FUND 1000	
19		LA RCPTS. 1005	
20		PGM RCPTS 1020	
21		OTHER PERS	\$33,039
22	CONTINUATION	FOR ICGM USE ONLY	
23	ADDITION		

AA KEY NUMBER _____ COLUMN NO. _____

Senate Bill No. 143

AGENCY Administration PROGRAM Labor Services

DNU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

Page ? of ?

REVISED

FY 82



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 7, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: Senate Bill 195: Limiting the Adjustment of Retirement Benefits

BACKGROUND

This bill remedies a problem which the Blue Ribbon Commission was advised of in testimony from a retired state employee. When the employee retired in 1976, she had been advised on four separate occasions by the staff of the Division of Retirement and Benefits that she was eligible for more than nine years of credited service with the state. Shortly after she retired the legislature amended the retirement laws and she was told that she would receive credit for an additional three years because of her military service. She began receiving retirement benefits on that basis.

In 1979 the division wrote to advise her that their original computations had been in error and that her years of employment with the University of Alaska could not be included in her credited service. Therefore, she had received over \$5000 in benefits which she would have to repay. They reduced the amount of her check by \$100 to be credited towards that overpayment, in addition to reducing the check to the amount she was actually entitled to receive. The basis for denying credit for the employee's period of service with the University of Alaska was a regulation adopted by the Division of Retirement and Benefits in 1978 -- two years after she had retired.

The employee appealed to the Public Employee Retirement Board, which can waive collection of overpayment in cases of hardship. In determining whether there would be hardship to the employee, the board considered her family's financial situation and found that she was not entitled to the waiver.

Commission members discovered that this was not an isolated instance. A number of retired state employees have undergone similar

experiences. They relied on assurances from the Division of Retirement and Benefits only to discover a considerable time later that errors had been made and that their benefits would be reduced.

The commission recommends that a two-year statute of limitations be placed on the collection of overpayments. Two years gives the Division of Retirement and Benefits ample time to audit its records and find and correct any errors made. After that period of time, a retired person should be freed from the burden of having to pay back the state for mistakes of the state's employees. This protection should be available only in cases where the retired person did not contribute to causing the error. It should not apply to persons working for employers other than the state, since those employers may not be in a financial position to absorb the cost of errors made by state employees.

SECTION BY SECTION ANALYSIS

Section 1 amends the Teachers Retirement System by prohibiting the Division of Retirement and Benefits from decreasing benefits in order to collect for a previous overpayment if two conditions are met. The first condition is that the overpayment began two years or more before the division told the retired teacher of the error. The second condition is that the teacher did not cause the error.

Section 2 amends the Public Employee Retirement System in the same way that section 1 amends the TRS. However, in this section there is an additional condition. The error in computation must relate to the employee's credited service with the state, and not with another participating employer.

Section 3 makes the Act retroactive in order to include the retired person who testified before the commission.

Section 4 provides that the Act takes effect immediately in order to address the hardship to retired state employees.

THE LEGISLATURE OF THE STATE OF OHIO
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 105
 Title An Act Limiting the Adjustment of Retirement Benefits
 Requested by Senator Vic Fischer Date _____

II. FISCAL DETAIL

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

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Undoubtedly there will be some costs to the retirement system, but they cannot be measured. In most instances the individual adjustment would be small.

IV. DATE 4-22-81 PREPARED BY Ken Humphreys, for [Signature]
 AGENCY Division of Retirement & Savings
 PHONE 445-3440
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Address of the Prime Sponsor (State Capital)

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 195
 Title An Act Limiting the Adjustment of Retirement Benefits
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Labor Services and Elementary & Secondary Education
 BRU, Program, or Subprogram(s) Affected UZ-95-B-01-01-02 (TRS) 02-11-5-02-01-00 (TRS MATCH)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Undoubtedly there will be some costs to the retirement system, but they cannot be measured. In most instances the individual adjustment would be small.

IV. DATE 1/02/81 PREPARED BY Ken Humphreys, for
 AGENCY Division of Retirement & Benefits
 PHONE 365-2260
 Original: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Spackling)



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 3, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer *TBC*
Administrative Assistant

SUBJECT: SB 196 Relating to the Membership of the Public
Employees Retirement Board.

This bill amends the Public Employees Retirement Act to change the membership of the Public Employees Retirement Board. The law presently requires that the three members who are appointed to the Personnel Board shall also serve on the PERB. AS 39.35.030. Those three individuals are also, by statute, appointed to the Labor Relations Agency, which is involved in collective bargaining issues. AS 23.40.250(3). The activities of both the LRA and the PERB have grown considerably recently. In the last legislative session, the PERB was made responsible for overseeing the supplemental employee benefit program and the deferred compensation program for state employees. AS 39.35.040(9) and (10). The increase in the number of state employees who are members of collective bargaining organizations has led to additional work for the LRA. The three members of the Personnel Board are citizen volunteers appointed by the Governor who are not employed by the state.

While the issues which are addressed by the Personnel Board are related to some of the issues addressed by the Labor Relations Agency, this is not the case with the subjects of concern to the Public Employees Retirement Board. Therefore, the Blue Ribbon Commission recommends that the members of the Personnel Board continue to serve as the members of the LRA and that they be removed from the PERB. The PERB should be composed of four elected members and one member appointed by the Governor. In addition, the commission recommends that one of the elected members should be a retired person to insure that those most directly affected by the system have a voice in the decision-making body.

Section 1 of the bill sets out the changes in membership of the PERS board which are discussed above.

Section 2 is a temporary measure to enable the board to continue to act until new members have been selected according to the new method.

TBC:lmk

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 196
 Title An Act Relating to the Membership of the Public Employees Retirement Board
 Requested by Senator Fischer Date 4/03/81

II. FISCAL DETAIL

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

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		14.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	14.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		14.0				
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Costs in FY82 are to conduct a PERS wide election of two Board members.

Term of office is six years.

IV. DATE 4/06/81 PREPARED BY Ken Humphreys, for
 AGENCY Paul S. Arnold, Director
 PHONE Division of Retirement & Benefits
249-2440
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 127
 Title An Act Applying the Administrative Procedure Act (AS 44.62) to Adoption of Regulation
 Requested by Senator Vic Fischer Date _____

II. FISCAL DETAIL

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

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS: NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 4/22/81 PREPARED BY Paul E. Arnold, Director
 AGENCY Division of Retirement & Benefits
 PHONE 363-2460

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

Ken Humphreys, for [Signature]



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Pouch AG/Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

Senator Bill Ray
Chairman

MEMORANDUM

April 3, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer *TBC*
Administrative Assistant

SUBJECT: SB 197 Applying the Administrative Procedure Act (AS 44.62)
to Adoption of Regulations by State Retirement Systems.

This bill amends the law to require that both the Public Employees Retirement Board and the Teachers Retirement System administrators comply with the Administrative Procedure Act when adopting regulations. Both retirement systems are presently exempted from the APA. The Blue Ribbon Commission recommends the change because of concern that regulations have been adopted in the past without adequate opportunity for public comment. Although rule-making under the APA may be more time-consuming than rule-making under the present methods of the retirement systems, the improved public notice requirements outweigh that disadvantage. In instances in which either retirement system is faced with a need for immediate change in regulations, the APA provides for emergency rule-making. AS 44.62.250.

Section 1 of the bill amends the Public Employees Retirement System statute to make the PERS subject to the APA rule-making requirements.

Section 2 amends the Teachers Retirement System statute to make the TRS subject to the APA rule-making requirements.

TBC:lmk

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 262
 Title Alaska National Guard and Naval Militia Benefits
 Requested by Senators Bradley, Holman, and Kelley Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Administration, Division of Retirement and Military Affairs
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N/A	9.0	13.5	18.0	22.5	22.5
TOTAL		9.0	13.5	18.0	22.5	22.5

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		9.0	13.5	18.0	22.5	22.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

(Section " only)

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

Total tuition, fees, and books is \$900.00 per year, per student. Assuming 10 students the first year and 5 additional students each year for the next 3 years. Then sustain 25 students per year thereafter.

IV. DATE 13 Apr 1981 PREPARED BY LTC Henry A. Compton
 AGENCY Military Affairs
 Original: Legislative Finance PHONE 243-0456
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 356Title An Act relating to temporary service credit with the PERSRequested by Senator McFischer

Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and BenefitsProgram Category Affected Labor ServicesBRU, Program, or Subprogram(s) Affected 02-96-B-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		28.3	30.0	31.8	33.8	36.8
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		145.6	160.2	176.2	193.8	213.2
TOTAL		198.6	190.4	208.2	227.8	249.2

FUNDING (Thousands of Dollars)

GENERAL FUND		119.2	131.2	144.2	158.2	174.6
FEDERAL FUNDS		6.7	7.4	8.1	8.9	9.8
VETERAN'S FUND		0.3	.3	.3	.4	.4
FISH & GAME FUND		0.9	1.0	1.1	1.2	1.3
HIGHWAY FUND		1.3	2.1	2.7	2.5	2.8
AIRPORT FUND		4.2	4.6	5.1	5.6	6.2
CAPITAL FUND		12.4	13.8	15.0	16.5	18.1
PERS						
TRS						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 82 state covered payroll to be \$296,614,000; increasing 10% annually.
2. Increase in state contribution rate would be .049% of covered payroll.
3. Estimate personnel services to increase at 6% per year.
4. Estimate approximately 5000 affected members.
5. Estimate the average service year affected member to be approximately three months.
6. The cost to political subdivisions is estimated to be \$125,000 in FY 82 increasing at 10% each year thereafter.

IV. DATE

4-9-81

PREPARED BY

Paul S. Arnold, Director

AGENCY

Division of Retirement & Benefits

PHONE

465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Bill Ray

Address of the Committee (Please Print)

Ken Humphreys, for [initials]

2	PFT	12	
3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES.		
	SALARY	\$1,814/month	\$21,768
5	BENEFITS		3,437
6	FICA		1,334
7	HEALTH INS		1,800
8	TOTAL PERSONAL SERVICES		\$28,339
9	TRAVEL		
10	CONTRACTUAL		2,700
11	COMMODITIES		200
12	EQUIPMENT		1,800
13	OTHER		
14	TOTAL COST		\$33,039

JUSTIFICATION:

This person will be responsible for verifying and recording the additional credited service granted for past temporary membership employment, for calculating the additional benefit, and for handling correspondence.

	CODE	FUNDING SOURCE	
15		FED PROPTS	
16		GF MATCH	
17		GEN FUND	
18		FA PROPTS	
19		PRM PROPTS	
20		OTHER	\$33,039

21 CONTRIBUTION

22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY ADMINISTRATION PROGRAM LABOR SERVICES

BR: RETIREMENT & BENEFITS

13 REQUEST FOR NEW POSITION.

COMPONENT PERS

FY 82



Official Business

Senate

Office of the President

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO : SENATOR FISCHER,
CHAIRMAN OF STATE AFFAIRS COMMITTEE

FROM : SENATOR KERTTULA

DATE : MARCH 11, 1982

SUBJECT: RETIREMENT BENEFITS

I have received a call from a constituent of mine, Ed Burgholzer of Wasilla (376-2945), who is a DOT employee. He has a retirement problem which I would like to bring to your attention in connection with SB 356.

Mr. Burgholzer worked as a temporary state employee for 27 months before he was hired on as a permanent employee. He has been informed by the Division of Retirement that his contribution will be \$16,000 to buy back the 27 months. As you can imagine, Mr. Burgholzer finds the cost of the program prohibitive. Mr. Burgholzer mentioned that he knows a number of other state employees in the same situation.

Although the State has created a program by which temporary time can be credited, it has placed the cost so high that few people can take advantage of it.

I hope that you will give this problem your serious consideration when considering SB 356. I have also enclosed a message from Wayne Fleek on the same subject.

should be able to pay it out in some way. No further act?

JK/mv/cp

enc

cc: Ed Burgholzer

MSG 02-00012705 PRTY 1 03/09/82 10:12:47 ORIG. LA02 IN= 0002 OUT= 0137
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET LHM2 SUBJ: P O M PAGE 0004

TO SENATORS COLLETTA, AND KERTTULA
REPRESENTATIVES BYLSMA, HAYES, METCALFE

FROM: MARCIE, JUNEAU, JUNEAU, JUNEAU, JUNEAU, JUNEAU (LH 019-5541)

PLEASE YOU TO SUPPORT SENATE BILL 356. IT SEEMS RIDICULOUS TO HAVE TO PAY
FOR THE RETIREMENT BENEFIT THAN THE GROSS MONTHLY SALARY WAS AT TIME OF
EMPLOYMENT. ALSO, PLEASE ACT ON BE HALF OF THE STATE EMPLOYEES AND THE
ADMINISTRATION BARGAINED IN GOOD FAITH FOR ALL CONCERNED. YOU ARE
STRONGLY SOLICITED TO NOW ACT FAVORABLY ON THAT AGREEMENT AND PASS THIS BILL.

356
685

JAY S. HAMMOND, GOVERNOR

N

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

(907) 465-2200

March 8, 1982

Ms. Carol Burnside
Researcher
Senator Colletta's Office
Pouch V
Juneau, AK 99811

Dear Ms. Burnside:

This is in response to your inquiry of February 26, 1982 to Director Arnoldt, regarding a letter received by Senator Colletta from Mr. R. Russell Redick.

Mr. Redick asks that an "obvious inequity" be corrected. What he wants is to have the PERS law amended so that he will not have to pay the full actuarial cost of purchasing his temporary service credit. He wants to pay the "normal contributions" which means that the state would have to pay the difference.

We were opposed to the purchase of temporary service credit when it was introduced in the Eleventh Legislature. Temporary employees should not be afforded retirement coverage--the very nature of the employment supports this viewpoint. Such employees will not be with the PERS long enough to retire; if they are, then they should not be classified as temporary employees. Passage of the bill granting temporary service credit was made somewhat more palatable because those receiving the credit are required to pay the full actuarial cost. Now that the temporary service credit provision is on the books, we are being asked to reduce the cost to the employee for purchasing the service; to do so would serve no public purpose and it would be an unwarranted retroactive increase in employee benefits which would cost the state approximately \$2.1 million.

If you have additional questions on this matter, please let me know.

Respectfully


W.R. Hudson
Commissioner

PBA/jb

cc: All Legislators

Paul B. Arnoldt, Director
Division of Retirement & Benefits

February 22, 1982

The Honorable Victor Fischer
Chairman, State Affairs Comm.
Pouch V, State Capitol Building
Juneau, Alaska 99811

Dear Senator Fischer:

I recently wrote you (and all other members of the House and Senate) requesting further consideration of Section 32 of HB 121.

My concern was (and is) that if a state employee claims his temporary time the computed indebtedness to the state retirement system is so large as to far exceed any benefits. In my case, to claim 1.928 years of temporary time would cost \$20,500 plus monthly interest until retirement.

I have been advised by Representative Hayes that a bill already exists which would solve this problem. That bill is SB 356. The language of SB 356, which I am told is now in the Senate State Affairs Committee, was included in HB 121 as Section 32.

Now that HB 121 has failed, I urge you to consider SB 356.

As I indicated earlier, numerous employees while working for the state were denied access to the retirement system. Also, the existing legislation required employees to claim their temporary time before July 1, 1981. I know numerous employees who simply did not bother to claim their time before that deadline due to the extreme cost. SB 356 would also extend this filing deadline to July 1, 1982.

Your cooperation and support in this matter would be greatly appreciated.

Sincerely,



R. Russell Redick
Box 1998 SRA
Anchorage, Alaska 99502

March 12, 1982

The Honorable Victor Fischer
Chairman, Senate State Affairs Committee
Pouch V, State Capitol
Juneau, AK 99811

Dear Senator Fischer:

The following persons strongly urge your committee to pass out Senate Bill 336 with a strong do pass recommendation. (List attached)

R. Russell Redick
SRA Box 199H
Anchorage, AK 99502

David Watsjold
SRA Box 764
Anchorage, AK. 99502

Kenneth Alt
Box 10104
Fairbanks, AK. 99701

Mike Kramer
SR Box 30676
Fairbanks, AK. 99701

Gary Pearce
1700 Tamarack Street
Fairbanks, AK. 99701

Wilson Potterville
Box 231
Glennallen, AK. 99588

Gary Sanders
9167 Riverwood
Juneau, AK. 99801

Paul Kiamer
2343 Kevia Ct.
Juneau, AK. 99801

Gregory Thomason
P.O. Box 201
Auke Bay, AK. 99821

Frank Van Hulle
2301 Meadow Lane
Juneau, AK. 99801

Larry Engel
Box 197
Palmer, AK. 99645

Al Havens
Box 2282
Palmer, AK. 99645

Larry L. Larson
Box 55
Sterling, AK. 99672

Stephen Hammarstrom
Box 471
Soldotna, AK. 99669

Sid Logan
Box 2589
Soldotna, AK. 99669

David Walthmyer
Box 2617
Soldotna, AK. 99669

Dennis Hubartt
Box 2996
Juneau, AK. 99803

Mark Schwan
8863 Birch Lane
Juneau, AK. 99801

Doug Jones
9360 Minor Dr.
Juneau, AK. 99811

Larry Edfelt
P.O. Box 457
Juneau, AK. 99802

Sue Howell
Box 3151
Kenai, AK. 99611

David C. Nelson
Box 143
Soldotna, AK. 99669

Ted McHenry
Box 1333
Sevard, AK. 99664

Pete Murray
Box 2181
Kodiak, AK. 99615

Bruce King
Box 1662
Soldotna, AK. 99669

Paul Ruesch
Box 4095
Soldotna, AK. 99669

Gary Kyle
Box 2527
Soldotna, AK. 99669

Don Seagren
Box 2493
Soldotna, AK. 99669

William E. Altland
Box 4431
Soldotna, AK. 99669

Jim Edmunson
Box 3155
Soldotna, AK. 99669

Sandra Seagren
Box 2498
Soldotna, AK. 99669

March 12, 1982

N

The Honorable Victor Fischer
Alaska State Senate
Pouch V State Capitol
Juneau, AK. 99811

Dear Senator Fischer,

I am writing to you regarding Senate Bill 356 which addresses temporary service credit for public employes. You may be aware that House Bill 121 contained wording which would allow public employes to retroactively contribute to the retirement system for past temporary service credit. This bill did not pass and has been replaced by various other bills none of which address temporary service credit.

Senate Bill 356 does address this issue and I urge your support for passage of this bill.

I am one of the few state employes that were barred from the state retirement system when I was a temporary/seasonal employe. Seasonal employes are now included in the system.

Although I am now allowed to purchase the temporary service through retroactive payments, the debt amount is extremely high as it is based upon current salaries and not on actual wages earned back during the period of actual service. This service also is not allowed to count toward normal retirement and the service rendered by present day seasonal employes does not count.

Sincerely,
Daniel Watjall
SRA Box 764
Anchorage, AK. 99507

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Room 205 - Behrends Building
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 360 and Senate Bill No. 361

Senate Bill No. 360, an Act relating to the investment of the public employees' and teachers' retirement funds, was introduced in the Senate on March 31, 1981 and was referred to the Senate State Affairs and Finance Committees.

Senate Bill No. 361, an Act making a special appropriation to the Department of Administration for payment of liabilities of the public employees' and teachers' retirement funds, was introduced in the Senate on March 31, 1981 and was referred to the Senate Community and Regional Affairs; State Affairs and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning both bills.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

The Honorable Donald E. Gilman
Chairman
Senate Community and Regional
Affairs Committee

Anselm Staack
Treasury Comptroller
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 360, 361

FISCAL NOTE

I. REQUEST 361
 Bill/Resolution No. SENATE BILL NO. 360 & 361
 Title Relating to investment of the public employees' and teachers' retirement funds
Recommending and making a special appropriation for payment of Date 3/31/81
accrued liabilities of both funds
 Requested by Senate State Affairs & Community & Regional Affairs Committees

II. FISCAL DETAIL
 Agency Affected Department of Revenue, Department of Administration
 Program Category Affected General Fund
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
SEASONARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 SB 361 appropriates \$130.4 million to the Public Employees' Retirement System and \$134.3 million to the Teachers' Retirement System to pay the unfunded liabilities of both systems accrued to 1/1/80 and 6/30/80 respectively.
 SB 361 adds language to the investment authority of both systems directing that the funds appropriated in SB 361 be used to buy Alaska Housing Finance Corp. bonds and bond anticipation notes at competitive market rates of interest of taxable securities.
 No additional administrative costs appear necessary.

DATE April 8, 1981 PREPARED BY Annita C. Beach, Treasury Controller
 AGENCY Dept. of Revenue/Treasury Division
 PHONE 481-2111
 Original: Dept. of Finance
 cc: Dept. of Management
 P- to (insert name of Legislator Name)

I. REQUEST
 Bill/Resolution No. Senate Bill 361
 Title An Act Making a Special Appropriation to the Department of Administration
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 (PERS)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
100 APPROPRIATION (SB 361)		136,400.0				
100 BENEFITS OPERATING BUDGET		(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)
TOTAL	-0-	128,866.0	(7,534.0)	(7,534.0)	(7,534.0)	(7,534.0)

FUNDING (Thousands of Dollars)

GENERAL FUND		130,299.7	(6170.3)	(6170.3)	(6170.3)	(6170.3)
FEDERAL FUNDS		(146.6)	(146.6)	(146.6)	(146.6)	(146.6)
VETERAN'S FUND		(15.1)	(15.1)	(15.1)	(15.1)	(15.1)
FISH & GAME FUND		(45.2)	(45.2)	(45.2)	(45.2)	(45.2)
HIGHWAY FUND		(97.9)	(97.9)	(97.9)	(97.9)	(97.9)
AIRPORT FUND		(218.5)	(218.5)	(218.5)	(218.5)	(218.5)
CAPITAL FUND		(640.0)	(640.0)	(640.0)	(640.0)	(640.0)
PERS						
TRS						

POSITIONS

FULL TIME	NONE					
PART TIME						
TEMPORARY						

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

1. The unfunded State Benefit Liability Rate is 2.54% of covered payroll (\$7,534.0 in FY 82).
2. The average unfunded Political Subdivision Liability Rate is 2.32% of covered payroll (\$5,987.2 in FY 82).
3. The appropriation under this Bill will reduce the unfunded liability of the PERS approximately as follows:

State: \$81,351.0
 Political Sub: \$56,027.0

IV DATE 5/01/81 PREPARED BY Paul J. Stewart, Director
 AGENCY Division of Retirement & Benefits
 PHONE (602)440-1100

Original: Legislative Finance
 Budget and Management
 Prime Sponsor / First Legislator Name: Senator Stinson
 Office of the Governor (Health Deciding)

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Labor Services and Elementary & Secondary Education
 BRU, Program, or Subprogram(s) Affected 02-95-B-01-01-02 (TRS) 02-11-B-02-01-00 (TRS MATCH)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
100 APPROPRIATIONS (SB 281)		154,100.9				
700 STATE TRS MATCHING		(6,600.4)	(6,600.4)	(6,600.4)	(6,600.4)	(6,600.4)
100 BENEFITS OPERATING BUDGET		(1,757.2)	(1,757.2)	(1,757.2)	(1,757.2)	(1,757.2)
TOTAL	-0-	146,742.4	(7,957.6)	(7,957.6)	(7,957.6)	(7,957.6)

FUNDING (Thousands of Dollars)

	80	81	82	83	84	85	86
GENERAL FUND		146,742.4	(7,957.6)	(7,957.6)	(7,957.6)	(7,957.6)	(7,957.6)
FEDERAL FUNDS							
VETERAN'S FUND							
FISH & GAME FUND							
HIGHWAY FUND							
AIRPORT FUND							
CAPITAL FUND							
PERM							
TRN							

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

The unfunded TRS benefit liability rate is 4.2% of covered payroll
 (The TRS contribution rate is split 50/50 between the state matching
 contribution and the school district contribution).

IV. DATE 8/11/81 PREPARED BY Paul S. Arnold, Director
 AGENCY Division of Retirement & Benefits
 PHONE 485-4450
 Original: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named) Senator Stinson
 Office of the Governor (Keith Spackling)

1. Estimated FY82 Payroll (Total System)	=	\$261,775,000
2. State Contribution Rate to Fund Bill	=	2.445%
3. State TRS Matching Rate to Fund Bill	=	2.445%
4. School District Rate to Fund Bill	=	2.445%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>	<u>Rate</u>	<u>Cost Reduction</u>	<u>Appropriation</u>
1. Department of Education	\$ 4,712,000	X 2.445%	\$ 115.2	To Their Budget
2. University of Alaska	\$ 42,617,000	X 2.445%	\$1,042.0	To Their Budget
			<u>\$1,157.2</u>	
3. State TRS Matching	\$ 261,775,000	X 2.445%	\$6,400.4	To TRS Match
4. State TRS Regular Budget:				
Personal Services			\$ -0-	To Personal
Travel			\$ -0-	To Travel
Contractual			\$ -0-	To Contractual
Commodities			\$ -0-	To Commodities
Equipment			\$ -0-	To Equipment
			<u>\$7,557.6</u>	
5. All School Districts	\$ 214,446,000	X 2.445%	\$5,243.2	
			<u>\$12,800.8</u>	
			<u><u>\$12,800.8</u></u>	

REMARKS:

SBS/D1/32

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
Program Category Affected Labor Services and Elementary & Secondary Education
BRU, Program, or Subprogram(s) Affected 02-96-B-01-01-02 (TRS) 02-11-B-02-01-00 (TRS MATCH)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

Table with columns for FY 81, FY 82, FY 83, FY 84, FY 85, FY 86 and rows for 100 PERSONAL SERVICES, 200 TRAVEL, 300 CONTRACTUAL, 400 COMMODITIES, 500 EQUIPMENT, 600 LAND & STRUCTURES, 700 STATE TRS MATCHING, 800 BENEFITS, and TOTAL.

FUNDING (Thousands of Dollars)

Table with columns for FY 81, FY 82, FY 83, FY 84, FY 85, FY 86 and rows for GENERAL FUND, FEDERAL FUNDS, VETERAN'S FUND, FISH & GAME FUND, HIGHWAY FUND, AIRPORT FUND, CAPITAL FUND, PERS, and TRS.

POSITIONS NONE

Table with columns for FY 81, FY 82, FY 83, FY 84, FY 85, FY 86 and rows for FULL TIME, PART TIME, and TEMPORARY.

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

- 1. The cost of this bill would be level as teachers hired on or after July 1, 1978 would pay the full actuarial cost of the service credit.
2. Estimate that approximately 100 current teachers have some Peace Corps service.
3. Estimate that of these 100 teachers, they each have approximately 3 years Peace Corps service.
4. To fund this bill, the TRS contribution rate must be increased by .04% of covered payroll in FY82.
5. Estimate FY82 TRS covered payroll to be \$261,778,000.

IV. DATE April 21, 1981 PREPARED BY Paul B. Arnold, Director
AGENCY Division of Retirement & Benefits
PHONE 485-4450

Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named) Senator Stinson
Office of the Governor (Keith Chandler)

2. State Contribution Rate to Fund B111	=	.02%
3. State TRS Matching Rate to Fund B111	=	.02%
4. School District Rate to Fund B111	=	.02%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 4,712,000	X	.02%	\$.9	To Their Budget
2. University of Alaska	\$ 42,617,000	X	.02%	\$8.5	To Their Budget
				<u>\$9.4</u>	
3. State TRS Matching	\$261,775,000	X	.02%	\$52.3	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal
Travel				\$ -0-	To Travel
Contractual				\$ -0-	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				<u>\$ -0-</u>	To Equipment
				<u>\$ 61.7</u>	
5. All School Districts	\$214,446,000	X	.02%	<u>\$ 42.9</u>	
				<u>\$104.6</u>	
				<u><u>\$104.6</u></u>	

REMARKS:

11/11

111. 700-2200
April 24, 1981

Honorable Vic Fischer
Chairman
Senate State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

Senate Bill 402, in its present form, would allow employees to use their military service to vest in the PERS. The cost to the system would be 9.003% of payroll, or \$26.8 million in FY 82. Costs aside, it would serve no useful public purpose to allow the use of military service to vest in the system. Therefore, I suggest the bill be amended by adding the following language at the end of section 340 (a): "service credited under this section may not be used to satisfy the vesting requirements for retirement." If the bill was amended in this manner, the cost to the system in FY 82 would be reduced to \$243,000.

Additionally, the bill now covers all employees, including those who have already claimed their military service. You asked for the cost of the bill if it covered only those who have not yet claimed their military service. If the bill were amended to cover only future claimants, the cost to the system would be further reduced to \$188,350 in FY 82; however, for the purposes of equity, I suggest that it apply to all employees.

Please let me know if you need additional information.

Respectfully,


W. R. Hudson
Commissioner

WRH/cm

cc: Paul B. Arnoldt
Director
Division of Retirement & Benefits
Keith Specking

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

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

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		67.0	67.0	67.0	67.0	67.0
TOTAL	-0-	67.0	67.0	67.0	67.0	67.0

FUNDING (Thousands of Dollars)

GENERAL FUND	54.9	54.9	54.9	54.9	54.9
FEDERAL FUNDS	3.1	3.1	3.1	3.1	3.1
VETERAN'S FUND	.1	.1	.1	.1	.1
FISH & GAME FUND	.4	.4	.4	.4	.4
HIGHWAY FUND	.9	.9	.9	.9	.9
AIRPORT FUND	1.9	1.9	1.9	1.9	1.9
CAPITAL FUND	5.7	5.7	5.7	5.7	5.7
PERS					
TRS					

POSITIONS NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

1. Estimate approximately 50 members would qualify for service credit under this
2. Estimate average additional service credit for those 50 members to be three yr

IV. DATE 1/25/81

PREPARED BY *Paul A. Arnold* Director
 AGENCY Division of Retirement & Benefits
 PHONE SEN-2350

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named: Senator Carlisle
 Office of the Governor (Keith Spang)

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		67.0	67.0	67.0	67.0	67.0
TOTAL	-0	67.0	67.0	67.0	67.0	67.0

FUNDING (Thousands of Dollars)

GENERAL FUND		54.9	54.9	54.9	54.9	54.9
FEDERAL FUNDS		1.1	1.1	1.1	1.1	1.1
VETERAN'S FUND		.1	.1	.1	.1	.1
FISH & GAME FUND		.4	.4	.4	.4	.4
HIGHWAY FUND		.9	.9	.9	.9	.9
AIRPORT FUND		1.2	1.2	1.2	1.2	1.2
CAPITAL FUND		5.7	5.7	5.7	5.7	5.7
FFRS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate approximately 50 members would qualify for service credit under this bill.
2. Estimate average additional service credit for those 50 members to be three years.

IV. DATE 3/24/81 PREPARED BY Paul A. Arnold *Paul A. Arnold*
 AGENCY Division of Retirement & Pensions
 PHONE 325-4300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator named) Senator Carlisle
 Office of the Governor (Keith Spackling)

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE IRS MATCHING						
100 BENEFITS		33.0	33.0	33.0	33.0	33.0
TOTAL	-0-	33.0	33.0	33.0	33.0	33.0

FUNDING (Thousands of Dollars)

GENERAL FUND		27.0	27.0	27.0	27.0	27.0
FEDERAL FUNDS		1.5	1.5	1.5	1.5	1.5
TERAN'S FUND		.1	.1	.1	.1	.1
SA & GAME FUND		.2	.2	.2	.2	.2
HIGHWAY FUND		.4	.4	.4	.4	.4
AIRPORT FUND		1.0	1.0	1.0	1.0	1.0
CAPITAL FUND		2.8	2.8	2.8	2.8	2.8
PERS						
IRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate that approximately 5 people could qualify for benefits under this bill.
2. Estimate that approximately 15 years service will be claimed by each member.
3. Assume that those qualifying for service credit under this bill could receive benefits immediately.

IV. DATE 4/10/81 PREPARED BY Paul H. Arnold, Director
 AGENCY Division of Parliament & Benefits
 PHONE 465-1360

Original: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named) Senator Kottulis
 Office of the Governor (Kaiser Specking)

BRU, Program, or Subprogram(s) Affected: TGS, PERS, JCS, and MGRS
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
105 TRAVEL						
200 CONTRACTUAL						
300 COMMODITIES						
400 EQUIPMENT						
500 LAND & STRUCTURES						
700 MATERIALS, SUPPLIES, ETC.						
800 BENEFITS						
TOTAL	0	0	0	0	0	0

FINANCING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
STATE OF TEXAS						
FEDERAL GOVERNMENT						
OTHER SOURCES						

PERSONNEL (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
REGULAR						
TEMPORARY						
CONTRACTORS						

[Handwritten signature]
 [Illegible handwritten text]

[Faint handwritten text]