

ALASKA LEGISLATURE COMMITTEE FILES

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mines that such property should be made available, by sale or other conveyance, to ensure that the children's best interests are provided for. If the court determines that the children's best interests require an award of premarital property but the spouses do not agree, the action shall be dismissed or continued. (§ 1 ch 260 SLA 1976)

Revisor's notes. — Formerly AS 09.55.234. Renumbered in 1983. court to make child custody determination, see AS 25.30.020(a).

Cross references. — For jurisdiction of

NOTES TO DECISIONS

Jurisdiction to make child custody determination. — The superior court has no jurisdiction to make the "child custody determination" that is a prerequisite to the entry of a decree of dissolution under subsection (a) unless one of the conditions listed in AS 25.30.020(a) exists. *Layne v. Niles*, Sup. Ct. Op. No. 2396 (File No. 5887), 632 P.2d 234 (1981).

Sec. 25.24.240. Effect and modification of decree. (a) A decree of dissolution issued under AS 25.24.200 — 25.24.260 shall have the same force and effect as a decree granted under AS 25.24.010 — 25.24.180.

(b) A decree of dissolution granted under AS 25.24.200 — 25.24.260 may be modified or enlarged as prescribed by AS 25.24.150 — 25.24.170. (§ 1 ch 260 SLA 1976)

Revisor's notes. — Formerly AS 09.55.235. Renumbered in 1983.

Sec. 25.24.250. Forms. (a) The Department of Law, in cooperation with the administrator of the Alaska Court System, shall prepare forms and instructions for use by persons wishing to obtain a dissolution of their marriage under AS 25.24.200 — 25.24.260 and wishing to utilize the services of the child support enforcement agency. These forms shall conform to the requirements of the Alaska Rules of Civil Procedure except that information appearing on the forms in legible handwriting shall be acceptable.

(b) Forms prepared under (a) of this section shall be made available to the public at each office of the division of social services of the Department of Health and Social Services, and every superior court, and wherever else considered necessary by the Department of Law. (§ 1 ch 260 SLA 1976)

Revisor's notes. — Formerly AS 09.55.236. Renumbered in 1983.

Sec. 25.24.260. Miscellaneous. No spouse may be precluded from filing an action for divorce under AS 25.24.010 — 25.24.180 upon dismissal or denial of a petition filed under AS 25.24.200 — 25.24.260. (§ 1 ch 260 SLA 1976)

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58,

SLA 1982.

Legislative history reports. — For report on ch. 83, SLA 1967 (HB 141), see 1967 House Journal, pp. 339-340.

Sec. 22.25.025. Administration. The commissioner of administration is responsible for the administration of the judicial retirement system. (§ 8 ch 146 SLA 1980)

Sec. 22.25.027. Regulations. The commissioner of administration may adopt regulations to implement this chapter. Regulations adopted by the commissioner under this chapter relate to the internal management of state agencies and their adoption is not subject to the Administrative Procedure Act (AS 44.62). (§ 8 ch 146 SLA 1980)

Sec. 22.25.030. Survivors' benefits. (a) Upon the death of a justice or judge who has served for at least two years, the surviving spouse is entitled to receive monthly compensation equal to one-half of the monthly retirement pay the justice or judge would thereafter have been entitled to receive if retired at the time of death. If at death the justice or judge was not yet entitled to retirement pay, or was or would have been entitled to less than 60 percent of the monthly salary authorized for the office, the surviving spouse is entitled to monthly compensation equal to 30 percent of the salary authorized for justices or judges, respectively, at the time each monthly payment is made.

(b) To be eligible for the survivors' benefits, the surviving spouse must have been married to the justice or judge for at least two years immediately preceding the death of the justice or judge. The benefits continue until the remarriage or death of the surviving spouse.

(c) If there is no surviving spouse, or if the surviving spouse does not meet the requirements of (b) of this section, or upon the remarriage or death of the surviving spouse, the surviving dependent child or children of the justice or judge are entitled to receive in equal shares 50 percent of the amount of the survivors' benefits specified under (a) of this section.

(d) The surviving child or children are entitled to the survivors' benefits under (c) of this section during the period of their dependency. Dependency exists with respect to any child of a justice or judge who is either (1) a minor under the laws of Alaska, (2) under the age of 23 and is a student attending on a full-time basis an accredited educational or technical institution recognized by the state Department of Education, or (3) so mentally or physically incapacitated as to be unable to provide for self care.

(e) If there are both an eligible surviving spouse and surviving dependent children, but who reside in separate households, the surviving spouse and dependent children will share equally in the benefits payable under (a) of this section. (§ 1 ch 102 SLA 1963; am § 12 ch 83 SLA 1967; am § 2 ch 160 SLA 1972)

reports. — For 967 (HB 141), see . 339-340.

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Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Sec. 22.25.040. Refund of contributions.
Repealed by § 16 ch 83 SLA 1967.

Editor's note. — The repealed section derived from § 1, ch. 102, SLA 1963.
Legislative history reports. — For

Legislative history reports. — For report on ch. 83, SLA 1967 (HB 141), see 1967 House Journal, pp. 339-340.

report on ch. 83, SLA 1967 (HB 141), see 1967 House Journal, pp. 339-340.

Sec. 22.25.041. Refund of contributions. A justice or judge who vacates office for any reason and who has not then accrued five years of creditable service under this chapter is entitled to receive a refund of the total amount of contributions, together with interest credited on the amount. If a justice or judge who has received a refund of contributions returns to active service, the justice or judge shall repay within one year the refunded contributions with interest at the prevailing rate to receive credit for the earlier period of service under AS 22.25.010(f). (§ 7 ch 80 SLA 1978)

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Sec. 22.25.045. Appropriations.
Repealed by § 42 ch 146 SLA 1980.

Editor's notes. — The repealed section derived from § 13, ch. 83, SLA 1967.

Sec. 22.25.046. Employer contributions. (a) The state court system shall contribute to the judicial retirement system at the rate established by the commissioner of administration. The contribution rate shall be based on the results of an actuarial valuation of the judicial retirement system. The results of the actuarial valuation shall be based on actuarial methods and assumptions adopted by the commissioner of administration.

(b) The contribution rate shall be a percentage which, when applied to the covered compensation of all active members of the judicial retirement system, will generate sufficient money to support, along with contributions from members, the benefits of the judicial retirement system. (§ 8 ch 146 SLA 1980)

Sec. 22.25.048. Accounting and investment. (a) The commissioner of administration shall establish, as a special account in the general fund, a fund for the judicial retirement system and shall maintain accounts and records for the judicial retirement system.

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Marriage.

§ 25.24.140

MARITAL AND DOMESTIC RELATIONS

§ 25.24.160

Article 1. Divorce and Annulment.

Section

160. Judgment

Sec. 25.24.140. Orders during action.

NOTES TO DECISIONS

Quoted in Dowling v. Dowling, Sup. Ct. Op. No. 2685 (File No. 6254), 667 P.2d
Op. No. 2809 (File No. 6454), 679 P.2d 480 1245 (1983); Gerlach v. State, Ct. App.
(1984). Op. No. 468 (File No. A-501), P.2d

Cited in Kimmons v. Heldt, Sup. Ct. (1985).

Sec. 25.24.150. Judgments for custody.

NOTES TO DECISIONS

I. GENERAL CONSIDERATION.

Quoted in Dowling v. Dowling, Sup. Ct.
Op. No. 2809 (File No. 6454), 679 P.2d 480
(1984); S.N.E. v. R.L.B., Sup. Ct. Op. No.
2940 (File No. S-426), P.2d (1985).

Cited in Gerlach v. State, Ct. App. Op.
No. 468 (File No. A-501), P.2d
(1985).

II. DETERMINATION OF CUSTODY.

B. Review.

Custody ruling upheld. — The supe-
rior court did not err in failing to award
joint legal custody of child. Smith v.
Smith, Sup. Ct. Op. No. 2764 (File No.
7092), 673 P.2d 282 (1983).

Sec. 25.24.160. Judgment. In a judgment in an action for divorce or action declaring a marriage void or at any time after judgment, the court may provide

(1) for the payment by either or both parties of an amount of money or goods, in gross or installments that may include cost-of-living adjustments, as may be just and proper for the parties to contribute toward the nurture and education of their children, and the court may order the parties to arrange with their employers for an automatic payroll deduction each month or each pay period, if the period is other than monthly, of the amount of the installment; if the employer agrees, the installment shall be forwarded by the employer to the clerk of the superior court which entered the judgment or to the court trustee, and the amount of the installment is exempt from execution;

(2) for the recovery by one party from the other of an amount of money for maintenance, in gross or in installments, as may be just and necessary without regard to which of the parties is in fault;

(3) for the delivery to either party of that party's personal property in the possession or control of the other party at the time of giving the judgment;

(4) for the division between the parties of their property, whether joint or separate, acquired only during coverture, in the manner as may be just, and without regard to which of the parties is in fault; however, the court, in making the division, may invade the property of either spouse acquired before marriage when the balancing of the equities between the parties requires it; and to accomplish this end the judgment may require that one or both of the parties assign, deliver, or convey any of their real or personal property to the other party;

(5) to change the name of one of the parties. (§ 12.14 ch 101 SLA 1962; am § 1 ch 84 SLA 1966; am §§ 2 — 6 ch 160 SLA 1968; am §§ 72, 73 ch 127 SLA 1974; am § 5 ch 251 SLA 1976; am § 3 ch 40 SLA 1985)

Effect of amendments. — The 1985 amendment, effective October 1, 1985, designated former paragraphs (2) through (4) as present paragraphs (1) through (3)

and former paragraphs (6) and (7) as present paragraphs (4) and (5), and in paragraph (1) inserted "that may include cost-of-living adjustments."

NOTES TO DECISIONS

I. GENERAL CONSIDERATION.

Quoted in *Brooks v. Brooks*, Sup. Ct. Op. No. 2775 (File No. 6714), 677 P.2d 1230 (1984); *Burrell v. Burrell*, Sup. Ct. Op. No. 2795 (File Nos. 6343, 6737, 6937), P.2d (1984).

II. CHILD SUPPORT.

Hinchey overruled. — The court was not convinced that the legislature intended to provide for post-majority educational support in either an original decree, or in a modification of the original decree, and to the extent Hinchey is inconsistent with this conclusion it was overruled. *Dowling v. Dowling*, Sup. Ct. Op. No. 2809 (File No. 6454), 679 P.2d 480 (1984).

Child support award held inadequate and issue remanded to trial court. — See *Hunt v. Hunt*, Sup. Ct. Op. No. 2927 (File No. S-399), P.2d (1985).

Remand required. — Where throughout the trial, wife argued that \$350 per month child support was adequate, while husband maintained that it was excessive, award to wife for more than she asked required remand for a hearing in the absence of anything in the record explaining the award. *Smith v. Smith*, Sup. Ct. Op. No. 2764 (File No. 7092), 673 P.2d 283 (1983).

IV. DIVISION OF PROPERTY.

A. In General.

Property acquired after permanent separation but prior to final divorce should be included in the property settlement if it was acquired with property which would otherwise have been subject to division: if the later-acquired property was purchased with property which would not have been divided, then the new property should remain with the purchasing spouse. *Hunt v. Hunt*, Sup. Ct. Op. No. 2927 (File No. S-399), P.2d (1985).

Property division not clerly unjust.

In accord with 1st paragraph in original. See *Smith v. Smith*, Sup. Ct. Op. No. 2764 (File No. 7092), 673 P.2d 283 (1983).

Remand for property disposition modification because of extraordinary circumstances. — See *Foster v. Foster*, Sup. Ct. Op. No. 2850 (File No. 7209), 684 P.2d 869 (1984).

B. What Constitutes Property.

Unused personal leave, which may be used or converted to cash by the person accruing it, is a marital asset for purposes of the court's division of the parties' property in an action for divorce. *Schober v. Schober*, Sup. Ct. Op. No. 2888 (File No. S-265), 692 P.2d 267 (1984).

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Sec. 25.24.170. Modification of judgment.

NOTES TO DECISIONS

I. GENERAL CONSIDERATION.

Challenge of an order of support as unconstitutional is not request for modification under this section, but is a request for relief from a prior order of judgment under Alaska Civ. R. 60. *Burrell v. Burrell*, Sup. Ct. Op. No. 2795 (File Nos. 6343, 6737, 6937), P.2d (1984).

Post-majority child educational support. — The court was not convinced that the legislature intended to provide for post-majority educational support in either an original decree, or in a modification of the original decree, and to the extent *Hinchey* is inconsistent with this conclusion it was overruled. *Dowling v. Dowling*, Sup. Ct. Op. No. 2809 (File No. 6454), 679 P.2d 480 (1984).

II. GROUNDS FOR MODIFICATION.

General rule. — A modification of an alimony order can be obtained only where there has been a material and substantial change in circumstances occurring subsequent to the original order and the change ordinarily must be more or less permanent rather than temporary. *Burrell v. Burrell*, Sup. Ct. Op. No. 2795 (File Nos. 6343, 6737, 6937), P.2d (1984).

Determination of change in circumstances. — The appropriate benchmark from which to consider whether there has been a change of circumstances is the last time the issue of alimony and factors relevant to modification were actually considered. *Burrell v. Burrell*, Sup. Ct. Op. No. 2795 (File Nos. 6343, 6737, 6937), P.2d (1984).

Article 2. Dissolution of Marriage.

Sec. 25.24.200. Dissolution of marriage.

NOTES TO DECISIONS

Support of illegitimate children. — Although a husband's support obligation is regarded as extending only to children "of the marriage," a mistake in the determination of paternity is not regarded as jurisdictional error and the superior court

can enforce an agreement to support a child even though both parties to the dissolution action later admit that the child was born out of wedlock. *J.C. v. M.L.C.*, Sup. Ct. Op. No. 2724 (File No. 7166), 668 P.2d 1351 (1983).

Sec. 25.24.230. Judgment.

NOTES TO DECISIONS

Support of illegitimate children. — Although a husband's support obligation is regarded as extending only to children "of the marriage," a mistake in the determination of paternity is not regarded as jurisdictional error and the superior court

can enforce an agreement to support a child even though both parties to the dissolution action later admit that the child was born out of wedlock. *J.C. v. M.L.C.*, Sup. Ct. Op. No. 2724 (File No. 7166), 668 P.2d 1351 (1983).

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ed militia into rection, rebellion, body of men act o offer violence to ak and resist the ase of imminent ts; or whenever order, or protect such failure is tia or any part of to perform such r. Whenever any the governor, it arate entity and under military o supersede the possible, for the tion of life and f the organized the purpose of tjutant general.

Editor's notes. — This section is set out above to correct a minor error in the main pamphlet.

Sec. 26.05.222. Creation and administration of Alaska National Guard and Alaska Naval Militia retirement system. (a) There is established an Alaska National Guard and Alaska Naval Militia retirement system. The commissioner of administration shall administer the Alaska National Guard and Alaska Naval Militia retirement system.

(b) The commissioner of administration may adopt regulations to implement the Alaska National Guard and Alaska Naval Militia retirement system. Regulations adopted by the commissioner under this subsection relate to the internal management of state agencies and their adoption is not subject to the Administrative Procedure Act (AS 44.62). (§ 17 ch 159 SLA 1972; am § 9 ch 146 SLA 1980; am § 33 ch 137 SLA 1982)

Effect of amendments. — The 1980 Alaska Naval Militia" in the first and amendment rewrote the section. second sentences of subsection (a) and in The 1982 amendment inserted "and the first sentence of subsection (b).

Sec. 26.05.223. Commencement of participation in system. A member of the Alaska National Guard or Alaska Naval Militia shall be included in this system upon commencement of membership in the Alaska National Guard, or on January 1, 1973, whichever is later, or upon commencement of membership in the Alaska Naval Militia or on July 1, 1980, whichever is later. (§ 17 ch 159 SLA 1972; am § 10 ch 146 SLA 1980)

Effect of amendments. — The 1980 active" preceding "membership" near the amendment substituted "system" for middle of the section, and substituted "or "plan" at the end of the catchline and upon commencement of membership in preceding "upon commencement" near the the Alaska Naval Militia or on July 1, middle of the section, substituted "A" for 1980, whichever is later" for "Inclusion in "An active" at the beginning of the sec- the plan is a condition of active member- tion, inserted "or Alaska Naval Militia" ship in the Alaska National Guard" at the following "Alaska National Guard" near end of the section. the beginning of the section, deleted "his

Sec. 26.05.224. Retirement benefits. (a) An active member of the Alaska National Guard, or a former member who was an active member on or after January 1, 1969, or a member of the Alaska Naval Militia on or after July 1, 1980, is eligible for a retirement pension

(1) upon voluntary retirement from the Alaska National Guard or Alaska Naval Militia after a total of 20 years or more of satisfactory service in the Alaska National Guard, Alaska Naval Militia, or the armed forces of the United States, and the reserves of them, or any

combination of service in these components if at least five years of the service is in the Alaska National Guard or Alaska Naval Militia; or

(2) upon involuntary separation because of federal standards imposed on the Alaska National Guard or Alaska Naval Militia, regardless of length of service, unless the separation occurs as a result of the member's own misconduct, misrepresentation, or unwillingness to satisfy established standards for continued participation.

(b) The retirement pension is \$100 a month, payable for the same number of months that the member participated satisfactorily in the Alaska National Guard or Alaska Naval Militia.

(c) An eligible member or former member may elect to receive the retirement pension beginning on the first day of the month in which the member or former member becomes eligible for retirement, or the member or former member may elect to defer payment to a later date. Payment of a deferred retirement benefit may not begin until application for the benefit is filed with and approved by the Department of Military and Veterans' Affairs. Deferred retirement payments must be made monthly at the rate of \$100.

(d) Upon the death of an active member who has at least five years service in the Alaska National Guard or Alaska Naval Militia or a combination of these components, the member's designated beneficiary is entitled to a lump sum benefit calculated in accordance with (b) of this section. Upon the death of a former member who has at least 20 years service, the former member's designated beneficiary is entitled to a lump sum benefit calculated in accordance with (b) of this section less any retirement benefits previously paid. A member may change or revoke the designation of a beneficiary without notice to the beneficiary at any time. If a member designates more than one beneficiary, each shall share equally unless the member specifies a different allocation. The designation of a beneficiary and a change or revocation of a beneficiary shall be made on a form provided by the Department of Military and Veterans' Affairs and is not effective until filed with the Department of Military and Veterans' Affairs. If a member fails to designate a beneficiary or if no designated beneficiary survives the member, the death benefit under this subsection shall be paid to the member's estate. (§ 17 ch 159 SLA 1972; am §§ 11, 12 ch 146 SLA 1980; am § 1 ch 140 SLA 1984; am E.O. No. 58, §§ 4, 5 (1984))

Revisor's notes. — Subsections (c) and (d) were redrafted in 1984 to remove personal pronouns pursuant to § 4, ch. 58, SLA 1982.

Effect of amendments. — The 1980

amendment rewrote subsections (a) through (c), and added subsection (d).

The first 1984 amendment, in paragraph (a)(2), substituted "involuntary separation" for "involuntary retirement" and

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 amendment, in para-
 d "involuntary sep-
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added the language beginning "unless the
 separation occurs," and in subsection (d),
 substituted the present first and second
 sentences for the former first sentence,
 which read "A retirement benefit payable
 to a member at the time of the death of
 the member shall be paid in a lump sum
 to the designated beneficiary of the mem-
 ber," substituted "A member" for "The

member" at the beginning of the present
 third sentence, and substituted "the mem-
 ber's estate" for "his estate" at the end of
 the subsection.

The second 1984 amendment inserted
 "and Veterans'" in the second sentence in
 subsection (c) and in two places in the
 next-to-last sentence in subsection (d).

Sec. 26.05.225. Earlier service. A person who was a member of
 the Alaska National Guard on or after January 1, 1969, is entitled to
 credit for his service to the state and former territory of Alaska as a
 member of the National Guard and Territorial Guard before and after
 January 1, 1969, in determining eligibility for retirement benefits
 under AS 26.05.224. (§ 17 ch 159 SLA 1972; am § 13 ch 146 SLA
 1980)

Effect of amendments. — The 1980
 amendment rewrote the section.

Sec. 26.05.226. Contributions. (a) The Department of Military
 and Veterans' Affairs shall contribute to the Alaska National Guard
 and Alaska Naval Militia retirement system the amounts determined
 by the commissioner of administration as necessary to

(1) fund the system based on the actuarial requirements of the
 system as established by the commissioner of administration; and

(2) administer the system.

(b) The amount required for contributions from the Department of
 Military and Veterans' Affairs under (a) of this section shall be
 included in the annual appropriations made to the Department of
 Military and Veterans' Affairs. (§ 17 ch 159 SLA 1972; am § 14 ch
 146 SLA 1980; am § 34 ch 137 SLA 1982; am E.O. No. 58, § 6 (1984))

Effect of amendments. — The 1980
 amendment rewrote the section.

The 1982 amendment inserted "and
 Alaska Naval Militia" in the introductory
 paragraph of subsection (a).

The 1984 amendment inserted "and
 Veterans'" in the introductory language
 of subsection (a) and twice in subsection
 (b).

Sec. 26.05.227. Definitions. As used in AS 26.05.222 — 26.05.228,

(1) "beneficiary" means a person designated by the member in a
 writing filed with the system by the member while alive to receive
 benefits that may be due from the system upon the death of a member;

(2) "member" means a commissioned or warrant officer or an
 enlisted person in the Alaska National Guard or Alaska Naval
 Militia;

(3) "system" means the Alaska National Guard and Alaska Naval Militia retirement system. (§ 17 ch 159 SLA 1972; am § 15 ch 146 SLA 1980; am § 35 ch 137 SLA 1982)

Effect of amendments. — The 1980 amendment rewrote the section.

The 1982 amendment extended the scope of the reference in the introductory language from AS 26.05.226 to AS

26.05.228, substituted "a member in a writing filed with the system by the member while alive" for "a member" in paragraph (1), and inserted "and Alaska Naval Militia" in paragraph (3).

Sec. 26.05.228. Accounting and investment. (a) The commissioner of administration shall establish, as a special account in the general fund, a fund for the system and maintain accounts and records for the system.

(b) All income of the fund and all disbursements made by the fund must be credited or charged, whichever is appropriate, to the following accounts:

(1) an individual account for each retired member of the system that records the benefits paid under this system to the member or surviving beneficiary;

(2) a separate account for the Department of Military and Veterans' Affairs' contribution to fund the system based on the actuarial requirements of the system as established by the commissioner of administration under this chapter;

(3) an expense account for the system; this account is charged with all disbursements representing administrative expenses incurred by the system; expenditures from this account are included in the governor's budget for each fiscal year.

(c) Investment of surplus amounts in the fund may be made as provided in AS 39.35.110. (§ 36 ch 137 SLA 1982; E.O. No. 58, § 7 (1984))

Effect of amendments. — The 1984 amendment inserted "and Veterans" in paragraph (2) of subsection (b).

Sec. 26.05.260. Pay and allowances. (a) The adjutant general is charged with all disbursements of pay and allowances for service of the troops.

(b) Members of the Alaska National Guard and Alaska Naval Militia are entitled to receive, for each day of active service under AS 26.05.070, pay and allowances equal to those provided by federal laws and regulations for members of equivalent grades of the United States armed forces. However, a member will not receive less than \$65 per day for active service performed during the fiscal year ending June 30, 1982. For fiscal years beginning after June 30, 1982, the minimum



ASAEYC
ALASKA STATE ASSOCIATION
FOR THE EDUCATION
OF YOUNG CHILDREN

March 5, 1986

The Honorable Mitch Abood
Chairman
Senate State Affairs Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Abood:

The Alaska State Association for the Education of Young Children urges you and the other members of the Senate State Affairs Committee to support passage of House Bill 238.

Alaska has the second highest birth rate of the fifty states, the youngest population of the fifty states and over half of the Alaskan population is in the childbearing ages of 18 to 44 years.

We must do all we can to see that children born in Alaska receive the care necessary to reach their full emotional, physical and psychological potential during the first critical months of development.

Dr. T. Berry Brazelton was the keynote speaker at the Anchorage Association's conference last spring. His years of research support his claim to the importance of the first sixteen weeks of life. When an expectant mother can count on having those early weeks to bond with her infant, she can allow herself the attachment to her baby that is so important. This bonding is the basis for success in parenting in the years ahead.

This legislation will strengthen families and provide a benefit to Alaska's children without costing the state additional dollars. We support the change from maternity leave to parental leave allowing either parent the ability to be involved in the child's early stages of development and care.

Thank you for your consideration of this legislation and the opportunity to express our support.

Sincerely,

Lynn McKinnon
Vice-President for Advocacy
502 West 10th
Juneau, Alaska 99801

ALASKA WOMEN'S LOBBY

POST OFFICE BOX 10-1571, ANCHORAGE, ALASKA 99510

March 5, 1986

Honorable Mitch Abood, Chairman
Senate State Affairs Committee

Mr. Chairman and members of the committee:

The Alaska Women's Lobby would like to express it's support for HB 237. Pension systems affect women not only as workers but also as wives, divorced spouses and widows.

Only 20% of the married participants of the Public Employees Retirement System have chosen survivor benefits for their spouses. We do not know how many of these married participants have informed their spouses about this decision which affects their financial futures.

Many older persons face economic uncertainty and older women have the highest incidence of poverty in Alaska and in the nation. Older women in Alaska have only half the median income of older men.

We firmly believe that the spouse should be included in the decision to waive survivor benefits. Requiring written consent of both the participant and the spouse to waive these benefits allows both parties to be aware of the options available to them.

We are very supportive also of the protection afforded the rights of former spouses to retirement benefits in this proposed legislation. Pension benefits are sometimes the most valuable asset accrued during a marriage and should be considered as joint property to which both parties have an interest.

By waiving the prohibition of assignment for purposes of satisfying marital property rights, spousal and child support we are recognizing that the support of dependents is a somewhat different category from claims by ordinary creditors.

The amendments to ERISA (Employment Retirement Income Security Act) are an acknowledgement by Congress of the need to provide greater equity under pension plans for workers, their spouses and dependents. These amendments affect all private sector pension plans.

HB 237 would ensure that state and many municipal employees and their spouses are afforded similar benefits and protections and we urge your support of it's passage.

Thank you for your consideration.

Sincerely,

Sherrie Goll

Sherrie Goll, lobbyist
Alaska Women's Lobby

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OLDER ALASKANS COMMISSION

BILL SHEFFIELD, GOVERNOR

POUCH C, M.S. 0209
JUNEAU, ALASKA 99811
PHONE: (907) 465-3250

March 4, 1986

Senator Mitch Abood
Pouch V
Juneau, Alaska 99811

The Older Alaskans Commission urges your support for HB 237 "an act relating to pension reform". The Older Alaskans Commission has reviewed this bill and believes it will be of special benefit to older persons and especially to older women who represent slightly more than half of Alaska's older population.

It is a sad fact that being old and a woman is a sure ticket to poverty. According to a recent survey conducted by the Older Alaskans Commission, 70 percent of older Alaskans with an annual income of less than \$5,000 are women. 9 percent of Alaska's older women are divorced and an additional 45 percent are widowed. Only 3 percent were never married. Consequently, we can conclude that older women who are now poor were once married. But they do not enjoy an adequate level of retirement pensions and incomes - and many of their male peers do. Policy makers should note that the impoverishment of older women leads to the expenditure of public funds in Medicaid, Older Age Assistance, Supplemental Security Income, and other poverty programs. If we have the opportunity to establish public policy which can lessen the impoverishment of its older citizens we must do so. We have just such an opportunity in HB 237.

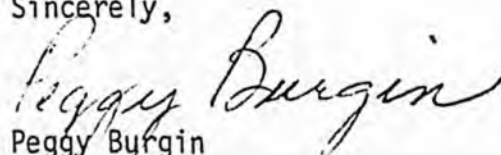
This bill would make spouses of public employees the automatic beneficiaries of survivor benefits unless the spouse waives the right to these benefits in writing. The majority of older women are totally unprepared for the death of their spouse. HB 237 would ensure that more older women would have pension benefits in the event their spouse were to die.

In addition, the bill sets up a mechanism for the distribution of pensions to former spouses of employees if they are awarded a portion of the pension at the time of their divorce. This provision will provide an important protection against impoverishment in later life.

On behalf of the Older Alaskans Commission and Alaska's 26,000 older citizens, I urge you give this bill your firm "DO PASS".

If you or members of the Senate State Affairs Committee have any questions about our position or would like any additional information, please contact our office at 465-3250.

Sincerely,



Peggy Burgin

Alaska Women's Commission

ANALYSIS OF HB 237
"An act relating to pension reform."
March 1985

243 5801

1. Sections 1-16 relate to changes in the Teachers' Retirement System.

Sections 1-3 amend the eligibility requirements for normal and early retirement of the TRS system to stipulate that members must designate their spouse* (which could include former spouses) the contingent beneficiary and select a joint and survivor benefit plan. The member must chose among three options that currently exist in the retirement plan.

Exceptions to these requirements are:

1. if the spouse has signed a consent form waiving the right as the contingent beneficiary;
2. if the spouse was not married to the member during any period of the member's employment covered by the retirement system;
3. if there is no spouse or that the spouse cannot be located or other circumstances described by the administrator by regulation

*Under sections 1-3, "spouse" means the person to whom the member is married at the time of appointment to retirement except to the extent that a qualified domestic relations order, orders otherwise.

Section 5 amends vested members' right to refund upon termination by requiring vested members to obtain their spouse's* (which could include former spouses) consent to the refund, in writing.

Exceptions to this requirement are:

1. the member is not vested;
2. the spouse was not married to the member during any period of the member's employment;
3. there is no spouse;
4. consent cannot be obtained because the spouse cannot be located.

*Under this section "spouse" means the person to whom the member is married at the time of application for the refund, except to the extent that a qualified domestic relations order, orders otherwise.

Sections 6 and 7 amend the designation of beneficiary for non-occupational and occupational death benefits by clarifying the definition of spouse* to include former spouses to the extent that a qualified domestic relations order so orders.

*Under these sections "spouse" means the person to whom the member was married during the member's employment and is married to at the time of the member's death, except to the extent that a qualified domestic relations order, orders otherwise.

Sections 8-10 amend the designation of beneficiary for death benefits from the member's designated choice to the member's spouse if the member is married, becomes married or remarries. Revocation of the designation of the member's spouse can only be accomplished by the spouse signing a consent form waiving the right as beneficiary.

The definition of spouse is clarified to mean the person to whom the member was married during the member's employment and is married to at the time of the member's death, except to the extent that a qualified domestic relations order, orders otherwise. A qualified domestic relations order can establish a former spouse as the designated beneficiary.

Procedures for the claiming of spousal entitlement to death benefits is outlined. A ten day time period, following the member's death, is established for all entitlement claims to be filed with the administrator. If a claim is not received within the ten day period, the person claiming entitlement is not entitled to receive any benefit already paid by the administrator.

Sections 11-13 amend the joint and survivor option of retirement plans by changing the designation of contingent beneficiary to require that a member's spouse (which could include former spouses) must be the contingent beneficiary. The member, however, maintains the choice of which joint and survivor option plan to select. The member must choose among three options currently existing in the retirement plan.

Exceptions to this requirement are:

1. if the spouse signs a consent form waiving the right as contingent beneficiary;
2. if the spouse was not married to the member during any period of the members' employment covered by this retirement plan;

3. if there is no spouse or that the spouse cannot be located or other circumstances described by the administrator.

In the case where there is 'no spouse', a member may designate a dependent as a contingent beneficiary or may take normal or early retirement.

Spouse is defined as the person to whom the member is married at the time of appointment to retirement, except to the extent that a qualified domestic relations order, orders otherwise. A qualified domestic relations order can establish a former spouse as the contingent beneficiary.

Procedures for claiming to be a contingent beneficiary is outlined. A 60 day time period, following a member's application for retirement, is established for filing of all claims as contingent beneficiary. No claim, following the 60 day period, may be paid if the payment would result in an increase in the actuarial cost to the retirement system.

Sections 14-15 amend the TRS exemption status from assignments to provide for assignments resulting from qualified domestic relations orders.

Section 16 defines a domestic relations order. Which means a divorce or dissolution judgement, including an order approving a property settlement, provision of child support and spousal support. It also defines surviving spouse as the spouse of a member at the time of a member's death except to the extent that a qualified domestic relations order, orders otherwise.

II. Sections 17 and 18 relate to changes in the Judicial Retirement System.

Section 17 amends survivor benefits by reducing the requirement from two years to one year that a spouse be married prior to the death of the justice or judge in order to be eligible for survivor benefits. This change conforms to PERS definition and ERISA's requirements for eligibility of survivor benefits.

It also allows former spouses who were married for at least one year and who have not remarried to share in survivors' benefits to the extent provided in a qualified domestic relations order.

Section 18 defines a qualified domestic relations order. The definition is the same as described in Section 16 under the TRS plan.

- III. Sections 19 and 20 relate to changes in the Marital and Domestic Relations statute. The amendments require that if a divorce or dissolution judgement distributes benefits from PERS, TRS, NGRS to an alternate payee (former spouse), the judgement must be a qualified domestic relations order.
- IV. Sections 21-23 relate to changes in the Alaska National Guard Retirement System.

Sections 21 and 22 amend retirement benefits for vested members by changing the designation of beneficiary for death benefits from the vested member's designated choice to the member's spouse if the member is married, becomes married or remarries while employed under this retirement plan. It also allows former spouses who were married to the member while employed under this retirement plan to share in survivors' benefits to the extent provided in a qualified domestic relations order.

Requirements and procedures for revocation of consent of the spouse, proof of a claim's entitlement and a 10 day notification of claim period are the same as for the death benefits under TRS (referred to in Sections 8-10).

Section 23 defines a qualified domestic relations order. It is identical to all other references in TRS, JRS (Sections 16 and 18).

- V. Sections 24-39 relate to changes in the Public Employees' Retirement System.

Section 24 amends a vested member's right to refund upon termination by requiring vested members to obtain their spouse's consent to the refund in writing. Definition of spouse and exceptions to this requirement are the same as in TRS (Section 5).

Sections 26-29 amend the eligibility requirements for normal and early retirement under PERS to stipulate that members must designate their spouses as the contingent beneficiary and select a joint and survivor benefit plan. The member must choose among three options which currently exist in the retirement plan. The exceptions to this requirement and definition of spouse are the same as in TRS (Sections 1-3).

Sections 30-32 amend the designation of beneficiary for non-occupational and occupational death benefits by clarifying the definition of spouse which could include former spouses to the extent that a qualified domestic relations order so orders. The change in definition of spouse is the same as in TRS (Sections 6-7).

Sections 33-35 amend the joint and survivor option of retirement plan by changing the designation of contingent beneficiary to require that a member's spouse (which could include former spouses) must be the contingent beneficiary. The member, however, maintains the choice of which joint and survivor option plan to select. The member must choose among three options that currently exist in the retirement plan. Revocation of this requirement, spousal waiver, right to designate a dependent as beneficiary or take normal retirement, definition of spouse, procedures for spousal claim to right of contingent beneficiary and time period allotted for claim is the same as in TRS (Sections 11-13).

Section 36 amends the designation of beneficiary for death benefits from the member's designated choice to the member's spouse if the member is married, becomes married or remarries. Revocation of designation, spousal waiver of the right to beneficiary, the definition of spouse, procedures for spousal claim to right of beneficiary and time period allotted for claim is the same as in TRS (Sections 8-10).

Section 37 amends the PERS exemption status from assignments to provide for assignments resulting from qualified domestic relations orders. This is the same in TRS (Sections 14-15).

Section 38 amends the definition of surviving spouse in the PERS plan to include former spouses to the extent that a qualified domestic relations order, orders.

Section 39 defines a domestic relations order. This is the same definition used in TRS, JRS, NGRS (Sections 16, 18, 23).

Section 40 charges the Department of Administration with the duty to notify members of the state's retirement plans of the changes previously outlined within 90 days following enactment of the legislation. Notification will be provided through the division of retirement's newsletter and publication in newspapers in each judicial district of the state. They will also provide all necessary forms to implement the Act.

Sections 41-42 set out the effective dates of the Act. Notification of the changes to the state's retirement plans will take effect immediately. Sections 1-39 take effect January 1, 1986.



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.

James A. Smith
Signature of Camera Operator

11/24/89
Date

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ASSOCIATION OF ALASKA SCHOOL BOARDS
326 Fourth St., Suite 510 • Juneau, Alaska 99801 • (907) 586-1083

TESTIMONY BEFORE SENATE STATE AFFAIRS COMMITTEE
CS for House Bill No. 238 (Judiciary) am
March 13, 1986

The Association of Alaska School Boards does not oppose the concept of crediting Leave Without Pay (LWOP) toward retirement eligibility. However we are opposed to removing decision-making and control regarding Parental Leaves Without Pay from the local school board and administration.

In our view HB 238 establishes, as a matter of state policy, approval of up to four months of Leave Without Pay for natural or adoptive parents who are certificated employees of school districts and credits that non-working time toward eligibility in the Teacher's Retirement System.

Currently, Leave Without Pay is collectively bargained between a school district and its certificated employees. However, the state's explicit approval of Leave Without Pay for parenting reasons undermines the district's bargaining position and weakens any attempt by school management to control leave useage.

Additionally, sixteen weeks doesn't appear to have any relation to the period of temporary disability connected with childbirth, for which employees are now entitled to use accrued sick leave. It simply represents an additional benefit of being able to count this non-working time for retirement. AASB is concerned that such a benefit may discriminate against non-parents since eligibility depends solely on whether the Leave Without Pay was for child rearing purposes.

We believe that the decline in state revenues will impact significantly on school district revenues. It is imperative that districts maximize their ability to manage and control costs at the local level. We believe this legislation would be detrimental to local control.

We thank the committee for the opportunity to submit this testimony.

Alaska State Legislature



Senator Mitch Aboud
CHAIRMAN

Senate Committee on State Affairs

CSHB 238 (Judiciary) am

The following amendments were drafted in response to Sen. DeVries request to make the language clear that adoption, and not foster parenting be included among the reasons for credit of service of leave without pay.

AMENDMENT # 1

Page 2, line 1. After "member" insert "in connection with adoption"

Page 3, line 5. After " judge" insert "in connection with adoption."

Page 4, line 13. After "employee" insert "in connection with adoption."

Alaska State Legislature

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IN SESSION:
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JUNEAU, ALASKA 99811
(907) 465-4714



Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

CSHB 238 (Judiciary) am

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OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION
1 C STREET - SUITE 742
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MEMO

TO: Senator Mitch Abood

FROM: Kathy Marshall *KM*
Executive Director

SUBJECT: Proposed changes to CSHB 238

DATE: March 13, 1986

The Alaska Women's Commission would like to propose the following changes to CSHB 238 in response to objections discussed in Senate State Affairs, March 13, 1986:

- 1) "Amend the title to "An Act relating to personal leave for pregnancy, child birth and adoption".
- 2) Eliminate sections 1, 2, 3, 5, 6, 7, and 8.

These changes will remove all references to the ability of employees to purchase back retirement credit while on leave without pay for purposes due to pregnancy, birth or adoption. This eliminates any impact on the retirement systems for PERS, TERS and JERS and subsequently removes the basis of the fiscal note.

The remaining section 4, amends the personnel statute, AS 39.20.225(b)(4) to change maternity leave to parental leave and extend the leave without pay from 9 to 16 weeks. These provisions would affect only exempt employees and not bargaining units.

The Alaska Women's Commission believes this provision will set a state policy which recognizes the importance of parental involvement in the first four months of life without impacting the bargaining process.

Please feel free to contact me if you would like additional information about this proposal. Thank you for your consideration.

KM/dn

§ 39.20.200

§ 39.20.210

PUBLIC OFFICERS AND EMPLOYEES

§ 39.20.225

NOTES TO DECISIONS

Cited in State v. Worden, 7 Alas. L.J. No. 9, p. 641 (Sept., 1969).

Collateral references. — 63 Am. Jur. 2d, Public Officers and Employees, §§ 158, 403.

Sec. 39.20.210. Determining years of service. In determining years of service for the purpose of computing personal leave, all service with the Territory and State of Alaska is included. A change in the rate of accrual of personal leave by an officer or employee takes effect upon the beginning of the monthly pay period following the monthly pay period in which the officer or employee completes the prescribed period of service. (§ 11-5-6 b ACLA 1949; am § 1 ch 182 SLA 1957; am § 1 ch 145 SLA 1960; am § 2 ch 136 SLA 1978)

Sec. 39.20.220. Requirement that employment be continuous. Notwithstanding AS 39.20.200, an officer or employee is entitled to personal leave only after having been employed currently for a continuous period of 30 days under one or more appointments without break in service. When an officer or employee completes a period of continuous employment of 30 days, an amount of personal leave is credited to the officer or employee equal to the amount which, but for this section, would have accrued under AS 39.20.200 during the period. (§ 11-5-6 c ACLA 1949; am § 1 ch 182 SLA 1957; am § 1 ch 145 SLA 1960; am § 3 ch 136 SLA 1978)

Sec. 39.20.225. Use of personal leave. (a) An officer or employee may take personal leave at any time business permits upon permission by the head of the department or agency for which the officer or employee works.

(b) An officer or employee may take personal leave for medical reasons, regardless of whether business permits, upon permission by the head of the department or agency for which the officer or employee works. A department or agency head shall grant personal leave for medical reasons if the department or agency head is satisfied that the officer or employee is absent for medical reasons. The taking of personal leave for medical reasons shall be reduced by the amount of wage continuation payments made under the Alaska Workers' Compensation Act (AS 23.30). The following constitute "medical reasons" and are subject to the conditions noted:

(1) Medical disability of an officer or employee is a medical reason for taking personal leave. A department or agency head may require a doctor's certificate showing the disability if the absence exceeds three consecutive working days.

(2) Medical disability of a member of an officer's or employee's immediate family is a medical reason for taking personal leave if the disability is such that the attendance of the officer or employee is required. A department or agency head may require a doctor's certificate showing the disability if the absence exceeds three consecutive working days.

(3) A medical condition of an officer or employee that makes presence at work a danger to the health of fellow employees is a medical reason for taking personal leave. A department or agency head may require a doctor's certificate showing the condition if the absence exceeds three consecutive working days.

(4) Pregnancy and childbirth is a medical reason for a female officer or employee to take personal leave. A female officer or employee, otherwise qualified for a leave of absence, is entitled to take a maximum of nine weeks leave immediately preceding and following childbirth. If the officer's or employee's accrued personal leave is insufficient for this purpose, the officer or employee is entitled to take leave without pay for the balance of the nine-week period.

(5) Death of a member of an officer's or employee's immediate family is a medical reason for taking personal leave. No more than five days of personal leave may be taken for this purpose.

(c) Each officer and employee shall, during each 12-month period, take at least five days of personal leave. If the officer or employee does not take at least five days of personal leave during a 12-month period, the difference between five days and the amount of personal leave taken shall be canceled without pay unless the department or agency head certifies in writing that the officer or employee was denied the opportunity to take five days of personal leave during the 12-month period. (§ 4 ch 136 SLA 1978)

Sec. 39.20.230. When annual leave may be taken. [Repealed, § 15 ch 136 SLA 1978. For current law see AS 39.20.225.]

Sec. 39.20.240. Accumulation of personal leave. Except as provided in AS 39.20.225(c) personal leave that is not taken by an officer or employee during a 12-month period accumulates for use in succeeding 12-month periods. (§ 11-5-6 e ACLA 1949; am § 1 ch 182 SLA 1957; am § 1 ch 145 SLA 1960; am § 1 ch 37 SLA 1967; am § 1 ch 31 SLA 1971; am § 1 ch 151 SLA 1972; am § 5 ch 136 SLA 1978)

Sec. 39.20.245. Donation of personal leave. (a) An officer or employee may donate one or more days of personal leave a year to the memorial scholarship revolving loan fund, or to a scholarship account in the fund, under AS 14.43.250 — 14.43.325. The commissioner of administration shall pay to the account of the memorial scholarship revolving loan fund, or to a scholarship account in the fund, an amount equal to the value of the day or days of personal leave contributed by the officer or employee.

§ 14.20.320

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FOR HB 288

§ 14.20.330

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accomplishments" in the first sentence, the second sentence, and substituted "the
substituted "returning" for "his return" in teacher" for "him" in the second sentence.

Sec. 14.20.330. Position, tenure, and retirement. (a) Unless it is otherwise agreed, a teacher returning from sabbatical leave shall return to the position occupied by that teacher when the sabbatical leave began.

(b) A sabbatical leave is not an interruption of the continuous service necessary to attain or retain tenure under AS 14.20.150, 14.20.155, or 14.20.160. However, the time spent on sabbatical leave may not be counted in determining when a teacher has sufficient service to enable the teacher to acquire tenure rights.

(c) A sabbatical leave is not a break in service for retirement purposes. Payment into the retirement fund shall be made on the basis of full salary. (§ 6 ch 134 SLA 1962; am § 32 ch 98 SLA 1966)

Editor's notes. — Subsection (a) was SLA 1982. The revisor also, in subsection
rewritten by the revisor of statutes under (b), substituted "the teacher" for "him"
the authority of AS 01.05.031 and in accordance with the directive in § 4, ch. 58, under the authority of AS 01.05.031 and
ch. 58.

Sec. 14.20.340. Military service and previous leaves of absence. To determine eligibility for sabbatical leave, tours of military service and leaves of absence granted before July 1, 1963, are not considered years of active service. (§ 7 ch 134 SLA 1962; am § 2 ch 62 SLA 1964)

Sec. 14.20.345. Leave of absence without pay. (a) A teacher may be granted a leave of absence without pay for the purposes which may be approved by the governing body of the district if

(1) the teacher's application is approved by the governing body of the district; and

(2) the teacher agrees to return to employment in a public school not later than the beginning of the school year following termination of the period for which the leave of absence was granted.

(b) A leave of absence is not an interruption of the continuous service necessary to attain or retain retirement or tenure rights according to AS 14.20.150, 14.20.155, or 14.20.160. However, the time spent on leave of absence may not be counted in determining when a teacher has sufficient service to enable the teacher to acquire retirement or tenure rights.

(c) The leave of absence is not a break in service for retirement purposes.

(d) The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the required seven per cent of the salary the teacher would have received during the leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

(e) The governing body of the district may advance the teacher on the district salary schedule when the teacher returns to employment if the governing body determines that the teacher's leave of absence was educationally or professionally beneficial to the teacher or the district.

(f) A teacher may make contributions to the retirement fund for each year or portion of a year of leave of absence taken. The contribution shall include the required per cent of the salary the teacher would have received had the leave of absence not been taken, plus the required employer and state contributions that would have been made. Compound interest at the rate prescribed by regulation shall be added as computed from the beginning date of the leave of absence to the date the teacher pays the contribution. (§ 5 ch 104 SLA 1965; am §§ 33, 34 ch 98 SLA 1966; am § 1 ch 44 SLA 1971; am § 1 ch 184 SLA 1972; am § 2 ch 99 SLA 1974)

Editor's notes. — The revisor of statutes, pursuant to AS 01.05.031 and § 4, ch. 58, SLA 1982, substituted "the teacher's" for "his" in subsection (a)(1); substituted "the teacher" for "he" in subsections (a)(2), (d), (e), and (f); substituted "the teacher"

for "him" in subsection (b); substituted "the" for "his" in subsection (d); and, in subsection (f), substituted "the leave of absence not been taken" for "he not taken the leave of absence."

Sec. 14.20.350. Definition. In AS 14.20.280 — 14.20-350 "teacher" means a certificated member of the teaching, supervisory, or administrative corps in the public schools of the state. (§ 8 ch 134 SLA 1962)

Revisor's notes. — This section was rewritten to eliminate former paragraph (2) which defined "department" by the

revisor of statutes under AS 01.05.031 because of the redundancy in light of AS 14.60.010(4).

Article 5. Professional Teaching Practices Act.

Section

- 370. Teaching profession
- 380. Creation of a commission
- 390. Appointment and qualifications
- 400. Composition of the commission
- 410. Selection of members
- 420. Term of office
- 430. Dismissal
- 440. Reimbursement

Section

- 450. Responsibilities of commission
- 460. Duties of commission
- 470. Powers of commission
- 475. Applicability of the Administrative Procedure Act
- 480. Effect of standards
- 500. Support
- 510. Short title

Sec. 14.20.370. Teaching profession. Teachers required by Alaska law to be certificated, instructors in institutions of higher learning, school administrators, school program administrators, and school counselors are within the teaching profession. (§ 35 ch 98 SLA 1966)

HB
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(2) has been employed as a teacher in the same district continuously for two full school years and is reemployed for the school year immediately following the two full school years.

(b) The tenure rights acquired under (a) of this section become effective on the first day the teacher performs teaching services in the district during the school year immediately following the two full school years. (§ 1 ch 92 SLA 1960; am § 17 ch 98 SLA 1966)

Editor's notes. — The revisor of statutes, pursuant to AS 01.05.031 and § 4, ch. 58, SLA 1982, substituted "the teacher"

for "his" in the introductory language of subsection (a).

NOTES TO DECISIONS

Purpose of tenure laws. — Tenure laws are intended to give job security to experienced teachers and to ensure that they will not be discharged for inadequate reasons. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

A system of tenure has as its objective the retention of able personnel after they have undergone an adequate period of probation with the concomitant result that more talented personnel will be attracted to enter the teaching profession. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

The law does not require that teachers shall teach every day, or every hour of every day. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

The supreme court fails to find any provision of Alaska statutes concerning education which requires, or to perceive of any persuasive policy reasons why, a

teacher must work full days throughout the school year in order to attain tenure rights. No legislative intent to exclude a teacher who works less than full days is manifest from a study of the applicable statutes. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

Duties regular and substantial enough to afford intelligent evaluation are sufficient. — When a teacher's duties are regular and substantial enough to afford intelligent evaluation, there is little in the way of persuasive policy considerations for excluding such service from the ambit of Alaska tenure laws. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

Cited in Skagway City School Bd. v. Davis, Sup. Ct. Op. No. 1216 (File No. 2265), 543 P.2d 218 (1975); Crisp v. Kenai Peninsula Borough School Dist., Sup. Ct. Op. No. 1771 (File No. 3318), 587 P.2d 1168 (1978).

Collateral references. — What amounts to waiver of status or rights under teachers' tenure statute. 145 ALR 1078.

Construction and effect of tenure provi-

sions of contract or statute governing employment of faculty member by college or university. 66 ALR3d 1018.

Who is "teacher" for purposes of tenure statute. 94 ALR3d 141.

Sec. 14.20.155. Effect of tenure rights. (a) A teacher who has acquired tenure rights has the right to employment within the district during continuous service.

(b) A teacher who has acquired tenure rights may agree to a new contract at any time. However, if the teacher fails to agree to a new contract, the provisions of the previous contract are continued subject to AS 14.20.158. (§ 18 ch 98 SLA 1966)

AB
238

§ 39.35.270

§ 39.35.280

PUBLIC OFFICERS AND EMPLOYEES

§ 39.35.300

Sec. 39.35.280. Determination and payment of state contributions. The total amount of contributions required under AS 39.35.250 — 39.35.290 to be made by the state into the system shall be ascertained by the department of administration as soon as practicable after the end of each calendar month and shall be paid from the general fund of the state, except as provided in this section. If an employee is paid wages by the state during the month from a special or administrative fund provided by law, the payment to the system shall be made from that special or administrative fund. If the wages of an employee include both wages for state employment paid from the general fund of the state and wages for state employment paid from special or administrative funds, the amount to be paid into the system shall be prorated among the state funds in proportion to the wages paid to the individuals from each fund. However, payment may not be made from the special or administrative fund if the statute covering the special or administrative funds prohibits it. (§ 10 d ch 143 SLA 1960)

Sec. 39.35.290. Regulations governing transmittal of employer contributions. The board shall adopt regulations to ensure the orderly and efficient transmittal of employer contributions. (§ 10 e ch 143 SLA 1960)

Article 5. Service.

Section	Section
300. Employment with the state	345. Temporary service credit
310. Employment with other employers	350. Reinstatement of credited service
330. Leave of absence	360. Earlier service
340. Military service	

Sec. 39.35.300. Employment with the state. (a) An active employee is entitled to credited service for periods of employment with the state after January 1, 1961, regardless of the office, department, division, or agency of the state in which the person was employed. For purposes of this chapter, the University of Alaska is not an office, department, division, or agency of the state. Service credit may not be granted under this chapter for service that is creditable under the teachers' retirement system, AS 14.25.

(b) A permanent part-time employee of the state receives credited service on a pro rata basis to that which would have been earned as a permanent full-time employee. (§ 11 ch 143 SLA 1960; am § 4 ch 155 SLA 1966; am § 4 ch 27 SLA 1976; am § 26 ch 128 SLA 1977; am § 29 ch 13 SLA 1980)

Effect of amendments. — The 1980 amendment added the present second and third sentences in subsection (a).

MF

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Handwritten initials and date: 11/31/85

Page 1 of 2

Revision Date: _____

REQUEST Bill/Resolution No.: CSHB 238 (JUD) FISCAL DETAIL Agency Affected: All State
Title: "An Act relating to credited service. . ." BRU: Retirement & Benefits

Sponsor: Rules Components: PERS, TRS, JRS
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES						
RTMNT & BNFTS		85.4	92.2	99.6	107.6	116.2
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
TRS MATCH		45.7	49.4	53.3	57.6	62.2
TOTAL OPERATING	-0-	131.1	141.6	152.9	165.2	178.4
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		123.6	133.5	144.2	155.7	168.2
FEDERAL FUNDS		3.6	3.9	4.2	4.6	4.9
OTHER		3.9	4.2	4.5	4.9	5.3
TOTAL	-0-	131.1	141.6	152.9	165.2	178.4

POSITIONS: -0- -0- -0- -0- -0- -0-

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached

Prepared By: J.K. Humphreys, Director Phone: 465-4470
 Division: Retirement & Benefits Date: 1/24/86

Approved by Commissioner: Eleanor Andrews Date: 1/24/86
 Agency: Department of Administration

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

CSHB 238 (JUDICIARY)
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration

January 24, 1986

IV Analysis:

Passage of this bill will allow members of the Public Employees (PERS), Judicial (JRS) and Teachers' (TRS) Retirement Systems to claim and purchase service for periods of authorized Leave Without Pay which resulted from pregnancy, birth of a member's child, adoption or care of the child immediately following birth. The bill also establishes a sixteen week limit on the amount of Leave Without Pay which may be claimed.

To fund this bill, the state PERS contribution rate would be increased by .0133% in FY 87. The state PERS payroll is estimated to be \$590,176,728 in FY 87 and to increase by 8% each year thereafter.

The state TRS contribution rate must be increased by .01% for FY 87. The state TRS payroll is estimated to be \$68,569,578 in FY 87 and to increase by 8% each year thereafter. The TRS State Match contribution would increase by .01% in FY 87. The TRS State Match salary is estimated to be \$456,833,417 for FY 87 and to increase by 8% each year thereafter.

The State FY 87 cost of \$131.1 is calculated as follows:

The increase in State PERS contribution rate (.0133%) times the estimated FY 87 State PERS salary (\$590,176,728) equals; \$78,500.00

The increase in State TRS contribution rate (.01%) times the estimated FY 87 State TRS salary (\$68,569,578) equals; \$ 6,900.00

The increase in TRS State Match contribution rate (.01%) times the estimated FY 87 TRS State Match salary (\$456,833,417) equals; \$45,700.00

Total cost \$131,100.00

We have also estimated that Political Subdivision and School Districts costs (TRS and PERS) would increase as follows:

<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
\$102.7	\$110.0	\$110.0	\$120.4	\$120.7

@ 2/3/1

Alaska State Legislature



House of Representatives House Judiciary Committee

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-1111

HOUSE JUDICIARY COMMITTEE
INTENT FOR CSHB 238 (Jud) am

It is the intent of the Committee that, when a position providing vital government services to the public is temporarily vacated because of parental leave authorized under CSHB 238 (Judiciary) am the supervisor should immediately fill the position with a temporary employee so that those services to the public are not interrupted.

M. Mike Miller, Chairman

John Sund, Vice-Chairman

Don Clocksin

Max Gruenberg

Randy Phillips

Fritz Pettyjohn

Robin Taylor

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

oc

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the state's retirement systems. This bill amends statutes pertaining to the teachers', judicial, and public employees' retirement systems to allow credit for service for certain approved leave without pay.

The bill allows for credited service to be obtained for up to nine weeks of approved leave of absence without pay taken in connection with pregnancy, birth, or adoption of a child, and care of a child immediately after the birth or adoption of the child. Once an employee returns to work after such a leave of absence, the employee may obtain credited service by paying the full actuarial cost of providing benefits for the service claimed. Any unpaid indebtedness for the service claimed at the time of retirement will result in an actuarial reduction in benefits.

The bill requires the commissioner of administration to inform retirement system participants of the changes accomplished by this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date: _____

Page 1 of 2

REQUEST
 Bill/Resolution No.: HB 238
 Title: "An Act Relating to
 Credited Service..."
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: All State Agencies
 Program Category Affected: Elementary &
 Secondary Education, Labor Services
 BRU, Program or Subprogram(s) Affected:
PERS, JRS & TRS

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 Personal Svcs						
100 Rtmnt & Bnfts		44.8	48.4	52.3	56.3	60.9
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match		23.3	25.2	27.2	29.4	31.7
TOTAL OPERATING	-0-	68.1	73.5	79.4	85.8	92.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		64.2	69.3	74.9	80.9	87.3
FEDERAL FUNDS		1.9	2.1	2.2	2.4	2.6
OTHER		2.0	2.2	2.3	2.5	2.7
TOTAL	-0-	68.1	73.5	79.4	85.8	92.6

Prepared By: J.K. Humphreys, Director Phone: 465-4470
 Division: Retirement & Benefits Date: 2/21/85

Approved by Commissioner: Lisa Rudd Date: 2-22-85
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

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

Elem. & Secondary Educ.

HB 238 : Maternity Credit Bill
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration

February 21, 1985

IV Analysis:

Passage of this bill will allow members of the Public Employees (PERS), Judicial (JRS) and Teachers' (TRS) Retirement Systems to claim and purchase service for periods of authorized Leave Without Pay which resulted from pregnancy, birth of a member's child, adoption or care of the child immediately following birth. The bill also establishes a nine week limit on the amount of Leave Without Pay which may be claimed.

To fund this bill, the state PERS contribution rate would be increased by .0075% in FY 86. The state PERS payroll is estimated to be \$544,046,592 in FY 86 and to increase by 8% each year thereafter.

The state TRS contribution rate must be increased by .0056% for FY 86. The state TRS payroll is estimated to be \$71,490,744 in FY 86 and to increase by 8% each year thereafter. The TRS State Match contribution would increase by .0056% in FY 86. The TRS State Match salary is estimated to be \$416,297,654 for FY 86 and to increase by 8% each year thereafter.

The State FY 86 cost of \$68.1 is calculated as follows:

contribution rate (.0056%) times the estimated FY 86 TRS State Match salary (\$416,297,654) equals;	<u>\$23,300.00</u>
Total cost	<u><u>\$68,100.00</u></u>

We have also estimated that Political Subdivision and School Districts costs would increase as follows:

<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
\$51.4	\$55.5	\$60.0	\$64.7	\$69.9

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 2

REQUEST
Page 1 of 2
Bill/Resolution No.: CSHB 238 (Jud)
Title: "An Act relating to credited
service..."
Sponsor: Rules
Requestor: Miller
Date of Request: 4/29/85

FISCAL DETAIL
Agency Affected: All State
Program Category Affected:
Labor Services
BRU, Program or Subprogram(s) Affected:
PERS, TRS

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
Operating						
100 Personal Svcs						
100 Rtmnt & Bnfts		79.5	85.9	92.7	100.1	108.2
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match		41.6	44.9	48.5	52.4	56.6
TOTAL OPERATING	-0-	121.1	130.8	141.2	152.5	164.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		114.2	123.3	133.2	143.9	155.4
FEDERAL FUNDS		3.3	3.6	4.8	4.2	4.5
OTHER		3.6	3.9	4.2	4.4	4.9
TOTAL	-0-	121.1	130.8	141.2	152.5	164.8

Prepared By: J.K. Humphreys Director Phone: 465-4470
Division: Retirement & Benefits Date: 4/29/85

Approved by Commissioner: Lisa Rudd Date: 5/7/85
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

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

Labor Services
Rev. 7/1/84

CSHB 238 (JUDICIARY)
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration

April 29, 1985

IV Analysis:

Passage of this bill will allow members of the Public Employees (PERS), Judicial (JRS) and Teachers' (TRS) Retirement Systems to claim and purchase service for periods of authorized Leave Without Pay which resulted from pregnancy, birth of a member's child, adoption or care of the child immediately following birth. The bill also establishes a sixteen week limit on the amount of Leave Without Pay which may be claimed.

To fund this bill, the state PERS contribution rate would be increased by .0133% in FY 86. The state PERS payroll is estimated to be \$544,046,592 in FY 86 and to increase by 8% each year thereafter.

The state TRS contribution rate must be increased by .01% for FY 86. The state TRS payroll is estimated to be \$71,490,744 in FY 86 and to increase by 8% each year thereafter. The TRS State Match contribution would increase by .01% in FY 86. The TRS State Match salary is estimated to be \$416,297,654 for FY 86 and to increase by 8% each year thereafter.

The State FY 86 cost of \$121.1 is calculated as follows:

contribution rate (.01%) times the estimated FY 86 TRS State Match salary (\$416,297,654) equals;	<u>\$41,600.00</u>
Total cost	<u><u>\$121,100.00</u></u>

We have also estimated that Political Subdivision and School Districts costs would increase as follows:

<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
\$91.4	\$98.7	\$106.6	\$115.1	\$124.3



STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

February 20, 1986

Senator Mitch Abood
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Abood:

Suzanne Lombardi, a member of the Alaska Women's Commission, met with you on February 19th to discuss HB 237, Pension Reform, and HB 238, Parental Leave. These two bills were introduced by the Governor at the Alaska Women's Commission's request. Commissioner Lombardi asked me to respond to several concerns you raised about the bills in your meeting with her.

HB 237, The Pension Reform bill is based on the federal legislation, the Retirement Equity Act of 1984. HB 237 reforms the public sector retirement plans to conform to the private sector plans modified by the Retirement Equity Act. The bill covers three major areas:

- 1) Spouses become the automatic beneficiaries on retirement plans for death benefits. Under the current system an employee may elect a larger monthly retirement and no survivor benefits. In fact, only 20% of employees elected survivor benefits last year.
- 2) Consent of the employees spouse is required in writing if an employee chooses to waive survivor benefits. This provision would permit families to waive survivor benefits but would also insure the spouse could prepare before the time of death for no survivor benefits.
- 3) Retirement benefits become assignable to former spouses if stipulated in the divorce decree. Currently, retirement benefits are frequently considered a marital asset and a portion of the value of the benefits awarded to the spouse. With the passage of this bill, retirement benefits could be assigned at the time of retirement rather than a lump sum value being awarded at the time of the divorce. The former spouses would only be eligible for the portion of the benefits

awarded at the time of divorce. If, for example, a state employee was married for ten years and got a divorce and later remarried to a second spouse for five years prior to dying, the first spouse would be entitled to ten years worth of benefits and the second spouse would only be entitled to five years worth of benefits.

This bill at both the federal and state level has received wide support. It has been recognized that many people, especially women, fall into poverty upon the death of their spouse. This bill ensures a measure of protection to women during the retirement years.

The second bill, HB 238, changes maternity leave to parental leave, increases the amount of leave without pay from 9 to 16 weeks and allows employees on leave without pay to purchase back their retirement credit. Under current law only women can take maternity leave. However, there are often circumstances under which the husband may need to take the leave to care for a newborn. Currently this is not possible.

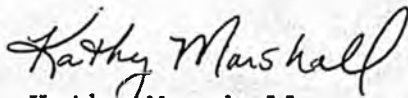
HB 238 increases the amount of leave without pay available to employees from 9 to 16 weeks. A leading pediatrician, T. Berry Brazelton, has argued that children suffer irreparable harm if they are not cared for by either a parent or grandparent during the first four months of life. He states that "only a parent or grandparent can provide the irrational love needed by an infant to reach their full emotional intellectual and physical capacity during the first four months". This bill would at least provide parents the opportunity to be at home, at no expense to the state, during this critical period.

One concern which has been articulated by several legislators in the House was that if this extra time were given to employees, the state would be left with one to continue the jobs for 16 weeks. However, since this is leave without pay, the state would have the financial capability of hiring temporary employees to replace the employee on parental leave. Another important factor is that less than 1/2% of the time spent on leave without pay last year was taken for maternity purposes. Not many individuals can afford to be out of work without pay for lengthy periods of time.

In general the bill has received good support since it promotes the welfare of Alaska's children and is perceived as pro family.

The Alaska Women's Commission hopes you will support these bills. If we can provide you with any additional information, please don't hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Marshall".

Kathy Marshall
Executive Director

KM/dn



OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION

KATHY MARSHALL
Executive Director

3601 "C" Street, Suite 742
Anchorage, Alaska 99503

445-3568
(907) 561-4227



PHONE
(907) 561-4227

STATE OF ALASKA
OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION
1 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

MEMO

TO: Senator Mitch Abood
FROM: Kathy Marshall *KM*
Executive Director
SUBJECT: Proposed changes to CSHB 238
DATE: March 13, 1986

The Alaska Women's Commission would like to propose the following changes to CSHB 238 in response to objections discussed in Senate State Affairs, March 13, 1986:

- 1) "Amend the title to "An Act relating to personal leave for pregnancy, child birth and adoption".
- 2) Eliminate sections 1, 2, 3, 5, 6, 7, and 8.

These changes will remove all references to the ability of employees to purchase back retirement credit while on leave without pay for purposes due to pregnancy, birth or adoption. This eliminates any impact on the retirement systems for PERS, TERS and JERS and subsequently removes the basis of the fiscal note.

The remaining section 4, amends the personnel statute, AS 39.20.225(b)(4) to change maternity leave to parental leave and extend the leave without pay from 9 to 16 weeks. These provisions would affect only exempt employees and not bargaining units.

The Alaska Women's Commission believes this provision will set a state policy which recognizes the importance of parental involvement in the first four months of life without impacting the bargaining process.

Please feel free to contact me if you would like additional information about this proposal. Thank you for your consideration.

KM/dn



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.

James O. Smith
Signature of Camera Operator

11/24/89
Date

HB

242

Article 3. Automatic Data Processing.**Section**

- 150. Declaration of purpose
- 160. Powers and duties of Department of Administration
- 170. Definitions

Sec. 44.21.150. Declaration of purpose. It is the purpose of AS 44.21.150 — 44.21.170 to designate the Department of Administration as the department responsible for the operation and management of automatic data processing resources and activities of the executive, legislative and judicial branches of state government, and to provide for periodic review of state automatic data processing procedures and mechanisms. It is further the purpose of these sections to encourage cooperation between the state government and local governments in the use of automatic data processing systems. (§ 2 ch 170 SLA 1972)

Sec. 44.21.160. Powers and duties of Department of Administration. (a) The department shall provide automatic data processing services responsive to the needs of state government and procure, operate and staff all automatic data processing equipment facilities used by state government.

(b) To carry out (a) of this section the department may

- (1) maintain a central staff of systems analysts, computer programmers and other staff members sufficient to provide systems analysis and computer programming support required by the executive, legislative and judicial branches of state government;
- (2) develop and maintain both short-range and long-range data processing plans for state government and provide managerial leadership in the use of automatic data processing;
- (3) review all budget requests for automatic data processing services and recommend to the governor approval, modification, or disapproval;
- (4) recommend implementation priorities of requested data processing systems;
- (5) determine and satisfy the data processing equipment and supply requirements of all branches, departments and agencies of state government;
- (6) provide all facilities, equipment and staff required to convert data to a form suitable for processing on automatic data processing equipment;
- (7) develop and publish systems analysis, computer programming and computer operations standards;
- (8) review all state automatic data processing systems to encourage effectiveness, measure performance, and assure adherence to the standards developed under AS 44.21.150 — 44.21.170;
- (9) develop and conduct an automatic data processing training program designed to serve the technical and managerial needs of state government.

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(c) The department may cooperate with political subdivisions of the state in the development and operation of data processing systems and may allow for the use of state facilities by political subdivisions.

(d) The department may develop and implement a plan for the integration of automatic data processing facilities of the University of Alaska with the state facilities. However, the integration plan authorized by this subsection may not be put into operation until approved by the President of the University of Alaska and the department.

(e) Nothing in this section precludes the department from authorizing recruitment and employment of data processing personnel by other departments of the executive branch when the commissioner determines that the needs of the other departments will be best served by the authorization. Nothing in this section precludes the department from obtaining necessary contractual assistance for automatic data processing activities. Nothing in this section precludes the legislature or judicial system from recruiting and employing data processing personnel or from obtaining necessary contractual assistance for automatic data processing activities.

(f) The division of data processing shall coordinate with the division of telecommunications in providing for the effective transfer of information by telecommunications through the establishment of compatible systems and common standards. (§ 2 ch 170 SLA 1972; am E.O. No. 50, § 8 (1981))

Effect of amendments. — The 1981 amendment added subsection (f).

Editor's notes. — Section 3, ch. 170, SLA 1972, provides: "This Act applies to all automatic data processing facilities acquired either partially or wholly with

state money before or after July 7, 1972. This Act also applies to automatic data processing facilities used by the state but financed with federal money, to the extent permissible under applicable federal policies."

Sec. 44.21.170. Definitions. In AS 44.21.150 — 44.21.170

(1) "automatic data processing" means

(A) those methods of processing data by using electrical accounting machinery (EAM) or electronic data processing equipment (EDP), including the activities and devices required to prepare data for automatic data processing;

(B) data communications devices and those systems used with automatic data processing equipment in the transmission and reception of data; and

(C) activities related to the design and development of automatic data processing systems;

(2) "commissioner" means the commissioner of administration;

(3) "department" means the Department of Administration. (§ 2 ch 170 SLA 1972)

Article 3 -

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

March 5, 1985

Representative Red Boucher
Chairman, Telecommunications Subcommittee
Capitol Building, Room 421

Dear Representative Boucher:

This letter contains information relative to House Bill 242.

In April, 1983 the 12th Legislature, in conjunction with the Executive Branch, terminated the major part of what had been functioning as a computing resource chargeback system for the following reasons:

- The amounts using agencies were budgeting to pay their resource charges were much higher than the amount computing resource providers needed to operate.
- Chargeback rates established by the Data Centers were artificially high to cover losses from agencies that consumed resources but did not pay their chargeback billings.

Once chargeback was eliminated, it was necessary to establish an operating budget for the Data Centers paid directly out of General Funds instead of Inter-Agency receipts. This was accomplished by taking the total Data Center budget and subtracting the amount of non-General Funded based income that would continue to be received through Inter-Agency transfers. (An additional amount of \$3100.0 was added to cover those operating expenses that had been paid from capital funds for a number of years.) As a result, the major portion of the FY84 Information Resources Management (IRM) budget was established and the Data Centers as well as the using agencies lost visibility and, therefore, the means of managing resource consumption.

It can be argued as to whether this loss of manageability or the surge in system's development was the primary

contributor, but 1983 and 1984 were the most dramatic years of expanded Data Center load in the history of Alaska. From December, 1982 to January, 1985 (two years) the Data Centers have had to upgrade their computers three times for an increase in capacity of nearly 300%.

This growth does not imply there has been a total abandonment of rational use. A number of excellent systems have been implemented in this period. However, it is felt that some portion of the current consumption level could be reduced through effective management.

For this reason, the idea of resource chargeback as a management tool is still supported by both the Legislature and the Administration in spite of problems with the old system. However, a new system must have new characteristics. Some of which are:

- Chargeback rates must be auditable directly back to the provider's budget.
- The system must be able to absorb unpredicted variations in agency usage estimates.
- The system must allow cause/effect charges in Data Center configurations at times which may be incompatible with budgetary approval schedules.

In July 1983 (FY84), a cost analysis of the Data Centers was commenced and a study of various packaged billing systems was undertaken to select one that would fit the State's needs. After approval of a \$74,000 capital project for FY85, a technique for calculating rates was developed and approved by all departments and the Boeing Computing Chargeback System (FACTS) was purchased and installed in the Juneau and Anchorage Data Centers as well as the University of Alaska. Commencing with October, 1984, simulated invoices were generated and provided to high-use departments for review.

At this time, the mechanics of a new chargeback system are in place and operating, but two major elements remain to make it fully operational - HB242 and Implementation.

House Bill 242 which will accomplish two things.

- Establish a non-lapsing account in the General Fund to act as shock absorber between the often incompatible requirements of resource demands and budget schedules.
- Provide the authority to collect funds from all governmental entities in or out of state

government that may be authorized to use state resources.

The non-lapsing account would commence with zero funding and be a repository for all resource-based income from any Data Center user. From this account, the Data Centers would be authorized to pay those expenses which result from providing the chargeback resources. Any excess income would not lapse at fiscal year closing, but would accumulate in the account to defray major up-front expenses that occur as a result of significant changes in system load or technology. The fund would be reimbursed by a fractional change in rates or the actual enlargement in a user's bill where additional resources are consumed. The fund would also serve as a buffer for sudden reductions in user consumption causing a reduction in income. Unfortunately, computing hardware cannot be disposed of as rapidly as a user can reduce his usage.

The other portion of HB242 allows the Data Centers to charge non-state governmental agencies for services and resources consumed. This would cover any user from city-borough through federal level.

HB242 very adequately covers the above subjects, but there are two administrative items relative to the non-lapsing account that should be considered. The first is the establishment of a limit of the account size. IRM recommends that limit be set at \$5,000.0 with any excess automatically rolling back to the General Fund at the close of each fiscal year. The second is the management of the account. IRM recommends this be the responsibility of the Office of Management and Budget.

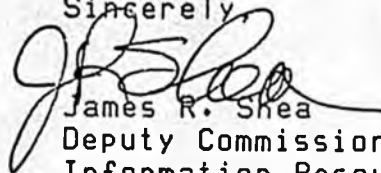
The other remaining major element to make chargeback fully operational is implementation. This involves moving the existing IRM General Fund amounts which are subject to chargeback out of IRM's budget and into the right user budgets so the system can commence operating.

To accomplish this, IRM recommends that the full system be implemented over a two year span. In the first year (FY86), budgets would remain as they have been presented, the new rates would be published and used for new systems justifications, invoices would be generated to the entire user community, but actual payment to the non-lapsing General Fund account would only occur for those agencies that have been making inter-agency payments through FY85 and any new accounts. This would give all other agencies an additional few months to prepare better budget estimates for their resource consumption and include their expected General Fund increases in the FY87 budget proposal. Commensurate with the

user's increases in General Fund requests, IRM's General Fund request will go down equally, assuming there are no drastic increases in load. If there are such increases, IRM will be providing a total by agency as to the recommended funding level based on historical consumption. Any deviations will be justified by the consuming agency.

I encourage the committee to look favorably on this bill and will be available for testimony or conversation at any time.

Sincerely



James R. Shea
Deputy Commissioner
Information Resources and
Telecommunications

cc: Representative Virginia Collins
House of Representatives
Behrends Building, Room 220

Representative Mike Davis
House of Representatives
Capitol Building, Room 415

Representative Peter Goll
House of Representatives
Behrends Building, Room 212

Representative Marco Pignalberi
House of Representatives
Behrends Building, Room 203

Representative Dave Thompson
House of Representatives
Behrends Building, Room 214

Representative Kay Wallis
House of Representatives
Capitol Building, Room 130

Jay Hogan, Associate Director
Office of the Governor
Office of Management and Budget
Division of Budget Review

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ADMINISTRATIVE SERVICES

BILL SHEFFIELD, GOVERNOR

Robert J. Sundberg
Commissioner

POUCH N
JUNEAU, ALASKA 99811
PHONE: 465-4336

January 29, 1986

JAN 30 1986

Representative H. A. "Red" Boucher, Chairman
House Special Committee on Telecommunications
Post Office Box V
State Capitol
Juneau, AK 99811


Dear Representative Boucher:

In response to your recent inquiry about the Department's fiscal note for CSHB 242(Tele)(efd am), this fiscal note was based upon the Department of Administration's: 1) cost projections in the Fall of 1985, and 2) their sample monthly billings. The information was not available during the last session when the bill was being initially considered.

The Department of Public Safety's position is that the Department of Administration probably has adequate funding to continue present service being provided to the Department of Public Safety. But, since the potential fiscal impact is so substantial, it should be pointed out to legislative decision-makers as a likely cost related to full implementation of data processing chargeback.

Unfortunately, there was also an apparent distribution problem with this fiscal note. Additional copies have been sent out to those who did not receive the initial copy sent to them. Please advise if you have further questions or concerns.

Sincerely,


Jos Mapranath
Director

cc: James D. Vaden, Deputy Commissioner

DEPARTMENT: Public Safety

DATE: 1/9/86

LAW LOG # _____

Due:

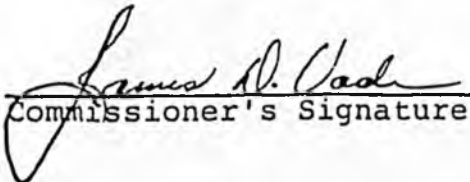
Please indicate your recommendation regarding the final draft legislation affecting your department sent to you by the Department of Law. If you notice any changes you would like to make to the transmittal letter, major corrections, or issues to be addressed, list them below.

Attach a fiscal note, sign this cover sheet and return to Candise Griffin, Office of the Governor, as soon as possible. Thank you.

RECOMMENDATION: (Approve, hold, do not approve)

COMMENTS: When this bill becomes law, a DP chargeback system will be formally implemented using rate structure developed by Department of Administration.

There appears to be a substantial impact on the Department of Public Safety as can be seen from the attached Fiscal Note.


Commissioner's Signature

1/9/86
Date

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 242 (Telecomm.)
 Title : An Act relating to automatic data processing; and providing for an effective date.
 Sponsor : Rules/Governor
 Requestor By House Special Committee on
 Date of Request : Telecommunications

FISCAL DETAIL

Agency Affected : Dept. of Public Safety
 BRU : DPS Administration
 Components : Data and Word Processing

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		1433.5	1476.5	1520.8	1566.4	1613.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		1433.5	1476.5	1520.8	1566.4	1613.3

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		1433.5	1476.5	1520.8	1566.4	1613.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

A 3% increase has been figured into each consecutive year following FY87.

See the attached.

Prepared by : Jos Mapranath
 Division : Administrative Services

Phone : 465-4336

Date : 1/9/86

Approved by Commissioner : [Signature]
 Agency : Department of Public Safety

Date : 1/9/86

Distribution (by Agency preparing fiscal note) :

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS HR 242

Fiscal note is using current Department of Administration rate structure and is based on a comparison of :

1.	11 months cost ending 8/31/85 =	\$3,653,000.0	
	Projected 12 months		\$3,985.1
2.	10-1-85 to 10-31-85		
	Sample Billing	\$ 322,676.06	
	Straight Projection for 12 months		\$3,872.1

Take the lower of the figures (in FY86 dollars) \$3,872.1 (A)

DP Chargeback

Budgeted in DPS in FY84; now in Department of Administration (in FY82 dollars) \$2,438.6 (B)

Difference: A - B =
$$\begin{array}{r} \$3872.1 \\ 2438.6 \\ \hline \$1433.5 \end{array}$$

Note

The actual amount needed may be lower due to:

1. Planned downward revision in the rate structure by Department of Administration.
2. Other funds available within Department of Administration.
3. Probable inflationary increase in funding budgeted by Department of Administration over the course of these years.

XXXX TOTAL XXXX

10809.96

10809.96

JUNEAU CICS

JUNEAU CICS PRIME

366.26

186.80

XXXX TOTAL XXXX

186.80

ANCHORAGE CICS

ANCH CICS PRIME
ANCH CICS NONPRIME

557.69
.00

284.41
.00

XXXX TOTAL XXXX

284.41

DEDICATED CICS

DEDICATED CICS PRIME
DEDICATED CICS NON PRIME

137714.58
35637.69

70234.43
13898.70

STATE OF ALASKA

BCS FINANCIAL ACCOUNTING SYSTEM (IBM)

FACTS RELEASE 3.00 11/13/85
(LEVEL = 4) REPORT PAGE 23 PA

ACCOUNTING PERIOD:
START: 10/01/85
END: 10/31/85

ORGANIZATION / RESOURCE DETAIL

PREPARED FOR
STATE OF ALASKA

DATA REPORT
FIRST:
LAST:

PROJECT TYPE: BILLABLE

ORGANIZATION: STATE OF ALASKA
(CURRENT PERIOD)

CHARGES

SUB-ORGANIZATION	RESOURCE TYPE	RESOURCE	VOLUME	CHARGES (\$)
PUBLIC SAFETY	(CONTINUED)			
	XXXX TOTAL XXXX			84133.13
JUNEAU ADABAS		JUNEAU ADABAS PRIME JUNEAU ADABAS NONPRIME	87.01 3.37	38.27 1.04
	XXXX TOTAL XXXX			39.31
ANCHORAGE ADABAS		ANCH ADABAS PRIME ANCH ADABAS NONPRIME	153.38 146.99	67.52 47.00
	XXXX TOTAL XXXX			114.52
DEDICATED ADABAS		DEDICATED ADABAS PRIME DEDICATED ADABAS N-PRIME	345203.05 32119.09	151889.33 10278.11
	XXXX TOTAL XXXX			162167.44

XXXX TOTAL FOR PUBLIC SAFETY

Staight projected 12 mos (FY 86) = 3,672,112 - 38777

322676.06

TOTAL COST OF SUPPORT FOR 11 MONTHS ENDING AUGUST 31, 1985

Governor	\$ 373,899	Environmental Conservation	\$ 14,500
Administration	3,963,637	Corrections	49,249
Law	135,543	Community & Regional Affairs	1,344
Revenue	807,054	Dept. of Transportation	873,756
Education	376,185	Ombudsman	3,597
Health & Social Services	2,611,740	Legislative Affairs	351
Labor	24,485	Legislative Audit	29,990
Commerce	216,347	Legislative Finance	72,691
Military Affairs	808	Courts	38,324
Natural Resources	565,770	University	9,978
Fish & Game	475,429	Federal Government	11
Public Safety	3,653,000		
			<hr/>
			\$14,297,688

2985 (11 months)

AGENCY: DEPARTMENT OF PUBLIC SAFETY
 CATEGORY: ADMINISTRATION OF JUSTICE

PROGRAM: ADMINISTRATION
 SUB PROGRAM: ADMINISTRATION & SUPPORT

USED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: LB-3-3 \$3.4

***** HOUSE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: HOUSE (\$3,273.1) VERSUS GOV.AMD. (\$5,766.7)
PERS. SERV.	-13.6	-0.7%	DISALLOW NEW DATA CONTROL CLERK II POSITION.
TRAVEL	-0.1	-0.2%	ALLOW FY 83 AMOUNT LESS 10%.
CONTRACTUAL	-2474.5	-67.2%	DELETE INFLATION AMOUNT <35.9>, DELETE DATA PROCESSING CHARGEDBACK AMOUNT <2438.6>.
COMMODITIES	-2.8	-5.7%	DELETE INFLATION AMOUNT.
EQUIPMENT	-2.6	-49.1%	ALLOW 50% OF REPLACEMENT EQUIPMENT.
TOTALS	-2493.6	-43.2%	

NO NEW POSITIONS AUTHORIZED.

***** SENATE ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE (\$3,204.4) VERSUS GOV.AMD. (\$5,766.7)
TRAVEL	-15.8	-24.5%	REDUCE TRAVEL.
CONTRACTUAL	-2538.6	-68.9%	REDUCE INFLATION <100.0>, DELETE DATA PROCESSING CHARGEDBACK <2438.6>.
COMMODITIES	-5.3	-10.8%	REDUCE INFLATION.
EQUIPMENT	-2.6	-49.1%	REDUCE BY 50%.
TOTALS	-2562.3	-44.4%	

POSITIONS AUTHORIZED

TITLE	LOCATION	TYPE	APP	S&B COSTS	FED.FUND	GEN.FUND	OTH.FUND
3 DATA CONTROL CLERK II	ANCHORAGE	PART	1	13.6		13.6	
** TOTALS			1	13.6		13.6	

DATA PROCESSING CONTINUATION LEVEL SUMMARY

FORM 5A TRANSFER FROM:	TOTAL	310 LINE CHARGES	360 TERMINAL LEASE	382 DATA PROCESSING PROP. FEES	382 TERMINAL MAINT. (A.I.S)	382 TERMINAL LEASE /CONVERSION	382A DP CHARGEBACK TERMINAL COSTS	382A DP CHARGEBACK SYSTEMS COSTS
Fire Safety	17.8		7.9		3.0		6.9	
Driver Services	60.0				15.0		45.0	
Vehicle Services	32.4				7.4		25.0	
Field Services	645.0	128.8			94.4		421.8	
DIV Administration	16.4				5.9		10.5	
Central Communications	510.2	70.0			88.5		401.7	
Academy	11.2	0.6			1.5		9.1	
Bureau of Vehicle Inf.	21.3			21.3				
Total 5A Transfers	\$ 1,314.3	\$ 149.4	\$ 7.9	\$ 21.3	\$ 215.7	\$ 0.0	\$ 920.0	\$ 0.0
Admin. & Support	1,986.4	3.2	19.9	114.7	38.4	291.7	56.8	1,461.8
TOTAL DP COSTS	\$ 3,300.7	\$ 152.6	\$ 27.8	\$ 136.0	\$ 254.1 /	\$ 291.7	\$ 976.8	\$ 1,461.8
TOTAL OF 15 DP FORMS						\$ 2,984.4		

- 1 20 2 1 1

11.2.84

23 CONTINUED 15

01-115417/821-23

AGENCY Department of Public Safety
 PROGRAM Crime ID & Apprehension
 BRU DPS Administration
 COMPONENT Administration & Support

Page 10 of 10
 Revised Date

FY 84

000940

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 1

REQUEST

Bill/Resolution No.: _____
 Title: "An Act Relating to
 Data Processing; and Providing
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Administration
 Program Category Affected: General Government
 For An Effective Date"
 BRU, Program or Subprogram(s) Affected:
 Information Resource Management

Automatic

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	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This Legislation has no fiscal impact to the State

Prepared By: John Valensi *John Valensi* Phone: 465-2220
 Division: Information Resources Planning & Review Date: 2-11-85
 Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 2-20-85
 Agency: Department of Administration *for*

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 1

REQUEST

Bill/Resolution No.: _____

Title: "An Act Relating to _____"

Sponsor: _____

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Administration

Program Category Affected: General Government

BRU, Program or Subprogram(s) Affected: _____

Information Resource Management

Automatic Data Processing; and Providing For An Effective Date"

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	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This Legislation has no fiscal impact to the State

Prepared By: John Valensi *John Valensi* Phone: 465-2220
 Division: Information Resources Planning & Review Date: 2-11-85

Approved by Commissioner: Lisa Rudd *Lisa Rudd* Date: 2-20-85
 Agency: Department of Administration *for*

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

113 242

Revision Date: 155

REQUEST

Bill/Resolution No.:
Title: "An Act relating to the fiscal procedures ..."
Sponsor: Rules/Governor
Requestor:
Date of Request: 2/22/85

FISCAL DETAIL

Agency Affected: University of Alaska
Program Category Affected:
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 SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				

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

REVENUE		0				
----------------	--	---	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		N/A				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary See Attached

Prepared By: Sherman Carter, Executive Vice President Phone: 474-7593
 Division: University of Alaska Date:
 Approved by Commissioner: Sherman Carter Date: 2/21/85
 Agency:

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

January 22, 1986

MEMO TO FILE

FROM: Chris Herberger

Spoke to Mike Wheeler in Dept. of Administration concerning whether the University must procure data processing from the Dept. of Administration under HB 242. He said only with the consent of the President of the University. At the present time, the University has its own computers but there are plans for sharing network costs in the future.

January 18, 1986

Red,

HB 242, "An Act relating to automatic data processing," has a \$0.00 fiscal note. The bill originally introduced would have done two things:

- 1) Require state agencies to procure data processing from the Dept. of Administration and allow the Dept. to charge the agencies for that service.
- 2) Set up a chargeback account so that the Dept. of Administration could cover immediate costs for purchasing new equipment or software, or to do maintenance work when there is no time for an appropriation. This purpose is according to Jim Shea.

The Telecommunications Committee substitute eliminated the second provision. There was concern expressed by the members, particularly Rep. Goll, that a chargeback account, or slush fund, allowed the Dept. too much leeway in expenditures. You, and Representatives Goll and Thompson voted yes on the Committee substitute, and Rep. Wallis voted no. She wanted to know other agencies opinion of the bill.

The letter of transmittal from the Governor specifically talked about the usefulness of the slush fund. The Governor said that such an account would help finance data processing services.

The Finance Committee passed the Telecommunications Committee substitute by 9 to 1. Rep. Rieger voted no. He told me yesterday that he had nothing against data processing or against centralizing it, but that he was against the bill because it allows one bureaucracy to charge any amount for a service provided to another bureaucracy.

HB 242

File Contents

- 1) Bill History -- House Calendar 1-20-86
- 2) Letter of Transmittal from Governor Sheffield
- 3) Copy of HB 242 -- original
- 4) Copy of CS for HB 242 (Telecommunications)
- 5) Letter from Jim Shea, Dept. of Administration to Representative Adams
- 6) Finance Committee Report
- 7) Fiscal Note
- 8) Minutes from March 8, 1985 and March 12, 1985 Telecommunications Committee hearings

HOUSE CALENDAR: 1-20-86

BILL HB0242
 PAGE 00457
 DATE 02/27/85
 CHAMBER HOUSE
 TEXT HOUSE BILL NO. 242 by the Rules Committee by request of the Governor, entitled:
 "An Act relating to automatic data processing; and providing for an effective date."
 was read the first time and referred to the House Special Committee on Telecommunications, the State Affairs and Finance Committees.
 A zero fiscal note was attached.

The Governor's transmittal letter dated February 27, 1985, appears below:

"Dear Representative Grussendorf:
 Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Sincerely,
 /s/
 Bill Sheffield
 Governor"

BILL HB0242
 PAGE 00588
 DATE 03/13/85
 CHAMBER HOUSE
 TEXT The Speaker waived the State Affairs Committee referral on HOUSE BILL NO. 242 (automatic data processing; effective date) at the request of the Chairman.
 HB 242 is currently in the House Special Committee on Telecommunications and has a further referral to the Finance Committee.

BILL HB0242
 PAGE 00602
 DATE 03/15/85
 CHAMBER HOUSE
 TEXT

The House Special Committee on Telecommunications has considered HOUSE BILL NO. 242 (relating to automatic data processing; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 242 (Telecommunications) (same title) and reports it back as follows: Boucher (Chairman), Goll and Thompson recommend do pass; Wallis has no recommendation. HB 242 was referred to the Finance Committee.

BILL HB0242
 PAGE 01054
 DATE 04/24/85
 CHAMBER HOUSE
 TEXT

The Finance Committee has considered HOUSE BILL NO. 242 (automatic data processing; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 242 (Tele) (page 603) and reports it back as follows: Adams (Chairman), Ringstad, Szymanski, Larson, Pourchot, Uehling, Frank, Binkley and Cotten recommend do pass. Rieger has no recommendation. HB 242 was referred to the Rules Committee for placement on the calendar.

Automatic Data Processing HOUSE BILL NO. 242, by the Rules Committee by Request of the Governor. Relates to automatic data processing (see Governor's letter).

Introduced February 27 and referred to the House Special Committee on Telecommunications, State Affairs, Finance.

In his message transmitting the bill Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Automatic Data Processing HOUSE BILL NO. 242, (see page 366). Reported back to the House March 15 by House Telecommunications recommending adoption of a substitute and that it do pass. Concurring: Boucher (Chair), Goll and Thompson. Not concurring: Wallis has no recommendation.

The Telecommunications substitute would allow the Dept. of Administration to require each state agency to procure its automatic data processing services from the Department of Administration. Administration could also charge a state agency or other governmental agency for the cost of the automatic data processing services provided or procured by the Department for the agency. This version excludes section that would have set up a nonlapping automatic data processing account.

Automatic Data Processing HOUSE BILL NO. 242, (see page 366). On March 13 the Speaker waived the State Affairs referral. The bill is currently in the House Special Committee on Telecommunications and has a further referral to Finance.

Automatic Data Processing HOUSE BILL NO. 242, (see pages 366;462;464). Reported back to the House April 24 by Finance recommending it do pass. Concurring: Adams (Chair), Ringstad, Szymanski, Larson, Pourchot, Uehling, Frank, Binkley and Cotten. Not concurring: Rieger has no recommendation. To Rules.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that establishes authority for the financing of centralized data processing services by the Department of Administration. This bill comprises an integral part of the charge-back system that members of the Thirteenth Alaska State Legislature encouraged the Department of Administration to informally implement.

not in CS

The bill allows the department to reallocate, into a central account in the general fund, and expend appropriations made to state agencies. The account may then be used to finance data processing services for all state agencies. The balance of the account would continue into subsequent fiscal years so that the problems of financing expensive acquisitions of data processing equipment with extended delivery dates can be solved.

Because the need for data processing changes as rapidly as the technology available, a flexible method of financing these services must be found. I encourage you to favorably consider the enactment of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

Introduced: 2/27/85
Referred: House Special Committee on
Telecommunications, State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 242

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 automatic data processing; and
7 providing for an effective date."

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

9 * Section 1. AS 44.21.160(b) is amended to read:

10 (b) To carry out (a) of this section the department may

11 (1) maintain a central staff of systems analysts, computer
12 programmers and other staff members sufficient to provide systems
13 analysis and computer programming support required by the executive,
14 legislative and judicial branches of state government;

15 (2) develop and maintain both short-range and long-range
16 data processing plans for state government and provide managerial
17 leadership in the use of automatic data processing;

18 (3) review all budget requests for automatic data process-
19 ing services and recommend to the governor approval, modification, or
20 disapproval;

21 (4) recommend implementation priorities of requested data
22 processing systems;

23 (5) determine and satisfy the data processing equipment and
24 supply requirements of all branches, departments and agencies of state
25 government;

26 (6) provide all facilities, equipment and staff required to
27 convert data to a form suitable for processing on automatic data pro-
28 cessing equipment;

29 (7) develop and publish systems analysis, computer

Offered: 3/15/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE
2 CS FOR HOUSE BILL NO. 242 (Telecommunications)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
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29 (7) develop and publish systems analysis, computer

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

OFFICE OF THE COMMISSIONER

March 27, 1985

The Honorable Albert Adams
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

This letter contains information relative to House Bill 242.

In April, 1983 the 12th Legislature, in conjunction with the Executive Branch, terminated the major part of what had been functioning as a computing resource chargeback system for the following reasons:

- The amounts using agencies were budgeting to pay their resource charges were much higher than the amount computing resource providers needed to operate.
- Chargeback rates established by the Data Centers were artificially high to cover losses from agencies that consumed resources but did not pay their chargeback billings.

Once chargeback was eliminated, it was necessary to establish an operating budget for the Data Centers paid directly out of General Funds instead of Inter-Agency receipts. This was accomplished by taking the total Data Center budget and subtracting the amount of non-General Funded based income that would continue to be received through Inter-Agency transfers. (An additional amount of \$3100.0 was added to cover those operating expenses that had been paid from capital funds for a number of years.) As a result, the major portion of the FY84 Information Resources Management (IRM) budget was established and the Data Centers as well as the using agencies lost visibility and, therefore, the means of managing resource consumption.

It can be argued as to whether this loss of manageability or the surge in system's development was the primary

contributor, but 1983 and 1984 were the most dramatic years of expanded Data Center load in the history of Alaska. From December, 1982 to January, 1985 (two years) the Data Centers have had to upgrade their computers three times for an increase in capacity of nearly 300%.

This growth does not imply there has been a total abandonment of rational use. A number of excellent systems have been implemented in this period. However, it is felt that some portion of the current consumption level could be reduced through effective management.

For this reason, the idea of resource chargeback as a management tool is still supported by both the Legislature and the Administration in spite of problems with the old system. However, a new system must have new characteristics. Some of which are:

- Chargeback rates must be auditable directly back to the provider's budget.
- The system must be able to absorb unpredicted variations in agency usage estimates.
- The system must allow cause/effect changes in Data Center configurations at times which may be incompatible with budgetary approval schedules.

In July 1983 (FY84), a cost analysis of the Data Centers was commenced and a study of various packaged billing systems was undertaken to select one that would fit the State's needs. After approval of a \$74,000 capital project for FY85, a technique for calculating rates was developed and approved by all departments and the Boeing Computing Chargeback System (FACTS) was purchased and installed in the Juneau and Anchorage Data Centers as well as the University of Alaska. Commencing with October, 1984, simulated invoices were generated and provided to high-use departments for review.

At this time, the mechanics of a new chargeback system are in place and operating, but two major elements remain to make it fully operational - HB242 and Implementation.

The Telecommunications Committee substitute for House Bill 242 will allow IRM to collect funds directly from other agencies of government that may use state computing resources. For example, there are a number of local police agencies that use various elements of the Public Safety systems and certain agencies of the Federal Government here in Alaska have expressed an interest in using certain services. This is an opportunity to gain additional income for the state through the sale of resources at times that

would not interfere with state priorities.

The other remaining major element to make chargeback fully operational is implementation. This involves moving the existing IRM General Fund amounts which are subject to chargeback out of IRM's budget and into the right user budgets so the system can commence operating.

To accomplish this, IRM recommends that the full system be implemented over a two year span. In the first year (FY86), budgets would remain as they have been presented, the new rates would be published and used for new systems justifications, invoices would be generated to the entire user community, but actual payment of funds to IRM account would only occur from those agencies that have been making inter-agency payments through FY85 and any new accounts. This would give all other agencies an additional few months to prepare better budget estimates for their resource consumption and include their expected General Fund increases in the FY87 budget proposal. Commensurate with the user's increases in General Fund requests, IRM's General Fund request will go down equally, assuming there are no drastic increases in load. If there are such increases, IRM will be providing a total by agency as to the recommended funding level based on historical consumption. Any deviations will be justified by the consuming agency.

I encourage the committee to look favorably on this bill and will be available for testimony or conversation at any time.

Sincerely,

James R. Shea
Deputy Commissioner
Information Resources and
Telecommunications

JRS/cl's

cc: LuAnn Cutler, c/o Representative Adams, Pouch V
Elmer Lindstrom, c/o Representative Adams, Pouch V

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/15/85

Date: 4-23-85

The Committee on FINANCE has had HB 242

"An Act relating to automatic data processing; 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 HR 242 (Title) same title new title
- and recommends do pass
- 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-

Albert C. Clark
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

Albert C. Clark
 CHAIRMAN

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

OFFICE OF THE COMMISSIONER

392

March 5, 1985

Representative Red Boucher
Chairman, Telecommunications Subcommittee
Capitol Building, Room 421

Dear Representative Boucher:

This letter contains information relative to House Bill 242.

In April, 1983 the 12th Legislature, in conjunction with the Executive Branch, terminated the major part of what had been functioning as a computing resource chargeback system for the following reasons:

- The amounts using agencies were budgeting to pay their resource charges were much higher than the amount computing resource providers needed to operate.
- Chargeback rates established by the Data Centers were artificially high to cover losses from agencies that consumed resources but did not pay their chargeback billings.

Once chargeback was eliminated, it was necessary to establish an operating budget for the Data Centers paid directly out of General Funds instead of Inter-Agency receipts. This was accomplished by taking the total Data Center budget and subtracting the amount of non-General Funded based income that would continue to be received through Inter-Agency transfers. (An additional amount of \$3100,000 was added to cover those operating expenses that had been paid from capital funds for a number of years.) As a result, the major portion of the FY84 Information Resources Management (IRM) budget was established and the Data Centers as well as the using agencies lost visibility and, therefore, the means of managing resource consumption.

It can be argued as to whether this loss of manageability or the surge in system's development was the primary

contributor, but 1983 and 1984 were the most dramatic years of expanded Data Center load in the history of Alaska. From December, 1982 to January, 1985 (two years) the Data Centers have had to upgrade their computers three times for an increase in capacity of nearly 300%.

This growth does not imply there has been a total abandonment of rational use. A number of excellent systems have been implemented in this period. However, it is felt that some portion of the current consumption level could be reduced through effective management.

For this reason, the idea of resource chargeback as a management tool is still supported by both the Legislature and the Administration in spite of problems with the old system. However, a new system must have new characteristics. Some of which are:

- Chargeback rates must be auditable directly back to the provider's budget.
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At this time, the mechanics of a new chargeback system are in place and operating, but two major elements remain to make it fully operational - HB242 and Implementation.

House Bill 242 which will accomplish two things.

- Establish a non-lapsing account in the General Fund to act as shock absorber between the often incompatible requirements of resource demands and budget schedules.
- Provide the authority to collect funds from all governmental entities in or out of state