

ALASKA LEGISLATURE COMMITTEE FILES 1983-1986 86/2

3699 HSTA HB 406 - HB 409

575

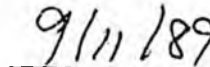


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

HB

406

HOUSE STATE AFFAIRS COMMITTEE

Bill Number 406 Title Investment Date Rec'd 4/29/85
Deferred

Fiscal Note	Position Paper	Date requested	From	Amount	Date Rec'd Note	Paper
		5/1	DOA			
		5/1	Comm	0	✓	

CONTACTS

BACKUP LIST

Boucher x 4932
 Bradner
 Wallis Kirkpatrick x 2521 Commerce
 Div. of Banking
 Ken Humphreys x 4470

Commerce & F. note
 Commerce 5-6 85 letter
 Boucher 4-26 85 memo
 Frontier At. Credit Union
 package

HEARING INFORMATION heard 5-7-85

NOTES:

5/1
 REA note on the way
 Kirkpatrick no problem w/ bill no fiscal note will be out of town
 will send info & paper
 Emmitt Wilson testified
 APEA to testify? did show

Funds insured up to \$100k

Leslie Ellis from Frontier State Credit Union
 AOA no objection to HB 406

FINAL ACTION

PASSED OUT 5/7/85

BACKUP to FINANC
 5/7/85

COMMITTEE REPORT

5/2

HOUSE

(7)

FURTHER: FINANCE

4/29/35

Date: 1935 7 17 25

The Committee on STATE AFFAIRS has had HB 406

"An Act relating to investment of funds from deferred compensation."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

Katie Shuler

John ...

...

...

MEMBERS HAVING OTHER RECOMMENDATIONS:

Page & ...

Katie Shuler

 CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/resolution No.: HB 406
 Title: "An Act relating to investment of funds"
 Sponsor: Rep. Boucher
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: Public Protection
 BRU, Program or Subprogram(s) Affected: Banking, Securities and Corporations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521
 Division: Banking, Securities and Corporations Date: _____
 Approved by Commissioner: Loren H. Lounsbury Date: 5/6/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 1

REQUEST

Bill/Resolution No.: HB 406

Title: An Act relating to investment of funds from deferred compensation

Sponsor: Boucher

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration

Program Category Affected: _____

Labor Services

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
Operating						
100 Personal Svcs						
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: J.K. Humphreys, Director
Division: Retirement & Benefits

Phone: 465-4470

Date: 5/6/85

Approved by Commissioner: Lisa Rudd
Agency: Department of Administration

Date: 5/7/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

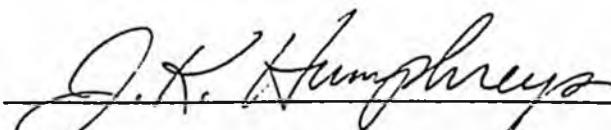
Position Paper

House Bill 406

This bill would allow the state or a political subdivision of the state to invest funds held under a deferred compensation program in a manner other than fixed and variable life insurance and annuity contracts. This bill would give administrators of deferred compensation programs more flexibility in managing their individual programs and permit investment in shares of and deposits in certain insured financial institutions in Alaska. In any event, we feel that an administrator must ensure that the size and stability of any funding vehicle is adequate to invest the plan's deferred compensation funds. At this time, the department sees no problem with allowing these additional options.

This amendment would have no fiscal impact.

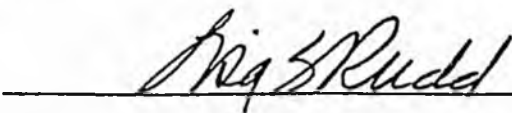
The department's position is neutral.



J.K. Humphreys, Director, Division of Retirement & Benefits



5/6/85
Date



Lisa Rudd, Commissioner, Department of Administration

5/7/85
Date

1 and

2 (5) deposits in insured state and national banks in the
3 state.

4 * Sec. 3. AS 39.45.030 is amended by adding a new subsection to read:

5 (b) In this section, "insured" means insured by the federal
6 government or an agency of the federal government.

Introduced: 4/29/85
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 406

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to investment of funds from deferred
7 compensation."

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

9 * Section 1. AS 39.45.010 is amended to read:

10 Sec. 39.45.010. AUTHORITY. The state or a political subdivision
11 of the state may, by contract, agree with an employee to defer, in
12 whole or in part, that employee's salary or wages. [IF INCLUDED IN
13 THE CONTRACT TO DEFER PAYMENT OF SALARY OR WAGES, THE STATE OR A
14 POLITICAL SUBDIVISION OF THE STATE SHALL PURCHASE A FIXED OR VARIABLE
15 LIFE INSURANCE OR ANNUITY CONTRACT FOR THE PURPOSE OF FUNDING THE
16 DEFERRED COMPENSATION PROGRAM PROVIDED FOR IN THIS CHAPTER, FOR THE
17 EMPLOYEE.]

18 * Sec. 2. AS 39.45.030 is amended to read:

19 Sec. 39.45.030. INVESTMENT AUTHORITY. The administrator of the
20 state or political subdivision deferred compensation program is au-
21 thorized, subject to contracts with individual employees, to invest
22 the funds held under a deferred compensation program in

23 (1) fixed and variable life insurance and annuity con-
24 tracts;

25 (2) shares of or deposits in insured state or federal char-
26 tered credit unions in the state;

27 (3) shares of or deposits in insured state or federal char-
28 tered savings and loan associations in the state;

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

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES & CORPORATIONS

BILL SHEFFIELD, GOVERNOR

POUCH D
JUNEAU, ALASKA 99811

Banking & Securities (907) 465-2521
Corporations Section (907) 465-2530

ANCHORAGE

Corporation Information (907) 563-2163

May 6, 1985

Honorable Katie Hurley
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Hurley:

Re: House Bill 406

House Bill 406, if passed, will allow qualified employees of political subdivisions, i.e., school teachers, the opportunity to take advantage of any number of money market accounts now offered by insured financial institutions.

The investments of deferred compensation funds into bank type savings accounts were unattractive until recent deregulation. In the past, there were limits a financial institution could pay on savings accounts. Now, with deregulation an insured money market account could be an important vehicle in deferred compensation investment programs.

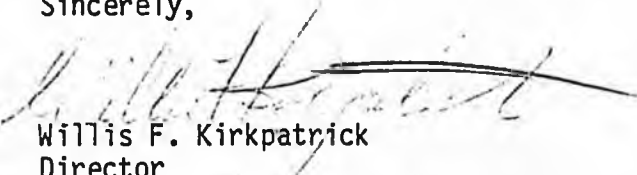
This bill will also produce an advantage not only to the financial institutions but also to the community they serve. Deferred compensation deposits would tend to be long-term deposits, the funds of which could then be placed in the communities as loans.

I was approached by a credit union to make a determination if a state-chartered credit union could offer deferred compensation accounts to their members (school teachers). After an investigation, we found that they were prohibited under current law. We, therefore, encourage the introduction of this legislation.

This should not be considered as a bill against insurance companies as they have offered a great service in the area of deferred compensation.

If you have any further questions, I will be more than pleased to discuss this subject with you.

Sincerely,


Willis F. Kirkpatrick
Director

WFK/wfs2283W5685a

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4931

DISTRICT 10
BOX 111038
ANCHORAGE, ALASKA 99511
(907) 349-2192



CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

MEMORANDUM

DATE: April 26, 1985

TO: All Members of the House of
Representatives

FROM: H.A. "Red" Boucher
Representative

SUBJECT: Deferred Compensation Legislation

The attached bill is designed to broaden the manner in which public employees deferred compensation funds may be invested. State law presently confines that investment solely to fixed and variable rate life insurance and annuity contracts. This bill broadens the authority so that Alaska banks, credit unions, and other financial institutions may participate in offering deferred compensation plans.

Such deferred compensation programs operating through Alaska financial institutions would permit:

1. Significant tax savings. Employees may defer the lesser of 25% or \$7,500.
2. Absolute safety. Plan deposits in financial institutions would receive up to \$100,000 in federal insurance.
3. Programs between institutions would be competitive, with rates set quarterly. Rates would be competitive or on a par with IRA rates. Deposits would be very valuable to financial institutions since they would be long-term deposits.

4. Competition between programs would mean few, if any, would opt to charge service charges and various sorts of penalties. This means no "front end loading" to the disadvantage of the employee.
5. Deposits would stay at home and be used to make Alaska loans.

The program would be available at the option of the State and political subdivisions on behalf of their employees, providing a prudent method of saving money for employees and a very effective way of retaining long-term deposits within Alaska to the benefit of Alaska borrowers. There is no fiscal impact to the State in broadening this authority.

Attachment
1h

working / HB 406



**FRONTIER
ALASKA
STATE CREDIT UNION**

MAIN OFFICE:
3500 EDOE STREET
ANCHORAGE, AK 99503
583-3736

COLOQTNA BRANCH:
1501 3085
COL. OTNA, AK 99588
285-7800

EAGLE RIVER BRANCH:
CENTERFIELD DRIVE
EAGLE RIVER, AK 99577
854-5444

CAMPUS BRANCH:
2201 PROVIDENCE DRIVE
ANCHORAGE, AK 99502
581-3181

DEFERRED COMPENSATION PLAN PROPOSAL

FROM

FRONTIER ALASKA STATE CREDIT UNION

January 15, 1985

Tom Freeman, Assistant Superintendent
Anchorage School District
Anchorage, Alaska

Dear Tom,

Frontier Alaska State Credit Union has instituted numerous programs over the past year in an attempt to improve relations with our core membership, employees of the Anchorage School District. Our best program has been to have monthly meetings at the credit union with representatives from the various schools and administrative departments. The credit union is looking for new services to offer its members and the Building Reps suggested that the credit union develop a tax shelter program. When we began to understand how much money was put into tax sheltered annuities, we developed a deferred compensation program.

Frontier Alaska State Credit Union is requesting that the Anchorage School District allow the credit union to offer a deferred compensation plan as specified in Section 457 of the Internal Revenue Code. The 457 plan is an alternative to the 403(b) annuity tax shelters offered by many insurance companies. Frontier believes the plan offers district employees the following advantages.

- ✓ 1. Significant Tax Savings. Employees may defer the lesser of 25% of gross income or \$7,500. Extra deductions are available during the last three years of employment.
- ✓ 2. Absolute Safety. 457 plan deposits receive \$100,000 federal insurance on each district employee's account. This is in addition to other insurance on existing accounts.

- ✓ 3. 457 Plans Are Easy to Understand. Rates will be set quarterly. A 457 plan participant may come in the credit union at any time and get the balance in his or her account. There are no hidden charges.
- ✓ 4. Guaranteed Rates. Frontier intends to set the dividend rate quarterly. The rate should be about the same as the IRA rate. Because these will be long-term deposits, employees will earn a relatively high yield.
- ✓ 5. No Charges. Frontier will not charge a service fee or put a front or back end load charge on the plan. There is no early withdrawal penalty. The credit union wishes to reserve the right to set future fees because of changes in the tax code.
- ✓ 6. Deposits Stay Home. Deposits to these accounts will be used by the credit union to make loans to its members.

do they cash out

One disadvantage of a 457 plan compared to the annuities is that the 457 plan cannot be transferred to a district outside Alaska if an employee leaves Anchorage.

Frontier believes that a 457 plan is an attractive fringe benefit at virtually no inconvenience to the district. Existing payroll deduction forms can be used without modification. Frontier is willing to pay for any legal, training, or other charges necessary to implement the program. IRS regulations require that the employer approve any emergency withdrawals prior to retirement or termination of employment.

Enclosed you will find a copy of the proposed plan, a legal opinion on the plan and a copy of the regulation regarding federal insurance coverage.

We have contacted several educator-based credit unions outside who offer a 457 plan and they have reported that the plan is popular with district employees and imposes no additional burdens on their district personnel.

We hope for a favorable decision in this matter and look forward to working on this program with you. Please contact Leslie Ellis, our General Manager, at 563-3766 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Art Arians".

Art Arians
President, Board of Directors

AA/jg

Encl.

DEFERRED COMPENSATION PLAN AND AGREEMENT

AGREED AND ENTERED INTO this _____ day of _____,
19____, between _____, the "Employer",
and _____, the "Participant".

1. Purpose. Employer desires to establish and Participant desires to participate in an "eligible deferred compensation plan" as defined in Section 457 of the Internal Revenue Code. Participant performs services for Employer either as an employee or independent contractor.

NOW THEREFORE, in consideration of the mutual agreement and covenant contained herein and for other valuable consideration, receipt of which is hereby acknowledged, it is mutually agreed and covenanted by and between Employer and Participant as follows:

2. Deferral of Compensation. Beginning with the first full pay period commencing after execution of this Plan and Agreement and for each pay period thereafter, Employer shall deduct from Participant's compensation as of the last business day of each pay period and shall credit on its books and records in Participant's Deferred Compensation Account ("Account"), the following amount \$_____ (\$25.00 minimum).

3. Change in Amount of Deferral. The amount of compensation to be deferred and not yet earned may be increased or decreased by the execution of a revised deferred compensation agreement provided that any such revision shall be effective only for compensation which will be earned during the calendar month next succeeding the month during which such revision is executed.

4. Investment of Deferred Compensation. All amounts of deferred compensation credited to the Participant's Account shall be invested in a deposit account of Frontier Alaska State Credit Union. All dividends and other distributions of the accounts shall automatically be reinvested in a deposit account and all earnings shall be credited to the Participant's Account.

DEFERRED COMPENSATION PLAN AND AGREEMENT
PAGE 2.

5. Payments Under the Plan. (a) Upon the Participant's Separation from Service, as defined in Paragraph 11, Employer shall direct Frontier Alaska State Credit Union to pay Participant the value of Participant's Account in the manner specified in the Settlement Agreement. (b) Upon the occurrence of an Unforeseeable Emergency, as defined in Paragraph 11, Participant may submit an Unforeseeable Emergency Withdrawal Request on such form supplied by Employer. The request will be approved by Employer for only the amount of payment, if any, as is consistent with the terms of this Plan and Agreement.

6. Distribution to Beneficiaries. If the Participant dies before the entire amount deferred is paid to the Participant, the Employer shall direct Frontier Alaska State Credit Union to pay the value of the Account to the Participant's beneficiary or beneficiaries in the manner and to the person(s) designated in the Designation of Beneficiary and Death Benefit Payment form. If no beneficiary has been designated in the Designation of Beneficiary and Death Benefit Payment form, Employer shall direct Frontier Alaska State Credit Union to liquidate and pay the entire amount of the Account to Participant's estate.

In the event of a distribution to beneficiaries, the entire amount deferred and not yet distributed must be paid to a beneficiary over -

- (a) The life of the beneficiary (or any shorter period), if the beneficiary is the Participant's surviving spouse; or
- (b) A period not in excess of fifteen years, if the beneficiary is not the Participant's surviving spouse.

7. Maximum Yearly Deferral. Except as in Paragraph 8, the maximum amount of Participant's compensation that may be deferred for a taxable year shall not exceed the lesser of:

(a) \$7,500, or

(b) 3 1/3% of the Participant's includible compensation for the taxable year, reduced by any amount excludable from the Participant's gross income for the taxable year under Section 402(b) of the Internal Revenue Code on account of contributions made by the Employer.

A Participant's "includible compensation" for a taxable year includes only compensation from the Employer that is attributable to services performed for the Employer and that is includible in the Participant's gross income for the taxable year.

DEFERRED COMPENSATION PLAN AND AGREEMENT
PAGE 3.

8. Limited Catch-Up. For one or more of the Participant's last three (3) taxable years ending before he attains normal retirement age under the Plan, the ceiling set forth in Paragraph 7 shall be the lesser of:

(a) \$15,000.00, or

(b) The sum of -

- (i) The Plan ceiling established for purposes of Paragraph 7 for the taxable year (determined without regard to this paragraph), plus
- (ii) So much of the Plan ceiling established for Paragraph 7 for taxable years before the taxable year as has not theretofore been used under Paragraph 7 or this paragraph.

9. All of the terms and conditions of the Deferred Compensation Plan and Agreement contained on the reverse hereof, are incorporated herein and by this reference made a part hereof.

EMPLOYER:

PARTICIPANT:

By _____
(Signature Typed Name)

(Employee, Independent Contractor)
(Circle One)

Title _____

DO YOU HAVE A 401(b) TAX DEFERRED ANNUITY _____ Yes _____ No

THIS AGREEMENT INCLUDES DEFERRALS FROM THE LIMITED CATCH-UP PROVISION - PARAGRAPH 8.

DEFERRED COMPENSATION PLAN AND AGREEMENT
PAGE 4.

10. Timing of Deferral. Compensation will be deferred for any calendar month only if an agreement providing for such deferral has been entered into before the first day of such calendar month. Compensation may be deferred for the calendar month during which a prospective participant first becomes a Participant, if an agreement providing for such deferral is entered into on or before the first day on which the prospective Participant becomes a Participant.

11. Availability of Deferred Funds. In no event will any amount payable be paid or made available to a Participant or any beneficiaries before the Participant incurs a Separation from Service or an Unforeseeable Emergency, which are defined as follows:

(a) Separation from Service shall be determined in the manner prescribed by the Internal Revenue Service Regulation Sections 1.457-2(a)(2) & (3).

(b) Unforeseeable Emergency shall mean severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Internal Revenue Code) of the Participant, loss of Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Employee. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved -

- (i) through reimbursement of compensation by insurance or otherwise,
- (ii) by liquidation of the participant's assets, to the extent the liquidation would not itself cause severe financial hardship,
- (iii) by cessation of deferrals under the plan.

Examples of what are not considered to be Unforeseeable Emergencies include the need to send a Participant's child to college or the desire to purchase a home.

It shall be the sole responsibility of the Employer to determine whether an Unforeseeable Emergency exists.

DEFERRED COMPENSATION PLAN AND AGREEMENT
PAGE 5.

12. Settlement Agreement. The Settlement Agreement provides for the time and manner in which the value of the Participant's Account is to be paid. The Participant must elect a payment commencement date prior to Separation from Service. Such an election can only be made by Participant completing and executing the "Payment Commencement Date" portion of the Settlement Agreement and delivering it to Employer prior to Separation from Service.

The Participant may make or change an election regarding the manner in which payments are to be made by completing and executing the "Manner of Payment" portion of the Settlement Agreement and delivering it to the Employer at any time prior to the payment commencement date. In no event shall an election regarding the manner of payments be allowed which will cause payments to be made beyond a date fifteen (15) years from the initial payment commencement date, and payments in any event must be made on at least an annual basis.

If the Participant fails to elect a payment commencement date prior to Separation from Service, the Employer shall cause payment to commence sixty (60) days after Separation from Service. If the Participant fails to elect the manner in which payments are to be made prior to the payment commencement date, payments shall be made in an amount equal to one-fifteenth (1/15th) of the value of the Account in fifteen (15) annual payments adjusted annually for any increase or decrease in the value of the Account. The "Payment Commencement Date" portion of the Settlement Agreement shall become effective when executed by both Participant and Employer. The "Manner of Payment" portion of the Settlement Agreement shall become effective when executed by both the Participant and Employer.

In the event the payment commencement date is changed prior to the Participant's Separation from Service or the manner of payment elected is changed prior to the payment commencement date, the latter date applicable to each respectively shall govern and shall apply to deferred compensation that had already been earned and deferred under the Employer's program of deferred compensation as well as compensation that shall be subsequently earned and deferred.

DEFERRED COMPENSATION PLAN AND AGREEMENT
PAGE 6.

13. Distribution of Deferrals. Payments of amounts deferred will commence not later than THE LATER OF -

(a) Sixty (60) days after the close of the Plan year in which the Participant or former Participant attains (or would have attained) normal retirement age, defined as the later of age 55 or 8 years of service with the Employer, or

(b) Sixty (60) days after the close of the Plan year in which the Participant Separates from Service with the Employer.

14. Employer's Property. All amounts of compensation deferred under the Plan and Agreement, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall remain (until made available to the Participant or other beneficiary) solely the property and right of the Employer (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Employer's general creditors.

15. Employer Obligation to Participant. At any particular time, the value of the Account shall represent the sole obligation of Employer to Participant. With respect to Employer's obligation, Participant shall be a general (not secured) creditor.

16. Non-assignment. Participant may not assign, anticipate, alienate, sell, transfer, pledge or in any way encumber any of the rights Participant may have hereunder and Employer shall reject and refuse to honor any such purported action with respect to such rights. This Plan and Agreement shall be binding on the assigns and successors of Employer and on the Personal Representative, Executor and Administrator of Participant. The interest of the Participant or any beneficiary designated by the Participant or in any obligation established by the Plan and Agreement shall not be subject to the claims of Participant's creditors or to legal process on behalf of Participant's creditors or be liable for the debts of any beneficiary.

DEFERRED COMPENSATION PLAN AND AGREEMENT
PAGE 7.

17. Plan to Plan Transfers. If a Participant Separates from Service in order to accept employment with another employer within the state of Alaska that sponsors an "eligible deferred compensation plan" within the meaning of Section 457 of the Internal Revenue Code, and that employer's plan accepts transfers; the amount previously deferred shall automatically be transferred to such plan of the new employer, regardless of any other provision of this Plan and Agreement.

18. Acceptance of Deferrals From Another Plan. Amounts of compensation deferred by a Participant pursuant to another "eligible deferred compensation plan" within the meaning of the Internal Revenue Code, will be accepted by this Plan and Agreement. Such amounts shall be credited to the Participant's Account established pursuant to this Plan and Agreement and shall be subjected to all the terms and provisions of this Plan and Agreement.

19. Revocation. A Participant may revoke any and all deferred compensation Plan and Agreements previously executed by agreement in writing signed by the Participant and the Employer. Revocation of the Plan and Agreement will not accelerate payment of amounts deferred. Payment will occur only upon the happening of one of the specific events detailed in this Plan and Agreement.

20. Frontier Alaska State Credit Union is not a party of this Plan and Agreement. Any account established hereunder may be subject to rate schedules adopted by the credit union from time to time.

21. Compliance with Section 457. This Plan and Agreement is intended to comply with and to be administered in a manner consistent with Section 457 of the Internal Revenue Code. The provisions of this Plan and Agreement shall be interpreted in accordance with this intent. If requested by the Employer, the Participant agrees to cooperate in correcting any inconsistency in the administration of the Plan and Agreement under Section 457 of the Internal Revenue Code.

ALASKA PENSION SERVICES

December 18, 1984

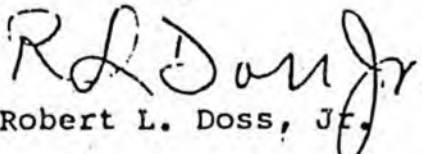
Mr. Robert Libbey
Assistant General Manager
Frontier Alaska State Credit Union
3500 Eide Street
Anchorage, AK 99503

Dear Mr. Libbey:

We have reviewed the document and related forms which you have presented to us, which are entitled "Deferred Compensation Plan and Agreement".

It is our opinion that this "Deferred Compensation Plan and Agreement" will qualify for use as an eligible State deferred compensation plan in accordance with Internal Revenue Code Section 457, assuming the parties to the plan and agreement are qualified in accordance with Section 457.

Sincerely,


Robert L. Doss, Jr.

26/RLD/11g

(b) **Qualifying joint accounts.** A joint account shall be deemed to exist, for purposes of insurance of accounts, only if each coowner has personally executed a joint account signature card and possesses withdrawal rights. The restrictions of this paragraph shall not apply to coowners of a time certificate of deposit or to any deposit obligations evidenced by a negotiable instrument, but such a deposit must in fact be jointly owned.

(c) **Failure to qualify.** An account owned jointly which does not qualify as a joint account for purposes of insurance of accounts shall be treated as owned by the named persons as individuals and the actual ownership interest of each such person in such account shall be added to any other accounts individually owned by such person and insured up to \$100,000 in the aggregate.

(d) **Same combination of individuals.** All joint accounts owned by the same combination of individuals shall first be added together and insured up to \$100,000 in the aggregate.

(e) **Interest of each coowner.** The interests of each coowner in all joint accounts owned by different combinations of individuals shall then be added together and insured up to \$100,000 in the aggregate.

§745.9-1 Trust accounts.

All trust interests, for the same beneficiary, deposited and established pursuant to valid trust agreements created by the same settlor (grantor) shall be added together and insured up to \$100,000 in the aggregate, separately from other deposit or share accounts of the trustee of such trust funds or the settlor or beneficiary of such trust arrangements.

§745.9-2 Keogh Accounts and Individual Retirement Accounts.

(a) The present vested ascertainable interest of a participant or designated beneficiary in a trust or custodial account maintained pursuant to a pension or profit-sharing plan described under §401(d) or §408(a) of the Internal Revenue Code shall be insured up to \$100,000 separately from other deposits of the participant or designated beneficiary.

(b) Upon liquidation of the credit union, any insurance coverage payment shall be made by the Administrator to the trustee or custodian, or the successor trustee or custodian, unless otherwise directed in writing, by the plan participant or beneficiary.

§745.9-3 Deferred Compensation Accounts.

Funds deposited by an employer pursuant to a deferred compensation plan shall be insured up to \$100,000 as to the interest of each plan participant who is a member, separately from other accounts of the participant or employer.

§745.10 Public unit accounts.

(a) Public funds invested in Federal credit unions and federally-insured state credit unions authorized to accept such investments shall be insured as follows:

(1) Each official custodian of funds of the United States lawfully investing the same in a federally-insured credit union shall be separately insured up to \$100,000;

(2) Each official custodian of funds of any state of the United States or any county, municipality, or political subdivision thereof lawfully investing the same in a federally-insured credit union in the same state shall be separately insured up to \$100,000;

(3) Each official custodian of funds of the District of Columbia lawfully investing the same in a federally-insured credit union in the District of Columbia shall be separately insured up to \$100,000;

(4) Each official custodian of funds of the Commonwealth of Puerto Rico, the Panama Canal Zone, or any territory or possession of the United States, or any county, municipality, or political subdivision thereof lawfully investing the same in a federally-insured credit union in Puerto Rico, the Panama Canal Zone, or any such territory or possession, respectively, shall be separately insured up to \$100,000;

(5) Each official custodian referred to in subsections (a)(2), (3), and (4) of this section lawfully investing such funds in a federally-

ALASKA PENSION SERVICES

January 21, 1985

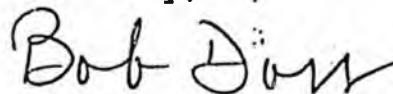
Mr. Robert Libbey
Assistant General Manager
Frontier Alaska State Credit Union
3500 Eide Street
Anchorage, AK 99503

Dear Bob:

Enclosed as we discussed is a draft of an Unforeseeable
Emergency Withdrawal Request form that can be used with your
proposed Deferred Compensation plan.

Let me know if you have any questions or comments
regarding the form.

Sincerely,



Robert L. Doss, Jr.

27/RLD/llg

UNFORESEEABLE EMERGENCY WITHDRAWAL REQUEST

Employer: _____
Name of Participant _____
Address: _____

City State Zip

Daytime Phone: _____
Home Phone: _____
Social Security No.: _____

I hereby request that amounts deferred for me under the Deferred Compensation Plan and Agreement be paid to me in the amount and manner and at the time indicated below.

This request is made as a result of the following circumstances: _____

(Please attach additional pages if more space is necessary.)

I certify that funds are not or will not be available to meet this emergency either:

- (i) through reimbursement of compensation by insurance or otherwise,
- (ii) by liquidation of any assets I may have without causing severe financial hardship or
- (iii) by cessation of deferrals under the Plan.

AMOUNT OF PAYMENT REQUESTED: _____

MANNER OF PAYMENT REQUESTED (select one):

_____ equal payments for _____ years.
 (_____ Annual _____ Semiannual _____ Quarterly _____ Monthly)
 _____ % of Account each year for _____ year(s), then the balance
 of the Account in _____ equal payments for _____ year(s).
 _____ Lump Sum
 _____ Other: _____

(If the amounts accumulated by the Participant as of the Payment Commencement Date total less than \$2,000.00, or if monthly payments would be less than \$25.00, the Employer will specify a lump sum or an accelerated payment schedule.)

PAYMENT COMMENCEMENT DATE REQUESTED: _____

I agree to provide whatever additional information the Employer may deem reasonably necessary to make a determination regarding this request.

PARTICIPANT:

DATE _____

ACTION BY EMPLOYER:

_____ Request APPROVED
_____ Request DENIED

By _____

Title _____

Date _____

ALASKA PENSION SERVICES

January 21, 1985

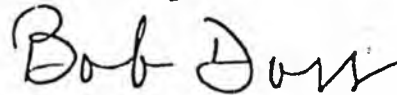
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Assistant General Manager
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regarding the form.

Sincerely,



Robert L. Doss, Jr.

27/RLD/llg.

Winkens/ 406

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4931

DISTRICT 10
BOX 111038
ANCHORAGE, ALASKA 99511
(907) 349-2192



CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

MEMORANDUM

DATE: April 26, 1985

TO: All Members of the House of
Representatives

FROM: H.A. "Red" Boucher
Representative *[Handwritten Signature]*

SUBJECT: Deferred Compensation Legislation

The attached bill is designed to broaden the manner in which public employees deferred compensation funds may be invested. State law presently confines that investment solely to fixed and variable rate life insurance and annuity contracts. This bill broadens the authority so that Alaska banks, credit unions, and other financial institutions may participate in offering deferred compensation plans.

Such deferred compensation programs operating through Alaska financial institutions would permit:

1. Significant tax savings. Employees may defer the lesser of 25% or \$7,500.
2. Absolute safety. Plan deposits in financial institutions would receive up to \$100,000 in federal insurance.
3. Programs between institutions would be competitive, with rates set quarterly. Rates would be competitive or on a par with IRA rates. Deposits would be very valuable to financial institutions since they would be long-term deposits.

4. Competition between programs would mean few, if any, would opt to charge service charges and various sorts of penalties. This means no "front end loading" to the disadvantage of the employee.
5. Deposits would stay at home and be used to make Alaska loans.

The program would be available at the option of the State and political subdivisions on behalf of their employees, providing a prudent method of saving money for employees and a very effective way of retaining long-term deposits within Alaska to the benefit of Alaska borrowers. There is no fiscal impact to the State in broadening this authority.


Attachment
lh

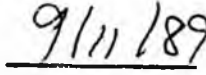


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

H

B

4

0

9

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 485-4453/4530

2201 ROOSEVELT DRIVE
ANCHORAGE, ALASKA 99503
(907) 248-4234



MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
HOUSE STATE AFFAIRS COMMITTEE

Representative Roger Jenkins

DISTRICT 11

MEMORANDUM

Date: January 30, 1986
To: All Members of the House State Affairs Committee
From: Representative Roger Jenkins *RJK*
Re: CSHB 409 (TRSP), "An Act relating to licensing of school bus drivers; and providing for an effective date."

For your convenience, enclosed please find a copy of CSHB 409 (TRSP) and back-up material. The bill would increase safety for our children by setting minimum requirements for school bus drivers and by establishing a school bus driver training course under the Department of Education.

CSHB 409 (TRSP) enjoys wide support from both school districts and school bus contractors, and I urge your support as well.

It will be heard in committee on Monday, February 3, 1986.

Included in this packet are:

- CSHB 409 (TRSP)
- My outline of the bill
- Department of Public Safety Fiscal Note and Department of Education Fiscal Note
- Department of Public Safety Position Paper
- HB 409 and Sectional Analysis
- Side-by-Side Comparison of HB 409 and CSHB 409 (TRSP)
- Copy of letter from Bill Brown, Chief of Driver Services, Department of Public Safety. Written at the request of House Transportation Chair Bette Cato.
- AS 14.07.020 (Department of Education), AS 28.15.014 (Motor Vehicles)

- 13 AAC 08.005-.060: School Bus Driver Permit
- House Research Agency report entitled, "School Bus Driver Training and Bus Safety"
- House Transportation Committee 01/22/86 and 01/28/86 minutes
- Department of Education Summary of Proposed School Bus Driver Training Program and the April 30, 1985 "Master Plan for School Bus Driver Training in Alaska"

Should you have any questions or require further information, please do not hesitate giving me a call at 465-4530.

HB 409 SPEECH
BEFORE HOUSE STATE AFFAIRS COMMITTEE

- I. Thank Chairman Hurley for her prompt scheduling of this bill and for bringing the bill up before the campaign reform work session.
- II. The bill has had three hearings (May 9, 1985, January 22, and January 28, 1986) in Representative Cato's House Transportation Committee. Thanks to the work in that committee, I feel we have a good and polished bill.

It enjoys wide support from both school districts and school bus contractors. At the January 28 committee teleconference and hearing, we heard support from communities as far apart as Soldotna and Delta Junction, Eagle River and North Pole, Anchorage and Fairbanks. (A copy of the minutes have been included in your packets.)

The bill already has had an impact on school bus safety. According to the Department of Public Safety, thanks to last year's May 9th hearing, the department has made it a policy to notify school districts whenever a school bus license has been revoked or cancelled.

III. Background of bill

The children, whose parents have entrusted the state to educate, must have school bus drivers of good character who are educated in safety.

Committee Substitute for House Bill No. 409 (Transportation) would set minimum requirements for school bus drivers. The bill would require the applicants to satisfy the Department of Public Safety that they are of good character and are competent and fit to be licensed to drive school age children.

CSHB 409 (TRSP) takes the existing Alaska State Department of Public Safety regulations [13 AAC 08.005-.060] and implements them into statute. In addition the bill adds the following:

1. The applicant must complete a state approved school bus driver training course. [Section 3, subsection (b)(5), page 2, lines 17-19.]
2. A school bus driver training course would be established under the Department of Education (AS 14.07.020(a)(14)) in coordination with the Department of Public Safety. [Section 1, page 1, lines 9-12.]
3. The applicant must supply the Department of Public Safety with sufficient information to complete a national criminal records check and a background check within the state or states which he or she has resided for at least the past 2 years. [Section 3, subsection (b)(4), page 2, lines 13-16.] [See also: 13 AAC 08.015(2)]

4. The applicant must not have been convicted of a felony or misdemeanor involving distribution of a controlled or imitation controlled substance. [Section 3, subsection (c)(7), page 3, lines 4-5.] [See also: 13 AAC 08.010(5).]

5. The applicant must not have been convicted of a felony involving possession of a controlled or imitation controlled substance. [Section 3, subsection (c)(6), page 3, lines 2-3.]

6. The applicant must not have been convicted of driving while intoxicated within two years or must not have been convicted of multiple DWI's. [Section 3, subsection (d), page 3, lines 8-12.]

7. The applicant must bear the cost of background checks. [Section 3, subsection (f), page 3, lines 18-23.]

IV. Sectional Analysis

Section 1 establishes a school bus driver training course under the Department of Education and requires that department to establish the course in coordination with the Department of Public Safety. AS 14.07.020(a), copy enclosed, is the statute delineating the duties of the Department of Education.

Section 2 deletes the existing authority of the Department of Public Safety to regulate licensing of school bus drivers.

Section 3 adds a new section governing licensing of school bus drivers. It sets forth specific licensing requirements and lists specific criminal convictions that would prevent licensing.

- (a) requires school bus license before driving school bus allowed.
- (b) requirements before issuing license; applicant must: be of minimum age (19), have had a valid license for at least one year before date of application, have passed driving, written, and physical examinations, have submitted information for national and state background checks, and has completed driver training course.
- (c) listing of criminal offenses for which license can be denied. (Taken from 13 AAC 08.010(5).)
- (d) DWI section.
- (e) relating to state or out-of-state convictions.
- (f) applicant pays for background checks.

Section 4 effective date section.

- V. This concludes my testimony. Again, CSHB 409 (TRSP) enjoys wide support from school districts and school bus contractors. I urge your support as well. Thank you Madame Chair.

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - CS HB 409 (Trans)

Neutral

February 3, 1986

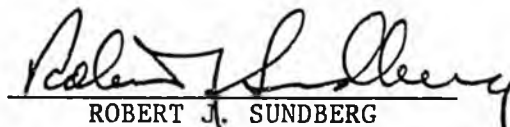
CS HB 409 (Trans) An Act relating to the training and licensing of school bus drivers.

This bill does not make any drastic changes in the licensing of school bus drivers. The major concern of school bus contractors and school bus drivers was taken care of in the committee substitute.

Present law indicates a school bus permit will not be issued until "the department is satisfied as to the applicant's good character, competence, and fitness to be licensed...." Thus, the department adopted regulations which specify who cannot be licensed. This bill takes the discretion away from the department and specifies in statute who cannot be licensed. This bill adds one criminal offense that is not in the regulations which disqualify an applicant, however, the department's regulations are much stricter in regard to driving offenses.

The cost mentioned in proposed section 28.15.046(f) is currently \$12.00 for a fingerprint search of the national criminal records as required in AS 28.15.046(b)(4). Individual states do not charge for a fingerprint search for another state, as is required in AS 28.15.046(b)(4) if the applicant has resided outside Alaska within the two years prior to application.

Recommend Section 2 of the bill be repealed. Licensing of taxi drivers is presently handled at the local government level and the department would prefer to leave the control at the local level.


ROBERT J. SUNDBERG
Commissioner

**HOUSE
COMMITTEE REPORT**

(7)

Date referred: 1/29/86

FURTHER REFERRALS:

DATE: 2/3/86

The STATE AFFAIRS Committee has considered HB 409

"An Act relating to licensing of school bus drivers; and providing for an effective date.

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with COHB409 same title
- new title

and recommends do pass

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Katie Hurley

Mike Savane

Roger Jenkins

Edmund Walsh

Betty Cate

P. A. Pender

Y. M. ... NO REC

Katie Hurley

Chairman

COMMITTEE REPORT
HOUSE

1/29

(7)

STATE AFFAIRS

FURTHER:

4/29/85

Date: 1-23-86

The Committee on TRANSPORTATION has had HB 409

"An Act relating to licensing of school bus drivers; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 409 (TESA) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note 5 sup 98
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

Walt Furness

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4453/4530

2201 ROOSEVELT DRIVE
ANCHORAGE, ALASKA 99503
(907) 248-4234



MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
HOUSE STATE AFFAIRS COMMITTEE

Representative Roger Jenkins

DISTRICT 11

JAN 31 1986

January 30, 1986

The Honorable Katie Hurley, Chairman
House State Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: CSHB 409(TRSP), Licensure of School Bus Drivers

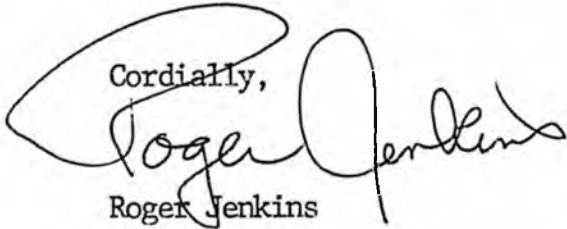
Dear Representative Hurley:

Thank you for scheduling my bill, House Bill No. 409, for Monday of next week. I really appreciate your scheduling it this early in the second session and hope there is no problem in passing it out of committee.

If you have any questions or if you need further information on this bill, please do not hesitate to call my office.

Again, many thanks.

Cordially,


Roger Jenkins

Offered: 1/29/86
Referred: State Affairs

Original sponsors: Jenkins, Larson,
Hurley, et al

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE
2 CS FOR HOUSE BILL NO. 409 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to training and licensing of school
7 bus drivers; and providing for an effective date."

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

9 * Section 1. AS 14.07.020(a) is amended by adding a new paragraph to
10 read:

11 (14) establish, in coordination with the Department of
12 Public Safety, a school bus driver training course.

13 * Sec. 2. AS 28.15.041(b) is amended to read:

14 (b) A person may not drive a [SCHOOL BUS TRANSPORTING SCHOOL
15 CHILDREN, OR A BUS TRANSPORTING SCHOOL-AGE CHILDREN OR ANOTHER] motor
16 vehicle when in use for the transportation of persons for compensation
17 until the person has applied for and has been issued a license for
18 that purpose under (a) of this section. The department may not issue
19 a license under this subsection unless the applicant is at least 19
20 years of age, has had at least one year of driving experience, and the
21 department is satisfied as to the applicant's good character, compe-
22 tence and fitness to be licensed; nor may the department issue the
23 license until proper application has been made and all required driv-
24 ing, written, and physical examinations have been successfully com-
25 pleted. A license issued under this subsection expires on September 1
26 of the year following issuance. Application for renewal may be made
27 by submitting to the department the results of a current physical
28 examination and paying the required fee.

29 * Sec. 3. AS 28.15 is amended by adding a new section to read:

1 Sec. 28.15.046. LICENSING OF SCHOOL BUS DRIVERS. (a) In addi-
2 tion to the requirements of AS 28.15.041(a), a person may not drive a
3 school bus transporting school children, or a bus transporting school-
4 age children until the person has applied for and has been issued a
5 license for that purpose under this section.

6 (b) The department may not issue a license under this section
7 unless the applicant

8 (1) is at least 19 years of age;

9 (2) has had a license to operate a motor vehicle at least
10 one year before the date of application;

11 (3) has successfully completed all required driving, writ-
12 ten, and physical examinations;

13 (4) has submitted information sufficient to complete a
14 background check consisting of a fingerprint check of national crimi-
15 nal records and state criminal records of the state or states in which
16 the applicant has resided for the past two years;

17 (5) has completed a state approved school bus driver train-
18 ing course established under AS 14.07.020(a)(14) or has for the previ-
19 ous two years been licensed by the state to operate a school bus.

20 (c) The department may not issue a license under this section to
21 an applicant who has been convicted of any of the following offenses
22 within 20 years of the time of application:

23 (1) sexual abuse of a minor in any degree (AS 11.41.434 -
24 11.41.440);

25 (2) sexual assault in any degree (AS 11.41.410 or 11.41.-
26 420);

27 (3) incest (AS 11.41.450);

28 (4) unlawful exploitation of a minor (AS 11.41.455);

29 (5) contributing to the delinquency of a minor

1 (AS 11.51.130);

2 (6) a felony involving possession of a controlled or imita-
3 tion controlled substance (AS 11.71 or AS 11.73);

4 (7) a felony or misdemeanor involving distribution of a
5 controlled or imitation controlled substance (AS 11.71 or AS 11.73);

6 (8) promoting prostitution in the first or second degree
7 (AS 11.66.110 or 11.66.120).

8 (d) The department may not issue a license to an applicant who
9 has been convicted of driving while intoxicated (AS 28.30.030) within
10 two years of the time of application or to an applicant who has two or
11 more convictions for driving while intoxicated within 10 years of the
12 time of application.

13 (e) For purposes of determining whether an applicant has been
14 convicted of an offense listed under (c) or (d) of this section, a
15 conviction under prior state law or in another jurisdiction of an
16 offense having elements substantially similar to those of the offenses
17 listed in (c) or (d) of this section is considered a conviction.

18 (f) Costs of conducting the background check required under
19 (b)(4) of this section shall be paid by the applicant. A license
20 issued under this section expires on September 1 of the year following
21 issuance. Application for renewal may be made by submitting to the
22 department the results of a current physical examination and paying
23 the required fee.

24 * Sec. 4. This Act takes effect September 1, 1987.

Alaska State Legislature

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JUNEAU, ALASKA 99811
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MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
HOUSE STATE AFFAIRS COMMITTEE

Representative Roger Jenkins

DISTRICT 11

OUTLINE OF CSHB 409 (TRSP)

"An Act relating to licensing of school bus drivers;
and providing for an effective date."

I. Background of bill

The children, whose parents have entrusted the state to educate, must have school bus drivers of good character who are educated in safety.

Committee Substitute for House Bill No. 409 (Transportation) would set minimum requirements for school bus drivers. The bill would require the applicants to satisfy the Department of Public Safety that they are of good character and are competent and fit to be licensed to drive school bus children.

CSHB 409 (TRSP) takes the existing Alaska State Department of Public Safety regulations [13 AAC 08.005-.060] and implements them into statute. In addition the bill adds the following:

1. The applicant must complete a state approved school bus driver training course. [Section 3, subsection (b)(5), page 2, lines 17-19.]
2. A school bus driver training course would be established under the Department of Education (AS 14.07.020(a)(14)) in coordination with the Department of Public Safety. [Section 1, page 1, lines 9-12.]
3. The applicant must supply the Department of Public Safety with sufficient information to complete a national criminal records check and a background check within the state or states which he or she has resided for at least the past 2 years. [Section 3, subsection (b)(4), page 2, lines 13-16.] [See also: 13 AAC 08.015(2)]
4. The applicant must not have been convicted of a felony or misdemeanor involving distribution of a controlled or imitation controlled substance. [Section 3, subsection (c)(7), page 3, lines 4-5.] [See also: 13 AAC 08.010(5).]
5. The applicant must not have been convicted of a felony involving possession of a controlled or imitation controlled

substance. [Section 3, subsection (c)(6), page 3, lines 2-3.]

6. The applicant must not have been convicted of driving while intoxicated within two years or must not have been convicted of multiple DWI's. [Section 3, subsection (d), page 3, lines 8-12.]

7. The applicant must bear the cost of background checks. [Section 3, subsection (f), page 3, lines 18-23.]

II. Sectional Analysis

Section 1 establishes a school bus driver training course under the Department of Education and requires that department to establish the course in coordination with the Department of Public Safety. AS 14.07.020(a), copy enclosed, is the statute delineating the duties of the Department of Education.

Section 2 deletes the existing authority of the Department of Public Safety to regulate licensing of school bus drivers.

Section 3 adds a new section governing licensing of school bus drivers. It sets forth specific licensing requirements and lists specific criminal convictions that would prevent licensing.

- (a) requires school bus license before driving school bus allowed.
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- (c) listing of criminal offenses for which license can be denied. (Taken from 13 AAC 08.010(5).)
- (d) DWI section.
- (e) relating to state or out-of-state convictions.
- (f) applicant pays for background checks.

Section 4 effective date section.

HOUSE JOURNAL SUPPLEMENT

January 29, 1986

No. 78

CSHB 409 (TRSP)
STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST Page 1 of 2 FISCAL DETAIL Revision Date: _____
Bill/Resolution No.: CS HB 409 (Trans.) # 1 Agency Affected: Public Safety
Title: An Act relating to training BRU: Motor Vehicles
and licensing of school bus drivers.
Sponsor: Jenkins Components: Driver Services
Requestor: House Transportation
Date of Request: 1-28-86

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL			8.8	9.2	9.7	10.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	8.8	9.2	9.7	10.2

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

REVENUE	0	0	8.8	9.2	9.7	10.2
---------	---	---	-----	-----	-----	------

FUNDING : (Thousands of Dollars)

GENERAL FUND	0	0	8.8	9.2	9.7	10.2
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	8.8	9.2	9.7	10.2

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

This legislation requires fingerprint search of FBI files on each original school bus driver applicant. The FBI charges \$12.00 per search. DMV will receive approximately 733 original applications in FY88. DMV will be required to pay the FBI for the searches, however, the applicant is required to cover this cost. (cont')

Prepared by: Bill Brown Phone: 465-2650
Division: Motor Vehicles Date: 1-21-86

Approved by Commissioner: [Signature] Date: 1/25/86
Agency: Public Safety

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

page 1 of 2

10/23/85

CSHB (409) TRSP

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS HB 409 (Trans) § 1

Page 2 of 2

ANALYSIS (cont')

At time of application each applicant will be required to pay \$12.00 (in addition to license fee), which will be deposited in the general fund. 733 applicants x \$12.00 per search = \$8,800. A 5% growth factor was used for FY89 and subsequent years.

INFORMATION

For the fiscal note dated 5-1-85, an estimate of the number of original school bus applicants was used. During 1985, statistics were compiled to obtain the actual number. This fiscal note is based on actual number of applicants in calendar year 1985, with a 5% growth factor.

CSHB 409 (TRSP)

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

<p>REQUEST Page 1 of 2</p> <p>Bill/Resolution No.: <u>CSHB 409 (TRSP)</u></p> <p>Title: <u>Licensing of School Bus Drivers</u></p> <p>Sponsor: <u>Jenkins et al</u></p> <p>Requester: <u>POUPE TRANSPORTATION</u></p> <p>Date of Request: <u>1/29/86</u></p>	<p style="text-align: right;">Revision Date: _____</p> <p>FISCAL DETAIL</p> <p>Agency Affected: <u>Education</u></p> <p>BRN: <u>Education Finance and Support Services</u></p> <p>Component: _____</p>
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EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		108.5	68.5	67.3	66.9	70.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	108.5	68.5	67.3	66.9	70.6
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND	0	103.5	66.5	67.3	66.9	70.6
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Please refer to attached expenditure detail.

Prepared by: Steve Hole *Steve Hole* Phone: 2900
Division: Commissioner's Office Date: 1/29/86

Approved by Commissioner: Harold Reynolds, Jr. Date: 1/29/86
Agency: EDUCATION

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

page _____ of _____

10/25/85

1/20/86

ALASKA DEPARTMENT OF EDUCATION
 PUPIL TRANSPORTATION
 FUNDING REQUIRED FOR SCHOOL BUS DRIVER TRAINING PROGRAM
 CS 181 409(Trsp) p 2
 Page 2 of 2

No. 78

CODE	EXPENDITURE CATEGORY	FY-87 AMOUNT	FY-88 AMOUNT	FY-89 AMOUNT	FY-90 AMOUNT	FY-91 AMOUNT
100	Personal Services Full-time position FY-87; Part-time position thereafter	\$ 39,996	\$ 70,862	\$ 32,216	\$ 33,827	\$ 35,518
200	Travel					
	Conduct Instructor Workshops	\$ 12,720	\$ 8,480	\$ 8,480	\$ 8,480	\$ 8,480
	Conduct Local District Workshops	3,000	3,000	2,000	2,000	2,000
	Conduct Div. Motor Vehicle Workshops	5,500	2,500	2,000	2,000	2,000
	Subtotal	\$ 21,200	\$ 13,980	\$ 12,480	\$ 12,480	\$ 12,480
300	Contractual					
	Conduct Workshops	\$ 14,400	\$ 9,600	\$ 9,600	\$ 9,600	\$ 9,600
	Develop Manuals	5,000				
	Develop Video	5,000	4,000	3,000	3,000	3,000
	Print Manuals	5,000	500	500	500	500
	Telephone	500	500	500	500	500
	Bus Rental for Workshops	3,000	2,000	2,000	2,000	2,000
	Data Processing	9,000	4,500	4,500	4,500	4,500
	Subtotal	\$ 41,900	\$ 20,600	\$ 19,600	\$ 19,600	\$ 19,600
400	Supplies	\$ 4,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
500	Equipment					
	Office Furniture	\$ 1,400				
	TOTALS	\$ 108,496	\$ 68,442	\$ 67,296	\$ 68,907	\$ 70,598

CS:IB 409 (TRSP)

HOUSE JOURNAL
 SUPPLEMENT

January 29, 1986

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB 409

NEUTRAL

MAY 2, 1985

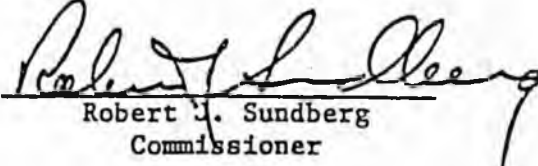
This bill does not make any drastic changes in the licensing of school bus drivers. The major impact will be on school bus contractors and school bus drivers in that a background check must be completed prior to issuance of the original license rather than after issuance. If the applicant has resided in Alaska only for the two years immediately preceding application, the delay in issuing the license will be approximately three weeks. If the applicant has resided in other states during the two years immediately preceding application, the delay in issuing the license will be approximately eight weeks. Contractors will have to plan accordingly in hiring and training new drivers.

Present law indicates a school bus permit will not be issued until "the department is satisfied as to the applicant's good character, competence, and fitness to be licensed...." Thus, the department adopted regulations which specify who cannot be licensed. This bill takes the discretion away from the department and specifies in statute who cannot be licensed. The bill adds one criminal offense that is not in the regulations which disqualify an applicant, however, the department's regulations are much stricter in regard to driving offenses. With the above wording being deleted, the regulations dealing with good character and competence may have to be repealed.

The cost mentioned in proposed section 28.15.046(f) is currently \$12.00 for a fingerprint search of the national criminal records as required in AS 28.15.046(b)(4). Individual states do not charge for a fingerprint search for another state, as is required in AS 28.15.046(b)(5) if the applicant has resided outside Alaska within the two years prior to application.

In regard to AS 28.15.046(b)(6), this will require the state to have an approved school bus driver training course. The Department of Education is currently working on a master plan to include this. It does not appear it will be complete by the effective date of this bill. Without such a program, no school bus driver permits could be issued. Each contractor presently has a training program, however, they are not state approved.

Recommend Section 1 of the bill be repealed. Licensing of taxi drivers is presently handled at the local government level and the department would prefer to leave the control at the local level.


Robert J. Sundberg
Commissioner

Introduced: 4/29/85
Referred: Transportation
and State Affairs

BY JENKINS, LARSON, HURLEY,
HANLEY, COLLINS, PEARCE,
PHILLIPS, RIEGER, THOMPSON,
UEHLING AND COTTEN

1 IN THE HOUSE

2 HOUSE BILL NO. 409

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to licensing of school bus drivers;
7 and providing for an effective date."

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

9 * Section 1. AS 28.15.041(b) is amended to read:

10 (b) A person may not drive a [SCHOOL BUS TRANSPORTING SCHOOL
11 CHILDREN, OR A BUS TRANSPORTING SCHOOL-AGE CHILDREN OR ANOTHER] motor
12 vehicle when in use for the transportation of persons for compensation
13 until the person has applied for and has been issued a license for
14 that purpose under (a) of this section. The department may not issue
15 a license under this subsection unless the applicant is at least 19
16 years of age, has had at least one year of driving experience, and the
17 department is satisfied as to the applicant's good character, compe-
18 tence and fitness to be licensed; nor may the department issue the
19 license until proper application has been made and all required driv-
20 ing, written, and physical examinations have been successfully com-
21 pleted. A license issued under this subsection expires on September 1
22 of the year following issuance. Application for renewal may be made
23 by submitting to the department the results of a current physical
24 examination and paying the required fee.

25 * Sec. 2. AS 28.15 is amended by adding a new section to read:

26 Sec. 28.15.046. LICENSING OF SCHOOL BUS DRIVERS. (a) In addi-
27 tion to the requirements of AS 28.15.041(a), a person may not drive a
28 school bus transporting school children, or a bus transporting school-
29 age children until the person has applied for and has been issued a

1 license for that purpose under this section.

2 (b) The department may not issue a license under this section
3 unless the applicant

4 (1) is at least 19 years of age;

5 (2) has had a license to operate a motor vehicle at least
6 one year before the date of application;

7 (3) has successfully completed all required driving,
8 written, and physical examinations;

9 (4) has submitted information sufficient to complete a
10 background check consisting of a fingerprint check of national crimi-
11 nal records;

12 (5) has successfully completed a background check consist-
13 ing of a fingerprint check of state criminal records of the state or
14 states in which the applicant has resided for the past two years;

15 (6) has completed a state approved school bus driver train-
16 ing course or has for the previous two years been licensed by the
17 state to operate a school bus.

18 (c) The department may not issue a license under this section to
19 an applicant who has been convicted of any of the following offenses
20 within 20 years of the time of application:

21 (1) sexual abuse of a minor in any degree (AS 11.41.434 -
22 11.41.440);

23 (2) sexual assault in any degree (AS 11.41.410 or 11.41.-
24 420);

25 (3) incest (AS 11.41.450);

26 (4) unlawful exploitation of a minor (AS 11.41.455);

27 (5) contributing to the delinquency of a minor (AS 11.51.-
28 130);

29 (6) a felony involving possession of a controlled or

1 imitation controlled substance (AS 11.71 or AS 11.73);

2 (7) a felony or misdemeanor involving distribution of a
3 controlled or imitation controlled substance (AS 11.71 or AS 11.73);

4 (8) promoting prostitution in the first or second degree
5 (AS 11.66.110 or 11.66.120).

6 (d) The department may not issue a license to an applicant who
7 has been convicted of driving while intoxicated (AS 28.30.030) within
8 two years of the time of application or to an applicant who has two or
9 more convictions for driving while intoxicated within 20 years of the
10 time of application.

11 (e) For purposes of determining whether an applicant has been
12 convicted of an offense listed under (c) of this section, a conviction
13 under prior state law or in another jurisdiction of an offense having
14 elements substantially similar to those of the offenses listed in (c)
15 of this section is considered a conviction.

16 (f) Costs of conducting the background check required under
17 (b)(4) and (5) of this section shall be paid by the applicant. A
18 license issued under this section expires on September 1 of the year
19 following issuance. Application for renewal may be made by submitting
20 to the department the results of a current physical examination and
21 paying the required fee.

22 * Sec. 3. This Act takes effect September 1, 1985.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

April 29, 1985

SUBJECT: Sectional analysis
(Work Order No. 14-1144)

TO: Representative Roger Jenkins

FROM: Michael R. Ford *M.R.F.*
Legislative Counsel

The following is a sectional analysis of the above referenced work order:

Section 1 deletes the existing authority of the department to regulate licensing of school bus drivers.

Section 2 adds a new section governing licensing of school bus drivers. Sets forth specific licensing requirements and lists specific criminal convictions that would prevent licensing.

Section 3 effective date section.

MFF:ojb
J14/055

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4453/4530

2201 ROOSEVELT DRIVE
ANCHORAGE, ALASKA 99503
(907) 248-4234



MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
HOUSE STATE AFFAIRS COMMITTEE

Representative Roger Jenkins

DISTRICT 11

SIDE-BY-SIDE COMPARISON OF

HB 409 & CSHB 409(TRSP)

HB 409		CSHB 409(TRSP)	
<u>Page, Line(s)</u>	<u>Bill Language</u>	<u>Page, Line(s)</u>	<u>Bill Language</u>
		Page 1, Lines 9-12	<u>Section 1. AS 14.07.020(a) is amended by adding a new paragraph to read: (14) establish, in coordination with the Department of Public Safety, a school bus driver training course.</u>
Page 2, Lines 12-14	(5) has successfully completed a background check consisting of a fingerprint check of state criminal record of the state or states in which the applicant has resided for the past two years;	Page 2, Lines 13-16	(4) has submitted information sufficient to complete a background check consisting of a fingerprint check of national criminal records and state criminal records of the state or states in which the applicant has resided for the past two years;
Page 2, Lines 15-17	(6) has completed a state approved school bus driver training course or has for the previous two years been licensed by the state to operate a school bus.	Page 2, Lines 17-19	(5) has completed a state approved school bus driver training course established under AS <u>14.07.020(a)(14)</u> or has for the previous two years been licensed by the state to operate a school bus.

Page 3,
Lines
11-15

(e) For purposes of determining whether an applicant has been convicted of an offense listed under (c) of this section, a conviction under prior state law or in another jurisdiction of an offense having elements substantially similar to those of the offenses listed in (c) of this section is considered a conviction.

Page 3,
Lines
13-17

(e) For purposes of determining whether an applicant has been convicted of an offense listed under (c) or (d) of this section, a conviction under prior state law or in another jurisdiction of an offense having elements substantially similar to those of the offenses listed in (c) or (d) of this section is considered a conviction.

Page 3,
Lines
9-10

...for driving while intoxicated within 20 years of the time of application.

Page 3,
Lines
11-12

...for driving while intoxicated within 10 years of the time of application.

Page 3,
Line 17

...(b)(4) and (5) of this section...

Page 3,
Line 19

...(b)(4) [and (5)] of this section...

Page 3,
Line 22

Sec. 3. This Act takes effect September 1, 1985.

Page 3,
Line 24

Sec. 4. This Act takes effect September 1, 1987.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

P.O. BOX 20
JUNEAU, ALASKA 99802-0020

DIVISION OF MOTOR VEHICLES

PHONE: (907)465-2650

January 29, 1986

The Honorable Bette Cato
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: CS HB 409 (Transportation)

Dear Representative Cato:

At the hearing yesterday you asked for confirmation in writing of the procedure to be followed by DMV concerning the licensing of school bus drivers pending the results of a fingerprint search.

If the applicant has satisfactorily completed the requirements for issuance of a school bus license, including submission of fingerprints, we will issue that person the license. If the results of the fingerprint search reflect the person is ineligible due to a conviction outlined in AS 28.15.046(c) or (d), the school bus license will be cancelled with notice being sent to the licensee, and the school district where the person is driving. This is the procedure currently being used (we began notifying school districts in May, 1985), and it has not created any problems....This is also the procedure used if the licensee is convicted of an unqualifying offense during the school year. The authority for cancelling the school bus license is AS 28.15.161.

The above procedure will work more smoothly than issuing a temporary permit pending outcome of the fingerprint search. From past experience, FBI fingerprint searches were conducted until October 1, 1981, the number of permits required to be cancelled will be very minimal. Also, we have little control over the time period necessary to conduct the search, and by use of the above procedure we will not be required to issue a new temporary permit if the search results are not received by the date the first temporary expires.

I would be happy to discuss this procedure with you if you have any further questions.

Sincerely,



Bill Brown
Chief of Driver Services

BB:ns
cc: Representative Shultz
bcc: Representative Jenkins ✓

§ 14.03.030

regard to teachers
of this title. Anchor-
Anchorage School
No. 2537 (File No.
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§ 14.07.020

EDUCATION

§ 14.07.020

Chapter 07. Administration of Public Schools..

Article

1. Department of Education. (§§ 14.07.020, 14.07.058)

Article 1. Department of Education.

Section

20. Duties of the department

58. Alaska School Activities Association

Sec. 14.07.020. Duties of the department. (a) The department shall

(1) exercise general supervision over the public schools of the state except the University of Alaska;

(2) study the conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of the public schools;

(3) provide advisory and consultative services to all public school governing bodies and personnel;

(4) prescribe by regulation a minimum course of study for the public schools;

(5) establish, in coordination with the Department of Health and Social Services, a program for the continuing education of children who are held in detention facilities in the state during the period of detention;

(6) accredit those public schools which meet accreditation standards prescribed by regulation by the department; these regulations shall be adopted by the department and presented to the legislature during the first 10 days of any regular session, and become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house;

(7) prescribe by regulation, after consultation with the state fire marshal and the state sanitarian, standards in addition to the requirements of AS 18.15.145 that will assure healthful and safe conditions in the public and private schools of the state including a requirement of physical examinations and immunizations in pre-elementary schools; the standards for private schools may not be more stringent than those for public schools;

(8) exercise general supervision over pre-elementary schools that receive direct state or federal funding;

(9) provide accredited elementary and secondary correspondence study programs available to any Alaskan through a centralized office of correspondence study;

(10) accredit private schools which request accreditation and which meet accreditation standards prescribed by regulation by the depart-

ment; nothing in this paragraph authorizes the department to require religious or other private schools to be licensed;

(11) review plans for construction of new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction project begun after July 1, 1978; for the purposes of this paragraph, "plans" include educational specifications, schematic designs, and final contract documents;

(12) provide educational opportunities in the areas of vocational education and training, basic education, and fire-service training to individuals over 16 years of age who are no longer attending school;

(13) administer the grants awarded under AS 14.11.020.

(b) In this section "pre-elementary school" means a school for children ages three through five years if the school's primary function is educational. (§ 1 ch 98 SLA 1966; am § 2 ch 69 SLA 1971; am § 6 ch 104 SLA 1971; am § 1 ch 190 SLA 1975; am § 6 ch 50 SLA 1977; am §§ 1-3 ch 126 SLA 1978; am § 10 ch 147 SLA 1978; am § 1 ch 86 SLA 1979; am § 24 ch 59 SLA 1982; am §§ 1, 2 ch 92 SLA 1982; am § 2 ch 11 SLA 1984; am § 1 ch 32 SLA 1984)

Effect of amendments. — The first 1984 amendment designated the previously undesignated introductory language as subsection (a) and added subsection (b). The 1984 amendment also, in subsection (a), substituted "state fire marshal and the state sanitarian" for "Department of Health and Social Services" and inserted "including a requirement of physical examinations and immunizations in pre-elementary schools" in paragraph (7); in paragraph (8), deleted "In cooperation with the Department of Health and Social Services" at the beginning and substituted "pre-elementary schools that receive direct state or federal funding" for "public

and private pre-elementary schools and over the educational component of nurseries as defined in AS 47.35.080(4); pre-elementary schools in this paragraph means schools for children ages three through five years when the school's primary function is educational"; and, in paragraph (10), deleted "elementary and secondary" following "accredit private" and added "nothing in this paragraph authorizes the department to require religious or other private schools to be licensed" at the end.

The second 1984 amendment inserted "in addition to the requirements of AS 18.15.145" in paragraph (7).

Sec. 14.07.058. Alaska School Activities Association. (a) There is created within the Department of Education the Alaska School Activities Association.

(b) The purposes of the association are to provide for the efficient governing of interscholastic activities through the promotion of those activities and other interschool contests or programs sanctioned by the association and to assist in the promotion of those other activities and interests as it may from time to time elect.

(8) who is required under ch. 20 of this title to furnish proof of financial responsibility and who has not done so. (§ 19 ch 178 SLA 1978)

NOTES TO DECISIONS

Stated in Commercial Fisheries Entry 2011 (File No. 4464), 606 P.2d 1255 (1980).
Comm'n v. Apokedak, Sup. Ct. Op. No.

Collateral references. — 5 Am. Jur.,
Automobiles, § 151.

Sec. 28.15.041. Classification of drivers' licenses. (a) The commissioner shall provide by regulation for the classification of drivers' licenses. The regulations shall specify license classifications which are reasonably necessary for the safe operation of the various types, sizes and combinations of motor vehicles. The regulations shall also establish medical standards, standards of driving conduct and proficiency, and other standards governing the issuance, renewal, or denial of these licenses. The department may examine each applicant to determine his qualifications according to the class of license applied for, and upon issuing a driver's license the department shall indicate on the license the classification for which an applicant for a license has qualified by examination. The regulations and any subsequent modifications under this section become effective only if approved by a concurrent resolution adopted by a majority vote of each house of the legislature.

(b) No person may drive a school bus transporting school children, or a bus transporting school-age children or another motor vehicle when in use for the transportation of persons for compensation until he has applied for and has been issued a license for that purpose under (a) of this section. The department may not issue a license under this subsection unless the applicant is at least 19 years of age, has had at least one year of driving experience, and the department is satisfied as to the applicant's good character, competence and fitness to be licensed; nor may the department issue the license until proper application has been made and all required driving, written, and physical examinations have been successfully completed. A license issued under this subsection expires on September 1 of the year following issuance. Application for renewal may be made by submitting to the department the results of a current physical examination and paying the required fee. (§ 19 ch 178 SLA 1978)

Sec. 28.15.051. Instruction permit, temporary driver's license and special driver's permit. (a) Except as provided in (b) of this section, a person who is at least 14 years of age may apply to the

department for an applicant has succ
§ 51 of this chapt
an instruction per
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SBS. Setting Aside Sentence

13 AAC 06.060. PERIODIC INSPECTION REQUIRED. Annulled under AS 44.62.320, passed 5/26/76.

13 AAC 06.070. OFFICIAL INSPECTION STATIONS. Annulled under AS 44.62.320, passed 5/26/76.

13 AAC 06.080. DISPLAY OF CERTIFICATE OF INSPECTION. Annulled under AS 44.62.320, passed 5/26/76.

13 AAC 06.090. PROHIBITED PRACTICES.
(a) No person may perform repairs or adjustments upon a vehicle that are not in accord with acceptable or customary repair practices or not in accordance with the provisions of this title or applicable statutes.

(b) No person may willfully conceal or misrepresent the identity or condition of a vehicle, nor make a false or misleading statement or present false evidence in connection with the inspection, repair, or adjustment of a vehicle.

(c) Annulled under AS 44.62.320, passed 5/26/76.

(d) Annulled under AS 44.62.320, passed 5/26/76.

(e) Annulled under AS 44.62.320, passed 5/26/76.

(f) No police officer or other person authorized by the department to conduct inspections under this chapter may order, direct, recommend, or influence the repair or adjustment of a vehicle or its equipment by a particular person, or perform repair or adjustment at a roadside inspection area for compensation, nor may a person solicit in any manner, at a roadside inspection area or upon a surrounding or an adjacent highway, any repair or adjustment business for compensation. (Eff. 12/31/69, Reg. 31; am 7/5/75, Reg. 54)

Authority: AS 28.05.030
AS 28.35.230

Editor's Note: The penalty for violation of traffic regulations is provided by statute. Re: AS 28.35.230.

CHAPTER 08. DRIVER LICENSING AND SAFETY RESPONSIBILITY

Article

1. School Bus Driver Permit
(13 AAC 08.005-13 AAC 08.060)
2. Safety Responsibility
(13 AAC 08.075-13 AAC 08.110)
3. Classified Driver's Licenses
(13 AAC 08.140-13 AAC 08.160)
4. Traffic Violations Demerit Point System
(13 AAC 08.210-13 AAC 08.290)
5. Standards for Licensing of Drivers
(13 AAC 08.310-13 AAC 08.400)
6. Mandatory Auto Insurance
(13 AAC 08.410-13 AAC 08.440)

ARTICLE 1. SCHOOL BUS DRIVER PERMIT

Section

05. Application of regulations
10. Denial of permit
15. Application requirements
20. Examination of applicants
25. Medical standards
30. Permit to be carried and exhibited
35. Restricted permit
40. Cancellation of permit
45. Suspension or revocation of permit
50. Period of suspension or revocation
55. Re-examination
60. Definitions

13 AAC 08.005. APPLICATION OF REGULATIONS. 13 AAC 08.005 - 13 AAC 08.060 apply to a person who operates a school bus when it is transporting a child, other than his own, to or from school or a school activity. (Eff. 12/31/69, Reg. 31)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.010. DENIAL OF PERMIT. (a) A school bus driver permit may not be issued to an applicant who

(1) has been convicted with such frequency of serious traffic offenses as to indicate a disregard for traffic laws and the safety of others;

(2) has not been licensed to operate a motor vehicle for at least one year before the date of application;

(3) is not at the time of application validly licensed to operate a motor vehicle in Alaska or does not have a valid unlimited Alaska driver's license in his possession;

(4) has not attained the age of 19;

(5) has been convicted of any of the following offenses within 20 years of the time of application: sexual abuse of a minor; sexual assault; incest; unlawful exploitation of a minor; contributing to the delinquency of a minor; felony offense involving distribution of prohibited drugs; or promoting prostitution in the first or second degree.

(b) Repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.015. APPLICATION REQUIREMENTS. Applicants for an original school bus driver permit shall, at the time of application, furnish the following to the examiner in order for the application to be accepted:

(1) a completed health history on a form prescribed by the Department of Public Safety;

(2) two sets of applicant fingerprint cards.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.020. EXAMINATION OF APPLICANTS. (a) The school bus driver's written examination may not be administered to an applicant more than twice during any 12 consecutive months, and a one-week waiting period is required between the two tests allowed. A score of 80 is required to pass, and the test shall be comprised of questions concerning

(1) traffic laws and regulations; and

(2) school bus drivers' operating regulations promulgated by the Department of Education.

(b) The driving examination shall be administered in the type of equipment which the

applicant is to operate, and the equipment shall be furnished by the applicant or his employer. The driving examination may not be administered to an applicant more than twice during any 12 consecutive months, and a one-week waiting period is required between the two tests allowed. A score of less than 31 is required to pass, and the examination shall consist of at least the following maneuvers:

(1) with engine off, starting engine and moving into the rest of the required maneuvers;

(2) two right-hand turns and two left-hand turns;

(3) where practical and possible, a railroad crossing stop;

(4) the use of special lighting and other special equipment required by regulation;

(5) movement through intersections controlled by signs or signals, unless such signs or signals are not available in the area of the examination;

(6, simulated loading and unloading of children.

(c) Where it is impractical for the department to administer the driving test, and upon agreement with the employer or other person acceptable to the department, the driving examination may be administered by the employer or other person acceptable to the department who shall certify to the proficiency of the applicant's driving skills by signing the examination form as the "examiner." (Eff. 12/31/69, Reg. 31)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.025. MEDICAL STANDARDS. (a) A school bus driver permit may not be issued to a person who does not meet the following minimum standards as certified by a medical doctor, a physician's assistant licensed by the State Medical Board, or an advanced nurse practitioner licensed by the Board of Nursing, on the form required in 13 AAC 08.015(1):

(1) the person must be free of communicable disease at the time of examination;

(2) the person must have a chest X-ray or "skin test" that shows the person to be free of tuberculosis;

(3) the person's visual acuity may not be less than 20/30 in one eye and 20/200 in the other eye, either with or without corrective lenses;

(4) the person may not have monocular vision;

(5) the person may not have a history of fainting spells, dizziness, convulsions, epilepsy, or cardiac ailment during the 12 consecutive months immediately preceding the examination;

(6) the person must have normal use of both hands, arms, and feet;

(7) the person may not have a physical disability that would prevent safe operation of a school bus under all driving conditions;

(8) the person may not presently be under treatment for excessive use of alcohol or drugs.

(b) Except as provided in (c) of this section, a renewal of a school bus driver permit may not be granted unless the requirements of (a)(1) - (8) of this section are met.

(c) When a person has a "skin test" that does not show the person to be free of tuberculosis, a chest X-ray is not required under (a)(2) of this section if within 18 months before the skin test the person had a chest X-ray that showed him to be free of tuberculosis. Nothing in this section, however, prevents the person conducting the examination from concluding that the X-ray is necessary for diagnostic purposes and requiring that an X-ray be taken.

(d) A report of an examination performed under this section by a physician's assistant or an advanced nurse practitioner must be signed by that person, and include the name of the collaborating physician. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78; am 8/12/82, Reg. 83)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.030. PERMIT TO BE CARRIED AND EXHIBITED. A driver of a school bus shall have in his immediate possession his school bus driver permit and his driver's license when operating a school bus transporting a child to or from school or a school activity and shall, upon the request of a police officer, display and

temporarily give to the police officer for examination his school bus driver permit. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.035. RESTRICTED PERMIT. A school bus driver permit shall, depending upon the type of vehicle in which the driving examination was given, be restricted as follows:

(1) if the examination was given in a school bus with a manufacturer's rated capacity of less than 24, the permit shall be restricted on its face to "15 passengers or less";

(2) if the examination was given in a school bus with a manufacturer's rated capacity of 24 or more, the permit shall be unrestricted and allows operation of any school bus. (Eff. 12/31/69, Reg. 31)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.040. CANCELLATION OF PERMIT. The department will, in its discretion, cancel a school bus driver permit for the following:

(1) unintentional, erroneous information or improper application;

(2) repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.045. SUSPENSION OR REVOCATION OF PERMIT. (a) A school bus driver permit will, in the department's discretion, be suspended by the department for

(1) driving a school bus in violation of the permit restrictions;

(2) conviction of a traffic offense which results in a limitation being placed on the driver's license, except an offense which requires revocation under (b) of this section;

(3) conviction of an offense which results in suspension or revocation of the driver's license, unless suspension or revocation is for a conviction of an offense which requires revocation under (b) of this section.

(b) A school bus driver permit will be revoked for

- (1) conviction of driving while intoxicated;
- (2) conviction of reckless driving;
- (3) conviction of a third offense of driving in violation of permit restrictions;
- (4) any reason that would be grounds for denial under 13 AAC 08.010;

(5) knowingly making a false statement or concealing a material fact or otherwise committing a fraud in an application for a permit;

(6) repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.050. PERIOD OF SUSPENSION OR REVOCATION. (a) The period of suspension of a school bus driver permit is as follows:

- (1) violation of permit restrictions – first offense 30 days, second offense six months;
- (2) for the duration of a limitation placed on the driver's license as provided by 13 AAC 08.045(a)(2);
- (3) for the duration of the suspension or revocation of the driver's license as provided by 13 AAC 08.045(a)(3).

(b) the period of revocation of a school bus driver permit is as follows:

(1) one year for first conviction of driving while intoxicated or reckless driving, and permanent revocation for conviction of a second offense or the first offense if it occurred while driving a school bus;

(2) one year for third offense of driving in violation of permit restrictions;

(3) until applicant is eligible for reissuance if it is for a reason which would be grounds for denial under 13 AAC 08.010;

(4) one year for knowingly making a misrepresentation in an application for a permit;

(5) repealed 5/2/81.
(Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)
Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.055. RE-EXAMINATION. Upon written request of a police officer, the Department of Education, or the employer of a school bus driver, the department will, in its discretion, upon giving 10 days' notice to the school bus driver, require him to submit to a part or all of the examination requirements. After examination the department will, in its discretion, if the school bus driver did not satisfactorily pass examination, revoke his permit until the examination is passed. Refusal or neglect to submit to re-examination will result in revocation of the permit until the examination is satisfactorily completed. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

13 AAC 08.060. DEFINITIONS. In 13 AAC 08.005 – 13 AAC 08.060, unless context requires otherwise

(1) "convicted with such frequency of serious traffic offenses" means one conviction of driving while intoxicated or reckless driving during the 12 months immediately before application, or four convictions for any other violation of traffic law or regulations while driving a motor vehicle during the 24 months immediately before application, or two or more convictions for driving while intoxicated or reckless driving at any time before application;

(2) repealed 5/2/81;

(3) repealed 5/2/81;

(4) "permit" means a school bus driver permit issued by the department;

(5) "unlimited Alaska driver's license" means an Alaska driver's license which is not limited under the provisions of AS 28.15.201;

(6) "department" means Alaska Department of Public Safety. (Eff. 12/31/69, Reg. 31; am 5/2/81, Reg. 78)

Authority: AS 28.05.011
AS 28.15.041

Editor's Note: The regulations of the Department of Education governing the operation of school buses may be found in 4 AAC 01.100 - 4 AAC 01.104.

**ARTICLE 2.
SAFETY RESPONSIBILITY**

Section

- 75. (Repealed)
- 80. Application of regulations
- 85. Reports required
- 90. Security deposit
- 95. Release from liability
- 100. Agreement for payment of damages
- 105. Form of notice
- 110. Proof of financial responsibility for the future

13 AAC 08.075. DECLARATION OF INTENT. Repealed 1/26/79.

13 AAC 08.080. APPLICATION OF REGULATIONS. 13 AAC 08.080 - 13 AAC 08.110 apply to



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

November 14, 1985

MEMORANDUM

TO: Representative Randy Phillips
FROM: *Gretchen Keiser*
Gretchen Keiser
Legislative Analyst
RE: School Bus Driver Training and Bus Safety
Research Request 86-009

You requested this agency to conduct a fifty state survey on school bus safety. Specifically, we were asked to obtain information about the following:

- requirements for a school bus driver license;
- state or local district requirements for school bus driver training;
- state school bus driver manuals;
- special rules or regulations that school bus drivers are required to observe;
- programs in use regarding school bus safety equipment; and
- pending or proposed legislation concerning the above issues.

Table 1 provides a summary of the responses received from 40 states as well as the current school bus driver and safety practices in Alaska. Typically, state departments of education have general responsibilities for school transportation, while local school districts administer specific policies and practices. A number of states mentioned that they followed the national school transportation guidelines in Standard No. 17 (Pupil Transportation Safety) of the Federal Highway Safety Program Manual. The national standard provides minimum requirements for safe student transportation, including the identification, operation and maintenance of school buses; training of personnel; and administration of pupil transportation programs.

Requirements for School Bus Driver License

All states require school bus drivers to possess either a regular driver's or chauffeur's license. In addition, many require a school bus driver certificate which is issued by a state agency or local school district every one to four years. Written exams which test the driver's knowledge about state laws and regulations governing school buses are common. Behind-the-wheel road tests are also commonly required in order to be licensed to drive a school bus. Alaska requires a regular driver's license as well as written and road tests for prospective school bus drivers.

Most states indicated a minimum age requirement of 18 years. Thirteen of the 41 states for which we have information also place a maximum age limitation--typically 65 or 70 years--on school bus drivers. Alaska requires a minimum age of 19 and has no upper age limit for school bus drivers.

The majority of the states which responded to our survey, including Alaska, require an initial physical examination and periodic examinations thereafter, most commonly every one or two years. States usually provide a fairly extensive medical form to be completed by a licensed physician. States commonly require an assurance of the individual's ability to perform physical activity attendant with normal and emergency school bus operations.

Other requirements for licensing noted during the survey include: a) driving record checks (18 states); b) criminal record checks (10 states); c) required years of driving experience (6 states); d) first aid certificates (4 states); and e) character references (2 states). Alaska school bus driver regulations specify that a prospective school bus driver have a good driving record and at least one year driving experience.

School Bus Driver Training

Pre-service and in-service training programs vary among the states which responded to our survey. Eighteen states indicated that they have a mandatory state instruction program for school bus drivers. On the other hand, 12 states (including Alaska) do not have a state requirement regarding school bus driver training. Those states which do not have a required state training program generally train and certify local instructors and/or approve training developed by local school districts. A few states, including Alaska, rely on local training programs with no mention of state assistance or certification.

Representative Phillips
November 14, 1985
Page Three

The Alaska Department of Education, in conjunction with the Alaska School Bus Driver Training Committee, has drafted a master plan for a statewide driver training program. The department has submitted a \$233,000 FY 87 budget request to the governor in order to implement this master plan.¹ Under the draft plan, Alaska would require 40 hours of pre-service training (20 hours classroom and 20 hours behind-the-wheel) and 10 hours annual in-service training. Of the states surveyed, California and Louisiana are the only states which currently require 40 hours of pre-service training (Florida will require this level of training in 1986). Eight other states surveyed require 20 to 30 hours of pre-service training of school bus drivers. States commonly require annual in-service training, although the amount of annual training varies between 3 and 16 hours.

School Bus Driver Manuals

Twenty-nine states surveyed, including Alaska, have state school bus driver manuals.² These manuals vary in format and length, but typically contain information on the following subjects:

- rules and regulations applicable to school bus drivers;
- driver responsibilities to school district and pupils;
- recommended driver practices regarding vehicle maintenance;
- proper operation of bus in typical traffic situations;
- basic first aid; and
- emergency procedures.

The current Alaska School Bus Driver Manual (revised in 1981) addresses all of the above subjects (Attachment A). Alaska's manual, however, is currently under revision and will place greater emphasis on emergency procedures, first aid and the transport of exceptional children.

¹The draft master plan also includes a school bus inspection program developed by the Alaska School Bus Inspection Committee.

²Most states provided copies of these school bus driver manuals which are available to you at your request.

Special Rules and Regulations Applicable to School Bus Drivers

The states surveyed generally have a standard set of operating rules and procedures which school bus drivers must observe. These rules and regulations address the following general areas:

- driver's daily pre-trip inspection of bus interior and exterior;
- activation of bus warning lights before stopping the bus to load and unload pupils;
- proper off-road positioning of bus when loading and unloading pupils;
- stopping before railroad crossings;
- maximum speed limits on local and interstate roads;
- leaving driver seat only after setting the brake, turning off the ignition and removing the key;
- pupils seated and not in the stair well while bus is in motion;
- refueling bus when pupils are not present;
- limitations on backing the bus, particularly on school grounds;
- limitations on the number of hours of driving in a 24-hour period;
- wearing driver seat belt;
- no smoking or drinking on the bus; and
- reporting all accidents to school officials.

Chapter 4 of the Alaska School Bus Drivers Manual lists 30 rules and regulations in effect in Alaska (see Attachment A). It should be noted, however, that local school districts may promulgate additional regulations pertinent to local driving conditions.

Safety Equipment Pilot Programs

Eleven states surveyed, including Alaska, indicated that they were experimenting with various safety equipment. The most common equipment under testing (9 states) is the safety sensor--an electronic device which detects the presence of a child or object outside the bus.

Representative Phillips
November 14, 1985
Page Five

Safety sensors are mounted on the front or rear of the bus exterior to monitor bus drivers' "blind spots" (Attachment B). The Alaska Department of Education is sponsoring a safety sensor pilot during the 1985-1986 school year. Thirteen safety sensors were purchased (at a cost of \$250 each) and are being installed on school buses throughout the state.³

Other safety devices under testing by various states include:

- strobe lights on stop arm signals (replacements for standard flashing red lights);
- retroflective markings on bus exterior;
- strobe lights on top of bus (these are currently required by many states);
- additional exterior mirrors;
- roof escape hatches; and
- automatic tire chains or traction device.

Alaska experimented with strobe lights on stop arms on 17 buses state-wide during the period October 1983 through May 1984. A survey of the school bus drivers indicated that the number of passing violations were reduced after installation of the strobe.

Georgia, South Carolina and Tennessee indicated that another safety device--a crossing gate--is required equipment on school buses in their states. The crossing gate (or "walk arm"), which is a metal bar attached to the front of the bus, swings forward to a 90-degree angle, thereby directing pupils away from the front of the bus as they cross. They are designed to eliminate dangerous situations which occur when small children cross directly in front of the bus and outside the driver's view.

Related Legislation

Twelve of the 41 states surveyed mentioned recent and pending legislative action on school bus bills. There are two bills before the Alaska Legislature: Committee Substitute for House Bill 240 (citation for vehicles passing a stopped bus) and House Bill 409 (requiring State-approved training for school bus drivers). Idaho also has a bill before

³Romayne Kareen, Administrator of Pupil Transportation, Alaska Department of Education, personal communication, November 1, 1985.

Representative Phillips
November 14, 1985
Page Six

its legislature regarding citation of vehicles which pass stopped school buses. Arizona has a pending bill which would update various pupil transportation statutes.

Ohio and West Virginia have legislation pending which would require safety sensors and strobe lights on bus roofs, respectively. A safety-related measure requiring semi-annual school bus inspections will be proposed in the Minnesota legislature.

Five states (Louisiana, Massachusetts, New Hampshire, New Jersey and Vermont) mentioned seat belt bills which are either pending or have recently been defeated in their legislatures.

* * * * *

We received considerable information in the responses from various states. We can provide this material to you at your request. Also, please contact us if you have any questions.

GK

Attachments

TABLE 1

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	LEGISLATION
Alabama	Regular license; special license annually; written & road tests; TB exam every 3 years.	12 hrs state pre-service instruction; 6 hrs in-service annually.	Yes	Experimenting with strobe light on stop arm.	No
Alaska	Regular license for at least one year; annual DPS permit; written & road tests; annual physical exam; minimum age 19; good driving record.	No state requirements; 0-40 hrs local training; proposed 1987 implementation of 40 hrs pre-svc & 10 hrs in-svc training.	Yes	Pilot programs for safety sensor and strobe light on stop arm.	Yes (HB 240: citation of vehicle passing bus; HB 409: State training progra
Arizona	Chauffeur's license; annual physical exam; clean driving record; 65 maximum age; written & road tests; fingerprint check.	12 hrs state pre-service instruction; 8 hrs in-svc every 2 years; 8 hrs first aid course.	Yes	None	Yes (update of bus statutes)
Arkansas	Regular license; 2-yr bus driver certificate; phys. exam every 2 yrs; written & road tests; clean driving record within 5 yrs.	State-prescribed pre-service and in-service training taught locally.	No	None	No
California	Regular license; bus driver certificate every 4 yrs; phys. exam every 2 yrs; minimum age 18; over 65; annual phys. exam; written & road tests for certificate renewal.	40 hrs pre-service training (20 classroom/20 road) by state-certified instructors; 10 hrs in service annually; first aid exam.	Yes	None	No
Connecticut	Regular license; age 18-70; annual phys. exam; annual road & written tests; fingerprinting & no criminal record	7 hrs pre-service and 3 hrs in-svc annually by state-certified instructors.	No	None	No

TABLE 1 (CONTINUED)

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	RELATED LEGISLATION
Florida	Chauffeur's license; annual bus driver license; phys. exam; written & road test at age 65; 6-month license.	Admn. rule in 1986 will require 40 hrs pre-service and 8 hrs in-service annually.	Yes	None	No
Georgia	Regular license; Class 3 license; annual physical exam; 65 maximum age.	6 hrs pre-svc classroom instruction; 6 hrs road training without pupils; 6 hrs road training with pupils; state requirement; developed locally.	Yes	Crossing gate required since 6/83	No
Idaho	Chauffeur's license; minimum age 18; physical exam; driving test.	10 hrs state pre-service instruction; 8 hrs in-svc annually.	Yes	None	Yes (citation of vehicle passing stopped bus)
Illinois	Regular license; annual permit; minimum age 21; annual physical exam; written & road tests; no criminal record within 5 yrs; no more than 2 traffic violations within 1 yr.	Variable local classroom training before superintendent issues school bus driver permit.	Yes	None	No
Indiana	Chauffeur's license; state bus driver certificate	20 hrs state pre-service classroom instruction; additional local training as desired.	No	2 school districts piloting safety sensors.	No
Iowa	Chauffeur's license; bus driver permit; annual phys. exam; age 18-69.	Voluntary 18 hrs pre-service classroom instruction provided locally	Yes	One test of safety sensors.	No
Louisiana	Chauffeur's license; bus driver certificate; road & written tests; driver & criminal record checks; phys. & psychological exams; age 21-55.	40 hrs state pre-service (30 classroom/10 road); 8 hrs in-service annually.	Yes	None	Yes (seat belt bill defeated)

TABLE 1 (CONTINUED)

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	RELATED LEGISLATION
Maine	Class 2 license; annual permit; minimum age 18; road test; physical exam.	No state requirement; local training requirements.	No	None	No
Massachusetts	Regular license for 3 yrs; minimum age 18; annual physical exam.	State pre-service and in-service training annually.	Yes	None	Yes (stop arms, standees, seat belts, licensing)
Michigan	Chauffeur's license; class 3 endorsement; annual road test; written test; annual phys. exam; minimum age 18; good driving record (less than 7 points.)	State-approved pre-service training; local in-service instruction.	No	None	No
Minnesota	Regular license with bus endorsement; road & written tests; minimum age 18; phys. exam every 2 yrs; criminal & driving record checks; renewal every 4yrs.	No state requirement; local training requirements vary.	No	None	Will propose bill to require semi-annual bus inspections.
Mississippi	Regular license with annual bus endorsement; age 17-70; physical exam.	16 hrs pre-service training developed locally and taught by state-approved instructors.	No	Pilots with bus strobes, mirrors and safety sensors	No
Missouri	Chauffeur's license; minimum age 21; written & road tests.	Voluntary state training maybe required by local district; state-certified instructors.	Yes	None	No
Montana	Chauffeur's license; 5 yrs driving experience; phys. exam; first aid certificate.	Voluntary state training program used by about 1/2 of the school districts.	No	None	No

TABLE 1 (CONTINUED)

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	RELATED LEGISLATION
Nebraska	Regular license; bus driver permit; annual phys. exam; age 18-65; annual written & road tests; good driving record check.	10 hrs state-approved training.	No	None	No
Nevada	Class II license every 4 yrs; phys. exam every 2 yrs; annual written exam.	20 hrs state pre-svc (10 hrs classroom/10 hrs road) & annual refresher course.	No	None	No
New Hampshire	Regular license; bus driver certificate; minimum age 18; English-speaking written test; criminal & driving record check.	State-approved training: 8 hrs pre-service road & classroom instruction; 6 hrs in-service annually.	Yes	None	Yes (two 1985 seat belt bills defeated)
New Jersey	Regular license; certificate every 2 yrs; 3 yrs driving experience; minimum age 18; physical exam; written & road tests; driving record check.	No state requirement; state assistance to local districts offering training.	Yes	None	Yes (seat belt)
New York	Regular license; phys. exam every 2 yrs; no driving record (3 yrs) or criminal record (5 yrs); written & road tests every 2 yrs; 3 yr employment check; annual driving record check; age 21-65.	2 hrs state pre-svc classroom instruction; 2 hrs twice a year in-service training; additional local training optional.	Yes	None	No
Ohio	Chauffeur's license; annual bus certificate; minimum age 18; physical exam; written & road tests; annual driving record check.	20 hrs state pre-svc (12 hrs classroom/8 hrs road); 2 hrs annual in-service training; some local districts require more.	Yes	None	Yes (require safety sensors)

TABLE 1 (CONTINUED)

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	RELATED LEGISLATION
Oklahoma	Chauffeur's license; 5-yr certificate; annual phys. exam; minimum age 18; clear driving record for 3 yrs; at age 64 1-yr certificate.	5-day (25 hrs) state pre-service workshop; local in-service training each semester.	Yes	None	No
Oregon	Chauffeur's license; age 18-70; physical exam; road test; criminal & driving record checks; first aid certificate.	20 hrs state pre-svc training (10 hrs classroom/10 hrs road); refresher course every 4 years.	Yes	Experimenting with safety sensors and retroreflective markings.	No
Pennsylvania	Regular license; bus license; annual phys. exam; minimum age 18; road & written tests.	State-approved local pre-svc: 7 hrs classroom/3 hrs road; in-service: 10 hrs every 4 years.	Yes	Pilot study with safety sensors.	No
Rhode Island	Chauffeur's license; 1 yr driving experience; age 18-65; annual physical exam; driving record checks; character references.	State-approved pre-service training: 9 hrs classroom/1 hr road; 3 hrs in-svc annually for renewal.	No	None	No
South Carolina	Regular license; bus certificate; age 16-65; no accidents or violations; initial phys. exam; written test.	State training.	Yes	Walk arm (crossing gate) required on 1985 buses.	No
South Dakota	Regular license; bus license; bus certificate every 3 yrs; annual phys. exam; minimum age 18; road & written tests.	No state requirement; about 1/3 drivers attend annual seminars sponsored under federal funding.	Yes	None	No
Tennessee	Special chauffeur's license; 5 yrs driving experience; maximum age 70; annual phys exam; over 55 semi-annual physical exam.	20 hrs state pre-service classroom instruction; districts may require more training.	Yes	Crossing gate required; safety sensors, steering stabilizers, and p.a. systems being tested	No

TABLE 1 (CONTINUED)

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	RELATED LEGISLATION
Texas	Chauffeur's license; 3-yr bus certificate; annual phys. exam; minimum age 18.	20 hrs state pre-service classroom training (plus road experience); 8 hrs refresher training.	Yes	None	No
Utah	Regular license, S1 license; written & road tests.	24-hr state course; 8 hrs in-service training locally; 8 hrs first aid training every 4 years.	Yes	Experimenting with automatic traction device and school bus alert system.	No
Vermont	Regular license; minimum age 18 written & road tests every 4 yrs; physical exam.	8 hrs State pre-svc classroom training; 8 hrs in-service training every 4 years; local district may require more training.	Yes	Bus inspections required 3 times a year.	Yes (seat belt bill which no progress)
Virginia	Regular license; written & road tests; phys. exam; two character references; age 17-70; driving & criminal record checks.	Local classroom and road training by state-educated instructors; 4 hrs in-svc each year; districts may require first aid course.	Local manuals	None	No
Washington	Regular license with 1-2 yrs driving experience; bus certificate every 4 yrs; annual phys. exam; minimum age 18; first aid certificate every 3 yrs; criminal & driving record checks.	Local training by state-educated instructors; generally pre-service and in-service training.	Yes	None	No

TABLE 1 (CONTINUED)

SURVEY OF THE STATES: SCHOOL BUS DRIVER REQUIREMENTS, SAFETY PROGRAMS AND RELATED LEGISLATION

STATE	REQUIREMENTS FOR SCHOOL BUS DRIVER LICENSE	REQUIREMENTS FOR SCHOOL BUS DRIVER TRAINING	DRIVER MANUAL	SAFETY EQUIPMENT PILOT PROGRAMS	RELATED LEGISLATION
West Virginia	Chauffeur's license; bus certificate; age 18-70; 1-yr driving experience; annual phys. exam; written test; driving record check; first aid certificate.	30 hrs state pre-service classroom instruction; district may require road training; 16 hrs in-svc training.	Yes	Experimenting with safety sensors, roof escape hatches and automatic tire chains; may require fiberglass lamination on seats and strobe on stop arm	Yes (requiring strobe lights on roof)
Wisconsin	Regular license, no criminal record for 5 years; written & road tests; phys. exam.	No state requirement; local district may require attendance at annual state workshops.	Yes	None	No
Wyoming	Class S license; minimum age 18; written & special road tests; annual physical exam.	No state requirement; many local districts have training programs.	Yes	Local districts testing safety sensors (state not involved).	No

Prepared by the House Research Agency, November 1985.