

ALASKA LEGISLATURE COMMITTEE FILES 901-1982 0072

2062 SSA SB 121 - SB 165 2062



# 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 145, SB 196, SB 197, SB 262, SB 356,~~  
~~SB 360, SB 361, SB 394, SB 407, SB 471, SB 472, SB 537,~~  
 SB 568, SB 589, SB 827

COMMITTEE MEETINGS WILL BE CONDUCTED IN ROOM 423 CAPITOL

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

WRH/kg

Enclosure

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

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 (RIs) am 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 (RIs) am 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 (RIs) am 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 CSMB 121 (R1s) am S re-eng.

8. Bill: HB 118 (HESS), [SB 526]  
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 (R1s) 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.

15. Bill: CS SB 144 (HESS), [HB 119]  
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

member concerns. It doesn't make sense to 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 Onbudsman, 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

- 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.
22. Bill: CSSB 286 (RIs)
- 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, CSNB 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

- Rationale: If the unfunded liabilities are paid off, two things will happen: (1) as a result of the 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 others.
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.

29. Bill: SB 394  
 Subject: TRS Credit for Service in the Peace Corps  
 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 (R1s) 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 (R1s) 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 NGRS
- D.O.A. Position: Support
- Rationale: This bill contains the housekeeping provisions which are already contained in SCS CSHB 121 (Ris) 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 Excptions: (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	172 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. Lovett,  
Manager

Donna M. Sherby,  
Clerk / Treasurer

Council Members  
Don Narrance  
Jay Bynum  
Richard Groff  
R.J. Kopchak  
Garry Purvis  
Joe Gunderson

March 12, 1982

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

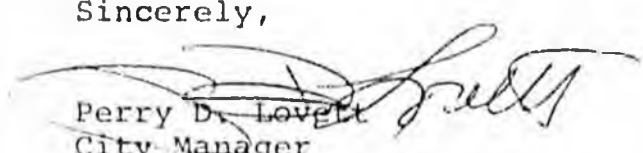
Re: SB 752,767,827

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. Lovett  
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

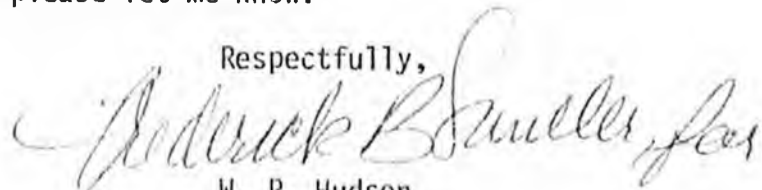
Dear Senator Fischer:

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/1w  
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%	\$ 7,051.0	\$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	\$17,690.1
2.5%	\$22,627.5	\$21,873.0	\$16,150.2
3.0%	\$27,153.0	\$19,786.3	\$14,620.4

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 member 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 (e) 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 88 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

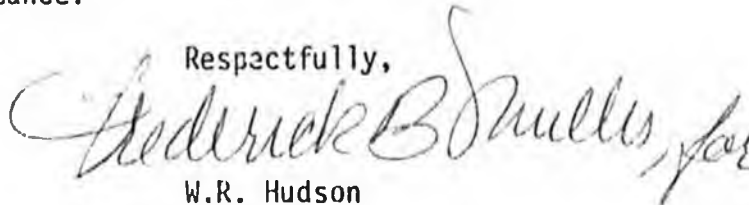
On April 28, 1978, the firm of William M. Mercer, Incorporated, provided ASHA with the actuarial study. On June 15, 1978, we wrote ASHA to inquire whether they had arrived at a decision concerning PERS membership. Harry F. Goldbar responded that a decision had not yet been made.

Legislation (HB 365) 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 PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

Public Em-  
ployees  
(retirement)  
(firemen)

SENATE BILL NO. 121, by Senator Ray. Authorizes credited service under the public employees' retirement system for certain firemen. Amends AS 39.35.360(a) (Public Employees' Retirement System of Alaska. Earlier service) to read: "An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1961, as a peace officer, [OR] correctional officer, or fireman of a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service." (Note: underlined language added, bracketed language deleted). Does not provide for an effective date.

Introduced January 30 and referred to State Affairs, then to Finance.

Retirement  
Credit  
(unused sick  
leave)

SENATE BILL NO. 143, by Senators Parr and Fahrenkamp. Allows retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the Public Employees' Retirement System (PERS). Employee must have been employed on or after July 1, 1980 and must have retired after July 1, 1981. Unused sick leave shall be credited on a day-for-day basis and employee contributions may not be required for credited unused sick leave.

An employee who retires before July 1, 1981, returns to membership service on or after July 1, 1981, and then subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

Benefits under new section accrue from the first day of the month after which: (1) the employee meets the eligibility requirements of the section; (2) the employee is terminated from covered employment; and (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

Above provisions added to AS 39.35 under new Section 315, "Credit for Unused Sick Leave." Does not provide for effective date.

Introduced February 4 and referred to State Affairs and Finance.

Retirement  
Benefits  
Limiting  
adjustments)

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.

Public Emp.  
Retirement  
Board  
(membership)

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes composition of board so that one member is appointed by the Governor and the remaining four are members of the system, elected by the members of the system. Also adds a requirement that at least one of the elected board members be retired. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations  
(adoption of  
by retire-  
ment systems)

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that regulations adopted by the state retirement systems are subject to the provisions of the Administrative Procedure Act. Currently sections is AS 39.35 and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.

SB 259, (cont'd)

project for delivery of Public Health Nursing Services is still in the negotiation process. The section of nursing, division of public health, H&SS, is providing the nursing services until the contract is made final, presumably sometime soon.

Money for the four nursing positions was not included in the FY 81 appropriation to H&SS. If this appropriation is not received, other H&SS employees will have to be laid off in order to avoid an over-expenditure. This would seriously disrupt the delivery of public health nursing services.

Appropriation  
(special)  
(Lower Kuskokwim Coast Corporation)

~~SENATE BILL NO. 260, by Senator Hohman by Request. Makes a special appropriation of \$50,000 to the Dept. of Commerce and Economic Development for payment as a grant to the Lower Kuskokwim Coast Corporation for annual operating expenses of the corporation for the fiscal year ending June 30, 1982. Provides Act takes effect immediately.~~

~~Introduced March 10 and referred to Labor and Commerce, then to Finance.~~

Appropriation  
(special)  
(Aleut relocation, WW II)

~~SENATE BILL NO. 261, by Senator Mulcahy. Makes a special appropriation in the amount of \$165,500 from the general fund to the Department of Community and Regional Affairs for payment as a grant to the Aleutian/Pribilof Islands Association, Inc., for a research study and analysis of the relocation and involuntary detention of the Aleut people during World War II. Provides Act takes effect immediately. (See HB 291, p.460, ident.)~~

~~Introduced March 10 and referred to Community & Regional Affairs, then to Finance.~~

SB 262

AK National Guard & Naval Militia  
(benefits)

SENATE BILL NO. 262, by Senators Bradley, Hohman and Kelly. Amends sections of the Military Code of Alaska (AS 26.05) relating to benefits:

--relating to commencement of participation in the system (sec. 223). States that a member of the Alaska National Guard or Alaska Naval Militia shall be included in the retirement system upon commencement of membership in the Guard or the Militia (the section presently states that a member shall be included in the system upon commencement of membership in the Guard, or on January 1, 1973, whichever is later, or upon commencement in the Militia or on July 1, 1980, whichever is later).

--relating to retirement benefits (sec. 224). Provides that a person who is a member of the Guard on or after January 1, 1971 (presently an "active" member "or a former member who was an active member" on or after 1/1/69), or a member of the Militia on or after July 1, 1979 (presently 7/1/80) is eligible for a retirement pension upon voluntary retirement from the Guard or Militia after a total of 20 years or more of service (deletes "satisfactory" service) in the Guard or Militia or active service (added) in the armed forces of the U.S. Deletes "armed forces reserves, or any combination of service in components if at least five years of the service is in the

SB 262, (cont'd)

Guard or Militia." Adds language which provides that in the case of voluntary retirement an eligible member or former member may elect to receive his pension beginning on the first day of the month following his 55th birthday or separation from the Guard or Militia, whichever is later. Provides that in the case of involuntary retirement because of federal standards eligible member or former member may receive pension on the first day of the first month after his separation from the Guard or Militia. (Section now states that an eligible member or former member may elect to receive his pension beginning on the first day of the month in which he becomes eligible for retirement or he may defer payment until a later date). Deletes language which states that deferred payments must be made monthly at the rate of \$100. Adds language which states that a death benefit shall be paid to members estate regardless of whether he filed an application for payment of benefits.

--relating to earlier service (sec. 225). States that a person who was a member of the Guard is entitled to credit for his service to the state and former territory of Alaska as a member of the Territorial Guard in determining eligibility benefits. (Deletes provision that person be a member on or after 1/1/69).

--relating to pay and allowances (sec. 260). Provides for payment to members of the Guard and Militia for each day of active service equal to pay and allowances provided by federal laws and regulations for members of like grades of the U.S. Army, Air Force and Navy, "plus compensation equivalent to the per diem allowance payable to state officers and employees for the locale at which the duty is being performed." Deletes language which states that no enlisted person shall receive pay and allowances of less than \$6 per day.

--Adds new section relating to pay and allowances which states that a member of the Guard or Militia who is injured or suffers a disability while on active duty, including transit to and from his home, is entitled to all compensation and benefits available under the Alaska Workers' Compensation Act for the injury or disability. Also provides member is entitled to receive death benefits allowed beneficiaries under that Act. Outlines payments to be received by beneficiary.

--Adds new section entitled "Alaska National Guard Senior ROTC Scholarship Program". Establishes within the Dept. of Military Affairs a Senior ROTC scholarship program under which eligible persons will receive a grant equivalent to the current costs of resident tuition, fees and books at the U of A. Provides eligibility requirements.

--Amends the Teachers' Retirement System (AS 14.25), credit for service in the armed forces (sec. 100) by addition of language which states that a member who served as an active member of the armed forces "after December 31, 1939" may receive credit-

SB 262, (cont'd)

able service under this system up to a maximum of five years. Deletes provision which states that military service credited under this section shall be included in the 10-year limitation of outside service, except if entry into the armed forces is immediately preceded by Alaska membership service and following discharge is continued by Alaska membership within one year thereafter, service may not be counted for purposes of determining the applicability of the 10-year limitation on outside service.

--Adds new subsection to sec. 100 stating that a member is not required to make contributions for credit for service in the armed forces if he is a member or former member of the Guard of Militia or former member of the Territorial Guard, with a total period of membership in those organizations of at least 20 years when added to the armed forces military claimed. Provides that such a member who has made contributions for military service credit is entitled to a refund of those contributions.

--Adds new section to AS 14.25 entitled "Credit for Membership in the Alaska National Guard and Alaska Naval Militia." Section provides that a teacher who is a member of the Guard or Militia may receive creditable service under this system for all or any part of his credited service under the Alaska National Guard retirement system by electing to forgo four months of credited service under the Guard system for each month of service to be credited under this system. Each 12 months of service credited under this section equals one school year, and lesser periods of service credit will be determined in a proportionate ratio to a year. Provides for former members of the Guard or Militia. Provides for contributions to the system.

--Amends section relating to arrearage indebtedness under the Teachers' Retirement System by including the Alaska National Guard and Naval Militia, stating that total military service claimed may not exceed five years.

--Amends the Public Employees Retirement System of Alaska (AS 39.35) by adding a new subsection stating that an employee is not required to make contributions for credited service for his service as a member or former member of the Alaska National Guard or Naval Militia, or a former member of the Territorial Guard, with a total period of membership of at least 20 years when added to the military service claimed. States that an employee who has made contributions for this service is entitled to a refund.

--Adds new section to the same (above) stating that a vested employee who is a member of the Guard or Militia may receive credited service for all or any part of his credited service under the Guard or Militia retirement plan by electing to forgo four months of credited service under that plan for each month of service to be credited under this system. Provides for former members of the Guard or Militia.

INTRODUCTION OF BILLS (Senate) (cont'd)

Commercial  
Fishing &  
Agric. Bank

SENATE BILL NO. 388, by enator Fahrenkamp. Identical to HB 413, page 592.

Introduced April 3 and referred to Resources and Finance.

Appropriation  
(special)  
(AK Hospital  
& Med. Center  
Loan)

SENATE BILL NO. 389, by the Finance Committee. Appropriates \$55 million from the general fund to the Dept. of Revenue for a loan to the board of trustees of the Alaska Hospital and Medical Center to refinance the outstanding mortgage of the Center and its related professional office building properties. Effective on the effective date of a version of an Act authorizing the Commissioner of Revenue to make the loan (SB 390, below)

Introduced April 3 and referred to Finance.

AK Hospital  
& Med. Center  
loan  
(authorization)

SENATE BILL NO. 390, by the Finance Committee. Directs the Commissioner of Revenue to make a loan to the Board of Trustees of the Alaska Hospital and Medical Center to refinance the outstanding mortgage obligations of the Board. The agreement entered into with the Board of Trustees shall have a maximum term of 40 years and shall bear interest at a rate equal to the rate of interest received by the Alaska Medical Facility Auth. for the last mortgage loan agreement entered into by the Authority for the refinancing of a medical facility before the effective date of the bill. Provides for an immediate effective date.

Introduced April 3 and referred to Finance.

AK Nat'l Guard  
& Naval Militia  
(benefits)

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 262, (see page 429). Sponsor Substitute differently amends AS 26.05.224 relating to retirement benefits. Deletes amendments to subsections (b) and (c). Amendment in original bill to (b) deleted "satisfactory" from that subsection (see page 429, last paragraph). Amendments in original bill to (c) added language relating to the receipt of retirement benefits at age 55 (see page 430, paragraph 1) and deferred payments. Sponsor Substitute further amends (a) to state that "a member of the Alaska Naval Militia on or after July 1, 1979, with at least five years of service in the Alaska National Guard or Naval Militia" is eligible for a retirement pension (language relating to minimum five years of service added). Remainder of Sponsor Substitute is identical to original bill.

Introduced April 2 and referred to Home Affairs and Finance.

INTRODUCTION OF RESOLUTIONS (Senate)

Haines  
(construction  
of park visitor  
center)

SENATE CONCURRENT RESOLUTION NO. 22, by Senator Ray. Requests the Governor to support the establishment of a state park visitor center in the City of Haines and to direct the Commissioner of Natural Resources to construct the center in the City of Haines.

Introduced April 2 and referred to Resources and Finance.

Alaska History  
& Government  
(study of in  
schools)

SENATE CONCURRENT RESOLUTION NO. 23, by Senator Fischer. Requests the state Board of Education to adopt regulations requiring at least one unit of credit in the study of Alaska history and government for graduation from state high schools.

Introduced April 3 and referred to Health, Educ. & Social Services

Public  
Employees'  
Retirement  
(temporary  
service  
credit)

SENATE BILL NO. 356, by Senator Ray. Allows vested and deferred vested employees to claim credited service for prior temporary employment, which was formerly not credited. If an employee claims this service he becomes indebted to the system in the amount equal to contributions he would have made during that period. Employee must make retroactive contributions to discharge his indebtedness for that time period in order to qualify for benefits.

Outlines steps to be taken by vested and deferred vested employees to claim credited service under this Act. Credited service granted in this Act may be used to satisfy the credited service requirements for normal or early retirement.

Provides Act takes effect June 30, 1961.

Introduced March 31 and referred to State Affairs, then to Finance.

Public Employee & Teacher Retirement Funds (investment of)

SENATE BILL NO. 360, by Senators Stinson, Sturgulewski, Gilman and Hohman. Amends AS 39.35.110 (Public Employees' Retirement System. Investments) and AS 14.25.180 (Teachers' Retirement. Custody and Investments) by addition of new subsections allowing the Commissioner of Revenue to invest an amount of each pension fund equal to the amounts appropriated to each pension fund by the legislature, or as much of that amount as the Commissioner of Administration considers proper. Investments to be made in bonds and bond anticipation notes of the Alaska Housing Finance Corporation. Such investments may be made only at competitive market rates of interest for taxable securities. Provides Act takes effect July 1, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

Appropriation (special) (public employees' and teachers' retirement funds)

SENATE BILL NO. 361, by Senators Stinson, Sturgulewski, Gilman and Hohman. Makes a special appropriation to the Department of Administration for payment of liabilities of the public employees' and teachers' retirement funds. Appropriates \$136,400,000 from the general fund for payment to the pension fund for unfunded benefit liabilities of the public employees' retirement system accrued to January 1, 1980. Appropriates \$154,300,000 from the general fund for payment to the retirement fund for unfunded benefit liabilities of the teachers' retirement system accrued to June 30, 1980. Provides Act takes effect on the effective date of SB 360.

Introduced March 31 and referred to Community and Regional Affairs, State Affairs, then to Finance. 4/2, C&RA waived.

Teachers' Retirement (credit for Peace Corps service)

SENATE BILL NO. 394, by Senators Stimson and Rodey. Amends statutes relating to teachers' retirement to allow a member who has served in the Peace Corps to receive creditable service for that service up to a maximum of five years. States that each 12 months of Peace Corps service equals one school year, and lesser periods of service will be determined for credit purposes in a proportionate ratio to a year. States that, "Credit for service in the Peace Corps shall be granted only if the member makes contributions for the service in the same manner as required for outside service under AS 14.25.060. Service in the Peace Corps credited under this section shall be included in the 10-year limitation of outside service as specified in AS 14.25.060, except that if entry into the Peace Corps is immediately preceded by Alaska membership service and termination from the Peace Corps is followed by Alaska membership service within one year, the service in the Peace Corps may not be included in the 10-year limitation on outside service." Act does not provide for an effective date.

+ PERS

Introduced April 7 and referred to State Affairs, then to Finance.

REAA'S (governing of)

SENATE BILL NO. 395, by Senator Ferguson. Amends statutes relating to education in the unorganized borough by adding a new section (program planning and evaluation) which states that the legislature finds that responsibility for administration of education in the unorganized borough is best lodged with regional school boards and that it is state policy that the discretion of regional boards with respect to program planning and evaluation for schools within their respective jurisdictions "be subject to a minimum of constraint from other branches or levels of government." Also states that, "Any state, regulation, directive, policy, or other source of law other than policies of the respective regional boards, which purports to specify the manner in which rural educational attendance areas shall perform educational planning and evaluation functions for schools and programs within their jurisdiction, including specifically, 4AAC 05-070, or any similar provision, now or hereafter enacted is disapproved and annulled." Provides an immediate effective date.

Introduced April 7 and referred to Health, Education and Social Services, then to Community and Regional Affairs.

Appropriation (special) (Anchorage headquarters library)

SENATE BILL NO. 396, by Senators Sturgulewski, Bradley, Colletta, Dankworth, Fischer, Rodey and Stimson. Makes an appropriation in the amount of \$18,422,500 from the general fund to the Department of Education, Division of state libraries, for payment as a grant to the Municipality of Anchorage for the construction and equipping of the headquarters library in Anchorage. Provides for an immediate effective date.

Introduced April 7 and referred to Health, Education and Social Services, then to Finance.

Fishery Industrial tech. center

SENATE BILL NO. 397, by Senators Mulcahy and Fahnenkamp. Identical to HB 262, pages 401 and 667, except for the makeup of the eleven member Fishery Industrial Technical Policy Council. This bill specifies that it shall include four members appointed from the seafood processing industry; four members who are fishermen; and three public members. HB 262 does not specify council makeup.

INTRODUCTION OF BILLS (Senate) (cont'd)

SB 399, (cont'd)

and the information provided by a natural parent under (a)(1) of this section shall be attached to the birth certificate of the adopted person.

Repeals AS 20.15.150(c) (Confidential nature of hearings and records in adoption proceedings).

Provides Act takes effect January 1, 1982.

Introduced April 7 and referred to Health, Education and Social Services, then to Judiciary.

Public Empl.  
Retirement  
(credited service/ferry workers)

SENATE BILL NO. 400, by Senator Ray. Adds a new section to AS 39.35 which allows a public employee to receive credited service in the public employees' retirement system for periods of employment with the Div. of Marine Transportation for which he has been credited with service under a marine retirement trust. If the person has received a refund of contributions from the trust, he is not entitled to credited service in PERS for the period of employment for which the refund was made unless the amount is paid to the Public Employees Retirement System. Amends AS 39.35.370 (Retirement Benefits) by adding a new subsection which prohibits a former ferry employee who received credited service in PERS from receiving benefits "if he is receiving retirement benefits from a marine retirement trust based on the same period of employment." Does not provide for effective date.

Introduced April 8 and referred to State Affairs and Finance.

Fair Assoc.  
(cancelling certain claims)

SENATE BILL NO. 401, by Senator Hohman. Cancels certain claims for reimbursement of state money granted to fair associations as state aid to fairs. "FINDINGS" section states: "Before July 1, 1980, AS 03.20.020(a) did not allow the value of donated labor and materials to be used as a match for state aid to fairs granted under that section. However, before that date the division of agriculture, Department of Natural Resources, had advised fair associations that donated labor and materials could be used to meet the matching requirement. Some fair associations therefore claimed the value of donated labor and materials for the purpose of matching money and the state now seeks reimbursement. The legislature finds that since the fair association relied in good faith on the representations of state officials it is unfair that those associations should be required to reimburse the state." Also states that, "Any state claim for reimbursement resulting from a fair association claiming the value of labor and materials donated before July 1, 1980, as matching money for state aid to fairs under AS 03.02.020 is canceled." Act provides for an immediate effective date.

SB 402

Introduced April 8 and referred to Resources, then to Finance.

Public Empl.  
Retirement  
(credited service/active military service)

SENATE BILL NO. 402, by Senator Bradley. Amends statutes relating to credited service in public employees' retirement system for active military service. Changes requirement of being vested in the system to simply being "a member" of the system in order to claim credited

INTRODUCTION OF BILLS (Senate) (cont'd)

SB 402, (cont'd)

service for active military service. Act does not provide for an effective date.

Introduced April 8 and referred to State Affairs, then to Finance.

Appropriation SENATE BILL NO. 403, by Senator Bradley. Makes a special appropriation of \$298,000 from the general fund to the Department of Education, (special) division of vocational rehabilitation, for payment as a grant to the (veterans outreach prog.) Vet Center for a veterans outreach program. Provides for an immediate effective date.

Introduced April 8 and referred to Health, Education and Social Services, then to Finance.

Ak. Indust. Senate Bill No. 404, by the Rules Committee by request of the Governor. Dev. Auth. Identical to HB 487, page 703. (amendments)

Introduced April 8 and referred to Labor and Commerce, then to Finance.

Appropriation SENATE BILL NO. 405, by Senators Fischer, Colletta, Fahrenkamp, Ferguson, Kelly, Rodey, Stimson and Sturgulewski. Makes a special appropriation of \$3,425,000 from the general fund to the Department of (special) Education, Alaska State Council on the Arts, for grants for Alaskan (Ak. culture & arts progs.) culture and arts programs and projects. Provides for an immediate effective date.

Introduced April 8 and referred to State Affairs, then to Finance.

Film and SENATE BILL NO. 406, by Senators Fahrenkamp, Mulcahy, Ziegler, Stimson Television and Sturgulewski. Identical to HB 483, page 702. Section

Introduced April 9 and referred to Labor and Commerce, then to Finance.

Appropriation SENATE BILL NO. 407, by Senator Fischer. Makes a special appropriation (special) of \$900,000 from the general fund to the Alaska Capital City Development (Ak. Capital Corporation, Department of Community and Regional Affairs, for the City Dev. preparation of the general development plan for the capital city area Corp.) required by AS 44.07.120 (Alaska Capital City Development Corporation. Formulation and procedure for obtaining approval of development plans).

Provides Act takes effect on the effective date of an Act entitled "An Act relating to the relocation of the state capital; and providing for an effective date." in which the provisions of AS 44.07 are made effective on or before October 1, 1981. (See SB 112, p. 82)

Introduced April 9 and referred to State Affairs, then to Finance.

Ak. State SENATE BILL NO. 408, by Senator Fischer. Repeals and reenacts Housing Auth. AS 18.55.020 (Alaska State Housing Authority) to read, "There is (transferring authority) established in the Department of Community and Regional Affairs the Alaska State Housing Authority. The authority is governed by a seven-member board of directors, consisting of the commissioner of community and regional affairs, the commissioner of commerce and economic

INTRODUCTION OF BILLS (Senate) (cont'd)

Appropriation SENATE BILL NO. 468, by Senator Hohman. Makes a special appropriation of \$320,000 from the general fund for payment as a grant to the Bristol Bay Borough for bulk fuel storage for the following communities: Igiugik (\$80,000), Kokhanok (\$60,000), Levelok (\$60,000), Newhalen (\$60,000), Nondalton (\$60,000). Provides for an immediate effective date.

Introduced April 20 and referred to Community and Regional Affairs, then to Finance.

Appropriation SENATE BILL NO. 469, by Senator Hohman. Makes a special appropriation of \$500,000 from the general fund for payment as a grant to the City of Akiachak for construction of a solid waste disposal facility. Provides for an immediate effective date.

Introduced April 20 and referred to Community and Regional Affairs, then to Finance.

Appropriation SENATE BILL NO. 470, by Senator Hohman. Makes a special appropriation of \$3,000,000 from the general fund for payment as a grant to the City of Akiachak for construction of a fish processing plant. Provides for an immediate effective date.

Introduced April 20 and referred to Resources, Community and Regional Affairs, then to Finance.

<sup>SB</sup>  
Pub. Emp. SENATE BILL NO. 471, by Senator Kerttula by request. Amends statutes relating to participation by public officials in the public employees retirement system. Adds, "However, if the elected or former elected official was employed by or elected to office in a municipality his retroactive contributions shall be computed on the basis of the compensation as compensation was defined by ordinance of the municipality during his period of service, including, if the ordinance allows, per diem and expense allowances paid by the municipality. For all other elected officials and former elected officials the rate used to calculate the retroactive contributions may not be less than the rate in effect on January 1, 1961." (Underlined material added). Provides for an immediate effective date.

Introduced April 20 and referred to State Affairs, Judiciary, then to Finance.

<sup>SB 472</sup>  
Pub. Emp. SENATE BILL NO. 472, by Senator Kerttula by request. Adds new sections to statutes relating to the Public Employees Retirement System to allow persons who were employed by the Territory of Alaska for 10 years or more who have not been employed by the state after January 1, 1961, to claim credited service for those years worked. States that such persons are indebted to the system and must contribute to receive credit. States that the amount of indebtedness is 4.25 percent of salary received during time of employment. Adds, "territorial service member" to the definition of "member" or "employee" who is eligible to participate in the system and who is covered by the system. Adds definition of "territorial service member" to the definitions section. Adds a new section which states that a territorial service member is eligible for benefits at age 55 with at least 10 years of credited service. Provides for an immediate effective date.

Introduced April 20 and referred to State Affairs, Judiciary, and then to Finance.

# LEGISLATIVE REPORTING SERVICE

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May 18, 1981

REPORT NO. 18

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader  
Senator Bradley, Whip

SB557

### INTRODUCTION OF BILLS (Senate)

Public Emp.  
Benefits

SENATE BILL NO. 557, by Senator Fischer. Makes amendments to statutes regarding teachers', public employees', judicial, and national guard benefits. Similar to CSHB 121(SA) offered by House State Affairs last week (see page 88!). Does not include: sections increasing the amount of retirement contributions to be made by teachers and public employees; section which would allow a peace officer or fireman to irrevocably relinquish his peace officer or fireman status; section revising monthly amounts of retirement benefits for members of PERS; and section excluding certain Fish & Game employees from receiving peace officer & fireman retirement benefits.

Bill would limit increases in post retirement pensions for teachers and public employees to "the lesser of (1) the increase in the cost of living since the date of retirement; or (2) four percent of the retirement benefit compounded for each year of retirement." (Currently increases are limited to the "greater" of these two factors.) Amends AS 14.25.143(b) and AS 39.35.475(b).

Rewrites definitions of "compensation" for purposes of teachers' and public employees' retirement (amends AS 14.25.220(9) and AS 39.35.680(8)). Makes other miscellaneous amendments to AS 14.25, and AS 39.35. Provides Act effective July 1, 1981.

Introduced May 11 and referred to State Affairs, Health, Education & Social Services and Finance.

Prisoners  
(care & confinement of)

SENATE BILL NO. 558, by the Health, Education & Social Services Committee. Amends AS 33.30.060(a) (Commissioner May Contract for Care & Confinement of Prisoners) to allow the Commissioner of Health & Social Services to "enter into an agreement with appropriate public or private agencies [THE PROPER AUTHORITIES OF THE UNITED STATES, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THIS STATE] to provide for the safekeeping, care, subsistence, proper government, discipline

INTRODUCTION OF BILLS (Senate) (cont'd)

SB 565, (cont'd)

Adds a new subsection to AHFC statutes relating to collateral for loans to allow the corporation to make a loan secured by a subordinate lien if the loan does not exceed the difference between the balance of the first mortgage and 90% of the appraised value of the property. Amends statutes relating to eligibility for veterans' interest rates to change the amount of time that must have been served in the armed forces in order to be eligible for a loan from 90 days or more to 180 days or more. Allows widows or widowers of eligible veterans to be eligible for veterans' interest rates under certain conditions. Act also adds as eligible for veterans' interest rates, "a person who has served a total of five years in a national guard or reserve unit of the United States armed forces which required as a minimum one weekend each month of duty and 15 consecutive days of active duty training each year if the person has been a resident of the state for at least one year at the time of the loan application and has been a resident of the territory or state at least five years and whose discharge was under honorable conditions." Amends veterans' loans statutes to allow AHFC loans made to veterans to be transferable under the same circumstances for which veterans' loans are transferable. This applies to all veterans' loans and AHFC loans to eligible veterans which were made before or after June 21, 1980. Provides Act takes effect July 1, 1981.

Introduced May 14 and referred to State Affairs, Labor and Commerce, and Finance.

Acquitted  
Defendants  
(costs & attorney fees)

SENATE BILL NO. 566, by Senator Hohman. Identical to HB 232, page 356.

Introduced May 15 and referred to Judiciary, then to Finance.

Alaska Industrial Development Authority  
(amendments)

SENATE BILL NO. 567, by Senator Bradley. Similar to SB 404, page 682, and HB 487, page 703. Makes miscellaneous amendments to statutes relating to the Alaska Industrial Development Authority. Adds "timber, agricultural, multi-family dwellings" to the list of enterprises for which the Authority is responsible for providing various means of financing. Does not provide for an effective date.

Introduced May 15 and referred to Labor and Commerce, then to Finance.

SB 568  
Group Insurance/P.E.R.S.  
(participation by certain groups)

SENATE BILL NO. 568, by Senator Eliason. Amends statutes relating to insurance and supplemental benefits, procurement of group insurance, to allow employers other than the state to participate under a group policy under certain conditions. Defines "employer" to mean "a governmental unit, the American Legion, Department of Alaska, Inc., and the Department of Alaska Veterans of Foreign Wars of the United States." Adds a new section to statutes relating to ~~Public Employees Retirement System (PERS)~~ to include ~~employees of the American Legion, Department of Alaska, Inc., and the Department of Alaska Veterans of Foreign Wars of the United States~~ in the system if they pay the employers contributions for their respective employees. Act does not provide for an effective date.

Introduced May 15 and referred to State Affairs, Health, Education and Social Services, and Finance.

SB 588, (cont'd)

OF NOTICE THAT THE LOCATION HAS BEEN MADE ON LANDS OPEN ONLY FOR LEASING]. A lease application may [SHALL] be filed with the director by the locator at any time [WITHIN 90 DAYS] after receipt of the application form. . . Minerals may [NOT] be mined and marketed from the proposed leasehold at any time after a lease is applied for [OR USED UNTIL A LEASE IS ISSUED, EXCEPT FOR LIMITED AMOUNTS NECESSARY FOR SAMPLING OR TESTING]." (underlined language added, bracketed language deleted).

States the provisions of AS 38.05.305 do not apply to a lease issued under AS 38.05.205 (Mining Leasing). Sec. 305 states: "Notice and Review. (a) No land or interest in land within the boundaries or within six linear miles of the boundaries of a general law, home rule or unified municipality, as defined under AS 29, may be classified, reclassified, sold or leased, or otherwise disposed of, including the renewal of a lease entered into after September 22, 1976, unless the following procedures have been complied with: . . .".

States the provisions of AS 38.05.345 do not apply to a lease issued under AS 38.05.205 (Mining Leasing). Sec. 345 relates to public notice of a sale, lease or other disposal of land or interest in it.

Section 5 of the bill states: "Notwithstanding the provisions of AS 38.05.205(a) amended in sec. 2 of this Act, until June 30, 1984, minerals may be mined, marketed, or used on land tentatively approved or patented to the state under section 6(a) or 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 399, as amended) upon discovery, location, and recording in accordance with AS 38.05.195 [Mining Claims]."

Provides Act takes effect immediately.

Introduced June 5 and referred to Resources, then to Finance.

SB  
589  
Public Em-  
ployees Re-  
tirement  
(credit for  
earlier svc)

SENATE BILL NO. 589, by Senator Ray. Amends the Public Employees Retirement System (PERS), section relating to earlier service (AS 39.35.360(a)) to allow credited service to "a temporary or permanent" employee of the U.S. government in Alaska (presently to "an employee") who meets certain qualifications. Provides an employee who is a retired members of PERS on the effective date of this Act is entitled to receive increased benefits based on U.S. government service granted under the amended section. Provides Act takes effect immediately.

Introduced June 5 and referred to State Affairs, then to Finance.

AHFC  
(revolving  
loan fund)

SENATE BILL NO. 590, by Senators Bennett, Fahrenkamp and Parr. Establishes a revolving loan fund in the Alaska Housing Finance Corporation (AHFC) to make or purchase loans. States the fund consists of appropriations made to the fund by the legislature and repayments of principal and interest on loans made or purchased with money from the fund. The corporation may use money in the Alaska housing revolving loan fund to make or purchase any of the loans which can be made or purchased by the corporation under the provisions of AS 18.56 (AHFC). Provides Act takes effect immediately.

Introduced June 5 and referred to Labor & Commerce, then to Finance.

Terry Cramer

Retirement  
Benefits

SENATE BILL NO. 195, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Adds new subsections to AS 14.25.173 (Adjustment of Teachers' Retirement Benefits) and AS 39.35.520 (Adjustment of Public Emp. Retirement Benefits) which state that an adjustment which requires repayment of benefits may not be made under the section if (1) the incorrect benefit was first paid two years or more before the member or teacher or beneficiary (employee or beneficiary) was notified of the change or error; (2) the change or error was not caused by the member or teacher or beneficiary (employee or beneficiary); and (3) in the case of Public Employees' Retirement System, the change or error relates to the employee's credited service with the state and not with another participating employer. Act is retroactive to July 1, 1979. Effective immediately.

Introduced February 20 and referred to State Affairs and Finance.


Public Emp.  
Retirement  
Board

SENATE BILL NO. 196, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Changes the membership on the Public Employees' Retirement Board (AS 39.35.030). Currently, of the five members, three shall be members of the Personnel Board in the Dept. of Administration and the remaining two shall be members of the Public Employees' Retirement System, elected by members of the system. Bill changes composition of board so that one member is appointed by the Governor and four are members of the system. Bill also adds a requirement that at least one of the elected board members be a woman. Sec. 2 of bill states that a person serving on the Board on the effective date of Act who was from the Personnel Board of the Dept. of Admin. shall continue to serve until his successor is elected or appointed by the Governor. Does not provide for effective date.

Introduced February 20 and referred to State Affairs.

Regulations

SENATE BILL NO. 197, by the Rules Committee by request of the Legislative Council (for the Blue Ribbon Commission on the State Personnel Act). Amends law so that regulations adopted by the state retirement systems are subject to the Administrative Procedure Act. Currently sections is AS 39.35 and AS 14.25 relating to the adoption of regulations by the systems state that the regulations relate to the internal management of state agencies and their adoption is not subject to the Admin. Procedure Act. (Bill repeals and re-enacts 39.35.042 and 14.25.022.) Does not provide for effective date. Introd. 2/20, ref. to State Affairs & Judiciary.



SENATE BILL NO. 356, by Senator Ray. Allows vested and deferred vested employees to claim credited service for prior temporary employment, which was formerly not credited. If an employee claims this service he becomes indebted to the system in the amount equal to contributions he would have made during that period. Employee must make retroactive contributions to discharge his indebtedness for that time period in order to qualify for benefits.

Outlines steps to be taken by vested and deferred vested employees to claim credited service under this Act. Credited service granted in this Act may be used to satisfy the credited service requirements for normal or early retirement.

Provides Act takes effect June 30, 1981.

Introduced March 31 and referred to State Affairs, then to Finance.

*INCh. All PUBL. EMPLOY.*

*classified employees of school districts*

Retirement

Credit

(unused sick  
leave)

SENATE BILL NO. 143, by Senators Parr and Fahrenkamp. Allows retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the Public Employees' Retirement System (PERS). Employee must have been employed on or after July 1, 1980 and must have retired after July 1, 1981. Unused sick leave shall be credited on a day-for-day basis and employee contributions may not be required for credited unused sick leave.

An employee who retires before July 1, 1981, returns to membership service on or after July 1, 1981, and then subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

Benefits under new section accrue from the first day of the month after which: (1) the employee meets the eligibility requirements of the section; (2) the employee is terminated from covered employment; and (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

Above provisions added to AS 39.35 under new Section 315, "Credit for Unused Sick Leave." Does not provide for effective date.

Introduced February 4 and referred to State Affairs and Finance.

Public Em-  
ployees  
(retirement)

SENATE BILL NO. 121, by Senator Ray. Authorizes credited service under the public employees' retirement system for certain firemen. Amends AS 39.35.360(a) (Public Employees' Retirement System of Alaska. Earlier service) to read: "An employee employed before January 1, 1980, who completes three years of credited service with the state after January 1, 1961, for which the employee makes contributions required by this chapter is entitled to credited service for service rendered (1) before January 1, 1961, as an employee of the state and former Territory of Alaska; (2) before January 1, 1961, as an employee of the United States government in Alaska, excluding service in the armed forces of the United States; or (3) after January 1, 1967, ~~as a~~ as a peace officer, [OR] correctional officer, or fireman, a participating political subdivision of the state if the employee is vested and is an active peace officer, correctional officer, or fireman in the system as of July 1, 1980. The retirement benefits payable to an employee under this section shall be reduced by the amount of the retirement pension benefits paid to him by the United States government for the same period of service."

(Note: underlined language added, bracketed language deleted). Does not provide for an effective date.

Introduced January 30 and referred to State Affairs, then to Finance.

*affects 18 people*

SENATE BILL NO. 63, by Senator Ray. Bill creates a 20-year retire-  
ment option for public employees. Repeals and reenacts AS 39.35-  
.370(a) (Retirement Benefits) to provide that a terminated employee  
is eligible for a normal retirement " . . . (3) with at least 20  
years of special credited service, as provided in AS 39.35.355(c)  
... "

Adds new section to AS 39.35 defining "Special Credit Service."  
Allows an employee to contribute to his employee contribution  
account a percentage of his pay determined by the Administrator  
of the retirement fund. The percentage as determined by the  
Administrator shall be an amount sufficient to finance special  
credited service retirement. Credited service for which addition-  
al contributions are made is special credited service. Employee  
may consider credited service as a peace officer or fireman as  
special credited service. Employee may terminate his participa-  
tion at any time and upon termination the amounts contributed  
shall be treated as voluntary contributions. Does not provide  
for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

Public  
Employees

SENATE BILL NO. 62, by Senator Ray. Amends statutes relating to banked medical and personal leave of public employees. Adds a new subsection to AS 39.20.256 (Transfer of Accrued Medical Leave) to read: "If an employee is terminated before he is eligible for a retirement benefit under AS 39.35 and the employee is reemployed within three years by the same employer, the banked medical leave accumulated by the employee at the time of his last termination shall be reinstated."

Adds new sections to AS 39.35 which allow public employees, upon retirement, to receive credited service for accumulated medical and personal leave. For the purposes of determining credited service, the employee's accumulated medical and personal leave shall be computed as credited service at the same rate of pay as his salary on retirement. Also stipulates that "a vested employee whose employment is terminated for any reason except retirement is entitled to credited service for his accumulated medical leave." Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

Public  
Employees  
(retirement)

SENATE BILL NO. 61, by Senator Ray. Increases retirement benefits paid to peace officers, firemen and other public employees.

Amends AS 39.35.370(c) by increasing the monthly amount of a retirement benefit for a peace officer to 2% of the average monthly compensation times the years of service up through 10 years, plus 2% (increased from 1%) of the average monthly compensation times the years of service over 10 years. Raises benefit for all other public employees to 2% (currently 1%) of the average monthly compensation times the years of service. Makes identical amendment to AS 39.35.385(d) (Conditional Service Retirement Benefits). Act applies to all employees receiving benefits under AS 39.35 on the effective date of Act. Does not provide for effective date.

Introduced January 13 and referred to Labor & Commerce and Finance.

— TRS ?

SENATE BILL NO. 60, by Senator Ray. ~~Increases in retirement~~  
~~benefits paid to teachers and public employees to the increase in~~  
~~the Consumer Price Index for Anchorage. Amends AS 14.25.143(a) &~~  
(b) and AS 39.35.475(a) & (b). Currently the benefits are increased  
"when the administrator determines that the cost of living has  
increased and that the financial condition of the retirement fund  
permits" an increase in benefits. Bill seeks to make increases  
mandatory and independent of the financial condition of the funds.  
Currently the increases may not exceed the greater of (1) the cost  
of living increase since retirement; or (2) 4% of retirement com-  
pounded for each year of retirement. Provides Act effective  
July 1, 1981.

Introduced January 13 and referred to Labor & Commerce and to  
Finance.

S

B

133

Introduced: 2/2/81  
Referred: State Affairs and  
Finance

BY PARR, BRADLEY, DANKWORTH,  
ELIASON, FAHRENKAMP, FISCHER,  
KELLY, KERTTULA AND RODEY

1 IN THE SENATE

2 SENATE BILL NO. 133

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to memorials to Alaskan veterans; and  
7 providing for an effective date."

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

9 \* Section 1. MEMORIAL TO ALASKAN VETERANS. (a) A memorial to Alaskan  
10 veterans shall be constructed by the Department of Transportation and Public  
11 Facilities. The memorial shall be located in Denali State Park on a site  
12 adjacent to the Parks Highway.

13 (b) The design of the memorial shall be chosen by a committee composed  
14 *of one member of each of the Army, Air Force*  
of the adjutant general of the state, two persons selected by the American  
15 *Marines Navy Coast Guard*  
Legion, and two persons selected by the Veterans of Foreign Wars. The  
16 adjutant general shall be chairman of the committee.

17 (c) The memorial shall be maintained by the division of parks, Depart-  
18 ment of Natural Resources.

19 \* Sec. 2. AS 41.20.020 is amended by adding a new paragraph to read:  
20 (12) maintain memorials to Alaskan veterans located in state  
21 parks.

22 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
23 070(c).

*composed of one member of each of the*  
*services of the armed*  
*forces (Air Force, Army, Coast Guard,*  
*Marines & Navy)*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 133

Title An Act relating to memorials to Alaskan veterans.

Requested by Senate State Affairs Committee Date 2/4/81

II. FISCAL DETAIL

Agency Affected Dept. of Transportation & Public Facilities

Program Category Affected General Government

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)

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

POSITIONS

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

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

\* Senate Bill 134 contains the appropriation for this purpose, and we assume that all Departmental costs related to this project will be charged against those funds.

If this memorial is to be in the nature of an artwork for which a particular artist is desired, we would suggest that (a) the Department of Military Affairs, or some other agency not bound by AS 35.15.030, be directed to construct this memorial, or (b) a change be made to exempt this work from AS 35.15.030, or (c) the memorial committee be authorized to select the artist or contractor.

IV. DATE February 5, 1981

PREPARED BY Ron B. Lind

AGENCY Dept. of Transportation & Public Facilities

PHONE 465-3900

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

S

B

1

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4

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 134 - An Act making a special appropriation to the Dept. of  
Title Transportation & Public Facilities for construction of a memorial to Alaskan Veterans  
 Requested by Senate State Affairs Committee Date 2/4/81

II. FISCAL DETAIL

Agency Affected Dept. of Transportation & Public Facilities  
 Program Category Affected General Government  
 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	200.00					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	200.00	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	200.00					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assume that the total cost of this project will be charged against this appropriation. A problem may be encountered by having JT/PF as the agency contracting for this service if the memorial chosen is in the nature of an artwork for which a particular artist was desired; because AS 35.15.030 states that when a contract for construction exceeds \$100,000, it shall be awarded to the lowest responsive bidder.

IV. DATE February 5, 1981 PREPARED BY Ron B. Lind  
 AGENCY Dept. of Transportation & Public Facilities  
 PHONE 465-3900  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

S

B

143

Note: relates to SB 143

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

465-2200

April 3, 1981

Honorable Mike Miller  
Chairman  
House State Affairs Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Miller:

There were some questions asked by committee members regarding HB 379 "An Act providing for retirement credit in the public employees' retirement system for unused sick leave. . . ."

One question was how other governmental organizations or private firms handle sick leave. The following table is an excerpt from the latest annual survey by the State Division of Personnel.

SICK LEAVE PLANS  
STATE OF ALASKA COMPARED TO OTHER ORGANIZATIONS

<u>ORGANIZATION</u>	<u>HAVE PLANS</u>	<u>LEAVE IS ACCUMULATIVE</u>	<u>ALLOWS TIME OFF FOR FAMILY CARE</u>	<u>LEAVE BALANCE IS PAID ON SEPARATION</u>
Mun. of Anchorage	Yes	Yes	No	Full
Anch. School Dist.	Yes	Yes	Yes	No
Federal Government	Yes	Yes	In some cases	Credit to retirement
Anch. Private Firms	33	21	18	Full 4 Partial 5 Credit retirement 1 Not paid 19
State of California	Yes	Yes	Yes	No
State of Oregon	Yes	Yes	Yes	50% credit to retirement
State of Wash.	Yes	Yes	Yes	25% upon retirement or death
State of Alaska	Yes	Yes	Yes	Unused sick leave balance is paid in cash to beneficiary upon death of employee

SOURCE: Division of Personnel, State of Alaska

April 3, 1981

There were two Anchorage firms who reported they had no plan or policy regarding sick leave. The following is a list of firms which participated in the survey.

Alascom	Hewitt V. Lounsbury & Associates
Alaska Base Exchange	Hope Cottage
Alaska Gas and Service Company	Industrial Indemnity Company
Alaska Hospital & Medical Center	J. C. Penney Company
Alaska National Bank of the North	Marathon Oil Company
Alaska Railroad	Matanuska Maid, Inc.
Alaska Title & Guaranty Company	Nordstrom's
Alyeska Pipeline Service Company	Providence Hospital
Anchorage Cold Storage	RCA-Operations & Maintenance Services
Anchorage Westward Hilton Hotel	Reeve Aleutian Airways, Inc.
AMFAC Supply of Alaska	Rural Alaska Community Action Program
Bomhoff and Associates	Sea-Land Service Company
Captain Cook Hotel	Sears, Roebuck and Company
Chugach Electric Association	Security National Bank
Cook Inlet Native Association	Spenard Builder's Supply
Duty Free Shoppers, Ltd.	Wien Air Alaska, Inc.
First National Bank of Anchorage	X-Cel Services, Inc.
Flying Tigers	Xerox Corporation

Out of the forty firms and governmental organizations which participated in the survey only four indicated they had some provision for crediting retirement with unused sick leave. Twenty-one indicated they provided no cash settlement or retirement credit for sick leave when an employee terminates employment or retires. Sick leave historically has been handled much like employee health insurance. It's there when you need it, to the maximum allowed, however, when you terminate employment, you lose your access to the employee health program and coverage. It should be noted that HB 379 does not cover all State employees. In effect, some employees will receive a substantive benefit and others will not.

The Legislature has given the administration the responsibility to bargain with the various unions and associations that represent State employees. There are certain areas that are specifically called out in the Public Employment Relations Act (Sec. 23.40) for which public employers are required to bargain including ". . . wages, hours, and other terms of conditions of employment." The policies related to sick leave are clearly conditions of employment and as such are areas available for negotiation. The effect of HB 379 is to legislate that which at present belongs in the collective bargaining arena. The question then

April 3, 1981

becomes, why give the State the responsibility to negotiate with employee organizations on a variety of issues, and then selectively withdraw that responsibility. In effect, this procedure complicates the collective bargaining process by granting employees that which they do not gain at the negotiating table.

The following represent an estimate of the costs associated with funding sick leave.

1. FY 82 cost of providing a cash-out at termination for retirement.

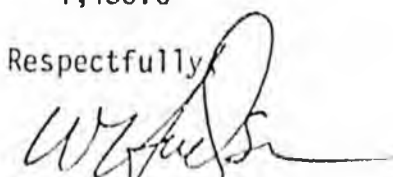
	<u>25 PERCENT OF TOTAL</u>	<u>50 PERCENT OF TOTAL</u>	<u>100 PERCENT TOTAL</u>
	(IN THOUSANDS OF DOLLARS)		
State PERS	305.0	610.0	1,220.0
Political Subdivisions	<u>258.0</u>	<u>515.0</u>	<u>1,030.0</u>
TOTAL PERS SYSTEM	563.0	1,125.0	2,250.0

2. FY 82 cost of converting sick leave to retirement credit.

(IN THOUSANDS OF DOLLARS)

State PERS	<u>1</u> 296.0
Political Subdivisions	<u>684.0</u>
TOTAL PERS SYSTEM	1,480.0

Respectfully

  
W. R. Hudson  
Commissioner

WRH/mjc  
cc: Sandra Withers, Director  
Division of Labor Relations

HB 379

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 379  
 Title An Act allowing retirement credit for unused sick leave.  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits  
 Program Category Affected Labor Services  
 BRU, Program, or Subprogram(s) Affected 02-96-R-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		28.3	30.0	31.8	33.8	35.8
200 TRAVEL						
300 CONTRACTUAL		23.7				
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		796.4	876.0	963.6	1,060.0	1,166.0
TOTAL		850.4	906.2	995.6	1,094.0	1,202.0

FUNDING (Thousands of Dollars)

GENERAL FUND	652.2	717.3	789.3	869.1	955.0
FEDERAL FUNDS	36.6	40.3	44.3	48.8	53.6
VETERAN'S FUND	1.6	1.8	1.9	2.1	2.3
FISH & GAME FUND	4.8	5.3	5.8	6.4	7.0
HIGHWAY FUND	10.4	11.4	12.5	13.8	15.2
AIRPORT FUND	23.1	25.4	27.9	30.7	33.8
CAPITAL FUND	67.7	74.5	81.9	90.1	99.1
PERS	53.0	30.2	32.0	34.0	36.0
TRS					

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

- Assumes current retirees will not be affected by this bill.
- Estimate that the average employee will receive an additional 4.7 days (unused medical leave) of service credit for each year of employment under PERS.
- Estimate FY 82 State covered payroll to be \$276,614,000; increasing 10% annually.
- Increase in State contribution rate would be .2685% of covered payroll.
- Estimate Personal Service to increase at 6% per year.
- Estimate costs for data processing system modifications (one time only) to be \$20.0.
- The costs to political subdivisions is estimated to be \$683.8 in FY82.

IV. DATE 3/24/81 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460

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

# Alaska Federation of Teachers

AFL-CIO



P.O. Box 1665  
Valdez, Alaska 99536  
(907) 835-2663

Eugene G. Kubina  
President

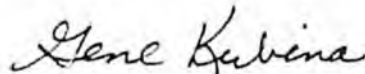
April 7, 1981

Senator Vic Fischer, Chairman  
Senate State Affairs Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fischer:

I will be unable to testify on S.E. 143 concerning applying unused sick leave towards retirement for Public Employees. The Alaska Federation of Teachers, who represent several hundred classified school employees, strongly supports this bill. The bill would give the same benefit to non-certified employees as the teachers now have. We urge your positive action on S.E. 143.

Sincerely,



Eugene G. Kubina  
President

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 123  
 Title An Act allowing retirement credit for unused sick leave (Political subdivisions only)  
 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		28.3	30.0	31.8	33.6	35.4
200 TRAVEL						
300 CONTRACTUAL		22.7				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL	-0-	53.0	30.2	32.0	34.0	36.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		53.0	30.2	32.0	34.0	36.0
TRS						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

- Assume current retirees and all State employment will not be affected by this bill.
- Estimate that the average political subdivision employee 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 \$254,656,000; increasing 10% annually. Increase in political subdivision contribution rate would be .2585% of covered payroll. Estimate Personal Services to increase at 5% per year. Estimate costs for data processing system modifications (one time only) \$20.0. Estimate costs to political subdivisions is estimated to be as follows:

	FY 82	FY 83	FY 84	FY 85	FY 86
	1.3	5752.2	5827.4	5910.2	51,001.1

3/10/81 PREPARED BY Paul E. Arnold, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 355-4350  
 Director (First Legislator Named) Senator Parr  
 The Governor (Last Legislator)

1	POSITION TITLE Retirement & Benefits Technician			RANGE/STEP 12/B	ORG. UNIT. G	LOCATION Juneau	GOV	APPROV	UNAP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG	

3 TYPE OF EXPENDITURE			AMOUNT -
1	2	3	
PERSONAL SERVICES:			
4	SALARY \$1,814/month	\$21,768	
5	BENEFITS 15.79%	3,437	
6	SBS 6.13%	1,334	
7	HEALTH INS. \$150/month	1,800	
8	TOTAL PERSONAL SERVICES 01	\$28,339	
9	TRAVEL 02		
10	CONTRACTUAL 03	2,700	
11	COMMODITIES 04	200	
12	EQUIPMENT 05	1,800	
13	OTHER		
14	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	
15	FED RCPTS. 1002	
16	CF MATCH. 1003	
17	GEN. FND 1004	
18	I-A RCPTS. 1005	
19	FGM RCPTS 1020	
20	OTHER PERS	\$33,039
21	CONTINUATION	
22	ADDITION	

FOR BGM USE ONLY

AA KEY NUMBER

GENERAL NO.

Senate Bill No. 143

AGENCY Administration PROGRAM Labor Servi

DRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

Page 2 of 2

REVISED

FY 82

*Cherie*  
*reportable for*  
*but can't*  
*use of sick*  
*on retirement*  
*credit benefit*

*Medg.*  
*Admin - NO*  
*side leave is barfamean*  
*AG's opinion - terms of emp - barf.*  
*29 40 p'd + publ. Post. Sick leave*

Introduced: 2/4/81  
Referred: State Affairs and Finance

*House SA - de*

BY PARR AND FAHRENKAMP

SENATE BILL NO. 143

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION

A BILL

*see HB 379*  
*- incl. all PERS*

For an Act entitled: "An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

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

\* Section 1. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.315 CREDIT FOR UNUSED SICK LEAVE. (a) An employee of a participating political subdivision or participating public organization who is employed on or after July 1, 1980, and who retires after July 1, 1981, may elect to add unused sick leave credit to the total number of years of creditable service under AS 39.35.370(c). Unused sick leave shall be credited on a day-for-day basis. Employee contributions may not be required for credited unused sick leave.

(b) An employee retiring before July 1, 1981, who returns to membership service on or after July 1, 1981, and who subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1981.

(c) Benefits under this section accrue from the first day of the month after which

- (1) the employee meets the eligibility requirements of this section;
- (2) the employee is terminated from covered employment; and
- (3) the employee's written election regarding unused sick leave is received and verified by the administrator.

*Personal leave*  
*Sick, annual leave*

*apply*

*incl. all PERS*

*TRS*  
*up*  
*has*

*Bill Yermans*

S

B

145

→ REVISE ←  
AMENDMENT

Introduced: 2/4/81  
Referred: State Affairs and Resources

BY BRADLEY, BENNETT, DANKWORTH, KELLY,  
ELIASON, MULCAHY, GILMAN, STIMSON,  
ZIEGLER, PARR, HOHMAN, STURGULEWSKI  
AND FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 145

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for free resident hunting and sport  
7 fishing licenses for disabled veterans."

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

9 \* Section 1. AS 16.05.340(a)(4) is amended to read:

10 (4) Resident hunting and sport fishing license.....22

11 However, a person may receive a resident hunting and sport fishing  
12 license without charge if he

13 (A) has been discharged from military service under hon-  
14 orable conditions;

15 (B) is eligible for a loan under AS 16.15; and

18,561,01

16 (C) is certified by the United States Veterans' Adminis-  
17 tration as having incurred a 50 percent or greater disability dur-  
18 ing his military service.

19 ANCH - Viet Nam Vets - reduce to 30%  
BILL OLSON  
20  
21 FBI - Bill Crosby - most DAV's have 30%  
22  
23 TED DIXON - no objection - TVSA - 50%  
24  
25  
26  
27  
28  
29

CATCH LINE

ELIGIBILITY FOR VETERANS

TEXT

*AS 18.56.101*  
THE FOLLOWING PERSONS ARE ELIGIBLE VETERANS

(1) A PERSON WHO SERVED IN THE ARMED FORCES OF THE UNITED STATES FOR 90 DAYS OR MORE, OR WHOSE SERVICE WAS FOR LESS THAN 90 DAYS BECAUSE OF INJURY OR DISABILITY INCURRED IN THE LINE OF DUTY, AFTER APRIL 6, 1917,

(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DISCHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE TERRITORY OR STATE; OR

(B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE TERRITORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS BEEN A RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR AT THE TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT OF THE TERRITORY OR STATE FOR LEAST FIVE YEARS; AND

(C) WHOSE DISCHARGE WAS UNDER HONORABLE CONDITIONS;

(2) THE WIDOW OR WIDOWER OF A MEMBER OF THE ARMED FORCES OF AN ELIGIBLE VETERAN IF

(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRITORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

(B) THE MEMBER OR VETERAN SERVED IN THE ARMED FORCES FOR AT LEAST 90 DAYS AFTER APRIL 6, 1917; AND

(C) HIS DISCHARGE WAS UNDER HONORABLE CONDITIONS;

(3) A PERSON WHO HAS SERVED IN THE ALASKA ARMY NATIONAL GUARD, THE ALASKA AIR NATIONAL GUARD, OR THE ALASKA NAVAL MILITIA OR WHO HAS SERVED IN A RESERVE UNIT OF THE UNITED STATES ARMED FORCES IN ALASKA IF THE RESERVE UNIT REQUIRED, AS A MINIMUM, ONE WEEKEND EACH MONTH OF DUTY AND 15 CONSECUTIVE DAYS OF ACTIVE DUTY TRAINING EACH YEAR FOR NOT LESS THAN FIVE YEARS AND WHOSE DISCHARGE WAS UNDER HONORABLE CONDITIONS.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

March 2, 1981

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

Dear Senator Fischer:

Re: Senate Bill No. 145

Senate Bill No. 145, an Act providing for free resident hunting and sport fishing licenses for disabled veterans, was introduced in the Senate on February 4, 1981 and was referred to the Senate State Affairs and Resources Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Cecelia A. Wagoner, Fish and Game Licensing Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: The Honorable Bettye Fahrenkamp  
Chairperson  
Senate Resources Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Cecilia A. Wagoner  
Fish and Game Licensing Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB No 145  
 Title An Act providing for free resident hunting and sport fishing licenses for disabled  
 Requested by Senate State Affairs and Resources Committee Date 2/14/81 veterans.

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Sport Fish and Game Fund  
 BRU, Program, or Subprogram(s) Affected Department of Fish and Game  
 (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)						
FISH FUND	-0-	(2.6)	(2.8)	(3.1)	(3.4)	(3.8)
GAME FUND	-0-	(3.1)	(3.4)	(3.8)	(4.1)	(4.5)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981 PREPARED BY Cecilia A. Wagone for Linda Gene Lockridge  
 AGENCY Department of Revenue  
 PHONE 465-2376  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

S.B. #145 Bill Analysis

According to the U.S. Veterans Administration Regional Office for Alaska, located in Anchorage, there are currently 515 veterans in the state who have a service-connected disability that is rated at 50% or greater. The Veterans Administration estimated that this figure would increase at the rate of 10% each year. We are assuming that 50% of the eligible veterans will apply for this license.

We recommend that the effective date of this bill be January 1, 1982, because fishing and hunting licenses are sold on a calendar year not a fiscal year. Licenses and applications would also have to be designed, bid let out, and the licenses printed all on special order. It would also be extremely unfair to those veterans who had already purchased their licenses for 1981 for cash if some of the eligible group got their license for free. Also, there would be no loss of revenue or expense incurred in Fiscal Year 1981 if the effective date of the bill is January 1, 1982. The license could be purchased with the regular order of 1982 licenses and applications and instructions would be mailed out to the vendor at the normal shipout time.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB No 145  
 Title An Act providing for free resident hunting and sport fishing licenses for disabled  
 Requested by Senate State Affairs and Resources Committee Date 2/4/81 veterans.

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Sport Fish and Game Fund  
 BRU, Program, or Subprogram(s) Affected Department of Fish and Game  
 (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	-0-	1.	1.	1.	1.	1.
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>1.</b>	<b>1.</b>	<b>1.</b>	<b>1.</b>	<b>1.</b>

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached fiscal note

IV. DATE February 26, 1981 PREPARED BY Cecilia A. Wagone for Linda Gene Lockridge  
 AGENCY Department of Revenue  
 PHONE 465-2376  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Revenue	Sponsor (Principal) Bradley plus twelve	Bill Number SB No 145
Department Position SUPPORT IF AMENDED		
Division Director Donald W. Barnes	Date 2/27/81	Commissioner Thomas K. Williams
		Date 3/1/81

GOVERNOR'S OFFICE USE		
Comments:		
<input type="checkbox"/> Position Noted	By	Date

SUMMARY	
1. a) Related Bills (Similar or Conflicting)	1. b) Other Agencies Affected by Bill Department of Fish & Game
2. a) Organizational Support for Bill Unknown	2. b) Organizational Opposition to Bill Unknown

3. Program Effects of Bill  
There will be an assumed loss to the Department of Fish and Game, Fish fund and Game fund every year

4. Fiscal Impact:  None  Fiscal Note Attached

5. Amendments Proposed:  
EFFECTIVE DATE SHOULD BE 1/1/82

6. Comments:  
Recommend effective date of bill be January 1, 1982, since fishing and hunting licenses are sold on a calendar year not a fiscal year and it would be unfair to those eligible veterans who had already purchased their licenses for cash if some of the eligible groups got theirs for free.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 145

Title An Act providing free resident hunting and sport fishing license to disabled veterans

Requested by \_\_\_\_\_ Date 02/06/81

II. FISCAL DETAIL

Agency Affected Department of Fish and Game

Program Category Affected Natural Resource Management

BRU, Program, or Subprogram(s) Affected Game and Sport Fish

(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.						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

REVENUE

~~XXXXXXXXXX~~ (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)		(11.6)	(11.6)	(11.6)	(11.6)	(11.6)
Fish and Game Fund						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

Based on data from the U.S. Government's Veterans Affairs Agency we assume there may be 525 individuals who might take advantage of this program. The revenue reduction is based on the current \$10 and \$15 fee for sport fishing and hunting licenses.

\$10 x 525 = \$5,250  
 \$12 x 525 = 6,300  
 TOTAL \$11,550

*John Stewart  
FR*

IV. DATE February 13, 1981

PREPARED BY \_\_\_\_\_

Russell H. Clark

AGENCY \_\_\_\_\_

Department of Fish and Game

PHONE \_\_\_\_\_

465-4120

Original: Legislative Finance

cc: Budget and Management

S B

146

Introduced: 2/4/81  
Referred: State Affairs and Finance

BY BRADLEY, BENNETT, DANKWORTH, KELLY,  
MULCAHY, ELIASON, GILMAN, COLLETTA,  
HOHMAN, STIMSON, FERGUSON, PARR,  
ZIEGLER, STURGULEWSKI AND FAHRENKAMP

15

1 IN THE SENATE

*Prop. Can. G.*

2 SENATE BILL NO. 146

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IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to veterans' burial allowances."

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

\* Sec. 1. AS 26.10 is amended by adding a new section to read:

Sec. 26.10.080. BURIAL ALLOWANCE. (a) The division of veterans' affairs shall pay a burial expense allowance not to exceed \$500 to the executor or heirs of a veteran who was a resident of the state at the time of ~~his~~ death, *upon application of such executor or heirs*

(b) Burial paid for under this section may not be in a cemetery or in a portion of a cemetery used exclusively for the burial of paupers.

(c) A person otherwise eligible for the burial allowance under (a) of this section shall receive the allowance even if he dies while temporarily absent from the state.

(d) In this section "veteran" means a person who is serving in a branch of the armed services of the United States or a person who has served in a branch of the armed services of the United States and was honorably discharged.

*if the executor or heirs*  
*VA benefit - \$450*  
*up to \$950*

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 146  
 Title An Act Relating to Veterans' Burial Allowances.  
 Requested by Bradley, Bennett, Dankworth, Kelly, Mulcahy, . . . Date 2-4-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Economic Development  
 BRU, Program, or Subprogram(s) Affected Division of Veterans' Affairs  
 (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	1.9	2.1	2.2	2.4	2.6	2.8
200 TRAVEL						
300 CONTRACTUAL	.5	.5	.6	.6	.7	.7
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	150.0	155.0	156.0	160.0	165.0	170.0
<b>TOTAL</b>	<b>152.4</b>	<b>157.6</b>	<b>158.8</b>	<b>163.0</b>	<b>168.3</b>	<b>173.5</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	152.4	157.6	158.8	163.0	168.3	173.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

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

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

The following statistics were used: Death rate of 3.9 per 1,000 residents (Vital Statistics)  
 Population growth 1970-1980 = 3.24% per year (Dept. of Labor-Research & Analysis)  
 Estimate of 70,000-77,000 veterans in the State.

Death rate x estimated veteran population = 273-300 deaths per year.  
 Estimate of 300 deaths times \$500 per claim = \$150,000 in claims.

An estimate of 30 minutes per claim by an Accounting Clerk III was used with some postage and telephone charges.

These costs are being budgeted separately from the Veterans' Revolving Loan Fund and will require funding from the General Fund.

IV. DATE February 9, 1981 PREPARED BY Don Hostak, Director  
 AGENCY Department of Commerce & Economic Development  
 PHONE 465-2555 Division of Veterans' Affairs  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

S

B

147

FISCAL NOTE

I. REQUEST  
 Bill Resolution No. SB 147  
 Title Providing for exemption of the residence of a disabled veteran from...property tax..  
 Requested by \_\_\_\_\_ Date March 16, 1981

II. FISCAL DETAIL  
 Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Social-Economic Assistance to the Aged  
 BRU, Program, or Subprogram(s) Affected Senior Citizen Tax Relief  
 (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			11.1	12.2	13.4	14.7
200 TRAVEL			1.7	1.9	0	0
300 CONTRACTUAL			2.3	1.1	1.2	1.3
400 COMMODITIES			.3	.3	.4	.4
500 EQUIPMENT			.3	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			500.3	578.1	667.1	770.5
<b>TOTAL</b>			<b>516.2</b>	<b>593.7</b>	<b>682.1</b>	<b>786.9</b>

FUNDING (Thousands of Dollars)

GENERAL FUND			516.2	593.7	682.1	786.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME			1	1	1	1
TEMPORARY						

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

See Attached

IV. DATE March 18, 1981 PREPARED BY LaDonna Brown  
 AGENCY Community & Regional Affairs  
 PHONE 455-4739  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

100 PERSONAL SERVICES

Increase current clerk typist II part time position to full time will adequately provide for handling additional applicants which increases current program activity by about 50%.

Clerk Typist II part time, Range 07	
Salary 1,319/month (659.5 part time)	\$ 7,914
Benefits	1,216
FICA (per current position)	
Health Insurance	<u>924</u>

\$ 10.1

Travel to the major population centers will be required for the first 2 years of operation to assure that eligible applicants are aware of the new benefits and to prepare appropriate agencies to assist applicants.

200 TRAVEL

Expenses	950
Per Diem	<u>525</u>

\$ 1.5

300 CONTRACTUAL

Postage	\$ .3
Printing & advertising - first year	1.9
Printing & advertising - annual	.4
Copier	<u>.2</u>

First year total	\$ 2.3
Annual total	.9

400 COMMODITIES

\$ .3

100-400 based on FY 82 estimates, 10% annual increase was used to project subsequent years.

500 EQUIPMENT

5-drawer file cabinet	\$ .3
-----------------------	-------

Total first year administration	\$14.5
Annual Administration	\$13.1

700 GRANTS

FY 81 DATA

% of DISABILITY	VETERANS	76.85%*	82% **	AVG PMT.	TOTAL
0	72	55	--	--	--
10	1120	916	752	72	54,144
20	607	457	383	145	55,535
30	445	342	280	217	60,760
40	253	194	159	289	45,951
50	147	113	93	362	33,666
60	164	126	103	434	44,702
70	73	55	46	506	23,276
80	40	31	25	578	14,450
90	11	8	7	651	4,557
100	<u>80</u>	<u>61</u>	<u>50</u>	<u>723</u>	<u>35,150</u>
	3,082	2,369	1,898	197	373,191

\* Alaska 1980 population, a preliminary overview, released January 1, 1981 by the Alaska Department of Labor indicates that 3.15% of the civilian population is age 65 or over and can be presumed to be currently participating in the senior citizen exemption.

The operation of the senior citizen property tax exemption program indicates that about 30% of the total seniors do not participate generally because they are in institutions or other housing not subject to property tax. Assuming seniors are more likely to be residing in institutions and subsidized housing, it appears reasonable to reduce this figure to 20% when applied to veterans.

$$\begin{array}{r}
 3.15\% \\
 20.00\% \\
 \hline
 100.00\% - 23.15\% = 76.85\%
 \end{array}$$

\*\*Analysis of the applicants for senior citizen homeowner exemption and renter payment shows that 82% of the total applicants own their home and 18% are renters.

Assume less than half the increase in number of applicants annually for this population segment when compared with the senior population, or about 5% increase per year.

Assume similar annual increase in average payment per applicant to senior programs, or 10% increase per year.

Position Paper  
Department of Community & Regional Affairs  
SB 147

April 28, 1981

The Department has no objection to this bill. However, we are concerned about the number of bills that would expand property tax exemptions. We are also concerned that these bills lack direction; continuing along this path could lead to a local tax structure that lacks cohesiveness and will be both hard to understand and difficult to administer.

Another consideration is the cost of municipal administration. Existing exemption programs will require processing about 5,000 applications in FY 83, this program will add an estimated 2,100. No study has been done to determine local administrative cost but it can be assumed to be considerable. The fiscal impact of administration is now being extracted from local revenues.

The fiscal note is based on past performance of the property tax, no attempt has been made to project the impact of legislative action regarding property tax relief. It is assumed that the fiscal impact of the exemption programs will be significantly reduced by expected reduction of local mill rates.

*Such - Ed Olson + highest priority*

Introduced: 2/4/81  
Referred: State Affairs, Community & Regional Affairs and Finance

BY BRADLEY, BENNETT, KELLY, MULCAHY, RODEY, ELIASON, STIMSON, GILMAN, COLLETTA, HOHMAN, ZIEGLER, FERGUSON, PARR, FISCHER, DANKWORTH AND FAHRENKAMP

16

*Eliminates \$10,000 limit for eligibility*

1 IN THE SENATE  
2  
3 SENATE BILL NO. 147  
4 IN THE LEGISLATURE OF THE STATE OF ALASKA  
5 TWELFTH LEGISLATURE - FIRST SESSION  
6 A BILL

6 For an Act entitled: "An Act providing for exemption of the residence of a  
7 disabled veteran from levy and collection of real  
8 property taxes and authorizing reimbursement to muni-  
9 cipalities for revenues lost by operation of the  
10 exemption; and providing for an effective date."

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

12 \* Section 1. AS 29.53.020(e) is repealed and reenacted to read:

13 (e) The real property owned and occupied as a permanent place of  
14 abode of a person described in this subsection is exempt from taxation  
15 of the assessed value of the real property as indicated in this sub-  
16 section. Only one exemption may be granted for the same property, and,  
17 if two or more persons are eligible for an exemption for the same  
18 property, the parties shall decide between or among themselves which  
19 shall receive the benefit of the exemption. Real property may not be  
20 exempted under this subsection if the assessor determines, after notice  
21 and hearing to the parties concerned, that the property was conveyed to  
22 the applicant primarily for the purpose of obtaining the exemption.

23 The determination of the assessor may be appealed under AS 44.62.560 -  
24 44.62.570. An exemption under this subsection shall be allowed

25 (1) to a resident of the state 65 years of age or older for  
26 the entire assessed value of the real property; or

27 (2) to a disabled veteran for a percentage of the assessed  
28 value of the real property which is the same as his percentage of dis-  
29 ability as established by his service disability rating.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 147  
 Title n Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities...  
 Requested By: Bradley, Bennett, Kelly, Mulcahy, Roway Date 2/4/81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Economic Development  
 BRU, Program, or Subprogram(s) Affected Division of Veterans' Affairs  
 (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	0					
200 TRAVEL	0					
300 CONTRACTUAL	0					
400 COMMODITIES	0					
500 EQUIPMENT	0					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0					
TOTAL	0					

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER (Specify Fund Source)	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

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

IV. DATE 2/6/81 PREPARED BY Don Hostak, Director  
 AGENCY Department of Commerce & Economic Development  
 PHONE 465-2555 Division of Veterans' Affairs

Original: Legislative Finance  
 cc: Budget and Management

S

B

165



*copy file SB165*  
**Alaska State Legislature**

**Senate Committee on State Affairs**

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

Official Business

M E M O R A N D U M

TO: Billy Berrier, Director  
Division of Legislative Legal Services

FROM: Senator Vic Fischer

DATE: April 14, 1981

RE: SB 165 - Preparatory Commission

You might be interested in the attached April 10 Attorney General's letter once more throwing cold water on a joint executive-legislative appointment procedure for a preparatory convention.

/sq

attachment

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR  
TERRY MILLER, Lt. Gov.

## OFFICE OF THE LT. GOVERNOR

DIVISION OF ELECTIONS

POUCH AF—JUNEAU 99811

February 13, 1981

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

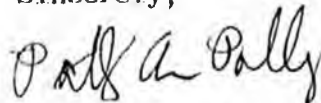
Dear Senator Fischer:

The Division of Elections has reviewed **Senate Bill 165** and has prepared and attached a fiscal note and suggested amendments to the bill.

The election code has been reviewed and revised extensively over the past two years. As the review process has occurred, election procedures have changed. Based on these revisions, I have attached suggested amendments that cover two general areas:

1. Assuming that voters at the 1982 General Election have approved the holding of a convention, candidates must file a declaration of candidacy. I am suggesting that those procedures be consistent with those for legislative and statewide offices.
2. The specific duties for the conduct of an election are assigned to the Director of Elections, with the Lieutenant Governor retaining final authority.

Sincerely,



Patty Ann Polley  
Director  
Division of Elections

PAP:ko

Enclosures