

ALASKA LEGISLATURE COMMITTEE FILES 2002

2076 SSA SB 360 - SB 405 2076

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

SB 360, 361

FISCAL NOTE

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

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

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

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

SB 361 appropriates \$136.4 million to the Public Employees' Retirement System and \$154.3 million to the Teachers' Retirement System to pay the unfunded liabilities of both systems accrued to 1/1/80 and 6/30/80 respectively.

SB 360 adds language to the investment authority of both systems directing that the funds appropriated by SB 361 be used to buy Alaska Housing Finance Corp. bonds and bond anticipation notes at competitive market rates of interest of taxable securities.

No additional administrative costs appear necessary.

IV. DATE April 6, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Dept. of Revenue/Treasury Division  
 Original: Legislative Finance PHONE 465-2351  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST

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

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Labor Services  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 (PERS)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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

FUNDING (Thousands of Dollars)

GENERAL FUND		130,299.7	(6170.3)	(6170.3)	(6170.3)	(6170.3)
FEDERAL FUNDS		(346.6)	(346.6)	(346.6)	(346.6)	(346.6)
VETERAN'S FUND		(15.1)	(15.1)	(15.1)	(15.1)	(15.1)
FISH & GAME FUND		(45.2)	(45.2)	(45.2)	(45.2)	(45.2)
HIGHWAY FUND		(97.9)	(97.9)	(97.9)	(97.9)	(97.9)
AIRPORT FUND		(218.5)	(218.5)	(218.5)	(218.5)	(218.5)
CAPITAL FUND		(640.4)	(640.4)	(640.4)	(640.4)	(640.4)
PERS						
TRS						

POSITIONS

	NONE				
FULL TIME					
PART TIME					
TEMPORARY					

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

1. The unfunded State Benefit Liability Rate is 2.54% of covered payroll (\$7,534.0 in FY 82).
2. The average unfunded Political Subdivision Liability Rate is 2.32% of covered payroll (\$5,887.2 in FY 82).
3. The appropriation under this Bill will reduce the unfunded liability of the PERS approximately as follows:

State: \$80,353.0  
 Political Subs: \$56,047.0

*Paul R. Arnoldt* *gc*

IV. DATE 5/01/81 PREPARED BY Paul R. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Stimson  
 Office of the Governor (Keith Seckling)

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. Senate Bill 361  
 Title An Act making a special appropriation to the Department of Administration  
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 Program Category Affected Labor Services and Elementary & Secondary Education  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
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100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
100 APPROPRIATIONS (SB 361)		154300.0				
700 STATE TRS MATCHING		(6400.4)	(6400.4)	(6400.4)	(6400.4)	(6400.4)
100 BENEFITS OPERATING BUDGET		(1157.2)	(1157.2)	(1157.2)	(1157.2)	(1157.2)
TOTAL	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

The unfunded TRS benefit liability rate is 4.09% of covered payroll (The TRS contribution rate is split 50/50 between the state matching contribution and the school district contribution).

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Stimson  
 Office of the Governor (Keith Specking)

## ATTACHMENT

Bill/Resolution No. SB 361ASSUMPTIONS:

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

COST ANALYSIS:

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

REMARKS:

SBS/D1/32

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

S B

361

+ Merrill Olson - retire any financial obligations during period of property - liabilities incurred by legal allowance

Introduced: 3/31/87  
Referred: Community & Regional Affairs, State Affairs and Finance

Funding Information  
General Fund \$290,700,000  
Other Funds

people do enter systems, post-retirement adjustment higher priority

IN THE SENATE

TRS BOARD

BY STIMSON, STURGULEWSKI, GILMAN AND HOHMAN

SENATE BILL NO. 361

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Administration for payment of liabilities of the public employees' and teachers' retirement funds; and providing for an effective date."

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

\* Section 1. The sum of \$136,400,000 is appropriated from the general fund to the Department of Administration for payment to the pension fund for unfunded benefit liabilities of the [redacted] retirement system (AS 39.35) accrued to January 1, 1980.

\* Sec. 2. The sum of \$154,300,000 is appropriated from the general fund to the Department of Administration for payment to the retirement fund for unfunded benefit liabilities of the [redacted] retirement system (AS 14.25) accrued to June 30, 1980.

\* Sec. 3. This Act takes effect on the effective date of an Act entitled "An Act relating to the investment of the public employees' and teachers' retirement funds; and providing for an effective date."

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
1 STATE OF ALASKA	203736116.	123383069.	80353047.	233462893.	11.46	2.54	14.00	
2 SOUTH WEST REGION SCHOOL DISTRICT	162831.	259069.	-96239.	1389196.	11.46	-0.51	10.95	
3 ANNETTE ISLAND SCHOOL DISTRICT	77627.	122262.	-44636.	248195.	11.46	-1.33	10.13	
4 BERING STRAITS SCHOOL DISTRICT	273445.	214854.	58591.	671183.	11.46	0.64	12.10	
5 CHATHAM SCHOOL DISTRICT	27275.	46956.	-19681.	83991.	11.46	-1.73	9.73	
6 ALASKA MUNICIPAL LEAGUE	58644.	-69166.	127810.	58679.	11.46	16.07	27.53	
7 VALDEZ, CITY OF	623022.	673367.	-50345.	1803484.	11.46	-0.21	11.25	
8 JUNEAU BOROUGH SCHOOL DISTRICT	1570078.	608791.	961287.	2901289.	11.46	2.45	13.91	
9 MATANUSKA-SUSITNA BOROUGH	896842.	1142070.	-245228.	1789767.	11.46	1.50	12.96	1
10 MATANUSKA-SUSITNA SCHOOL	1703361.	522959.	1180402.	2812745.	11.46	1.50	12.96	1
11 ANCHORAGE BOROUGH SCHOOL	23903095.	10576129.	13332966.	34277061.	11.46	2.87	14.33	
12 COPPER RIVER SCHOOL DISTRICT	141666.	209582.	-67915.	546561.	11.46	-0.92	10.54	
34 13 UNIVERSITY OF ALASKA	14341436.	13402405.	939031.	23375479.	11.46	0.32	11.78	3
14 HAINES, CITY OF	178145.	172908.	5237.	276748.	11.46	0.14	11.60	
15 KENAI, CITY OF	785725.	1080274.	-294549.	1509530.	11.46	-1.44	10.02	
16 NORTH STAR BOROUGH	1866065.	2358119.	-492034.	4522041.	11.46	0.50	11.96	4
17 NORTH STAR BOROUGH SCHOOL DISTRICT	4990508.	3525197.	1465311.	9968966.	11.46	0.50	11.96	4
18 RAILBELT SCHOOL DISTRICT	94850.	120470.	-25621.	548712.	11.46	-0.34	11.12	
19 UNIVERSITY OF ALASKA - GEO.	1773002.	1597783.	175219.	2160706.	11.46	0.32	11.78	3
20 CITY AND BOROUGH OF SITKA	2196413.	588738.	1607676.	2138873.	11.46	4.51	15.97	5
21 CHUGACH REGIONAL SCHOOL DISTRICT	7413.	39493.	-32080.	31171.	11.46	-7.60	3.86	
22 GATEWAY BOROUGH	490860.	409705.	81154.	81194.	11.46	0.73	12.19	
23 SOLDOTNA, CITY OF	118744.	138236.	-19491.	388152.	11.46	-0.37	11.09	
24 IDITAROD AREA SCHOOL DISTRICT	69773.	123397.	-53624.	438449.	11.46	-0.90	10.56	
25 KUSPUK SCHOOL DISTRICT	95483.	154016.	-58533.	443430.	11.46	-0.97	10.49	

2.5 CONTRIBUTION RATES

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONVOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
26 CITY AND BOROUGH OF JUNEAU	6644933.	7292067.	-647134.	8069958.	11.46	-0.59	10.87	
28 KODIAK, CITY OF	1843632.	1106262.	737370.	1943304.	11.46	2.80	14.26	
29 FAIRBANKS, CITY OF	8517537.	3296581.	5220956.	7468008.	11.46	5.43	16.89	6
30 FAIRBANKS PUBLIC UTILITIES	2882333.	458870.	2423464.	2922412.	11.46	5.43	16.89	6
32 SKAGWAY, CITY OF	133296.	123127.	10169.	197972.	11.46	0.38	11.84	
33 SITKA, BOROUGH SCHOOLS	902651.	479605.	423046.	1181904.	11.46	4.51	15.97	5
35 WRANGELL, CITY OF	634219.	387892.	246327.	806237.	11.46	2.25	13.71	
36 BETHEL, CITY OF	65544.	57406.	8138.	91148.	11.46	0.66	12.12	
37 VALDEZ CITY SCHOOLS	288144.	309134.	-20990.	998264.	11.46	-0.16	11.30	
38 HOONAH CITY SCHOOLS	397931.	183089.	214842.	587198.	11.46	2.70	14.16	
39 NOME, CITY OF	324600.	171885.	152716.	474820.	11.46	2.37	13.83	
40 KOTZEBUE, CITY OF	88922.	161878.	-72956.	262901.	11.46	-2.05	9.41	
41 GALENA CITY SCHOOLS	40821.	52269.	-11448.	146663.	11.46	-0.58	10.88	
42 KING COVE CITY SCHOOL DISTRICT	35355.	12925.	22430.	146603.	11.46	1.13	12.59	
43 PETERSBURG, CITY OF	1130610.	328728.	801882.	1603985.	11.46	3.69	15.15	
44 BRISTOL BAY BOROUGH	167391.	150460.	16931.	288644.	11.46	0.43	11.89	
45 NORTH SLOPE BOROUGH	1317540.	2194906.	-877365.	7178111.	11.46	-0.90	10.56	
46 WRANGELL SCHOOLS	79880.	-76121.	156001.	143499.	11.46	8.02	19.48	
47 ALASKA UNORGANIZED BOROUGH SCHOOL DIST.	410006.	729178.	-319172.	420000.	11.46	-5.61	5.85	
48 CORDOVA, CITY OF	597965.	263206.	334759.	641132.	11.46	3.85	15.31	
49 NOME CITY SCHOOLS	406791.	57803.	348988.	930518.	11.46	2.77	14.23	
51 KING COVE, CITY OF	18638.	43449.	-24812.	87534.	11.46	-2.09	9.37	
52 ALASKA HOUSING FINANCE CORPORATION	143512.	61678.	81834.	334220.	11.46	1.81	13.27	
53 LOWER YUKON SCHOOL DISTRICT	384443.	329094.	55349.	2127447.	11.46	0.19	11.65	
54 NORTHWEST ARCTIC SCHOOL DISTRICT	814239.	868430.	-54191.	3462180.	11.46	-0.12	11.34	

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	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
55 SOUTHEAST ISLANDS SCHOOL DISTRICT	32551.	57549.	-24998.	172406.	11.46	-1.07	10.39	
56 PRIBILOF REGION SCHOOL DISTRICT	41905.	56766.	-14860.	258219.	11.46	-0.42	11.04	
57 LOWER KUSKOKWIM SCHOOL DISTRICT	505098.	706266.	-201168.	2253833.	11.46	-0.66	10.80	
58 KODIAK ISLAND BOROUGH SCHOOL DISTRICT	752559.	102917.	649641.	2063783.	11.46	2.32	13.78	
59 YUKON FLATS SCHOOL DISTRICT	165032.	222146.	-57114.	1077159.	11.46	-0.39	11.07	
60 YUKON-KOYUKOK SCHOOL DISTRICT	185155.	228444.	-43289.	1145299.	11.46	-0.28	11.18	
61 NORTH SLOPE BOROUGH SCHOOL DISTRICT	650218.	1066297.	-416078.	2431035.	11.46	-1.26	10.20	
62 ALEUTIAN REGION SCHOOL DISTRICT	56684.	82147.	-25464.	209338.	11.46	-0.90	10.56	
63 CORDOVA COMMUNITY HOSPITAL	152684.	212815.	-60132.	426868.	11.46	-1.04	10.42	
64 LAKE AND PENINSULA SCHOOL DISTRICT	110591.	128453.	-17862.	594911.	11.46	-0.22	11.24	
65 SITKA COMMUNITY HOSPITAL	145948.	195064.	-49116.	739211.	11.46	-0.49	10.97	
66 SOUTH CENTRAL REGIONAL RESOURCE CENTER	49648.	54536.	-4888.	532706.	11.46	-0.07	11.39	
67 SOUTH EAST REGIONAL RESOURCE CENTER	4054.	16250.	-12196.	30452.	11.46	-2.96	8.50	
68 BRISTOL BAY REGIONAL RESOURCE CENTER	10224.	18358.	-8134.	113390.	11.46	-0.53	10.93	
69 NORTHWEST REGIONAL RESOURCE CENTER	2518.	9188.	-6671.	27233.	11.46	-1.81	9.65	
70 NORTH PACIFIC FISHERY MANAGEMENT COUNCIL	67254.	64793.	2461.	253717.	11.46	0.07	11.53	
71 WESTERN REGIONAL RESOURCE CENTER	2721.	9657.	-6936.	100570.	11.46	-0.51	10.95	
72 ST. PAUL, CITY OF	28038.	34237.	-6199.	101012.	11.46	-0.45	11.01	
73 ANCHORAGE, MUNICIPALITY OF	35837977.	16477000.	19360977.	44428310.	11.46	3.22	14.68	
74 KODIAK ISLAND BOROUGH	139095.	92231.	46863.	320225.	11.46	1.08	12.54	
75 HOME JOINT UTILITIES	59219.	158476.	-99257.	250697.	11.46	-2.92	8.54	
76 SAND POINT, CITY OF	41262.	37205.	4058.	149866.	11.46	0.20	11.66	
77 KETCHIKAN GATEWAY BOARD SCHOOL DISTRICT	56268.	31861.	24407.	245355.	11.46	0.73	12.19	
78 DILLINGHAM, CITY OF	43863.	56056.	-12193.	248490.	11.46	-0.36	11.10	
79 UNALASKA, CITY OF	78589.	99241.	-20651.	580298.	11.46	-0.26	11.20	

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80 KENAI PENINSULA BOROUGH	1833990.	747868.	1086122.	2537173.	11.46	3.16	14.62	
81 KETCHIKAN, CITY OF	2676582.	380666.	2295917.	2137896.	11.46	7.93	19.39	
82 SEWARD, CITY OF	492079.	151665.	340414.	889473.	11.46	2.82	14.28	
83 FORT YUKON, CITY OF	12592.	5422.	7169.	102308.	11.46	0.52	11.98	
84 BRISTOL BAY BOROUGH SCHOOL DISTRICT	93858.	13497.	80360.	168329.	11.46	3.52	14.98	
85 CORDOVA PUBLIC SCHOOLS	88227.	13980.	74248.	77328.	11.46	7.09	18.55	
86 CRAIG, CITY OF	13087.	4181.	8907.	30624.	11.46	2.15	13.61	
88 SAND POINT CITY SCHOOL DISTRICT	1247.	0.	1247.	21949.	11.46	0.42	11.88	
90 KENAI PENINSULA SCHOOL DISTRICT	0.	0.	0.	0.	11.46	3.13	14.59	
** STATE & POLITICAL SUBDIVISION TOTALS	338364328.	201973717.	136390611.	433900420.	11.46	2.32	13.78	

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FISH & GAME FUND		(45.2)	(45.2)	(45.2)	(45.2)	(45.2)
HIGHWAY FUND		(97.9)	(97.9)	(97.9)	(97.9)	(97.9)
AIRPORT FUND		(218.5)	(218.5)	(218.5)	(218.5)	(218.5)
CAPITAL FUND		(640.4)	(640.4)	(640.4)	(640.4)	(640.4)
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TRS						

POSITIONS

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

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3. The appropriation under this Bill will reduce the unfunded liability of the PERS approximately as follows:

State: \$80,353.0  
 Political Subs: \$56,047.0

*Paul B. Arnoldt* *gc*

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 361

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Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

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300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
100 APPROPRIATIONS (SB 361)		154300.0				
700 STATE TRS MATCHING		(6400.4)	(6400.4)	(6400.4)	(6400.4)	(6400.4)
100 BENEFITS OPERATING BUDGET		(1157.2)	(1157.2)	(1157.2)	(1157.2)	(1157.2)
<b>TOTAL</b>	<b>-0-</b>	<b>146742.4</b>	<b>(7557.6)</b>	<b>(7557.6)</b>	<b>(7557.6)</b>	<b>(7557.6)</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	146742.4	(7557.6)	(7557.6)	(7557.6)	(7557.6)
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

POSITIONS NONE

	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)

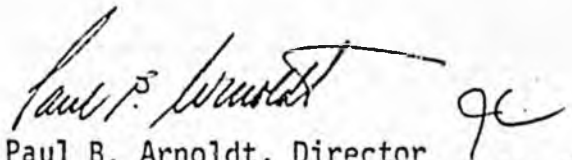
The unfunded TRS benefit liability rate is 4.89% of covered payroll (The TRS contribution rate is split 50/50 between the state matching contribution and the school district contribution).

IV. DATE 5/01/81 PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

Original: Legislative Finance PHONE 465-4460

cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Stimson  
 Office of the Governor (Keith Specking)



## ATTACHMENT

Bill/Resolution No. SB 361ASSUMPTIONS:

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

COST ANALYSIS:

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

REMARKS:

SBS/D1/32

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362

# MEMORANDUM

# State of Alaska

TO: Rod Mourant  
Administrative Assistant  
Office of the Governor

DATE: January 28, 1981

FILE NO:

TELEPHONE NO:

FROM: Alaska State Commission for  
Human Rights

SUBJECT: Request for FY81 Supple-  
mental Appropriation

## CONTACT PERSONS:

Diana Snowden, Chairperson	Anchorage	264-7737
Arlene Dilts, Fiscal Commissioner	Juneau	586-1432
Niel Thomas, Executive Director	Anchorage	276-7474

For the first time since 1975 the Commission is requesting a supplemental appropriation to its budget. There are two significant areas to this request as follows:

\$57.2      2.      Rent Increase Adjustment: The Anchorage Commission offices were forced to move on an emergency basis to another location during FY81 due to untenable conditions (i.e. ceiling falling down, roof leaks, uncontrollable heating and ventilation, obnoxious odors). Additional space required for the new (FY81 authorized) positions was negotiated into the new lease.

\$35.9      2.      Reduction of Federal Receipts: The Commission receives federal contracts for reimbursement of case processing costs. The Commission, due to cuts in the FY80 budget, was unable to meet its FY80 federal contract and current contracts have been drastically reduced as a result. The Commission is requesting this additional amount in order to prevent a chain reaction of state underfunding followed by reduction in federal receipts and so on. The supplemental ensures full case production and therefore full realization of federal funds.

## Background

The Commission has the responsibility to ensure that the irrelevant factors of race, sex, color, age, religion, national origin, marital status, changes in marital status, pregnancy and parenthood are not factors in employment, housing, public accommodations, credit and government services. The staff is answerable to a seven-member unsalaried Commission which sets overall policy and decides cases brought before them by the

staff at hearings. Legal advice is by the Department of Law. The Commission teaches people their rights under the law and shows people how to avoid complaints by complying with the law.

The Commission screens potential complaints to eliminate those which do not meet filing standards. Complaints accepted are investigated impartially: 85% are dismissed or settled to the satisfaction of the parties. Unresolved Complaints, supported by substantial evidence, are brought before Commissioners by the staff at public due process hearings. Orders issued after hearings may be reviewed in Superior Court.

In the past six years the Commission has processed 3748 cases with 467 of these remaining open on 10/1/80. The total dollar value of benefits received by Complainants during this period is \$4,018,010. The Commission has issued 25 opinions after public hearings. There have been 23 court opinions construing the Human Rights Law. No position of consequence the Commission has taken in court has been rejected by Alaska's Supreme Court or the U.S. Supreme Court.

#### Complaint Patterns and Projections

Table 1 shows complaint levels at the Commission since 1975. Included are projections based upon the FY82 budget submission. The bulge attributable to Alyeska pipeline impact is evident, as is the gradual reduction in this inventory following a budget increase in FY76. The effect of the FY80 budget reduction appears currently in the form of a more gradual reduction in the case inventory.

Table 1 assumes a continued annual filing rate of 216 cases, based upon the experience of the first nine months of calendar year 1980. (In 1979 the rate was 304; in 1978 it was 406. The projected rate of 216 cases is a conservative figure, reflecting the downward trend in new filings, current strict filing standards and the general population decline.)

Table 2 projects the complete elimination in the field offices of the 10/1/80 backlog of 434 cases. This table reflects: a) anticipated funding under a Backlog Elimination Project requested in the FY82 budget with a supplemental for FY81 b) funding with FY82 project and no FY81 supplemental funding and c) no supplemental or FY82 project funding.

Table 3 shows activity in cases at the hearing stage. (These cases are not included in the field office totals of Table 2: the total 10/1/80 inventory of 467 on Table 1 equals the 434 field office cases shown on Table 2 plus the 33 hearing cases shown on Table 3.)

Table 3 tracks separately the activity of backlog hearing cases (filed before 10/1/80) and "front log" cases (filed after 10/1/80). It assumes, based upon recent patterns, that 15% of cases processed through the field offices reach the hearing stage. The hearing caseload will grow slowly, but will grow indefinitely without the FY82 budget requested. The Equal Employment Opportunity Commission (EEOC), the federal counterpart, averages nine cases for an attorney caseload. The combined effect of the supplemental and the FY82 project budget would make the hearing caseload for the attorney consistent with the federal practices.

The bulge in hearing cases to a peak of 82 on 6/30/82 is caused by the heavy production of the field office backlog team plus normal input from current cases. At that time additional support is transferred to this unit to reduce the caseload.

#### RENT INCREASE ADJUSTMENT

This supplemental appropriation request provides funds for the Commission's Anchorage offices move due to untenable conditions. The net increase in rent is 47.4. No money was budgeted in the current FY81 budget for the ASHA payment for the Fairbanks regional office 10.1. Without the supplemental the Commission will be forced to pay these costs by transfers from other program budget lines. The total requested supplemental amount for rent and lease increases is: 57.5.

#### REDUCTION OF FEDERAL RECEIPTS

In the past the Commission, fully staffed, was always able to meet or exceed its federal contracts for processing cases. During FY80 the Commission's budget was cut. The resulting personal services underfunding prevented filling vacant positions. This directly impacted upon the production of the agency in case processing. The agency was unable to meet its federal contract for FY80 and was required to take a downward contract modification of \$26,950 or 23%. This left very little funding for the first quarter of FY81. (See table 4). Additionally, the federal FY81 contracts were reduced drastically, based upon performance under the federal FY80 contract. Instead of the 106.0 originally estimated in federal receipts, in the state FY81 budget, only 70.1 will be realized during state FY81. The Commission is, therefore, requesting an additional \$35.9 to raise production back to the pre-FY80 level and realize the 115.0 projected in the state FY82 budget.

#### SUMMARY

Funding shortfalls are creating unacceptable delays for Complainants and Respondents. These delays cost Respondents more in backpay and attorney fees. Complainants withdraw legitimate complaints. These closures do not serve justice.

Without a supplemental, the Commission will cut services. The Commission' budget is over 77% personal services, including the Department of Law attorney contract. Short of layoffs there is no budget line to cut by \$93.1. Re-staffing and re-training in July after layoffs would compound the problem by slowing services until the staff is fully productive.

Table 4

	EEOC CONTRACT PERFORMANCE <sup>(a)</sup>				
	<u>FY77</u>	<u>FY78</u>	<u>FY79</u>	<u>FY80</u>	<u>FY81</u>
Federal receipt per contract	50,830	121,230	117,250	(b) 125,000/98,050	66,938
# cases contracted	109	335	335	(b) 335/258	170
# cases completed	337	343	338	228	(c) 32

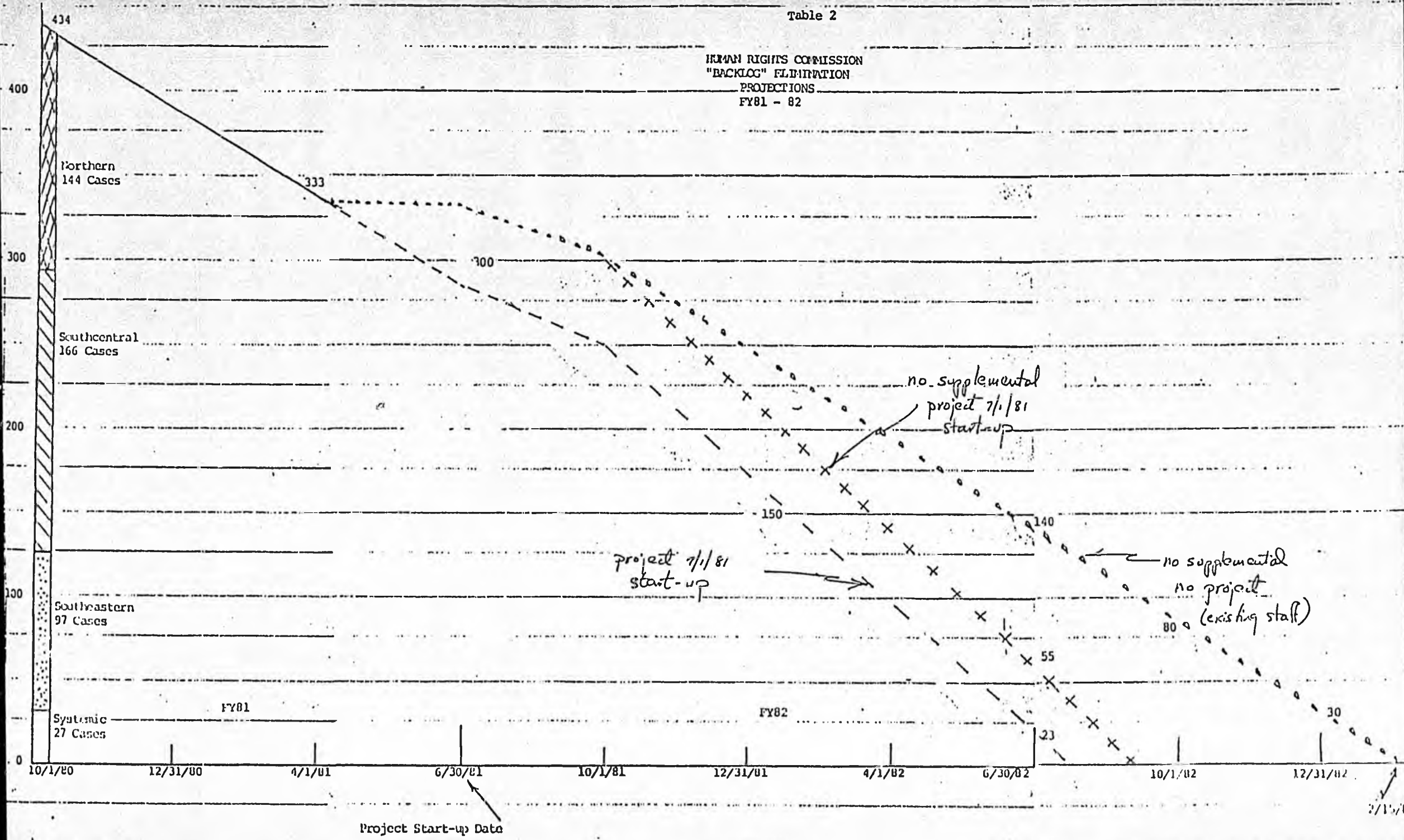
(a) EEOC contracts are by federal fiscal year, October - September.

(b) Left figure is original contract amount/right figure is modified contract amount.

(c) Cases completed through 12/31/80, one quarter contract production.

Table 2

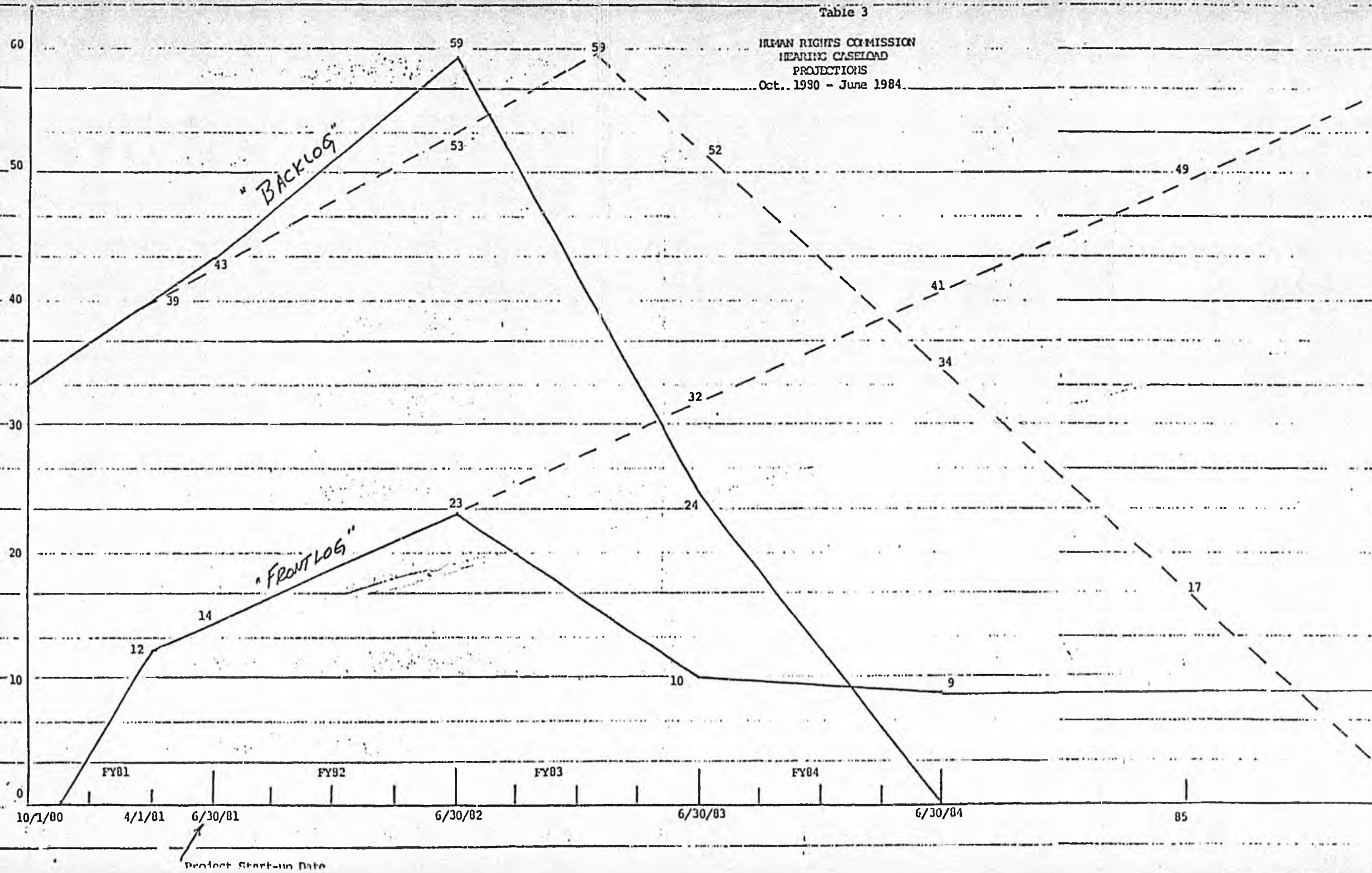
HUMAN RIGHTS COMMISSION  
"BACKLOG" ELIMINATION  
PROJECTIONS  
FY81 - 82



Project Start-up Data

Table 3

HUMAN RIGHTS COMMISSION  
HEARING CASELOAD  
PROJECTIONS  
Oct., 1990 - June 1984.



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375



STATE OF ALASKA  
LIEUTENANT GOVERNOR  
JUNEAU

May 7, 1981

The Honorable Brad Bradley  
State Senator  
Pouch V  
Juneau, Alaska 99811

Dear Brad:

This is to express my support for SSSB 375, an act authorizing commissioned officers and commanders of units of the armed forces of the United States to perform the functions of a notary public in the State of Alaska. The passage of this bill will provide a needed service for the military personnel stationed in Alaska and will make the daily conduct of business more convenient for them.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Terry Miller".

Terry Miller  
Lieutenant Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_ Sponsor Substitute for Senate Bill No. 375  
 Title Authorizing commissioned officers of the armed forces to (cont.)  
 Requested by Senate State Affairs Committee Date May 6, 1981

TITLE (cont.) perform the functions of a notary public.

II. FISCAL DETAIL

Agency Affected Office of the Lieutenant Governor  
 Program Category Affected Office of the Lieutenant Governor  
 BRU, Program, or Subprogram(s) Affected Office of the Lieutenant Governor  
 (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	0	0			
200 TRAVEL	0	0	0			
300 CONTRACTUAL	0	0	0			
400 COMMODITIES	0	0	0			
500 EQUIPMENT	0	0	0			
600 LAND & STRUCTURES	0	0	0			
700 GRANTS, CLAIMS, ETC.	0	0	0			
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>			

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE May 6, 1981 PREPARED BY Deborah B. Baley  
 AGENCY Office of the Lieutenant Governor  
 PHONE 465-3520  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

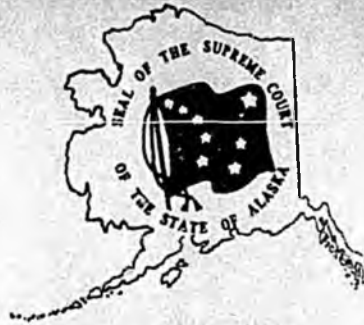
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*Alaska Court System*

*State of Alaska*

FRANK RAYE  
Personnel Director

OFFICE OF ADMINISTRATIVE DIRECTOR

303 K Street  
Anchorage, Alaska 99501

October 12, 1981

The Honorable Victor Fischer, Chair  
Senate Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Fischer:

In response to your memorandum of September 29, 1981, I have read the 16 bills concerning retirement now being considered by your committee.

The main reason I am commenting on these proposals is to urge re-writing of Chapter 35 of Title 39 to eliminate present discriminatory provisions. I also wish to speak against discriminatory provisions contained in SB 557, 143, 402 and 394 as well as supporting SB 196.

SB 557:

First I would like to point out that SB 557 is an effort to make some housekeeping corrections to ease administrative oversights. In that effort, the bill has some merit. The problem is that all of Chapter 35 of Title 39 needs to be re-written to comply with the state constitution and with Title 18 protections against discrimination on the basis of sex, marital status, and parenthood.

SB 557 proposes on page 15 to re-write AS 39.35.535 to give medical benefits only to retired employees, their spouses or children. Single retired persons are thereby precluded from naming a beneficiary of their own. Yet single employees pay into the retirement system at the same rate as married employees.

The Honorable Victor Fischer  
October 12, 1981  
page 2

At this time, AS 39.35 provides married state employees and their spouses an opportunity to choose a type of financial security called a joint survivor option. However, single employees and their beneficiaries do not have this choice. Under AS 39.35.420 and 440, married employees may choose the joint survivor option once they have been employed for five years and have thereby "vested". However, single employees with five years of service are denied that choice.

Specifically, a single employee is not permitted to have his or her beneficiary receive that employee's retirement money through a joint survivor option. Only married employees have that choice under AS 39.35.420 and 440. However, AS 39.35.450 allows "a dependent approved by the administrator" to also be a beneficiary. Such restrictions are based on a false assumption that only spouses and dependent children can develop an economically dependent relationship. Yet both single and married employees pay into the retirement system at the same rate and do not have the same benefits. It is my position that denying single employees an option granted only to married employees is a form of discrimination violating AS 18.80.220 which states in part:

"It is unlawful for an employer to refuse employment to a person or to . . . discriminate against him in compensation or in a term, condition, or privilege of employment because of his . . . sex, marital status . . . or parenthood;"

Since retirement is a compensation, term, condition and privilege of employment, the retirement statutes as now constituted are, in my opinion, illegal.

Furthermore, the Division of Retirement and Benefits' procedures used to determine the amount of money given to employees' spouses under the joint survivor option, are based on outdated, separate male and female mortality tables which have been held illegally discriminatory in many recent court cases. See, for example, City of Los Angeles v. Manhart, 435 US 702 (1978). This discrimination on the basis of sex, in my opinion, is also a violation of Title 18 as quoted above.

Also under SB 557, a new section, AS 39.30.095, is proposed which gives the commissioner of administration complete power and authority over a newly established fund for health and life insurance benefits. Why is it necessary to establish this fund and why is there no check on the commissioner's control over this fund? Why is there no provision for input from affected persons?

SB 143:

SB 143 proposes to grant some state employees credit for unused sick leave upon retirement. On the face of it, there appears

The Honorable Victor Fischer  
October 12, 1981  
page 3

to be nothing wrong with this amendment to AS 39.35.315. The problem is that all state employees would not benefit from this proposed change. Several years ago AS 39.20.310 established a separate group of state employees who no longer have leave. Under Chapter 20, sick and annual leave were done away with and combined into personal leave with a "sick leave bank" established for emergency illnesses. SB 143 fails to speak to those employees, their personal leave and their sick leave bank. Therefore, passage of SB 143 in its present form would discriminate against about 3,000 of the 9,000 state employees who no longer have sick leave. In other words, this bill affects only about two thirds of permanent state employees and leaves the other one third without comparable benefits.

In order to avoid this discrimination, SB 143 should either not be passed out of committee or should be re-written to include employees who have personal leave and a sick leave bank.

SB 402:

Presently state employees who are veterans may buy back up to five years of their military service as credited time for state retirement. However, under present law this buy back cannot take place until the employee is vested or has worked for the state at least five years. SB 402 proposes to eliminate the requirement that an employee must work five years for the state (or be vested) before buying back the military time.

I oppose this bill because it would allow new employees who are veterans to vest their retirement immediately after being employed in state service. All other employees cannot vest until they have had five years of state service.

Furthermore, the formula which establishes the cost of buying back five years of military time amounts to about one third of the employee's annual salary at the time of his or her eligibility to buy back. That means that those veterans who have already bought back their time under this law, after having worked five years for the state, have paid more than a new employee would pay under this proposed law. The reason for this discrepancy is that a five year employee will earn more than a new employee because of annual step pay increases, and the greater probability of promotion.

SB 394

SB 394 proposes to give retirement credit to teachers only who have served in the peace corps. The philosophical base to this proposal is arguable when compared to preference for veterans

The Honorable Victor Fischer  
October 12, 1981  
page 4

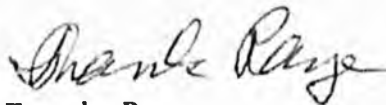
who have risked their lives for their country. What is not arguable is the gross inequity of the proposition to give retirement credit to one group of state employees (here teachers) and not to other state employees. This clearly discriminatory bill should not be passed out of committee.

SB 196:

I support SB 196 to mandate that at least one member of the retirement board be a retired person. It is a logical and equitable proposal since the greatest impact of decisions made by the board will be with regard to retired persons.

If you have any questions on the points raised in this letter, I'll be glad to answer them. Thank you for taking the time to consider these issues.

Sincerely,



Frank Raye  
Personnel Director

FR/jb

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 394  
 Title An Act Allowing Service Credit Under TRS for Service in the Peace Corps  
 Requested by Senator Fischer Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits  
 Program Category Affected Labor Services and Elementary & Secondary Education  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02 (TRS) 02-11-8-02-01-00 (TRS MATCH)  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING		52.3	52.3	52.3	52.3	52.3
100 BENEFITS		9.4	9.4	9.4	9.4	9.4
TOTAL	0	61.7	61.7	61.7	61.7	61.7

FUNDING (Thousands of Dollars)

GENERAL FUND	0	61.7	61.7	61.7	61.7	61.7
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PEPS						
TRS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. The cost of this bill would be level as teachers hired on or after July 1, 1978 would pay the full actuarial cost of the service credit.
2. Estimate that approximately 100 current teachers have some Peace Corps service.
3. Estimate that of those 100 teachers, they each have approximately 3 years Peace Corps service.
4. To fund this bill, the TRS contribution rate must be increased by .04% of covered payroll in FY82.
5. Estimate FY82 TRS covered payroll to be \$261,775,000.

IV. DATE April 21, 1981 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Stimson  
 Office of the Governor (Keith Snickling)

## ATTACHMENT

Bill/Resolution No. SB 394ASSUMPTIONS:

- |  |   |               |
|--|---|---------------|
| 1. Estimated FY82 Payroll (Total System) | = | \$261,775,000 |
| 2. State Contribution Rate to Fund Bill  | = | .02%          |
| 3. State TRS Matching Rate to Fund Bill  | = | .02%          |
| 4. School District Rate to Fund Bill     | = | .02%          |

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 4,712,000	X	.02%	\$ .9	To Their Budget
2. University of Alaska	\$ 42,617,000	X	.02%	\$8.5	To Their Budget
				<u>\$9.4</u>	
3. State TRS Matching	\$261,775,000	X	.02%	\$52.3	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal
Travel				\$ -0-	To Travel
Contractual				\$ -0-	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				\$ -0-	To Equipment
				<u>\$ 61.7</u>	
COST TO STATE IN FY82					
5. All School Districts	\$214,446,000	X	.02%	\$ 42.9	
TOTAL COST IN FY82				<u>\$104.6</u>	

REMARKS:

Fred Muller - beneficial to state?

+ ABBA

Introduced: 4/7/81  
Referred: State Affairs and Finance

1 IN THE SENATE BY STIMSON AND RODEY

2 SENATE BILL NO. 394

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

5 A BILL

6 For an Act entitled: "An Act allowing service credit under the teachers'  
7 retirement system for service in the Peace Corps."

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

9 \* Section 1. AS 14.25 is amended by adding a new section to read:  
10 Sec. 14.25.102. CREDIT FOR SERVICE IN THE PEACE CORPS. A member  
11 who served as a member of the United States Peace Corps may receive  
12 creditable service for that service under this system up to a maximum  
13 of five years. Each 12 months of Peace Corps service equals one school  
14 year, and lesser periods of service in the Peace Corps will be deter-  
15 mined for credit purposes in a proportionate ratio to a year. Credit  
16 for service in the Peace Corps shall be granted only if the member  
17 makes contributions for the service in the same manner as required for  
18 outside service under AS 14.25.060. Service in the Peace Corps credited  
19 under this section shall be included in the 10-year limitation of  
20 outside service as specified in AS 14.25.060, except that if entry into  
21 the Peace Corps is immediately preceded by Alaska membership service  
22 and termination from the Peace Corps is followed by Alaska membership  
23 service within one year, the service in the Peace Corps may not be  
24 included in the 10-year limitation on outside service.

VISTA + Teacher

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

*Arnoldt*

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

Ph: 465-2200

June 2, 1981

Honorable Mike Miller  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Representative Miller:

We have continued our review of CS HB 121 (SA). In the event the bill passes, we would like to suggest the enclosed technical amendments.

We have previously provided you with copies of all but the last five and amendment number seven, which have only recently come to light. The inclusion of EPORS benefit recipients (amendment number seven) completes the group of benefit recipients entitled to group insurance coverage. Increasing the amount of the contributions for service not actually performed within the system (amendments 11 through 13) is consistent with those sections of the bill which increase the amount of the contributions for service which is actually performed within the system. Amendments 14 and 15 would afford the benefits of the increased multiplier and higher salaries in later years to people receiving a conditional service benefit under TRS or PERS.

We appreciate your efforts on this matter. If you require additional information or assistance, please let me know.

Respectfully,

*Frederick Sullivan*  
W.R. Hudson  
Commissioner

WRH/el  
Enclosure  
cc: Representative Sam Cotten  
w/enclosure  
Paul B. Arnoldt ✓  
Keith Specking  
Judy Crondahl

Suggested Amendments To CSHB 121 (State Affairs)

1. Page 4, line 17: after "consumer price index", insert "for Urban Wage Earners and Clerical Workers".
2. Page 7, line 20: after "allocated", insert ", in proportion to the balances of assets,".
3. Page 8, line 3: replace "person" with "judge or justice".
4. Page 8, line 5: replace "person" with "judge or justice".
5. Page 8, line 16: replace "person" with "judge or justice".
6. Page 8, line 17: replace "person" with "judge or justice".
7. Page 9, line 28: after "AS 22.25.090", replace "or" with ", " ; after "AS 39.35.535", insert "or AS 39.37.145".
8. Page 14, line 20: after "AS", insert "39.35.420(b),"
9. Page 18, line 25: after "consumer price index", insert "for Urban Wage Earners and Clerical Workers".

10. Page 23, line 1: replace "1982" with "1981".

11. Add a new section to the bill as follows:

AS 14.20.345(d) is amended to read:

(d) The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the required percentage required under AS 14.25.050 [REQUIRED SEVEN PERCENT] of the salary he would have received during his leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

12. Add a new section to the bill as follows:

AS 14.25.060(a) is repealed and reenacted to read:

(a) If a member has military service or Alaska Bureau of Indian Affairs (BIA) service, or if a member joined the system before July 1, 1978, and has creditable outside service, the member is indebted to the retirement fund as follows:

1. For a member first hired before July 1, 1978, the arrearage indebtedness for creditable outside service is seven percent of the base salary multiplied by the

total number of years of creditable outside service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

2. For a member first hired before July 1, 1981, the arrearage indebtedness for creditable military and Alaska BIA service is seven percent of the base salary multiplied by the total number of years of military and Alaska BIA service. For a member first hired on or after July 1, 1981, the arrearage indebtedness for military and Alaska BIA service is nine percent of the base salary multiplied by the total number of years of creditable military and Alaska BIA service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or at the time of first becoming employed as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.
3. If a member terminates from the system and is subsequently reemployed as a member before July 1, 1981, the arrearage indebtedness to the retirement fund for outside, military, or Alaska BIA service accumulated in

the interim is seven percent of the base salary upon reentering membership service, multiplied by the number of years of interim outside, military, and Alaska BIA service. If a member terminates from the system and is subsequently reemployed as a member on or after July 1, 1981, the arrearage indebtedness to the retirement fund for outside, military, or Alaska BIA service accumulated in the interim is nine percent of the base salary upon reentering membership service, multiplied by the number of years of interim outside, military, and Alaska BIA service. Compound interest at the rate prescribed by regulation shall be added to the arrearage indebtedness beginning July 1, 1963, or the date of reemployment as a member, whichever is later, to the date of payment or the date of retirement, whichever occurs first.

13. Add a new section to the bill as follows:

AS 39.35.340(b) is amended to read:

(b) In order to obtain credited service under this section, an employee shall make an election to do so and shall verify his period of military service. When eligibility for credited service for military service has been established, an indebtedness shall be determined as follows:

(1) the employee's actual compensation, or the calculated

annual compensation for those employees working less than 12 months, during the calendar year 1976 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) [SIX PERCENT, THIS PRODUCT MULTIPLIED BY (3)] the number of years of military service credited under this section, this product multiplied by (3) six percent for members who are first eligible to claim this service before July 1, 1981, or eight percent for members who are first eligible to claim this service on or after July 1, 1981. Interest as prescribed by regulation accrues on this indebtedness commencing on July 1, 1977, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness which exists at the time a person is appointed to retirement will necessitate an actuarial adjustment to the benefits payable based upon that military service.

14. Change section 7 of the bill to read as follows:

AS 14.25.125(d) is repealed and reenacted to read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated on the years of fully paid membership service only, in accordance with section 110(d) of this chapter, except that 1) the member may irrevocably elect to substitute "average monthly compensation" as defined in AS 39.35.680(4) in place of the member's average base

salary, divided by 12 and 2) in determining the percentage multiplier for each year of service under section 110(d) of this chapter, the years of credited service under AS 39.35 shall also be considered.

15. Change section 28 of the bill to read as follows:

Sec. 28. AS 39.35.395(d) is repealed and reenacted to Read:

(d) The monthly amount of a conditional service retirement benefit shall be calculated in accordance with section 370(c) of this chapter, except that 1) the member may irrevocably elect to substitute one twelfth of his "average base salary" as defined in AS 14.25.220(5) in place of average monthly compensation and 2) in determining the percentage multiplier for each year of service under section 370(c) of this chapter, the years of credited service under AS 14.25. shall also be considered.

6/C3/E1

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 400

Title An Act relating to the Public Employees' Retirement System

Requested by Senator Fischer

Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

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

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		6.2	6.2	6.2	6.2	6.2
TOTAL	-0-	6.2	6.2	6.2	6.2	6.2

FUNDING (Thousands of Dollars)

GENERAL FUND	5.0	5.0	5.0	5.0	5.0
FEDERAL FUNDS	.3	.3	.3	.3	.3
VETERAN'S FUND	.1	.1	.1	.1	.1
FISH & GAME FUND	.1	.1	.1	.1	.1
HIGHWAY FUND	.1	.1	.1	.1	.1
AIRPORT FUND	.1	.1	.1	.1	.1
CAPITAL FUND	.5	.5	.5	.5	.5
PERS					
TRS					

POSITIONS

NONE

FULL TIME					
PART TIME					
TEMPORARY					

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

1. The costs are predicated on the assumption that only one person would qualify under the bill.
2. The State will bear the full cost of increased benefits as a result of the service credit.
3. Approximately 7 years service would be credited in PERS for that person.

IV. DATE 4-14-81

PREPARED BY Paul B. Arnoldt, Director

AGENCY Division of Retirement & Benefits

PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

*(Handwritten initials/signature)*

The attached "Statement of Facts" covers the events that led up to the hiring into classified service of the present Port Captain of the Alaska Marine Highway system, Herbert Stetson. It appears that Mr. Stetson was given some assurance by the Director of the Division of Marine Transportation, now Commissioner of Administration, William Hudson, that his retirement credits in the Northwest Marine Retirement Trust would continue even though he was working in the classified service. This was determined at a later date to be unfeasible and, in fact, illegal.

The proposed legislation would permit and greatly enhance the possibilities and opportunity of vessel employees to move into shore-side management related positions in the classified service. It would do so by protecting the non-vested employees from loss of past service pension credits in their own private plans by offering past service credits in the public employees retirement system.

In short, the legislation corrects a great inequity in the present system with respect to vessel employees working in the classified service.

S Bier Ray

## STATEMENT OF FACTS

On March 7, 1976 the M. V. TUSTUMENA called at Juneau, Alaska en route from Seward to Seattle for annual drydocking and overhaul. I was sailing as Second Mate at the time.

While vessel was lying at Juneau I was approached by Mr. William Hudson, Director, Alaska Marine Highway System and Captain Wm. Bendixen, Marine Superintendent, as to whether I could be interested in filling the vacant Port Captain position.

During the course of discussions of wages and benefits of the Port Captain's job I was advised that the State of Alaska would continue to make contributions, on my behalf, to the Northwest Marine Retirement Trust. I was told that this procedure had been established during the shoreside employment of Port Engineer Mr. Bert Bennet and was accomplished by a "paper transfer" of the individual back to the vessel to which last assigned. The person involved would not actually leave the Juneau Capital Office.

Although I suffered a reduction in wages and loss of other fringe benefits I agreed to take the job as Port Captain and reported to Juneau Central Office on July 15, 1976.

We purchased a home in Juneau, placed our Seward residence up for sale and in September, 1976, my family joined me here.

On December 15, 1976 pay period my vacation and "A" day account, which was being paid off bi-monthly, was exhausted.

In January, 1977 I enquired as to when the agreed "paper transfer" would be accomplished. Sometime later was informed that this procedure now determined to be illegal and no contributions would be made to my retirement account in the Northwest Marine Retirement Trust. As a result of this determination I was deprived of the employer contributions necessary to meet the ten year vesting required by NWMRT.

My family and I have suffered very serious financial damages and look to the State of Alaska for compensation or otherwise being made whole.

*Muller Affect. on person only?*

Introduced: 4/8/81  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 400

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 the public employees' retirement  
7 system."

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

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

10 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION  
11 OF MARINE TRANSPORTATION. (a) Except as provided in (b) of this  
12 section a person is entitled, at the time he becomes an active employee,  
13 to credited service in the public employees' retirement system for  
14 periods of employment with the division of marine transportation for  
15 which he has been credited with service under a marine retirement trust

16 (b) If a person receives a refund of contributions he has made to  
17 a marine retirement trust for employment with the division of marine  
18 transportation, he is not entitled to credited service in the public  
19 employees' retirement system for the period of employment for which the  
20 refund is made unless the amount of the refund is paid to the public  
21 employees' retirement system.

22 \* Sec. 2. AS 39.35.370 is amended by adding a new subsection to read:

23 (g) A member may not receive retirement benefits under this  
24 section based on a period of employ. t for which the member received  
25 credited service under AS 39.35.305 if he is receiving retirement  
26 benefits from a marine retirement trust based on the same period of  
27 employment.  
28  
29

6-8-81

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

June 8---June 12

TUESDAY      June 9  
                 1:30 p.m.

RELOCATION OF THE CAPITAL    SB 585, 586, etc.

CONSIDERATION OF CONFIRMATION

HEARINGS WILL BE CONDUCTED IN THE FIRST FLOOR OF THE BEHREND'S BUILDING. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.



Official Business

# Alaska State Legislature


Senate  
Office of the Secretary

Pouch V  
State Capitol  
Juneau, Alaska 99811

## M E M O R A N D U M

DATE: June 5, 1981

TO: Senator Fischer,  
Chairman  
State Affairs Committee

FROM:  Peggy Mulligan  
Secretary of the Senate

The President has referred the following Governor's appointee to your committee for recommendation in accordance with AS 39.05.080:

STATE BOARD OF REGISTRATION FOR  
ARCHITECTS, ENGINEERS AND LAND  
SURVEYORS

\*Gordon Unwin, Anchorage, term expiring 7/1/86

A resume is enclosed.

**GORDON D. UNWIN, P.E.**

23

BORN

Anchorage, Alaska; October 22, 1943.

EDUCATIONBachelor of Science in Civil Engineering, 1965, Lehigh University.  
Graduate Studies at University of Alaska.REGISTRATIONProfessional Engineer, Alaska No. 1958-E; Washington No. 15955.  
Registered Land Surveyor, Alaska No. 3192-S.PROFESSIONAL AFFILIATIONSNational Society of Professional Engineers.  
Alaska Society of Professional Engineers.  
American Society of Civil Engineers.  
Alaska Professional Design Council, Director.  
Professional Engineers in Private Practice, Past State Chairman.  
Alaska Society of Professional Land Surveyors.EXPERIENCE

State of Alaska, Department of Highways, Construction Surveyor.

State of Alaska, Division of Aviation, Airport Engineer in charge of the design and construction of airport projects. Planning Engineer dealing with Airport Master Plans and economic feasibility studies.

Greater Anchorage Area Borough, Department of Public Works, Engineer in charge of the design and construction of sewer projects.

Dickinson-Oswald &amp; Partners, Consulting Engineers, Design Engineer and Project Manager for the design and construction of subdivisions, utility systems, highways and airports.

UNWIN SCHEBEN KORYNTA HUETTL, Principal in charge of the design of public works and structural projects. Project Manager for Engineering studies and reports. Project Manager and Engineer on Airport Master Plans and facilities design.

ADDITIONAL FACTSMember Task Group for the assessment of flood damages to Fairbanks.  
Aviation Assistant to the Commissioner, Alaska Department of Public Works.  
Member Citizens Advisory Board for the Greater Anchorage Area Borough Comprehensive Plan.  
Secretary of the Alaska Board of Registration for Architects, Engineers & Land Surveyors.  
Member American Arbitration Association.  
Member Municipality of Anchorage Geotechnical Commission.  
Member General Services Administration Public Advisory Board, Region 10.  
Member Aircraft Owner's & Pilots Association.PUBLICATIONS & SPEECHES1968 Annual Alaska Division of Aviation Report to the Governor.  
4th Annual Environmental Quality Seminar, Lecture "Country Lane Concept for Subdivision Streets" 1973.



I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 400 (State Affairs)

Title An Act Relating to PERS, TRS, JRS, and National Guard Benefits

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Labor Services

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

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		23.6				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		180.7	54,230.6	59,653.4	65,618.5	72,180.1
TOTAL	0	204.3	54,230.6	59,653.4	65,618.5	72,180.1

FUNDING (Thousands of Dollars)

GENERAL FUND		148.0	44,414.9	48,856.1	53,741.6	59,115.5
FEDERAL FUNDS		8.3	2,494.6	2,744.1	3,018.5	3,320.3
VETERAN'S FUND		.4	108.4	119.3	131.2	144.4
FISH & GAME FUND		1.1	325.4	357.9	393.7	433.1
HIGHWAY FUND		2.3	705.0	775.5	853.0	938.3
AIRPORT FUND		5.2	1,572.7	1,729.9	1,902.9	2,093.2
CAPITAL FUND		15.4	4,609.6	5,070.6	5,577.6	6,135.3
PERS		23.6				
TRS						

POSITIONS NONE

FULL TIME

PART TIME

TEMPORARY

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

1. Estimate FY 82 covered State PERS payroll to be \$296,614,000.
2. Increase in State contribution rate would be .06% of State PERS payroll in FY 82.
3. Increase in State contribution rate would be 16.62% of State PERS payroll in FY 83.
4. Estimate long term inflation rate of 7.5%.
5. The cost to political subdivisions is estimated to be \$152,800 in FY 82.
6. The cost to political subdivisions is estimated to be \$46.5 million in FY 83.

IV. DATE 6/11/81

PREPARED BY Paul E. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray  
 Office of the Governor (Keith Specking)

*J. K. Humphreys, for*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 400 (State Affairs)

Title An Act Relating to PERS, TRS, JRS and National Guard Benefits

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits

Program Category Affected Labor Services and Elementary & Secondary Education

BRU, Program, or Subprogram(s) Affected 02-96-3-01-01-02 (TRS) 02-11-S-02-01-00 (TRS MATCH)

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		23.6				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING		143.9	32,351.8	35,587.0	39,145.7	43,060.3
100 BENEFITS		26.0	5,855.6	6,447.2	7,085.3	7,793.8
TOTAL	0	193.5	38,207.4	42,028.2	46,231.0	50,854.1

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		23.6				

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- To fund this bill, the TRS contribution rate must be increased by .11% of payroll in FY 82 and by 22.47% in FY 83 (the TRS contribution rate is split 50/50 between the State matching contribution and the District contribution).
- Estimate FY 82 TRS covered payroll at \$261,775,000.
- Estimate long-term inflation rate of 7.5%.

IV. DATE 06-11-81

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

*J. K. Humphreys, for*  
Paul S. Arnoldt, Director

AGENCY \_\_\_\_\_

Division of Retirement & Benefits

PHONE \_\_\_\_\_

465-4460

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray

Office of the Governor (Keith Specking)

## ATTACHMENT

Bill/Resolution No. CS SB400(SA)ASSUMPTIONS:

1. Estimated FY82 Payroll (Total System)	=	\$261,775,000
2. State Contribution Rate to Fund Bill	=	.055%
3. State TRS Matching Rate to Fund Bill	=	.055%
4. School District Rate to Fund Bill	=	.055%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 4,712,000	X	.055%	\$ 2.6	To Their Budget
2. University of Alaska	\$ 42,617,000	X	.055%	\$ 23.4	To Their Budget
				<u>\$ 26.0</u>	
3. State TRS Matching	\$261,775,000	X	.055%	\$ 143.9	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ -0-	To Personal
Travel				\$ -0-	To Travel
Contractual				\$ 23.6	To Contractual
Commodities				\$ -0-	To Commodities
Equipment				\$ -0-	To Equipment
				<u>\$193.5</u>	
5. All School Districts	\$214,446,000	X	.055%	<u>\$117.9</u>	
				<u>\$311.4</u>	

REMARKS:

SBS32/E8

SECTIONAL ANALYSIS OF CS HB 121 (State Affairs)

Sections 1-3 would amend AS 14.25.020, 14.25.022, and 14.25.035 to state clearly the role of the Teachers' Retirement Board in the adoption and promulgation of regulations. The change makes the role of the TRS Board in this area identical to that of the Public Employees' Retirement Board. Under the existing language, the system administrator performs this task without any clear mandate that he consult the Board.

Section 4 would increase the mandatory contribution rate for TRS employees from seven to nine percent; the increase represents the employee's share of the cost of the automatic PRPA in Section 9 of this bill.

Section 5 makes the multiplier in the benefit formula dependent on the number of years of credited service and provides an incentive to remain in service in accordance with the purpose of the TRS (AS 14.25.012).

Section 6 merely corrects statutory references. These references should have been changed at the time the TRS statutes were amended by Chapter 13, SLA 1980.

Section 7 would bring AS 14.25.125 (d) into conformity with the changes in AS 14.25.110 (d) contained in Section 5 of this bill.

Section 8 would amend AS 14.25.130 (a) to streamline the disability retirement application procedure. It provides a definite starting point in the procedure by setting as the first step the termination of employment due to the disability.

Section 9 would create a mechanism for granting automatic, funded annual PRPA's to benefit recipients in the TRS; the amount of the increases would depend on the cost of living and the benefit recipient's age.

Sections 10, 16 and 38 would conform the statutes to the current practice of providing major medical insurance coverage to spouses and dependent children of retirees, as well as retirees themselves in the TRS, the PERS and the judicial retirement systems.

Sections 11 and 40 would clarify what is and is not included in "compensation" for purposes of retirement in TRS and PERS. This language is consistent with longstanding practice and does not constitute a change.

Section 12 expands the definition of "credited service" to include "territorial employment" as provided under AS 14.25.105. This should have been done in 1980 when AS 14.25.105 was passed.

Section 13 defines "territorial employment" as it is used in Section 12.

Sections 14-15 and 17-18 would add new sections to AS 22.25 and AS 26.05. The sections set up accounting systems for the Judicial Retirement System and the Alaska National Guard Retirement System which are now on a funded basis. The sections are modeled after the one in place in the PERS, AS 39.35.100. The money in the funds may be invested in the same manner as money in the PERS, AS 39.35.110.

Section 19 would clarify the direction in AS 39.30 to the Department of Administration to include retired persons in the group insurance program. Also clarifies AS 39.30.090 (9) in two respects: first, it deletes the provision for major medical insurance coverage for retirees since such coverage is now provided elsewhere; second, it provides that retirees under age 65 may continue the life insurance they have in force at the time of termination of their employment.

Section 20 would create a group insurance fund. It is included at the urging of the State's benefit consultants. The existence of a fund will provide the flexibility needed to negotiate for and procure more favorable benefit terms from insurance companies. Our consultants inform us that such added flexibility has led to substantial savings in other systems. Any surplus in the fund may be invested by the Commissioner of Revenue under AS 39.35.110.

Sections 21 and 22 would make minor changes in AS 39.35.100. The first change recognizes that actuarial calculations and transfers from individual retirement accounts to the retirement reserve account can be accomplished more effectively on an aggregate, annual basis. This will not delay the actual payment of benefits to retirees. The second change allocates a portion of the investment income to the reserve account. This is considered appropriate since a substantial portion of the principal invested derives from the reserve account.

Section 23 would increase the mandatory contribution rate for PERS peace officers/firemen from five to seven percent, and for all others from four and one-quarter to six and one-quarter percent; the increase represents the employee's share of the cost of the automatic PRPA in Section 34 of this bill.

Section 24 would amend AS 39.35.200 (b) to eliminate a "catch 22" situation. Currently, persons who terminate their employment having less than 5 years credited service and less than \$1,000 in their employee account must be given a refund of retirement contributions even if they intend to retire later; when they do retire at a later date, they must repay the refunded contributions with interest. This proposed change would allow the employee the option of leaving the employee contributions in the individual account.

Section 25 would entitle an additional group of surviving spouses to an increased benefit based on the deceased spouse's military service. Currently, surviving spouses receiving a monthly benefit from the

system under AS 39.35.440 or 39.35.450 are entitled to this additional benefit. However, surviving spouses of members who die as a proximate result of an injury sustained or a hazard undergone while on the job (AS 39.35.430) are not. This section would correct this oversight and extend the additional benefit to this group of surviving spouses.

Section 26 clarifies AS 39.35.360 (b) to ensure that pre-1961 service credit is granted free of charge only to those employees who qualify under AS 39.35.360 (a). This is consistent with current practice.

Section 27 makes the multiplier in the benefit formula dependent on the number of years of credited service and provides an incentive to remain in service in accordance with the purpose of the PERS (AS 39.35.010).

Section 28 would bring AS 39.35.385 (d) into conformity with the changes in AS 39.35.370 (c) under Section 27 of this bill.

Section 29 clarifies AS 39.35.385 to ensure that the provision allowing reinstatement without reemployment applies only to paragraphs (a) and (b) and not to, for example, paragraph (f) which was added after the fact. This is not viewed as a change in the law.

Section 30 would change the benefit reference in AS 39.35.420 (b) because the description of the benefit is now found in subsection (c) of the section instead of in subsection (a). The amount of the benefit is not changed.

Sections 31 and 32 would clarify the entitlement to death benefits when there is no surviving spouse. It would provide that, in the event of the death of a vested member who has no surviving spouse, a benefit shall be paid to the deceased member's designated beneficiary.

Section 33 would conform AS 39.35.440 (b) to division practice. As the current law reads, a surviving spouse of a deceased, disabled employee is entitled to a benefit equal to 40 percent of the decedent's monthly compensation. It was not anyone's intent that the surviving spouse receive 40 percent of the relatively low disability benefit; it was intended that the surviving spouse receive 40 percent of the decedent's compensation before the disability. The amendment clarifies this. Section 33 would also provide for the disposition of death benefits in the event that a deceased member has no surviving spouse or dependent children, in which case a death benefit is paid to the designated beneficiary.

Section 34 would create a mechanism for granting automatic, funded annual PRPA's to benefit recipients in the PERS; the amount of the increases would depend on the cost of living and the benefit recipient's age.

Section 35 would clarify the administration of the level income option under AS 39.35.460. In practice, it is not possible to predict exactly the amount of the eventual social security benefit or to make the income precisely level.

Section 36 would allow peace officers/firemen the option to relinquish their coverage as "peace officers/firemen" and instead receive coverage as "all other" members; this option was added in light of Section 27 which would increase the multiplier in the benefit formula for "all other" members.

Section 37 removes outdated statutory references from AS 39.35.485 (a) and adds appropriate statutory references to bring the law into conformity with current practice. This is not viewed as a change in the law.

Section 39 would delete from AS 39.35.560 a definitional reference to "public organization". That term is now defined in Section 44 of this bill, AS 39.35.680 (39).

Section 41 clarifies the definition of "early retirement" and includes the appropriate statutory references.

Section 42 clarifies the definition of "normal retirement" and includes the appropriate statutory references.

Sections 43, 45 and 46 would amend AS 39.35.680 (27) to exclude "qualified employees of the Department of Fish and Game" from peace officer/fireman coverage; allows employees currently classified as "qualified employees of the Department of Fish and Game" to continue their peace officer/fireman coverage.

Section 44 defines "public organization."

Section 47 applies the automatic annual PRPA formula contained in Sections 9 and 34 of this bill to current benefit recipients, effective the date the benefit recipient first began receiving a benefit. However, the recalculated benefit would not take effect until July 1, 1981. There is an error in line 1 on page 23; the date should be July 1, 1981.

Sections 48 and 49 provide effective dates; the increases in benefit formulas do not take effect until July 1, 1982.

7/CII/S

M E M O R A N D U M

TO: File on CSSB 400 entitled "An Act relating to the public employees, teachers, judicial, and National Guard benefits; and providing for an effective date."

FROM: Laura Fleming  
Staffperson, Senate State Affairs

DATE: June 15, 1981

Please note the following change to be made in CSSB 400. This change was "signed off" on by Senate State Affairs Committee members, as it was approved at the committee meeting of 6-9, when the bill was passed out of committee.

The change did not appear in the final version of the bill although it was intended to appear in the version reported out of committee. With any luck, the Senate Finance Committee will be able to clean this up when they take CSSB 400 under consideration.

Page 16, line 21 (Sec. 39.35.305 entitled "Credited Service for Employment with the Division of Marine Transportation") subsection (a): after "trust." add "The credited service allowed may not exceed an aggregate period of five years. Benefits are not payable on service credited under this section unless the employee makes retroactive contributions to the system for the period of time that service credit is claimed."

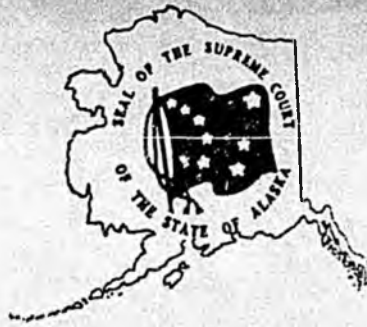
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*Alaska Court System*

*State of Alaska*

OFFICE OF ADMINISTRATIVE DIRECTOR

FRANK RAYE  
Personnel Director

303 K Street  
Anchorage, Alaska 99501

October 12, 1981

The Honorable Victor Fischer, Chair  
Senate Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Fischer:

In response to your memorandum of September 29, 1981, I have read the 16 bills concerning retirement now being considered by your committee.

The main reason I am commenting on these proposals is to urge re-writing of Chapter 35 of Title 39 to eliminate present discriminatory provisions. I also wish to speak against discriminatory provisions contained in SB 557, 143, 402 and 394 as well as supporting SB 196.

SB 557:

First I would like to point out that SB 557 is an effort to make some housekeeping corrections to ease administrative oversights. In that effort, the bill has some merit. The problem is that all of Chapter 35 of Title 39 needs to be re-written to comply with the state constitution and with Title 18 protections against discrimination on the basis of sex, marital status, and parenthood.

SB 557 proposes on page 15 to re-write AS 39.35.535 to give medical benefits only to retired employees, their spouses or children. Single retired persons are thereby precluded from naming a beneficiary of their own. Yet single employees pay into the retirement system at the same rate as married employees.

At this time, AS 39.35 provides married state employees and their spouses an opportunity to choose a type of financial security called a joint survivor option. However, single employees and their beneficiaries do not have this choice. Under AS 39.35.420 and 440, married employees may choose the joint survivor option once they have been employed for five years and have thereby "vested". However, single employees with five years of service are denied that choice.

Specifically, a single employee is not permitted to have his or her beneficiary receive that employee's retirement money through a joint survivor option. Only married employees have that choice under AS 39.35.420 and 440. However, AS 39.35.450 allows "a dependent approved by the administrator" to also be a beneficiary. Such restrictions are based on a false assumption that only spouses and dependent children can develop an economically dependent relationship. Yet both single and married employees pay into the retirement system at the same rate and do not have the same benefits. It is my position that denying single employees an option granted only to married employees is a form of discrimination violating AS 18.80.220 which states in part:

"It is unlawful for an employer to refuse employment to a person or to . . . discriminate against him in compensation or in a term, condition, or privilege of employment because of his . . . sex, marital status . . . or parenthood;"

Since retirement is a compensation, term, condition and privilege of employment, the retirement statutes as now constituted are, in my opinion, illegal.

Furthermore, the Division of Retirement and Benefits' procedures used to determine the amount of money given to employees' spouses under the joint survivor option, are based on outdated, separate male and female mortality tables which have been held illegally discriminatory in many recent court cases. See, for example, City of Los Angeles v. Manhart, 435 US 702 (1978). This discrimination on the basis of sex, in my opinion, is also a violation of Title 18 as quoted above.

Also under SB 557, a new section, AS 39.30.095, is proposed which gives the commissioner of administration complete power and authority over a newly established fund for health and life insurance benefits. Why is it necessary to establish this fund and why is there no check on the commissioner's control over this fund? Why is there no provision for input from affected persons?

SB 143:

SB 143 proposes to grant some state employees credit for unused sick leave upon retirement. On the face of it, there appears

The Honorable Victor Fischer  
October 12, 1981  
page 3

to be nothing wrong with this amendment to AS 39.35.315. The problem is that all state employees would not benefit from this proposed change. Several years ago AS 39.20.310 established a separate group of state employees who no longer have leave. Under Chapter 20, sick and annual leave were done away with and combined into personal leave with a "sick leave bank" established for emergency illnesses. SB 143 fails to speak to those employees, their personal leave and their sick leave bank. Therefore, passage of SB 143 in its present form would discriminate against about 3,000 of the 9,000 state employees who no longer have sick leave. In other words, this bill affects only about two thirds of permanent state employees and leaves the other one third without comparable benefits.

In order to avoid this discrimination, SB 143 should either not be passed out of committee or should be re-written to include employees who have personal leave and a sick leave bank.

SB 402:

Presently state employees who are veterans may buy back up to five years of their military service as credited time for state retirement. However, under present law this buy back cannot take place until the employee is vested or has worked for the state at least five years. SB 402 proposes to eliminate the requirement that an employee must work five years for the state (or be vested) before buying back the military time.

I oppose this bill because it would allow new employees who are veterans to vest their retirement immediately after being employed in state service. All other employees cannot vest until they have had five years of state service.

Furthermore, the formula which establishes the cost of buying back five years of military time amounts to about one third of the employee's annual salary at the time of his or her eligibility to buy back. That means that those veterans who have already bought back their time under this law, after having worked five years for the state, have paid more than a new employee would pay under this proposed law. The reason for this discrepancy is that a five year employee will earn more than a new employee because of annual step pay increases, and the greater probability of promotion.

SB 394

SB 394 proposes to give retirement credit to teachers only who have served in the peace corps. The philosophical base to this proposal is arguable when compared to preference for veterans

The Honorable Victor Fischer  
October 12, 1981  
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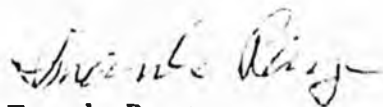
who have risked their lives for their country. What is not arguable is the gross inequity of the proposition to give retirement credit to one group of state employees (here teachers) and not to other state employees. This clearly discriminatory bill should not be passed out of committee.

SB 196:

I support SB 196 to mandate that at least one member of the retirement board be a retired person. It is a logical and equitable proposal since the greatest impact of decisions made by the board will be with regard to retired persons.

If you have any questions on the points raised in this letter, I'll be glad to answer them. Thank you for taking the time to consider these issues.

Sincerely,



Frank Raye  
Personnel Director

FR/jb

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811  
Ph: 465-2200

April 24, 1981

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

Dear Senator Fischer:

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

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

Please let me know if you need additional information.

Respectfully,

  
W. R. Hudson  
Commissioner

WRH/cm

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

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FY 81 Ak. State Council on the Arts

ARTS

**PERFORMING ARTS**

Of the 43 applications within the category of performing arts, 30 were funded. One line item request was also funded.

<u>Applicant/Project</u>	<u>Request</u>	<u>Funding</u>
Alaska Community Theatre Assn./		
1981 Festival .....	\$ 58,176	\$ 50,908
Juneau International Folkdancers/		
1980 Festival .....	1,425	1,433
Central Peninsula Concert Assn./		
Brubeck Quartet .....	1,700	1,700
Skagway Arts Council/concert series .....	502	500
Sheldon Jackson College/puppetry		
workshops .....	2,500	1,275
Arts Alaska, Inc./program service .....	120,000	120,000
Anchorage Concert Assn./Pacific		
Northwest Ballet .....	15,000	10,000
ACT - Dance Ensemble/African		
tales & dance .....	4,050	3,375
Valley Performing Arts Center/		
multiple projects .....	14,100	9,625
Fairbanks Drama Assn./Gerber		
residency .....	5,000	4,875
Kenai Arts Council/Peninsula		
Dancers: tour .....	2,365	2,240
Anchorage Civic Opera/general support .....	30,000	21,670
Basically Bach Festival/1981 festival .....	15,000	4,390
Greater Juneau Arts Council/		
audience development .....	8,300	7,000
Greater Juneau Arts Council/		
chamber music symposium .....	11,655	10,361
Greater Juneau Arts Council/		
organ recording & brochure .....	3,500	2,596
Greater Juneau Arts Council/		
assistance to performing arts .....	5,000	3,000
Greater Juneau Arts Council/		
woodwind symposium .....	1,500	620
Alaska Repertory Theatre/		
capital, general administration .....	line item request	500,000
Anchorage Civic Ballet/master classes .....	1,500	1,500
Alaska Association for the Arts/		
Karen Attix workshops .....	1,325	1,322
Theatre Guild, Inc./technical director .....	5,000	5,000
Theatre Guild, Inc./audience		
development .....	10,000	10,000
Anchorage Symphony/administrative		
support .....	20,630	12,525

Anchorage Symphony/master classes .....	10,292	10,000
Port City Players/"Arsenic		
and Old Lace" .....	4,625	2,563
Juneau Oratorio Choir/music workshop .....	3,450	3,000
Perseverance Theatre/general operating		
support .....	35,820	5,756
University-Fairbanks Symphony		
Assn./concerto marathon .....	11,130	8,000
University-Fairbanks Symphony		
Assn./workshops .....	7,610	5,000
Center for Cultural Development/		
piano competition .....	4,220	2,670
	\$415,375	\$822,904

**VISUAL ARTS**

There were 20 grant applications in the visual arts. The Council awarded funding to 14 of these and to two line item requests.

<u>Applicant/Project</u>	<u>Request</u>	<u>Funding</u>
Alaska Artists Guild, Inc./Betts		
workshop .....	\$ 3,923	\$ 3,000
Resurrection Bay Art Guild/		
painting exhibition .....	3,125	3,134
Kenai Arts Council/painting workshop .....	5,205	800
Sheldon Jackson College/Betts		
workshop .....	1,290	1,290
Pratt Museum/visual arts exhibits .....	835	835
Alaska State Museum/coordinated		
exhibitions .....	8,990	8,990
Arts Alaska, Inc./Photography		
Guild workshop .....	2,204	1,959
Alaska Association for the Arts/		
University of Alaska, Fairbanks,		
workshops .....	9,727	9,646
Visual Arts Center/"Flight"		
Competition .....	8,415	8,424
Visual Arts Center/general operating .....	line item request	231,500
Visual Arts Center/summer workshop .....	19,970	19,973
Ketchikan Arts Council/arts workshops .....	2,018	1,428
Ketchikan Weavers Guild/ethnic		
weaving workshop .....	704	1,241
Anchorage Historical and Fine Arts		
Museum/juried exhibits; summer		
program .....	16,360	16,320

Bethel Arts Council/ Yugtarvik Museum.....	line item	5,000	
	request		
	\$ 82,766	\$313,540	

**LITERATURE**

Each of the four literature applications was funded for FY 81.

<u>Applicant/Project</u>	<u>Request</u>	<u>Funding</u>
Raven, Inc./Alaska literature anthology .....	\$ 5,000	\$ 4,666
Envoy: Alaska Association for the Arts/ newsletter publication .....	4,527	3,333
Permafrost/publication .....	4,500	5,222
University of Alaska, Fairbanks, English Dept./Midnight Sun Writers' conference .....	24,196	19,111
	\$38,223	\$32,332

**MEDIA**

Last year, none of the media applications was funded. This year, all four applications were funded by the Council.

<u>Applicant/Project</u>	<u>Request</u>	<u>Funding</u>
Lynn Canal Community Broadcasting/ sound studio .....	\$ 5,400	\$ 555
Greater Juneau Arts Council/KTOO presents .....	10,095	5,333
Alaska Pacific University/art films .....	2,800	2,800
Alaska Association for the Arts/video tapes .....	2,980	2,980
	\$21,355	\$11,748

**COMMUNITY ARTS/MULTI-DISCIPLINE**

There were 17 applications in this category. Fifteen of these applications received grant awards, as did two line item requests.

<u>Applicant/Project</u>	<u>Request</u>	<u>Funding</u>
Skagway Arts Council/art enrichment .....	\$ 446	\$ 446



Arts Alaska, Inc./general support .....	65,397	29,153
Anchorage Arts Council/multiple projects .....	52,300	17,000
Anchorage Arts Council/community arts program .....	line item	157,000
	request	
Fairbanks Native Association/youth arts program .....	3,360	3,375
Homer Arts Council/spring arts festival .....	2,710	1,590
Greater Juneau Arts Council/1981 SEASAW .....	11,080	2,500
Alaska Association for the Arts/ newsletter .....	1,890	1,880
Southeast Alaska Regional Arts Council/general support .....	68,723	68,723
Alaska Association for the Arts/ staff salaries .....	20,000	20,000
Alaska Scottish Club/piping, dancing competition .....	2,150	2,075
Alaska Association for the Arts/Red Hackle Pipe Band workshop .....	3,145	3,145
Tustumena Community Services/arts workshops .....	1,260	1,286
Ketchikan Arts Council/arts outreach .....	2,515	1,555
Dillingham Arts Council/multiple projects .....	1,635	1,642
Juneau Arts Council/general operating support .....	line item	16,000
	request	
	\$236,611	\$327,370

**FOLK/NATIVE ARTS**

Six of the nine applications in this category were funded by the Council, as was one line item request.

<u>Applicant/Project</u>	<u>Request</u>	<u>Funding</u>
Chilkoot Indian Association/ Chilkoot film .....	\$10,637	\$10,566
Sheldon Jackson College/reproductions .....	2,300	2,800
Sitka Community Association/Native arts videotape .....	9,795	5,000
Alaska Indian Arts/salary support .....	line item	55,500
	request	
Totem Heritage Center/arts workshops .....	16,360	8,382
Kawerak, Inc./elders' conference .....	28,320	11,777
Alaska Association for the Arts/ Alaskameut .....	3,100	4,600
	\$70,512	\$98,625

<u>EXPENSES</u>	<u>GENERAL ADMINISTRATION</u>	<u>ART-REACH</u>	<u>SERVICES</u>	<u>PROMOTION</u>	<u>SPECIAL PROJECTS</u>	<u>ADVOCACY</u>	<u>TOTAL</u>
Admin. Salaries & Benefits	69,979	23,026	24,460	21,489	12,042	16,706	167,702
CETA Salaries & Benefits		2,549	9,500				12,049
Other Artist Fees	100	17,600	8,275		12,000	600	38,575
Artist Travel Per-Diem		2,550	11,050		2,365		15,965
Staff Travel/Per-Diem	500	950	500	500		6,095	8,545
Printing	1,000			18,850		1,400	21,250
Advertising			40,000	900			40,900
Facilities Rental	4,500		1,300	600			6,400
Supplies	3,600	3,650	1,050	960	2,000		11,260
Special Services	5,500	1,000	4,900	13,500	4,500	18,000	45,400
Equipment Purchase/Rental/Maint.	4,125	4,000					8,125
<b>TOTAL DIRECT EXPENSES</b>	<b>87,304</b>	<b>55,325</b>	<b>101,000</b>	<b>56,799</b>	<b>32,907</b>	<b>42,801</b>	<b>376,171</b>
Office Rental	4,058	4,058	4,058	4,058	4,058	4,058	24,348
Janitorial/Maintenance	289	289	289	289	289	289	1,734
Telephone	810	610	760	910	560	660	4,310
Xerox	780	580	580	1,380	530	530	4,380
Postage	1,050	20	70	2,832	220	60	4,252
Insurance	1,100	150	250	150	150	150	1,950
Hospitality	800		600	500	200	1,159	3,259
Publication/Membership	125	125	125	125	125	1,125	1,750
Conference Fees	100	100	100	100	100	100	600
Miscellaneous	1,000				6,000		7,000
<b>TOTAL INDIRECT EXPENSES</b>	<b>10,112</b>	<b>5,932</b>	<b>6,832</b>	<b>10,344</b>	<b>12,232</b>	<b>8,131</b>	<b>53,583</b>
<b>TOTAL EXPENDITURES</b>	<b>\$97,416</b>	<b>\$61,257</b>	<b>\$107,867</b>	<b>\$67,143</b>	<b>\$45,139</b>	<b>\$50,932</b>	<b>\$429,754</b>

## ANCHORAGE ARTS COUNCIL

FISCAL YEAR 1981 BUDGET  
REVENUES BY PROGRAMEXHIBIT D  
Second Estimate - 3/31/81

<u>REVENUE SOURCE</u>	<u>GENERAL ADMINISTRATION</u>	<u>ART-REACH</u>	<u>SERVICES</u>	<u>PROMOTION</u>	<u>SPECIAL PROJECTS</u>	<u>ADVOCACY</u>	<u>TOTAL</u>
Contributions	13,000 <sup>1</sup>	3,000	7,500	3,000	8,000		34,500
Foundation Grants	5,000 <sup>2</sup>	3,800					8,800
Federal Grants		2,549 <sup>3</sup>	11,500 <sup>4</sup>		1,250 <sup>5</sup>		15,299
State Grants	165,250 <sup>6</sup>	6,700 <sup>7</sup>	9,000 <sup>8</sup>	1,400 <sup>9</sup>	4,100 <sup>10</sup>	35,000 <sup>11</sup>	221,450
Municipal Grants	19,000	9,300	14,900	4,000	5,000	18,000	70,200 <sup>12</sup>
Fees Sales	4,500 <sup>13</sup>		3,106 <sup>14</sup>	12,850 <sup>15</sup>	23,000 <sup>16</sup>		43,456
Reimburesments		600	44,000			1,000	45,600
TOTAL REVENUES	206,750	25,949	90,006	21,250	41,350	54,000	<u>439,305</u>

- 1) Annual Special Event Fundraiser - 10,000
- 2) Atlantic-Richfield Foundation - 5,000
- 3) CETA through Municipality of Anchorage for PSE Artists - 2,549
- 4) CETA through Municipality of Anchorage for Consortia Employees - 9,500; C-PAC for Writers Conference - 2,000 \*
- 5) National Committee Arts for the Handicapped for Handicap Roundtable Conference
- 6) Alaska State Council on the Arts FY 81 General Appropriation - 78,500<sup>\*</sup>; ASCA for General Appropriation FY 82 86,750
- 7) ASCA for FY 81 Childrens's Festival (VSAF) - 5,500<sup>\*</sup>; ASCA for Moving Company North - 1,200<sup>\*</sup>
- 8) ASCA for FY 81 Business of the Arts Series - 4,000<sup>\*</sup>; FY 81 Poetry Readings - 2,000<sup>\*</sup>
- 9) ASCA for FY 81 SPRUCETOP Publication - 1,400
- 10) ASCA for FY 81 Handicap Roundtable Conference - 2,100<sup>\*</sup>; ASCA for FY 81 Floating Poetry Gallery Project - 2,000<sup>\*</sup>
- 11) ASCA for FY 81 General Appropriation - 35,000
- 12) Municipality of Anchorage General Arts Appropriation for FY 81 - 70,200
- 13) Revenue from Anchorage Arts Council Beer Booth at Open Aire Pleasure Faire
- 14) Revenue from fees for ArtsWeek banquet - 350; Advertising Co-Op user fees - 1,356; Computer Mail List user fees - 400; admission fees for Business of the Arts Series - 1,000
- 15) Revenue from subscription fees for ANCHORAGE ARTS - 10,000; advertising fees in SPRUCETOP - 600; concert admission and workshop fees for SPRUCETOP - 2,250
- 16) Fees charged for Open Aire Pleasure Faire - 20,000
- 17) Reimbursement from National Committee Arts for the Handicapped for Site Coordinator's trip to Phoenix
- 18) Reimburesment from users of the Advertising Co-Op and Computer Mail List

\* Revenues which are secured



3/31/81

Grants Policies for FY82  
Major Grantees

At the meeting of the Alaska State Council on the Arts in Juneau, March 20-21, 1981, the Council adopted the following policies regarding grants to larger arts organizations during FY82. These policies will be reviewed as the processes they outline unfold, and upon evaluation, revised as necessary in the coming years.

The first priority of the Alaska State Council on the Arts is to foster artistic quality and growth. The Council follows the first principle of law, ("innocent until proven guilty") with regard to quality: artists and arts organizations are assumed to be committed to artistic quality until it becomes clear they are not. Reports and evaluations which are a part of this policy will be used by the State Arts Council to determine the commitment to artistic quality.

1. The Alaska State Council on the Arts is committed to the fulfillment of its mandate, "to join with private patrons and with institutions and professional organizations concerned with the arts to insure that the role of the arts in the life of our communities will continue to grow and will play an ever more significant part in the welfare and educational experience of our citizens."

In order to do this, the Council will continue to provide certain direct services to the citizens of this state, and the Council will provide grants to "institutions and professional organizations concerned with the arts."

- A. It is the policy of the Alaska State Council on the Arts, based on an analysis of funding patterns over the life of the Council, to provide up to 75% of the General Grants category of its funding programs to major cultural organizations during FY82. To qualify as a major cultural organization, criteria described below must be met.
  1. Organization must provide the Council with a professional audit by an independent Certified Public Accountant for the previous fiscal year.
  2. Organization must show a minimum annual budget of \$150,000 in cash for previous fiscal year; (in-kind contributions are not allowed in meeting this criteria nor are funds for capital building purposes; this minimum cash budget may be adjusted by the Council as required to ensure participation by at least ten cultural organizations).
  3. A minimum of one (1) full-time administrative staff member must be employed by the organization.

4. Organization must show examples of arts service beyond the boundaries of local home community, i.e., touring programs, cooperative programming, shared resources, etc.
  5. Organization must be a not-for-profit institution, with IRS 501 (C) (3) or other appropriate IRS status
  6. Organization must be judged by the Council to be providing a quality cultural service to citizens of the state.
- B. Decisions regarding the distribution of the funds in this category of the General Grants program will be reached in the following way:
1. A professional staff member and a member of the board of directors from each of the institutions meeting the above criteria, chosen by the institution itself, shall be asked to serve on the Major Grantees Advisory Panel by the Council.
  2. The Advisory Panel so created shall meet to determine the process by which it will develop recommendations to the Council on the distribution of available funds.
  3. Once the funds available have been established by the State of Alaska, the Advisory Panel will meet again and submit to the Council recommendations regarding the amounts to be granted to each participating institution.
  4. The Council shall meet to consider the recommendations of the Advisory Panel, make final determinations and grant funds.
- C. At that time when the Council meets to consider the recommendations of the Advisory Panel, the following items, appropriate to the participating arts organization, must be available to the Council:
1. Outside audit by independent CPA of previous year's income and expenditures.
  2. Reports on the following items with documentation as appropriate:
    - a. Educational Programs
    - b. Examples of cooperation with other cultural, and/or civic, tourist or similar groups
    - c. Audience development plan
    - d. Self-evaluation and progress report regarding handicapped individuals access to programs and space
    - e. Touring Programs, where appropriate, with expenditures for previous year and projections for current year
    - f. Examples of publicity in Alaska and elsewhere
    - g. Evidence of short- and long-term planning effort
- D. Arts organizations receiving grants from this category shall not be eligible to receive funds from any other Council grants category.
- E. The Council may request an outside professional program evaluation of any participating arts organization at Council's expense.

3/31/81

Policies Relating to ASCA and  
Arts Organizations other than Major Grantees

The Alaska State Council on the Arts was established to "ensure that the role of the arts in the life of our communities will continue to grow and will play an ever more significant part in the welfare and educational experience of our citizens."

In order to carry out this mandate, the Council provides direct services, (Traditional Native Arts Program, technical assistance on grants and grants management, communications, short- and long-range planning assistance, and so on), indirect services through contractual agreements, (Performing Arts Touring Programs, Piano Maintenance, Sponsor Development, and so on), and grants-in-aid to individual artists, arts organizations and non-arts organizations doing cultural programming.

During FY82, (July 1, 1981 to June 30, 1982), the State Arts Council is implementing new grants policies and procedures. Arts organizations providing high quality cultural programming, employing staff, serving beyond their local neighborhoods and using funds amounting to \$150,000 in cash, as shown by an independent audit by a Certified Public Accountant, will receive up to 75% of the Council's General Grants category of funding. In order to receive the funds, each such organization will have to report to the Council on its educational programs, audience development plans, self-evaluation regarding handicapped individuals' access to physical space and program along with a progress report, evidence of short- and long-range planning, examples of cooperation with other cultural/civic/educational organizations, services to the public and publicity within and outside of the state of Alaska.

Arts organizations not meeting criteria for major grantees will be eligible for at least 20% of the General Grants category of funding, and non-arts organizations doing cultural programming will be eligible for at least 5% of the General Grants category of funding, i.e., university-sponsored cultural programming for the general public and other such cultural activity deemed worthy of State Arts Council support but not necessarily being administered by an arts organization.

Therefore, and to this end, the Council has approved the following policies as they relate to arts organizations which are not major grantees, and non-arts organizations doing cultural programming:

1. It is the policy of the Alaska State Council on the Arts, based on an analysis of funding patterns over the life of the Council, to provide at least twenty percent (20%) of the General Grants category to cultural groups and organizations meeting the following criteria during FY82:
  - A) Organization accepted by ASCA to be providing a quality cultural service to the community it serves.

- B) A not-for-profit IRS designated 501 (C) (3) organization (or otherwise appropriate IRS designation) whose primary purpose is to provide cultural services to the public.
- C) An arts organization which has been carrying out such services for at least one year at the time of the proposed Council/State-assisted project's beginning.
- D) Some record of achievement and/or success in the provision of cultural services as perceived by a person outside the organization itself.

II. Decisions regarding the distribution of the funds in this category of the Council's General Grants funding program will be reached in the following manner:

- A) Unless funded through the "emergency grant process" (outlined in Addendum A, attached), applications received by published deadlines will be reviewed by ASCA staff for completeness, will then be reviewed by appropriate discipline panel when and where possible, and finally, will be reviewed by a committee of the board of ASCA.
- B) The review committee will present its recommendations to the full board at a regular quarterly meeting of the board of directors of the Council, and the full board will take final action on each application for support.

III. Other Requirements:

- A) While organizations requesting support from the Council may ask for and receive funds for the payment of staff, office expenses and other administrative overhead, such organizations are required to outline in detail the arts projects expected to be carried out during the time the support requested would be used.
- B) While matching on a dollar for dollar basis is no longer a mandatory requirement, proposals showing support from other-than-State sources to as large a degree as possible, will be generally given a higher priority for funding than those showing no other support. In-kind and/or donated contributions of time, space, etc., should be made clear in all budget descriptions of the total project.
- C) Projects should be completed within a calendar year from the time the project begins; extensions for projects not completed within one year must be requested in writing by the grantee and approved by the Council's executive director.

Addendum I:

- A. Non-arts organizations carrying out cultural programming must meet essentially the same criteria as arts organizations to be eligible for State support through the State Arts Council, except that they clearly do not have to be organizations primarily involved in providing arts programming for the public. Such organizations may receive generally at least (in total for all applying) five percent (5%) of the total amount in the Council's General Grants funding program. Grant applications will be reviewed in the same manner as those received by the Council from arts organizations other than Major Grantees.

B. Emergency Grants

From time to time, opportunities arise for which there is little time to plan, but which may provide excellent arts services to the citizens of Alaska.

Therefore, it is the policy of the Alaska State Council on the Arts to allow emergency grant applications at any time during the year for amounts not to exceed \$2,000 in State/Council support.

These emergency grant applications must be made on the standard application form used by the Council for grants-making purposes.

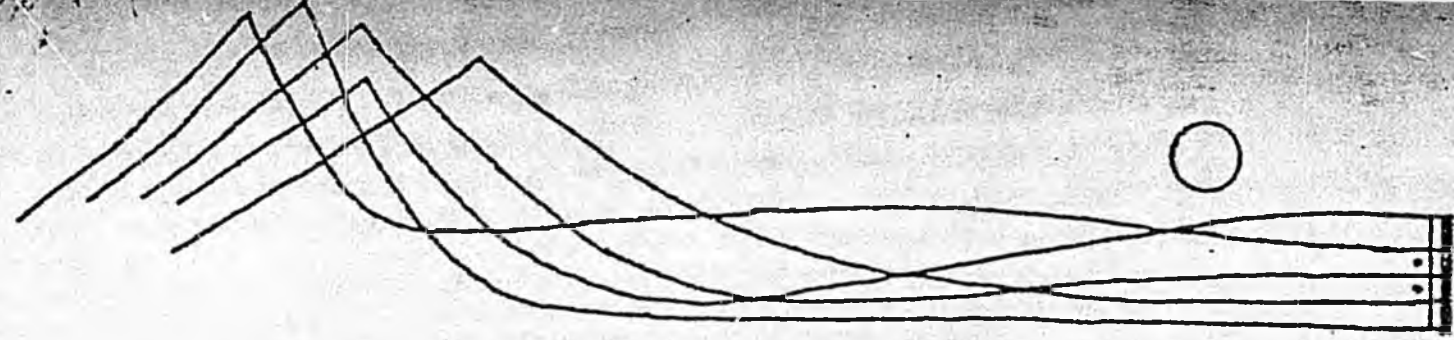
When possible, these requests will be reviewed by persons serving on the appropriate discipline panel of the Council. The requests must always be reviewed by at least three of the members of the board of the Council in addition to the Chairman and Executive Director.

Upon satisfactory review, the executive director of the Council may award the grant.

All such Emergency Grants will be presented to the board of directors at the nearest following regular Quarterly Meeting of the board, both those awarded and those not funded.

Emergency Grants are available only to organizations meeting the criteria established for arts organizations/non-arts organizations doing cultural programming, other than Major Grantees.

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



ANCHORAGE CIVIC OPERA  
BOX 3316 • ANCHORAGE • ALASKA • 99510 • (907) 271-2742

March 11, 1981

MEMORANDUM

TO: Members of the Governmental Affairs Committee, Alaska Arts Alliance

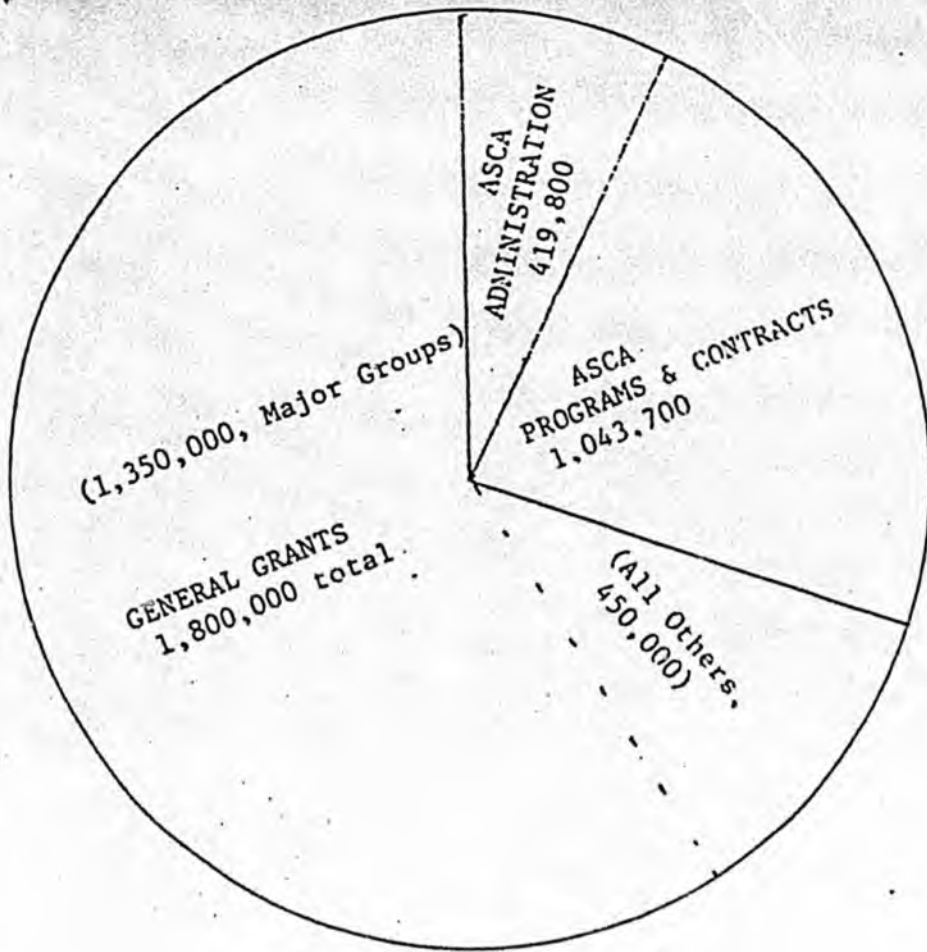
FROM: Michael More *MM*

RE: A.A.A. Group Funding Request FY 82 to the Legislature

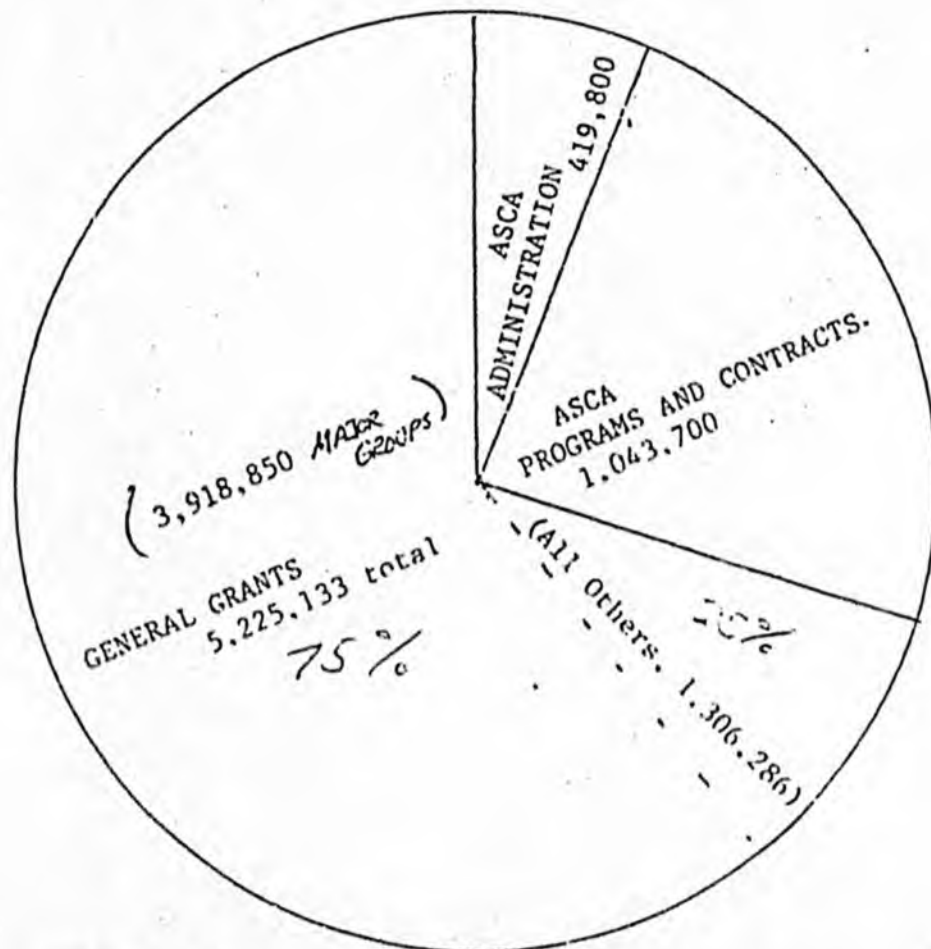
The attachments outline by organization the specific amounts to be requested from the Alaska State Council on the Arts General Grants Category for FY 82, collected by the Governmental Affairs Committee. The Alaska State Council on the Arts has stated that 75% of the funds in General Grants will go to major organizations. The existing Governor's Budget allows for 1,800,000 in General Grants. For the major organizations represented here to receive funding at this level, the General Grants Category must be increased from 1,800,000 to 5,225,133. Seventy-five percent of 5,225,133 would total 3,918,850 and thus meet the funding needs of these major organizations. Based on the percentage formula policy stated by the Alaska State Council on the Arts, the Alaska Arts Alliance is seeking an increase in the ASCA General Grants Category in the amount of 3,425,133. This amount will cover the stated needs of the member organizations, within the distribution policy of the ASCA.

Arts, Alaska Inc.	\$ 625,877*	
Anchorage Fine Arts Museum	25,000	
Juneau Arts Council	133,000	
University of Alaska Fairbanks Symphony	100,000	160,000
Anchorage Symphony	150,000	
Institute of Alaska Native Arts	250,000	
Alaska Heritage Review	100,000	
Anchorage Arts Council	213,500	
Southeast Alaska Regional Arts Council	127,000	
Alaska Indian Arts, Inc.	70,000	
Anchorage Concert Association	60,000	
Alaska Repertory Theatre	2,000,000	
Alaska Association for the Arts	65,350	100,000
Visual Arts Center	225,000	
Ketchikan Theatre Ballet	100,000	
Anchorage Civic Opera	300,000	
	<u>\$3,918,850</u>	

\*Funded through ASCA programs and contracts



EXISTING GOVERNOR'S BUDGET FY 82  
 ALASKA STATE COUNCIL ON THE ARTS  
 Total: \$ 3,263,500



AMENDED ASCA FY 82 BUDGET / WITH  
 ALASKA ARTS ALLIANCE REQUEST OF  
 \$ 3,425,133  
 Total: \$ 6,688,633

MAJOR GRANTEE FINANCIAL PROJECTIONS

NAME OF ORGANIZATION: Arts Alaska, Inc.

Please give the information based on your organizational projections for FY1982. If a FY82 budget has not been prepared to date, please estimate to the best of your ability. Please see definitions attached.

PROJECTED EXPENDITURES

Salaries, Artists Fees & Technicians	\$ <u>605,207</u>
Goods and Services	\$ <u>99,425</u>
Advertising and Promotion	\$ <u>5,000</u>
Travel and Per Diem	\$ <u>369,865</u>
Rent and Utilities	\$ <u>26,400</u>
Scholarships and Commissions or Re grants	\$ <u>-0-</u>
TOTAL EXPENDITURES (proj. '82)	\$ <u>1,105,897</u>

PROJECTED REVENUES

Fees, Membership Dues, Ticket Sales, etc.	\$ <u>286,000</u>
Contributions, Gifts, Donations	\$ <u>120,000</u>
Federal Grants - Natl. Endowment for the Arts	\$ <u>66,000</u>
Federal Grants - other agencies	\$ <u>-0-</u>
State Grants - ASCA	\$ <u>625,897</u>
State Grants - other agencies	\$ <u>-0-</u>
Municipal Grants	\$ <u>-0-</u>
Miscellaneous	\$ <u>8,000</u>
TOTAL REVENUES (proj. '82)	\$ <u>1,105,897</u>

Total FY1981 Budget 984,545  
 Total FY1980 Budget 946,793

How many people does your organization employ? Fulltime 7  
 Parttime -0- Contractual (from time to time) 110 approximately

How many people do you think your organization actually serves through its programs?  
50-70,000

What dollar amount do you anticipate needing in FY1982 for capital expenditures?  
 (equipment, office machines, furniture -- not construction)  
25,000

NAME OF ORGANIZATION: Anchorage Historical and Fine Arts Museum

Please give the information based on your organizational projections for FY1982. If a FY82 budget has not been prepared to date, please estimate to the best of your ability. Please see definitions attached.

PROJECTED EXPENDITURES

Salaries, Artists Fees & Technicians	\$ <u>441,000.</u>
Books and Services (Includes acquisitions to collections)	\$ <u>356,000.</u>
Advertising and Promotion	\$ <u>17,000.</u>
Travel and Per Diem	\$ <u>2,000.</u>
Rent and Utilities	\$ <u>114,000.</u>
Scholarships and Commissions or Re grants	\$ <u>0.</u>
TOTAL EXPENDITURES (proj. '82)	\$ <u>930,000.</u>

PROJECTED REVENUES

Fees, Membership Dues, Ticket Sales, etc.	\$ <u>0.</u>
Contributions, Gifts, Donations	\$ <u>4,000.</u>
Federal Grants - Natl. Endowment for the Arts	\$ <u>0.</u>
Federal Grants - other agencies	\$ <u>0.</u>
State Grants - ASCA	\$ <u>25,000.</u>
State Grants - other agencies	\$ <u>0.</u>
Municipal <del>Grants</del> Support	\$ <u>884,000.</u>
Miscellaneous	\$ <u>17,000.</u>
TOTAL REVENUES (proj. '82)	\$ <u>930,000.</u>

Total FY1981 Budget \$861,000.  
 Total FY1980 Budget \$768,000.

How many people does your organization employ? Fulltime 12  
 Parttime 1 Contractual (from time to time) 2

How many people do you think your organization actually serves through its programs?  
150,000

What dollar amount do you anticipate needing in FY1982 for capital expenditures?  
 (equipment, office machines, furniture -- not construction)  
10,000