

ALASKA LEGISLATURE COMMITTEES FILED 1900-1900 00/2

4383 SSTA HB 242 - HB 284

262

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 \$5,000.00 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.

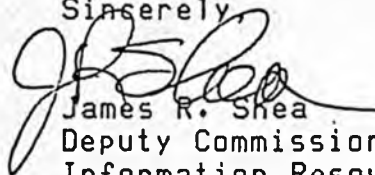
The other remaining major element to make chargeback fully operational is implementation. This involves moving the existing IRM General Fund amounts which are subject to chargeback out of IRM's budget and into the right user budgets so the system can commence operating.

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

Eik,  
These memos have to do with  
data processing charge backs as requested  
by Jim Shea. File (after reviewing).



3:30 WED HB 242 charge- back	DUNCAN FRANK Reiger Boucher Shea Hogan	House Judiciary Rm-124
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## MEMORANDUM

TO: Steve

DATE: March 28, 1985

FROM: Garrey

SUBJECT: HB 242

In 1974, the Division of Legislative Audit completed a series of reviews of the Department of Administration, Division of Data Processing.

The Legislative Auditor recommended, at that time, that all state agencies be required to budget separately for data processing services provided by the Division of Data Processing.

The Legislative Budget and Audit Committee and the House and Senate Finance committees approved of the concept of "data processing chargebacks" as recommended by the Legislative Auditor.

A system for chargebacks was implemented in FY '76

In practice, the chargeback system became cumbersome for the state agencies to work with and many of the agencies decided that the charges billed by the Department of Administration were too high so they contracted, instead, with private industry for data processing services.

The House and Senate Finance committees became frustrated with the data processing chargeback system because of a scenario that went something like this:

--The budget subcommittees would question the various departments and agencies about their data processing chargeback budget and they would be told "We have no control over that. The Department of Administration tells us what to budget for our data processing work."

The subcommittee viewed the chargeback as just one relatively small part of the agency budget and it was left to the subcommittees who were reviewing the Department of Administration to get the details about data processing budgets from the Division of Data Processing.

--The Division of Data Processing would answer the subcommittees' inquiries by saying that they have no control over the level or need for the services being provided to the various agencies because it is, after all, the various agencies' budgeted funds and if the money was made available, the service requested would be provided.

The level of frustration in the Finance Committees finally reached the point that in 1983 the agencies were directed to discontinue budgeting for data processing chargebacks. Since then, the Division of Data Processing has budgeted for the data processing services to be provided to the state agencies.

Other problems arose while the data processing chargeback system was being used.

For example: It was difficult to force the agencies to pay for services provided when their budgets ran short or they disagreed with the size of the charge or value of the services.

It was difficult to prevent the agencies from contracting with private industry to provide data processing services when the funds were right there in their budget. (Note that a current committee substitute would prohibit state agencies from purchasing data processing services from private industry. I don't know what the ramifications of that are but I suspect that there will be instances when it will not be possible or practical to enforce that prohibition)

It was also a problem for an agency to request any kind of additional services (such as a specially sorted printout) if they didn't have the funds budgeted for the service.

There were numerous disagreements over the rates charged by the Division of Data Processing and the formulas used to determine those rates.

I support the concept of data processing chargebacks but before we implement the program by passing a law, I would like to know that the new system is going to satisfy the Legislature's information needs.

If the chargeback plan is implemented, the Division of Data Processing would again be operating on funds other than General Funds. That tends to remove their budget from the intense Legislative scrutiny that components with general funds get. It seems to me that we need to make sure, somehow, that this is implemented in such a way that the individual agencies will, in fact, be held accountable for their budgeted data processing funds.

## MEMORANDUM

TO: Steve

DATE: March 28, 1985

FROM: Garrey

SUBJECT: HB 242

Eleven years ago, I recommended to the Legislative Budget and Audit Committee that they direct the Department of Administration, Division of Data Processing to implement a data processing charge back system.

At that time, the Department of Administration opposed the concept but it was implemented at the direction of the Legislature.

The charge back system was a colossal failure. The Finance Committees were frustrated by what was perceived as a total loss of budgetary control over data processing expenditures.

After several years of trying to work with the chargeback system, the Legislature directed that the Department of Administration scrap it and budget for anticipated data processing needs in the Division of Data Processing.

If we are to resurrect the data processing charge back system in the operating budget, I recommend that we thoroughly review it first.

We should determine that the new plan design addresses and resolves all the problems that the Legislature had with the last system.

Before we put it in to law, we should see how well the charge back system meshes with the new state accounting system that is scheduled to go on line on 7/1/85.

I recommend that the House Finance subcommittee on HB 242 take the following action:

1. Draft legislative intent for insertion in the FY '86 budget stating that memorandum billing for data processing charge back should be done during FY '86 with a report to be made to the Legislature on the results by next session.
2. Address the question of whether the Division of Data Processing should be selling services to the Federal Government or others outside State Government as the CS HB 242 would allow.

3. Request that the Legislative Budget and Audit Committee direct the Legislative Auditor to perform a special audit to review the data processing charge back proposal being suggested by the Department of Administration.

The audit should include a review of memorandum billings prepared by the Division of Data Processing through November 30, 1985.

The Auditor's report can be available early in the next Legislative Session. The auditor should also be requested to include a review of the ramifications of prohibiting all Executive Branch agencies from purchasing data processing services from anyone other than the Department of Administration.

4. Request that the House Research Agency review and <sup>d</sup>comment on the Department of Administration's charge back proposal by the beginning of the next session.
5. Request that the Director of Legislative Finance review and comment on the Department of Administration's charge back proposal by the beginning of the next session.
6. Request that Senators Sackett and Faiks support this approach and notify the Leadership that the bill must be deleted from the priority list this year.

Jay Hogan is very well versed on the pros and cons of the data processing chargeback concept and we should also ask for his comments on the final proposed charge back system before we completely revise the state budget by law.

# VM AVERAGE CPU UTILIZATION

YEAR=1985

TOTCPU



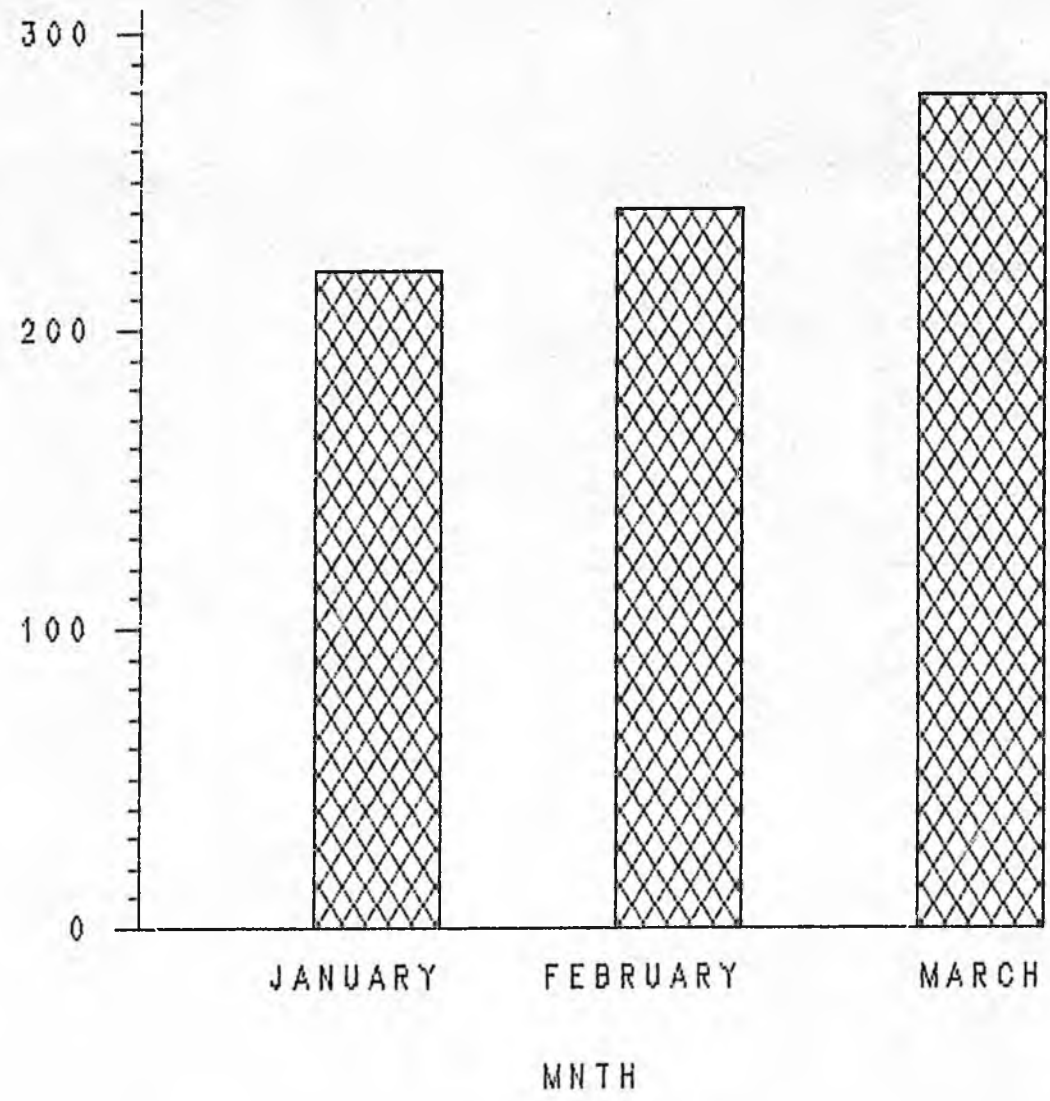
RUNDAY

TREND ACTUAL

# TOTAL LOGGED ON TIMESHARING USERS

YEAR=1985

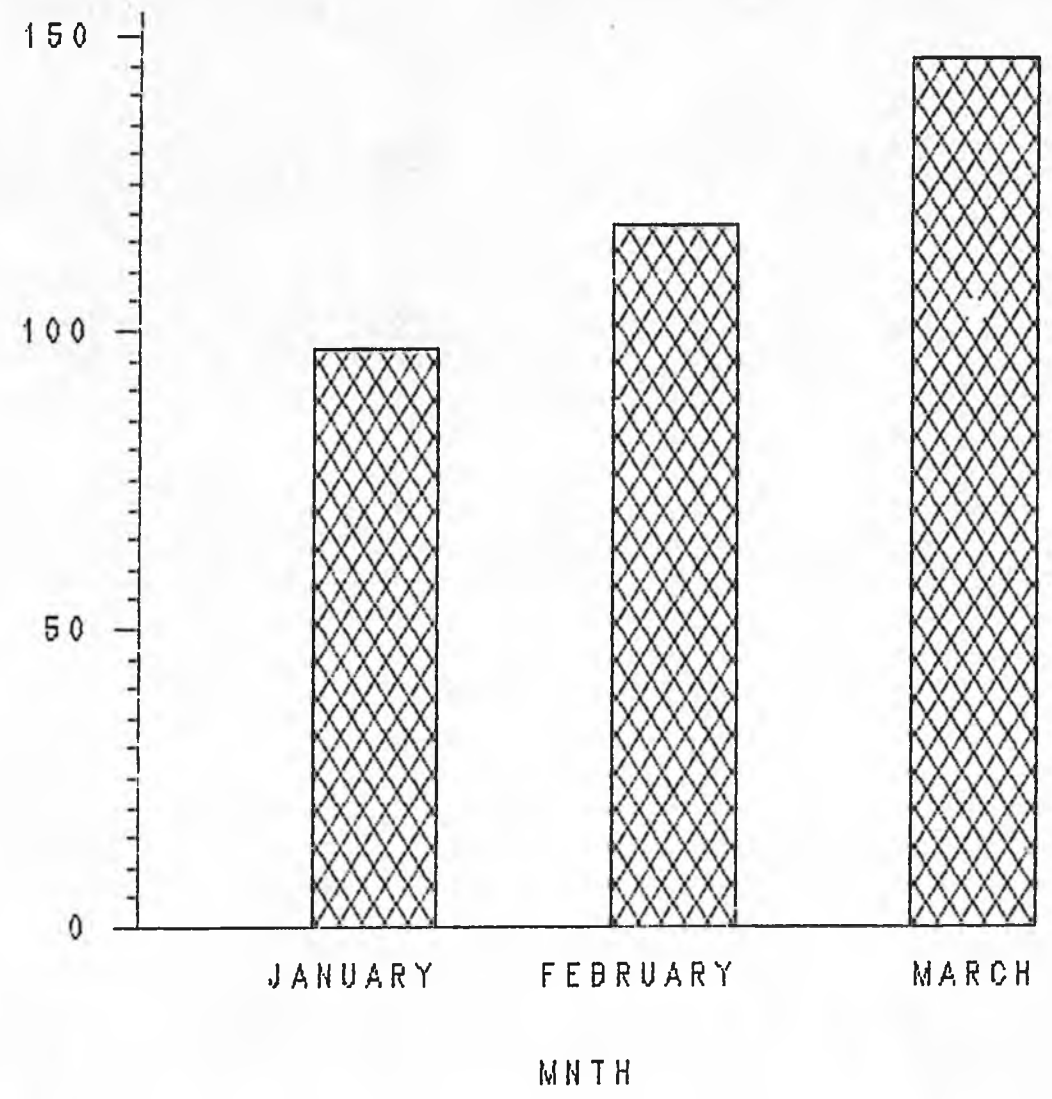
LOGGED MEAN



# TOTAL ACTIVE TIMESHARING USERS

YEAR=1985

ACTIVE MEAN



# LOGGED/ACTIVE TIMESHARING USERS

YEAR=1985

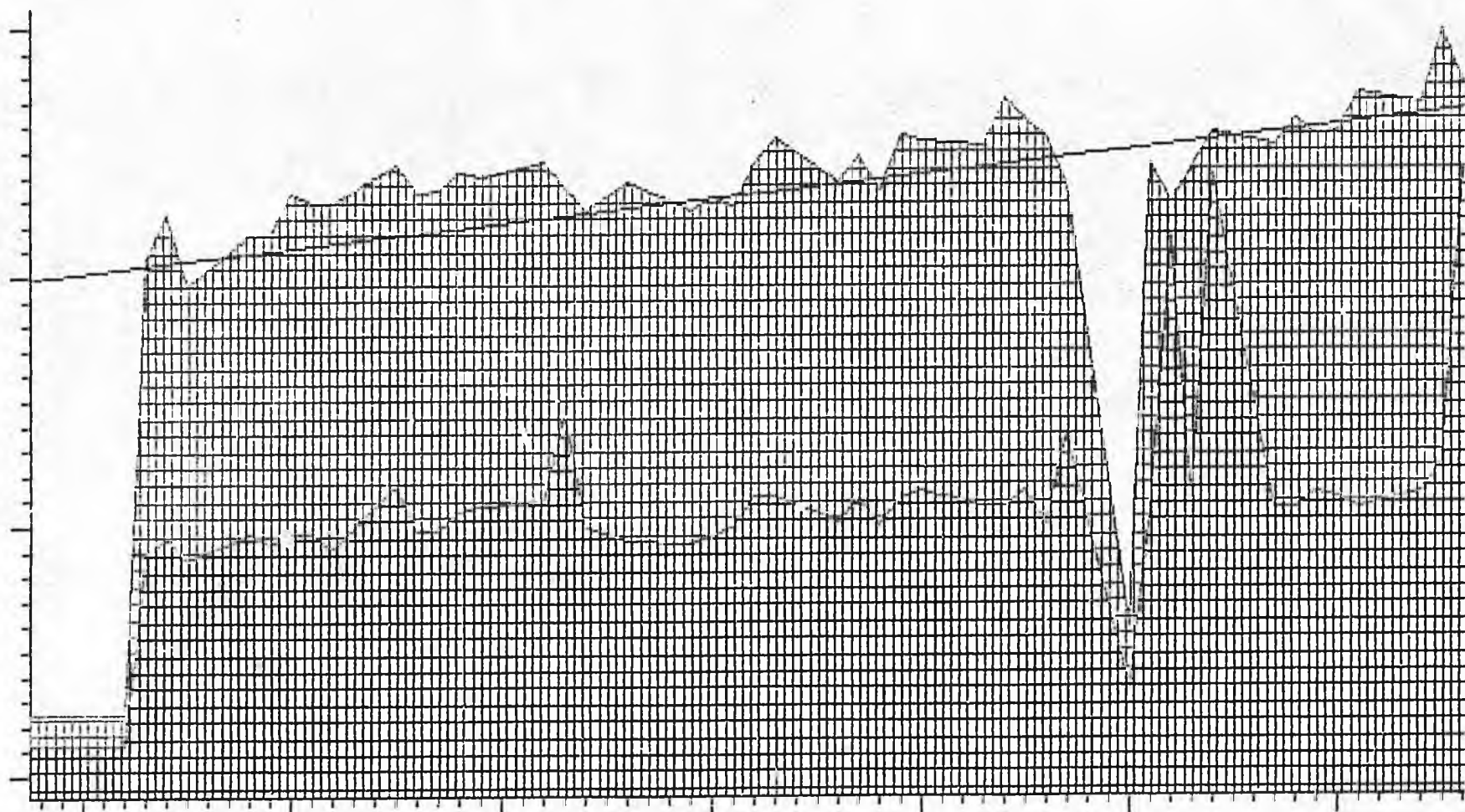
ACTIVE

300

200

100

0



30 DEC 84

09 JAN 85

19 JAN 85

29 JAN 85

00 FEB 85

10 FEB 85

20 FEB 85

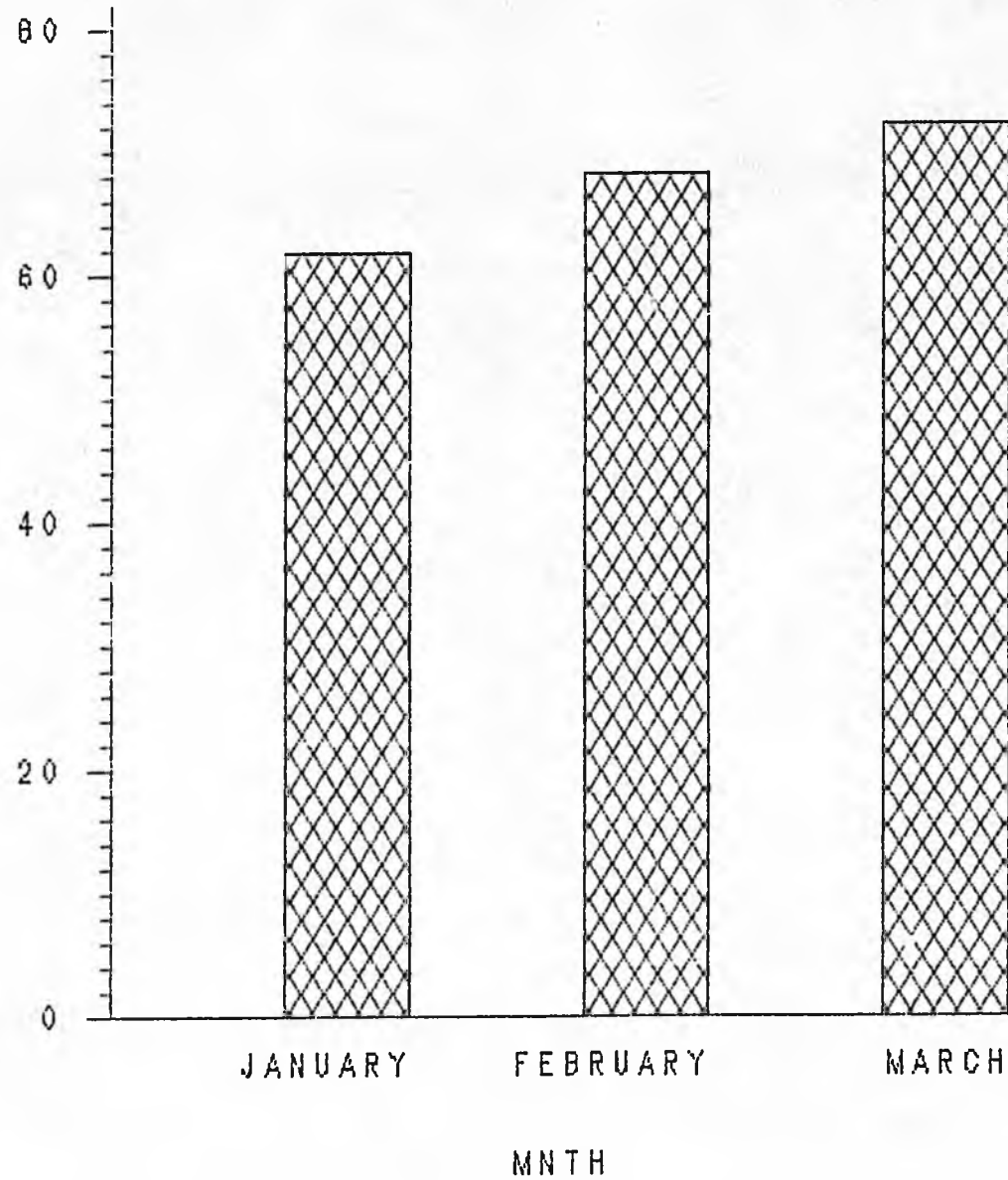
RUNDAY

RED=LOGGED ON USERS BLUE=ACTIVE USERS

# TIMESHARING STORAGE UTILIZATION

YEAR=1985

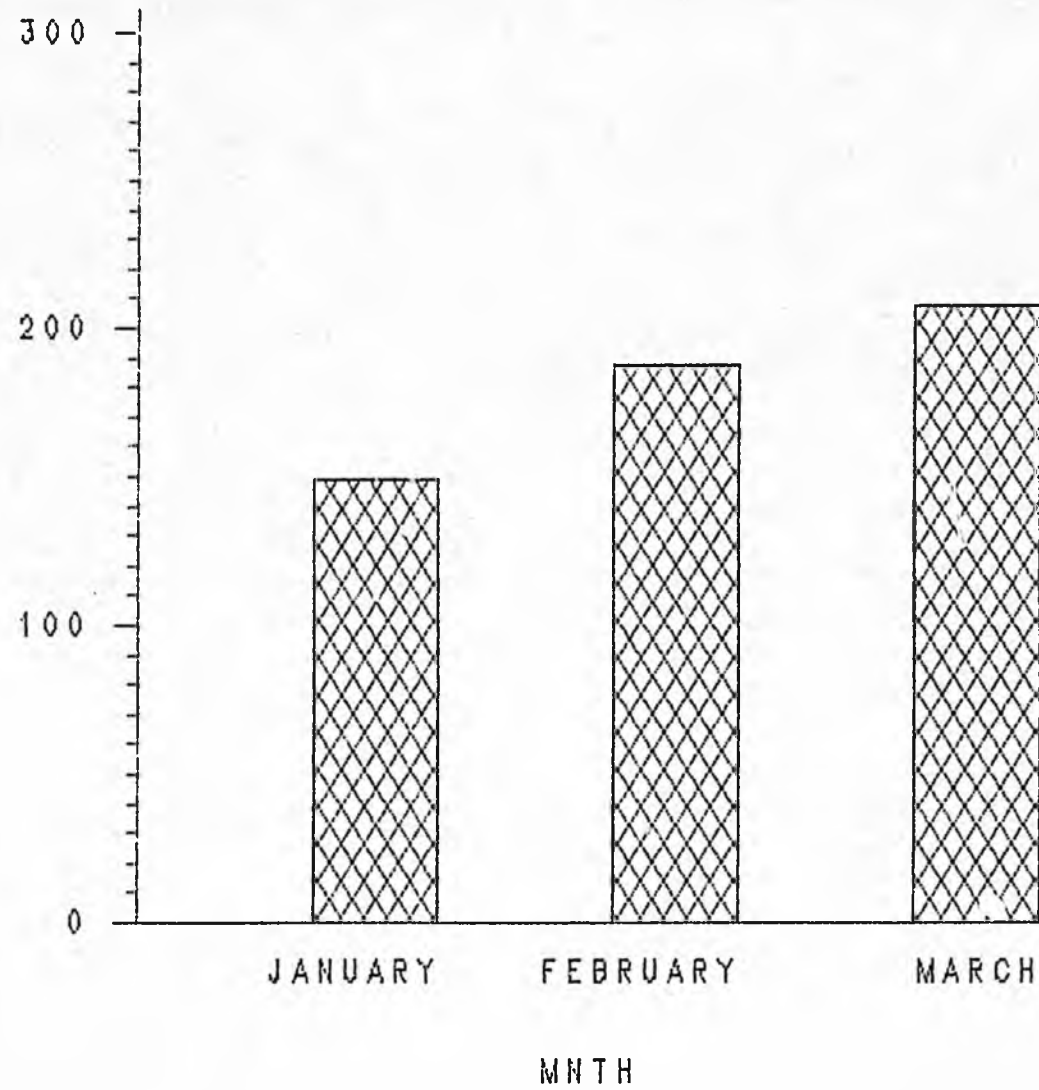
STGUTIL MEAN



# TIMESHARING PAGE RATE

YEAR=1985

PAGERATE MEAN



Offered: 3/15/85  
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE HOUSE SPECIAL COMMITTEE  
ON TELECOMMUNICATIONS

2 CS FOR HOUSE BILL NO. 242 (Telecommunications)(efd am)

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

1 programming and computer operations standards;

2 (8) review all state automatic data processing systems to  
3 encourage effectiveness, measure performance, and assure adherence to  
4 the standards developed under AS 44.21.150 - 44.21.170;

5 (9) develop and conduct an automatic data processing train-  
6 ing program designed to serve the technical and managerial needs of  
7 state government;

8 (10) require each state agency to procure its automatic data  
9 processing services from the department;

10 (11) charge a state agency or other governmental agency for  
11 the cost of the automatic data processing services provided or pro-  
12 cured by the department for the agency.

13 \* Sec. 2. This Act takes effect July 1, 1986.

# 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						
<b>TOTAL OPERATING</b>		1433.5	1476.5	1520.8	1566.4	1613.3

CAPITAL						
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		1433.5	1476.5	1520.8	1566.4	1613.3
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**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

Phone : 465-4336

Division : Administrative Services

Date : 1/9/86

Approved by Commissioner : [Signature]

Date : 1/9/86

Agency : Department of Public Safety

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 HB 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 =

\$3872.1
<u>2438.6</u>
\$1433.5

### 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

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)			84133.13
	XXXX TOTAL XXXX			
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

Straight project of 12 mos (FY 86) = 3872,112

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

3985 (12 2 85)

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 CHARGEBACK 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 CHARGEBACK <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 PROF. FEES	302 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	128.0			94.4		421.8	
DIV Administration	16.4				5.9		10.5	
Central Communications Academy	510.2 11.2	20.0 0.6			88.5 1.5		401.7 9.1	
Bureau of Vehicle Enf.	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		

23

CONTINUED

15

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU DPS Administration

COMPONENT Administration & Support

FY 84

Page 10 of 10

Revised Date

000940

DEPARTMENT: Public Safety

DATE: 1/9/86

LAW LOG # \_\_\_\_\_

*Due:*

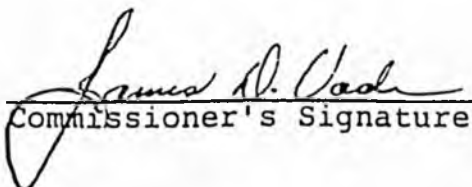
Please indicate your recommendation regarding the final draft legislation affecting your department sent to you by the Department of Law. If you notice any changes you would like to make to the transmittal letter, major corrections, or issues to be addressed, list them below.

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

DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER - CSHB 242 (Tele) efd am

APPROVE

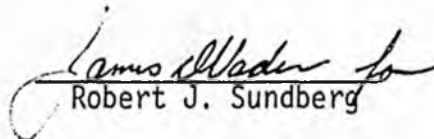
March 3, 1985

HB 242 - "An Act relating to automatic data processing; and providing for an effective date."

The Department of Public Safety and the Department of Administration have discussed the fiscal impact of CSHB 242 (Tele) efd am on this Department.

We have received assurance from the Department of Administration that this agency should have no fiscal impact if our present consumption and hardware needs remain constant.

With this understanding, we are withdrawing our prior fiscal note and submitting a revised one.

  
Robert J. Sundberg

RECEIVED  
MAR 5 1986

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CSHB 212 (Tele) efd am  
 Title : "An Act relating to automatic data processing..."

Sponsor : Rules  
 Requestor : Senate State Affairs  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Public Safety  
 BRU : DPS Administration

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0

CAPITAL						
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

RECEIVED  
MAR 5 1986

Prepared by : Kathy Niles, Admin Assistant Phone : 465-4336  
 Division : Commissioner's Office Date : 2/28/86

Approved by Commissioner : Michael J. Clemens Date : 2-28-86  
 Agency : Public Safety

Distribution (by Agency preparing fiscal note) :

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

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CSHB 242 (Tele) efd am  
 Title : "An Act relating to automatic  
 data processing..."

Sponsor : Rules  
 Requestor : Senate State Affairs  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Public Safety  
 BRU : DPS Administration

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Kathy Niles, Admin Assistant Phone : 465-4336  
 Division : Commissioner's Office Date : 2/28/86

Approved by Commissioner : Michael J. Clemens Date : 2-28-86  
 Agency : Public Safety

Distribution (by Agency preparing fiscal note):

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

DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER - CSHB 242 (Tele) efd am

APPROVE

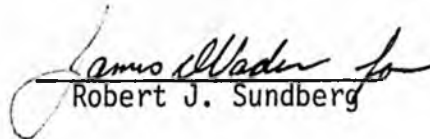
March 3, 1985

HB 242 - "An Act relating to automatic data processing; and providing for an effective date."

The Department of Public Safety and the Department of Administration have discussed the fiscal impact of CSHB 242 (Tele) efd am on this Department.

We have received assurance from the Department of Administration that this agency should have no fiscal impact if our present consumption and hardware needs remain constant.

With this understanding, we are withdrawing our prior fiscal note and submitting a revised one.

  
Robert J. Sundberg



# 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

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- F L U B -

# Soldotna Police Department

P. O. Box 2499  
Soldotna - Alaska 99669



Duane Udland  
Chief of Police

February 3, 1985

Senator Mike Abood  
Chairman State Affairs Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Abood,

I am writing this letter to urge you to support Senate CS for CS for House Bill No. 252 (State Affairs) as submitted by Senator Ray. I think the amendments by Senator Ray are fair to all persons concerned.

There is considerable support for this bill as amended in the law enforcement community. I thank you for your time in this matter.

Sincerely,

Duane Udland  
Chief of Police

DU/mb

cc: Senator Ray

BACK-UP

— SEND TO LAA —

November 14, 1985

The Honorable Bill Ray  
State Senator  
165 Behrends Avenue  
Juneau, AK 99801

Dear Bill:

This letter is in followup to our telephone conversation on November 13, 1985.

I've been asked by the Alaska Associations of Chiefs of Police, Fire Chiefs, Peace Officers, and Fire Fighters to express their concern with the present form of House Bill 252 which currently is in the Senate State Affairs Committee.

As Vice Chairman of the Public Employees' Retirement Board and a former police and fireman myself, I can appreciate the concerns that they have with the bill. On November 5, 1985, the Presidents of the above organizations met in Anchorage with Mr. Ken Humphreys, Director of Division of Retirement and Benefits; Mr. John Logan, Deputy Director; and Mr. Bob Richardson, State Actuarial Consultant. At this time the four organizations presented their concerns to Mr. Humphreys and discussed proposed changes in the bill which would make it more responsive to the needs of the police and fire employees who may retire after this bill becomes effective.

Basically, the bill provides for much needed refinement to the Public Employees' Retirement System; but, unfortunately, there are two areas which cause great concern for state police and fire personnel.

The two basic areas that concern the associations and myself are in the first paragraph where it states that each police peace officer or fireman shall contribute to the system an amount equal to 8 percent of the peace officer's or fireman's compensation. Secondly, on Page 5, Section 39.35.475, Post Retirement Pension Adjustment, the bill as currently drafted allows only for cost-of-living adjustments after an individual reaches age 60 or is disabled.

In its current form, as described above, the bill raises the contribution level for police and firemen but does not provide a cost-of-living allowance until they reach age 60.

WELLINGTON'S LETTER

November 14, 1985

Page 2

We would appreciate your initiating an amendment on behalf of the four associations which would change the contribution level to 7 1/2 percent and on Page 5, under Post Retirement Pension Adjustment, Line 17, add the following after the word year: "and to persons who have received benefits from this system for at least five years. On Line 22, change the 75 percent to 70 percent."

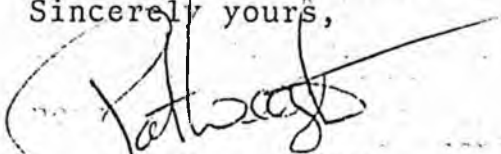
I understand from talking with Ken Humphreys and Bob Richardson, these amendments would actually save the state approximately \$500,000 a year and provide a realistic cost-of-living adjustment for police and firemen after they have been retired for five years.

As I mentioned to you on the telephone, there was some original concern by APEA regarding any amendments to the bill which would drastically affect the general membership of their organization; however, the Executive Director for APEA supports this proposed change in the bill. Obviously, Bill, the reason that the police and fire services are asking you to sponsor the amendments is because of your long association with their organizations and the many personal and professional friends you have in the active police and fire associations as well as their retired ranks.

On behalf of the associations and myself, I want to take this opportunity to express our appreciation for your taking the time to read our material. Please let me know, at your convenience, whether or not you would feel comfortable in introducing the amendments on behalf of the associations. If you concur, the associations would then be willing to appear at whatever committee hearings you feel would be necessary in order to support their positions on the amendments.

It was good talking with you. I look forward to your response.

Sincerely yours,

  
Pat Wellington, Vice Chairman  
Public Employees' Retirement Board  
6115 Staedem Drive  
Anchorage, AK 99504

cc: President, Alaska Association Chiefs of Police  
President, Alaska Fire Fighters Association  
President, Alaska Fire Chiefs Association  
President, Alaska State Peace Officers Association  
Mr. Ken Humphreys, Director, Division of Retirement & Ben  
First Sergeant John Glass, State Board Member, APEA

# Alaska State Legislature




## House of Representatives House Judiciary Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4990

MEMO: Jan. 14, 1986

TO: Sen. Bill Ray

FROM: Rep. Mike Miller 

RE: Proposed amendment to HB 252 (PERS Retirement)  
increasing benefits under Territorial retirement  
system

Bill --

You may remember us discussing last year a proposed amendment to the PERS retirement bill increasing the benefits under one of the Territorial retirement programs.

There now are only two (last year there were three) surviving beneficiaries of this retirement system, and the proposed amendment would increase their monthly benefit by \$100. Ken Humphreys tells me that there has not been an increase for this retirement system since 1980, despite the high inflation during the years since. He says that a change of \$100 would be about right considering inflation since 1980, and that the benefit increase would have negligible impact on the retirement system.

If you can see your way clear to provide for this amendment on the Senate side, I'm sure that it would be much appreciated by the recipients.

Get back to me if you have any questions or concerns.

Thanks!

REPRESENTATIVE MILLER'S  
LETTER



Draft SCS CS House Bill 252 (State Affairs)  
 (1/21/86 version)  
 Fiscal Note Analysis  
 Prepared by Division of Retirement & Benefits  
 Department of Administration

February 5, 1986

IV Analysis: This bill applies primarily to the Public Employees' Retirement System (PERS). It would provide for an automatic, post retirement pension adjustment (PRPA) and an increased benefit multiplier for covered members. It increases the employee contribution rate by an additional 2½% of salary, increases the indebtedness contributions for military service credit by 2½% and provides for the employer to withhold employee contributions before taxes rather than the current after tax contributions to begin effective January 1, 1987. The bill also contains several cost containment provisions which would affect only those members first hired after the effective date. Those cost containment provisions are: a partial pay provision for health coverage for retirees; no COLA before age 65; no military credit shall be granted if the member is eligible to receive a benefit for the same service from the Federal Government and increasing the normal retirement age from 55 to 60. The bill also increases benefits for the two territorial retirees by \$100.00 per month.

This is estimated to result in a .27% decrease in the PERS employer contribution rate for FY 87. The PERS state salaries for FY 87 are estimated to be \$590,176,728.00 and are estimated to increase at 8% per year.

The state savings of \$1,303.0 is calculated as follows:

The change in the PERS employer contribution rate (.27%) times the estimated FY 87 state PERS salaries (\$590,176,728) equals	[\$1,593.5]
Increased benefits for two territorial retirees per year	2.4
Plus administrative costs displayed on the following page	<u>288.1</u>
Total state FY 87 savings	<u><u>[\$1,303.0]</u></u>

In addition to the State savings above, this would result in savings in Political Subdivision contributions as follows:

FY 87	FY 88	FY 89	FY 90	FY 91
[\$1,296.7]	[\$1,400.4]	[\$1,512.5]	[\$1,633.5]	[\$1,764.1]

Draft SCS CS House Bill 252 (State Affairs)  
(1/21/86 version)  
Fiscal Note Analysis  
Prepared by Division of Retirement & Benefits  
Department of Administration

February 5, 1986

FY 87 Administrative Costs

Personal Services:

2 non-permanent retirement technicians for 12 months	\$77.6
--	--------

Contractual:

Telephone and other contractual costs for 2 positions	2.0
Contractual costs for enhancing the PERS data processing system	127.5
Contractual costs for enhancing the state payroll system	70.0

Supplies:

Supplies for 2 positions	1.0
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Equipment:

Equipment accommodations for 2 non-permanent positions	<u>10.0</u>
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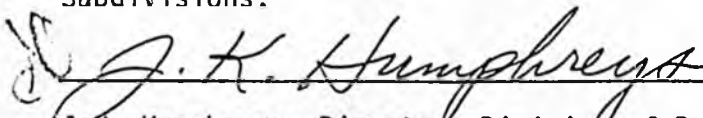
Total FY 87 administrative costs	<u>\$288.1</u>
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Position Paper

SCSCS House Bill 252 (State Affairs)

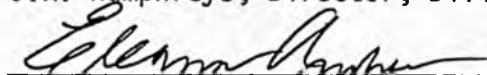
This bill applies primarily to the Public Employees' Retirement System (PERS). It would provide for an automatic, post retirement pension adjustment (PRPA) and an increased benefit multiplier for covered members. Employee contributions would be increased and placed on a pre-tax basis effective January 1, 1987. The bill also contains several other cost containment provisions which would affect only those members first hired after the effective date: a partial pay provision for health coverage for retirees; no geographical cost of living allowance before age 65; no military credit if a member is eligible to receive a benefit for the same service from the Federal Government and an increase in the normal retirement age from 55 to 60. It also increases benefits for the two territorial retirees by \$100.00 per month.

The Department supports this bill because it provides for a more fiscally responsible funding method for post retirement pension adjustments and provides for several cost containment provisions which, while still leaving the PERS one of the most generous retirement systems in any state, provide welcome, net FY 87 savings to the State and Political Subdivisions.



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

2/5/86  
Date



Eleanor Andrews, Commissioner, Department of Administration

2/6/86  
Date

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Draft bill Revision Date: \_\_\_\_\_  
dated 1/21/86

REQUEST FISCAL DETAIL

Bill/Resolution No.: SCS CS HB 252(SA) Agency Affected: All State Agencies  
 Title: "An Act relating to state retirement benefits;. . ." BRU: Retirement & Benefits

Sponsor: M.M. Miller and Duncan Components: PERS  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
<b>OPERATING</b>						
PERSONAL SERVICES		77.6				
RTMNT & BNFTS		[1,593.5]	[1,721.0]	[1,858.7]	[2,007.4]	[2,167.9]
TRAVEL						
CONTRACTUAL		199.5				
SUPPLIES		1.0				
EQUIPMENT		10.0				
LAND & STRUCTURES						
GRANTS, CLAIMS		2.4	2.4	2.4	2.4	2.4
TRS MATCH						
<b>TOTAL OPERATING</b>	-0-	[1,303.0]	[1,718.6]	[1,856.3]	[2,005.0]	[2,165.5]
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		[1,177.8]	[1,553.4]	[1,677.9]	[1,812.3]	[1,957.4]
FEDERAL FUNDS		[60.0]	[79.2]	[85.5]	[92.3]	[99.7]
OTHER		[65.2]	[86.0]	[92.9]	[100.4]	[108.4]
<b>TOTAL</b>		[1,303.0]	[1,718.6]	[1,856.3]	[2,005.0]	[2,165.5]

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

FULL-TIME		2				
PART-TIME						
TEMPORARY		2				

ANALYSIS: Attach a separate page if necessary

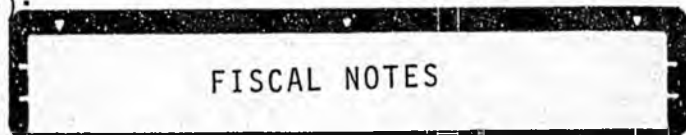
See attached

DRAFT

Prepared By: J.K. Humphreys, Director Phone: 465-4470  
 Division: Retirement & Benefits Date: 1/27/86

Approved by Commissioner: Eleanor Andrews Date: \_\_\_\_\_  
 Agency: Department of Administration

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



Draft SCS CS House Bill 252 (State Affairs)  
 (1/21/86 version)  
 Fiscal Note Analysis  
 Prepared by Division of Retirement & Benefits  
 Department of Administration

January 27, 1986

IV Analysis:

This bill applies primarily to the Public Employees' Retirement System (PERS). It would provide for an automatic, post retirement pension adjustment (PRPA) and an increased benefit multiplier for covered members. It increases the employee contribution rate by an additional 2½% of salary, increases the indebtedness contributions for military service credit by 2½% and provides for the employer to withhold employee contributions before taxes rather than the current after tax contributions to begin effective January 1, 1987. The bill also contains several cost containment provisions which would affect only those members first hired after the effective date. Those cost containment provisions are: a partial pay provision for health coverage for retirees; no COLA before age 65; no military credit shall be granted if the member is eligible to receive a benefit for the same service from the Federal Government and increasing the normal retirement age from 55 to 60. The bill also increases benefits for the two territorial retirees by \$100.00 per month.

This is estimated to result in a .27% decrease in the PERS employer contribution rate for FY 87. The PERS state salaries for FY 87 are estimated to be \$590,176,728.00 and are estimated to increase at 8% per year.

The state savings of \$1,303.0 is calculated as follows:

The change in the PERS employer contribution rate (.27%) times the estimated FY 87 state PERS salaries (\$590,176,728) equals [\$1,593.5]

Increased benefits for two territorial retirees per year 2.4

Plus administrative costs displayed on the following page 288.1

Total state FY 87 savings [\$1,303.0]

In addition to the State savings above, this would result in savings in Political Subdivision contributions as follows:

FY 87	FY 88	FY 89	FY 90	FY 91
<u>[\$1,296.7]</u>	<u>[\$1,400.4]</u>	<u>[\$1,512.5]</u>	<u>[\$1,633.5]</u>	<u>[\$1,764.1]</u>

**DRAFT**

Draft SCS CS House Bill 252 (State Affairs)  
(1/21/86 version)  
Fiscal Note Analysis  
Prepared by Division of Retirement & Benefits  
Department of Administration

January 27, 1986

FY 87 Administrative Costs

Personal Services:

2 non-permanent retirement technicians for 12 months	\$77.6
--	--------

Contractual:

Telephone and other contractual costs for 2 positions	2.0
Contractual costs for enhancing the PERS data processing system	127.5
Contractual costs for enhancing the state payroll system	70.0

Supplies:

Supplies for 2 positions	1.0
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Equipment:

Equipment accommodations for 2 non-permanent positions	<u>10.0</u>
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Total FY 87 administrative costs	<u><u>\$288.1</u></u>
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DRAFT

Cramer  
1/21/86

Original sponsors: M.M.Miller and Duncan

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 252 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state retirement benefits; and  
7 providing for an effective date."

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

9 \* Section 1. AS 39.35.160(a) is repealed and reenacted to read:

10 (a) Beginning January 1, 1987, each peace officer or fireman  
11 shall contribute to the system an amount equal to seven and one-half  
12 percent of the peace officer's or fireman's compensation. Beginning  
13 January 1, 1987, each other employee shall contribute to the system an  
14 amount equal to six and three-quarters percent of the employee's  
15 compensation. The contributions shall be deducted by the employer at  
16 the end of each payroll period. The contributions shall be deducted  
17 from employee compensation before computation of applicable federal  
18 taxes, and the contributions shall be treated as employer  
19 contributions under 26 U.S.C. 414(h)(2).

20 \* Sec. 2. AS 39.35.340(a) is amended to read:

21 (a) A vested employee is entitled to credited service for active  
22 military service in the armed forces of the United States, either by  
23 enlistment or induction, if the employee received a discharge under  
24 honorable conditions and is not entitled to receive benefits from the  
25 United States government for the same service [DID NOT RECEIVE A  
26 DISHONORABLE DISCHARGE]. The credited service allowed may not exceed  
27 an aggregate period of five years. Benefits are not payable on cred-  
28 ited service for military service unless the employee makes retroac-  
29 tive contributions to the system for the period of time that service

1 credit is claimed. However, if the employee was in the employ of an  
2 employer on the date of entry into the armed forces and returned to  
3 the employ of an employer within 90 days after the date of discharge  
4 from military service, the employee is not required to make retroac-  
5 tive contributions under this system for the period of credited ser-  
6 vice.

7 \* Sec. 3. AS 39.35.340(b) is repealed and reenacted to read:

8 (b) In order to obtain credited service under this section, an  
9 employee shall make an election to do so and shall verify the period  
10 of military service. When eligibility for credited service for mili-  
11 tary service has been established, an indebtedness shall be determined  
12 as follows: (1) the employee's actual compensation, or the cal-  
13 culated annual compensation for those employees working less than 12  
14 months, during the calendar year 1976 or the year in which an employee  
15 first becomes vested under this chapter, whichever is later, multi-  
16 plied by (2) the number of years of military service credited under  
17 this section, and this product multiplied by (3) six percent for  
18 members who are first eligible to claim this military service before  
19 January 1, 1987, or eight and one-half percent for members who are  
20 first eligible to claim this military service on or after January 1,  
21 1987. Interest as prescribed by regulation accrues on this  
22 indebtedness beginning on July 1, 1977, or one year following the date  
23 a person first becomes vested, whichever is later. Any outstanding  
24 indebtedness that exists at the time a person is appointed to  
25 retirement will necessitate an actuarial adjustment to the benefits  
26 payable based upon that military service.

27 \* Sec. 4. AS 39.35.360(i) is amended to read:

28 (i) An employee who completes three years of credited service  
29 with an employer, for which the employee makes contributions required

1 by this chapter, is entitled to credited service on a year-for-year  
2 basis for service credited in the Civil Service Retirement System,  
3 rendered as an employee of an Alaska Bureau of Indian Affairs (BIA)  
4 school, other than service as a teacher. Retroactive credited service  
5 under this section must be claimed before the employee retires. When  
6 eligibility for retroactive credited service under this section has  
7 been established, an indebtedness of the employee to the system shall  
8 be determined as follows: (1) [ESTABLISHED. THE AMOUNT OF THIS  
9 INDEBTEDNESS IS DETERMINED BY MULTIPLYING SIX PERCENT OF] the employ-  
10 ee's actual annual compensation, or the calculated annual compensation  
11 for an employee who works fewer than 12 months, for the most recent  
12 calendar year in which service is rendered to an employer before the  
13 calendar year in which the employee first becomes eligible to claim  
14 service under this subsection, multiplied by (2) the number of years  
15 of service in Alaska BIA schools that is credited under this subsec-  
16 tion, and this product multiplied by (3) six percent for employees  
17 first eligible to claim this service before January 1, 1987, or eight  
18 and one-half percent for employees first eligible to claim this  
19 service on or after January 1, 1987. Interest as prescribed by  
20 regulation accrues on the indebtedness beginning on the date the  
21 employee may first claim the retroactive credited service. Any  
22 outstanding indebtedness that exists at the time the employee retires  
23 requires an actuarial adjustment to the benefits that are based on  
24 retroactive credited service under this section. Service may not be  
25 claimed under this subsection and benefits may not be paid for service  
26 claimed under this subsection if the employee has, at any point in  
27 time, enough service credit in the Civil Service Retirement System to  
28 be eligible for a retirement benefit under that system.

29 \* Sec. 5. AS 39.35.370(a) is amended to read:

1 (a) A terminated employee is eligible for a normal retirement  
2 benefit (1) at age 60 [55] with at least five years credited service,  
3 or (2) with at least 20 years of credited service as a peace officer  
4 or fireman, or (3) with at least 30 years of credited service for all  
5 other employees.

6 \* Sec. 6. AS 39.35.370(b) is amended to read:

7 (b) A terminated employee is eligible for an early retirement  
8 benefit at age 55 [50] with at least five years credited service. An  
9 actuarial adjustment must be made to retirement benefits paid under  
10 this section for an early retirement benefit.

11 \* Sec. 7. AS 39.35.370(c) is amended to read:

12 (c) The monthly amount of a retirement benefit for a peace  
13 officer or fireman is two percent of the average monthly compensation  
14 times the years of credited service [UP] through 10 years, plus two  
15 and one-half percent of the average monthly compensation times the  
16 years of service over 10 years. For all other employees it is

17 (1) two percent of the average monthly compensation times  
18 all [THE] years of service before July 1, 1986, and for years of  
19 service through a total of 10 years; plus

20 (2) two and one-quarter percent of the average monthly  
21 compensation times all years of service after June 30, 1986, over 10  
22 years of total service through 20 years; plus

23 (3) two and one-half percent of the average monthly compen-  
24 sation times all years of service after June 30, 1986, over 20 years  
25 of total service [AN ACTUARIAL ADJUSTMENT MUST BE MADE FOR AN EARLY  
26 RETIREMENT BENEFIT].

27 \* Sec. 8. AS 39.35.385(a) is amended to read:

28 (a) An employee is eligible for a normal retirement benefit at  
29 age 60 [55] with at least two years of credited service if the

1 employee also is eligible for a normal retirement salary under the  
2 teachers' retirement system (AS 14.25).

3 \* Sec. 9. AS 39.35.385(b) is amended to read:

4 (b) An employee is eligible for an early retirement benefit at  
5 age 55 [50] with at least two years of credited service if the em-  
6 ployee also is eligible for an early retirement salary under the  
7 teachers' retirement system (AS 14.25).

8 \* Sec. 10. AS 39.35.385(f) is amended to read:

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

13 \* Sec. 11. AS 39.35.475 is repealed and reenacted to read:

14 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once  
15 each year the administrator shall increase benefit payments to eligi-  
16 ble disabled members, to persons age 60 or older receiving benefits  
17 under this system in the preceding calendar year, and to persons who  
18 have received benefits under this system for at least five years who  
19 are not otherwise eligible for an increase under this section.

20 (b) The increase in benefit payments applies to total benefit  
21 payments except for the cost-of-living allowance under AS 39.35.480.  
22 The amount of the increase is a percentage of the current benefit  
23 equal to

24 (1) the lesser of 75 percent of the increase in the cost of  
25 living in the preceding calendar year or nine percent, for recipients  
26 who on July 1 are at least 65 years old and for members receiving  
27 disability benefits; and

28 (2) the lesser of 50 percent of the increase in the cost of  
29 living in the preceding calendar year or six percent for recipients

1 who on July 1 are at least 60 but less than 65 years old or for  
 2 recipients who are less than 60 years old on July 1 but who have  
 3 received benefits from the system for at least five years.

4 (c) If a recipient was not receiving benefits during the entire  
 5 preceding calendar year, the increase in benefits under this section  
 6 shall be adjusted by multiplying it by the fraction whose numerator is  
 7 the number of months for which benefits were received in the preceding  
 8 calendar year and whose denominator is 12.

9 (d) If at the time of first receiving a retirement benefit a  
 10 member was receiving a disability benefit under this system, the  
 11 administrator shall, at the time the member is appointed to retire-  
 12 ment, increase the retirement benefit by a percentage equal to the  
 13 total cumulative percentage increase that has been applied to the  
 14 member's disability benefit under this section.

15 (e) When computing an occupational death benefit under AS 39.  
 16 35.430 or 39.35.440 or a survivor's benefit under AS 39.35.450, ad-  
 17 justments granted to the deceased member or survivor under this sec-  
 18 tion shall be included.

19 (f) An increase in benefit payments under this section is effec-  
 20 tive July 1 of each year and is based on the percentage increase in  
 21 the consumer price index for urban wage earners and clerical workers  
 22 for Anchorage, Alaska during the previous calendar year as determined  
 23 by the United States Department of Labor, Bureau of Labor Statistics.

24 \* Sec. 12. AS 39.35.480(a) is amended to read:

25 (a) While residing in the state, a person receiving a benefit  
 26 under this chapter who is 65 years of age or older or who is receiving  
 27 a disability benefit is entitled to receive a monthly cost-of-living  
 28 allowance in addition to the basic benefit. The amount of this allow-  
 29 ance shall be \$50 or 10 percent of the basic benefit, whichever is

1 greater.

2 \* Sec. 13. AS 39.35.535 is amended to read:

3 Sec. 39.35.535. MEDICAL BENEFITS. (a) If a benefit recipient  
4 elects major medical insurance coverage under this section, the [THE]  
5 following persons are entitled to [MAJOR MEDICAL INSURANCE] coverage:

6 (1) a person receiving a monthly benefit from the system;

7 (2) the spouse of a person receiving a monthly benefit from  
8 the system;

9 (3) a natural or adopted child of a person receiving a  
10 monthly benefit from the system, if the child is a dependent child  
11 under AS 39.35.680(11).

12 (b) After an election of coverage under this section, major  
13 [MAJOR] medical insurance coverage takes effect on the same date that  
14 [AS RETIREMENT] benefits begin, and stops when the member [RETIRED  
15 EMPLOYEE] or survivor is no longer eligible to receive a monthly  
16 benefit. The coverage for persons age 65 or older is the same cover-  
17 age available for a person under 65. The benefits payable to [THOSE]  
18 persons age 65 or older supplement any benefits provided under the  
19 federal old age, survivors and disability insurance program.

20 \* Sec. 14. AS 39.35.535 is amended by adding a new subsection to read:

21 (c) A benefit recipient may elect major medical insurance cover-  
22 age in accordance with regulations and under the following conditions:

23 (1) a person who is younger than 60 years of age must pay  
24 an amount equal to the full monthly group premium for retiree major  
25 medical insurance coverage;

26 (2) a person who is at least 60 years of age but is younger  
27 than 65 years of age must pay an amount equal to one-half of the full  
28 monthly group premium for retiree major medical insurance coverage;

29 (3) a disabled member or a person 65 years of age or older

1 is not required to make premium payments.

2 \* Sec. 15. AS 39.35.680(8) is amended to read:

3 (8) "compensation" means the total remuneration earned by  
4 an employee for personal services rendered, including employee contri-  
5 butions under AS 39.35.160, cost-of-living differentials, payments for  
6 leave that is actually used by the employee, the amount by which the  
7 employee's wages are reduced under AS 39.30.150(c), and any amount  
8 deferred under an employer-sponsored deferred compensation plan, but  
9 does not include retirement benefits, welfare benefits, per diem,  
10 expense allowances, workers' compensation payments or payments for  
11 leave not used by the employee whether those leave payments are  
12 scheduled payments, lump-sum payments, donations, or cash-ins;

13 \* Sec. 16. AS 39.35.680(13) is amended to read:

14 (13) "early retirement" means retirement for a member who is  
15 not eligible for normal retirement and who is at least 55 [50] years  
16 old and is eligible to receive benefits under AS 39.35.370(b) or under  
17 AS 39.35.385(b) or (f);

18 \* Sec. 17. The benefits payable under sec. 1, ch. 102, SLA 1951, as  
19 increased by ch. 85, SLA 1970, ch. 134, SLA 1975, and sec. 43, ch. 146, SLA  
20 1980, are further increased by \$100 per month for each recipient.

21 \* Sec. 18. Sections 2, 5 - 6, 8 - 10, 12 - 14, and 16 of this Act apply  
22 only to members first hired under the Public Employees' Retirement System  
23 after June 30, 1986. Changes in the Public Employees' Retirement System  
24 enacted in this Act that require a reduction in benefits to members of the  
25 retirement system apply only to members who are first hired under the  
26 retirement system after June 30, 1986. Other sections of this Act apply to  
27 all members of the public employees' retirement system, regardless of the  
28 date of hire.

29 \* Sec. 19. Sections 2, 5 - 14, and 16 - 18 of this Act take effect

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July 1, 1986.

\* Sec. 20. Sections 1, 3, 4, and 15 of this Act take effect January 1, 1987.

SCS HB 252 (State Affairs)

First of all, the dates were changed because it is not 1985 anymore.

Pat Wellington's amendments were put in Sections 1, 2, and 11.

Representative Mike Miller's amendment is in new Section 17.

New sections 18-20 are just renumbering due to the insertion of Section 17.

Senator Ferguson would like the inclusion of Cost-of-Living differential into this bill (see attached memo).



Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

TO: SENATOR MITCH ABOOD

FROM: SENATOR FRANK R. FERGUSON *FRF*

DATE: JANUARY 31, 1986

SUBJECT: HB 252 - RETIREMENT BENEFITS

SHOULD YOU SCHEDULE HB 252, YOU MAY WANT TO CONSIDER INCLUSION OF SECTIONS 5 AND 6 OF CSSB 207 (FIN.) INTO THE BILL.

THE PROVISIONS OF SECTION 5 AND 6 OF SB 207 PASSED OUT OF YOUR COMMITTEE LAST YEAR.

FRF/ldn

RECEIVED  
JAN 31 1986

Offered: 4/12/85  
Referred: Rules

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 207 (Finance)

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 calculation of the cost-of-living  
7 and pay step differentials for the compensation and  
8 retirement benefits of certain public employees;  
9 classification system; limiting the state's power to  
10 change the cost to the state of compensation for  
11 certain positions; and providing for an effective  
12 date."

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

14 \* Section 1. AS 23.40 is amended by adding a new section to read:

15 Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties  
16 may not negotiate terms contrary to the limitations on state personnel  
17 actions under AS 37.07.085 or on pay step differential calculations  
18 under AS 39.27.020(d).

19 \* Sec. 2. AS 37.07 is amended by adding new sections to read:

20 Sec. 37.07.085. LIMITATIONS ON STATE PERSONNEL ACTIONS. (a)  
21 Unless the budget specifically provides or the legislature approves,  
22 the state may not

23 (1) reclassify a position to a higher salary range after  
24 September 1, 1985 unless the reclassification is consistent with  
25 policies established in AS 39.25.150(1) for a position classification  
26 plan;

27 (2) change the salary range of a job class unless the  
28 change is required to comply with AS 18.80.220(a)(5), AS 39.25.010 or  
29 39.25.150(2); or

1           (3) promote a person to the next step of a flexibly staffed  
2 position if the person was first hired in the flexibly-staffed posi-  
3 tion after the effective date of this section.

4           (b) In this section, "state" means the executive, legislative  
5 and judicial branches of state government and includes the University  
6 of Alaska.

7           Sec. 37.07.087. LISTING OF PERMANENT POSITIONS.   (a) On or  
8 before September 15 of each year, each department shall deliver to the  
9 division of budget review in the Office of Management and Budget a  
10 list of permanent positions in the department on July 31 of that year.  
11 The list shall include for each position the position control number  
12 (PCN), title, salary range, pay step, location, time status, bargain-  
13 ing unit if any, and position funding source. A department shall  
14 remove from the list a PCN that is not funded and shall revise the  
15 listing of other PCN's to be consistent with the positions authorized  
16 in the budget. The department shall report to the legislature each  
17 year the positions removed from its list.

18           (b) After conforming the list of permanent positions to the  
19 budget, a department may not establish a new permanent PCN or change  
20 the salary range, pay step, location, or time status of an existing  
21 PCN unless the division of budget review concurs.

22           (c) A department shall maintain the master list of the depart-  
23 ment's positions as an automated position accounting control system  
24 file in accordance with instructions from the Office of Management and  
25 Budget.

26 \* Sec. 3. AS 39.25.010(b) is amended to read:

27           (b) The merit principle of employment includes the following:

28           (1) recruiting, selecting, and advancing employees on the  
29 basis of their relative ability, knowledge, and skills, including open

1 consideration of qualified applicants for initial appointment;

2 (2) regular integrated salary programs based on the nature  
3 of the work performed;

4 (3) retention of employees with permanent status on the  
5 basis of the adequacy of their performance, reasonable efforts of  
6 temporary duration for correction in inadequate performance, and  
7 separation for cause;

8 (4) equal treatment of applicants and employees with regard  
9 only to consideration within the merit principles of employment; [AND]

10 (5) selection and retention of an employee's position  
11 secure from political influences; and

12 (6) classification and pay plans designed to provide pay  
13 equity by using judgments and factors free of biases based on race or  
14 sex and determining job worth for all job classifications based on a  
15 single set of criteria.

16 \* Sec. 4. AS 39.27.020 is amended by adding a new subsection to read:

17 (d) If an employee's basic annual salary is no more than  
18 \$30,000, the pay step differential shall be calculated using the  
19 employee's basic salary. If the employee's basic annual salary is  
20 greater than \$30,000, then the employee's pay step differential shall  
21 be calculated on the differential for a basic salary of \$30,000.

22 \* Sec. 5. AS 39.35 is amended by adding a new section to read:

23 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN  
24 COMPENSATION AND BENEFITS. (a) An employee shall make contributions  
25 to the system based on compensation including a cost-of-living differ-  
26 ential.

27 (b) The amount of a cost-of-living differential may not be in-  
28 cluded in the employee's compensation for purposes of calculating  
29 benefits paid under this chapter unless the employee has received a

1 cost-of-living differential in a comparable amount or of at least that  
2 many steps for at least 50 percent of the employee's credited service.

3 (c) When an employee receives a benefit, and if the employee's  
4 compensation for purposes of calculating the benefit does not include  
5 a cost-of-living differential, then the administrator shall refund to  
6 the employee the amount of contributions the employee made based on  
7 the differential.

8 (d) In this section "cost-of-living differential" means an  
9 adjustment to salary based on the cost of living in the geographic  
10 region where the employee works and includes a pay step differential  
11 under AS 39.27.020.

12 \* Sec. 6. AS 39.35.680(8) is amended to read:

13 (8) "compensation" means the total remuneration earned by  
14 an employee for personal services rendered, including cost-of-living  
15 differentials only as provided in AS 39.35.675, payments for leave  
16 that is actually used by the employee, the amount by which the em-  
17 ployee's wages are reduced under AS 39.30.150(c), and any amount  
18 deferred under an employer-sponsored deferred compensation plan, but  
19 does not include retirement benefits, welfare benefits, per diem,  
20 expense allowances, workers' compensation payments or payments for  
21 leave not used by the employee whether those leave payments are sched-  
22 uled payments, lump-sum payments, donations, or cash-ins;

23 \* Sec. 7. The legislature shall review the pay step differentials  
24 provided under AS 39.27.020 and under collective bargaining contracts  
25 between the state and employee bargaining organizations following the  
26 release of a comprehensive study of the geographic differentials by the  
27 state.

28 \* Sec. 8. By September 15, 1985, the division of budget review in the  
29 Office of Management and Budget shall develop a master position control

1 system with the capability of matching permanent positions listed in an  
2 automated position accounting control system against the state's master  
3 payroll record.

4 \* Sec. 9. The amendments made by secs. 5 and 6 of this Act apply only  
5 to members first hired under the Public Employees' Retirement System on or  
6 after the effective date of secs. 5 and 6 of this Act.

7 \* Sec. 10. Nothing in this Act terminates or modifies a collective  
8 bargaining agreement in existence on the effective date contained in  
9 sec. 13 of this Act.

10 \* Sec. 11. If any provision of this Act, or the application thereof to  
11 any person or circumstance is held invalid, the remainder of this Act and  
12 the application to other persons or circumstances shall not be affected  
13 thereby.

14 \* Sec. 12. Sections 5, 6, and 9 of this Act take effect January 1,  
15 1987.

16 \* Sec. 13. Sections 1 - 4, 7, 8, 10, and 11 of this Act take effect  
17 immediately in accordance with AS 01.10.070(c).



# 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

HPB

284

# Alaska State Legislature

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



CHAIRMAN  
Special Committee on  
Telecommunications

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

MEMBER  
Labor and Commerce  
State Affairs  
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

## MEMORANDUM

To: All Members  
Senate State Affairs Committee

From: Representative H.A. "Red" Boucher  
Sponsor, HB 284

Date: May 5, 1986

Subject: Overview, HB 284, "An Act Relating to Elections"

RECEIVED  
MAY - 5 1986

The statutes governing the activities of the Division of Elections have gradually gotten out of step with changes in the needs of the voters, particularly with regards to absentee ballots and the counting of ballots. Consequently, the Division asked me to submit on their behalf a bill which would provide some housekeeping changes to allow them to operate more efficiently and effectively in these critical areas.

Other legislators have also felt this need apparently, because as the bill has progressed through the House, numerous friendly amendments were added onto the bill. Further, primarily because of a decision to distribute election pamphlets to households instead of to each individual voter, the bill is one of the few pieces of legislation introduced that actually has a negative fiscal note, of \$81,100. As a result, this bill received bi-partisan support and passed the House on April 24 on a reconsideration vote of 31 yeas, 4 nays, and 5 absent.

The bill at present covers a lot of different specific areas of election activity, but still primarily focused on absentee and counting problems. The Division, which is fully supportive of these changes, has prepared an updated sectional analysis of the bill as passed by the House, and also an overview guide to the major provisions of the bill. Both of these documents are attached for your consideration.

I would very much appreciate it if you would take the time to read over this material, and if you have any questions or concerns at all prior to the Committee hearings on the matter, could you please contact me on them as soon as possible. This bill is important in that it provides a lot of needed changes in the current election statutes, and I would be happy to talk to you about them in detail if you wish.

SECTIONAL ANALYSIS OF CSHB 284  
(AS PASSED BY THE HOUSE)

Submitted By:

Division of Elections  
May 1, 1986

The following is an analysis of the recommended changes to Title 15 of the Alaska Statutes proposed by CSHB 284 (RULES):

Section 1 and 2

These sections of the proposed bill relate to the provisions of Title 15 in place to ensure that persons convicted of felonies involving moral turpitude are prevented from voting prior to their unconditional discharge. Under current law upon release of the convicted felon from the authority of the court, voting rights are automatically restored with no action required by the individual. The intent of these sections is to cancel the voter registration of convicted felons, and require them to reregister upon unconditional discharge.

Section 3

AS 15.07.160(a) provides that it is unlawful for a registration official to refuse to register a qualified individual. The proposed amendment stipulates an exception in cases of otherwise qualified individuals who are not yet unconditionally discharged from custody of the court.

Section 4

This amendment to AS 15.07.160(b) which provides that it is unlawful for an individual to register who knowingly lacks the qualifications of a voter, changes the reference citation from AS 15.05.010 (1)-(4), Voter Qualifications, to AS 15.07.030, Who May Register.

Section 5

AS 15.10.180 relates to the appointment of party representatives for participation on state canvassing boards. By specifying the participation of 2 persons from

each political party, the current statute limits the size and composition of the board. The proposed amendment gives the director discretion as to the number of teams that may serve, and stipulates that each team must have members from at least 2 political parties. The flexibility offered by the amendment allows the director to accommodate fair party representation for all parties, as the number of recognized parties fluctuates. As the State has grown, and registration rolls have increased, voter turnout has also dramatically increased. The certification process is becoming more difficult to complete in a reasonable amount of time. It is estimated that certification requires the review of nearly 65,000 mathematical calculations over 442 precincts statewide. This proposed amendment would allow the director to appoint additional teams as needed to assure that the process can continue to be completed in a reasonable amount of time, while guaranteeing fair party representation in the process.

#### Section 6

This section amends AS 15.13.120 relating specifically to campaign contributions and expenditures. AS 15.13 provisions do not relate to the Division administration of elections. Rather, this chapter concerns the functions of the Alaska Public Offices Commission. The Division, therefore, offers no comment on this amendment.

#### Section 7

This section concerns the posting of public notices in conspicuous places in each precinct. Present law provides that the posters contain the legal boundary description of the precinct. Having legal descriptions preprinted on the posters would be a very expensive process as there are only 2 for each precinct required by law. Therefore, Divisional staff must clip and paste each legal description on 884 individual posters by hand. Additionally, legal boundary descriptions are often confusing, hard to read, and difficult to understand and therefore are of questionable benefit to the voters as used in this application. The division has better methods in place by which to notify of their proper precinct and polling place. Each voter is sent a polling place card before major elections that indicates the precinct in which he or she should vote and where the polling place is located. The list of polling places for all precincts are published in the Official Election Pamphlet. Therefore, it is proposed that legal boundary description requirement be deleted from AS 15.15.070(c).

### Section 8

This section provides that if a voter's name does not appear on the precinct register in which he or she seeks to vote, the election worker must affirmatively advise the voter of the right to vote a questioned ballot.

### Section 9 (Also see Section 14, 15, 17, 18 and 22)

This section seeks to make a housekeeping change in the start date for state canvass board review, from the 8th day after the election to the 11th day. This amendment relates to the tightening of the deadline for receipt of absentee ballots as proposed in Section 12 of this bill, which provides that the last day to receive military and foreign by mail ballots would be the 10th day. Under the existing statute the state review board is required to begin its canvass before counting of absentee ballots is completed at the regional level because of the extended absentee deadline beyond the 8th day. Regional Boards have been required to submit incomplete precinct data to Juneau. This has resulted in additional counting of ballots received after the 8th day being concluded at the director's level, after the state canvass has begun. The amendment allows time for all counting to be completed at the regional level in accordance with the proposed 10 day receipt deadline, and before the state canvass would begin its audit.

Section 14, 15, 17 and 18 of this bill propose similar housekeeping changes to dates related to the review and counting of absentee and question ballots, and the forwarding of precinct records to the directors office for inclusion in the state review, pursuant to the amended deadline for receipt of absentee ballots.

### Section 10

This section relates to absentee by personal representative voting and eliminates the requirement that the disabled voter's ballot must be returned within 3 days of its being picked up by the personal representative. The amendment allows the voted ballot to be returned any time prior to 8:00 p.m. election day.

### Section 11

This amendment changes the last day to postmark an absentee application from 6 days to 14 days prior to the election. It also allows a voter register and apply for absentee ballots for all elections within a calendar year, with a single application. Current statutes provide that application may not be made earlier than 6 months before the election.

## Section 12

Presently, all absentee by mail ballots may be accepted up to 15 days after the elections. This proposed amendment would require that absentee by mail ballots be received no later than the tenth day after the election for ballots mailed from within the United States.

Concern has been expressed that since current statutes mandate, that "if the ballot is postmarked, it must be postmarked on or before election day", there is a potential for fraudulent or unethical use of the system. Specifically, this part of the statute requires the postal stamp on or before election only if the ballot is indeed postmarked, but does not require a postmark on all ballots. Research shows that requiring postmarks on all ballots is not feasible because of irregularities in the postal systems worldwide. Because of postal inconsistencies candidates or campaign workers could respond to election night returns by soliciting absentee voters who have not mailed in their ballots to do so in the few days right after the election. Because no postmark is required for counting, these ballots cast after the election, but received within the 15 day period, could be included in the totals. In close races, these late votes could impact the outcome. Research shows that 98% of mailed ballots take fewer than 6 days for delivery.

Shortening the deadline for receipt of absentee ballots would enhance the faster announcement of election results. Candidates, particularly in close races, would know the outcome more quickly as certification of election results could be completed sooner.

## Section 13

This amendment extends the deadline for receipt of absentee ballots mailed from overseas or any APO or FPO address to the 10th day after the election. Research of such ballots indicates that 98.5% of these ballots are delivered in fewer than 10 days.

## Section 14, 15, 17 and 18 (Also see Section 9)

These sections are additional housekeeping amendments making changes to specified days on which regional boards begin and complete review and counting of absentee and questioned ballots and forward materials to the directors office for inclusion in the state review. These changes related to the proposed deadline for receipt of absentee ballots.

#### Section 16

This amendment to AS 15.20.203(b) eliminates failure of an absentee voter to place the ballot in a secrecy envelope as sole grounds for not counting the ballot, if the ballot is otherwise properly cast.

#### Section 19

This section eliminates failure of a questioned voter to place the ballot in a secrecy envelope as sole grounds for not counting the ballot if the ballot is otherwise properly cast.

#### Section 20

Under current statutes, a candidate requesting a recount may select representatives to observe and participate in the recount process. Often candidates choose to represent themselves. These observers and candidates are currently paid for this participation at the same rate as the counting team members. In essence, the candidates pay the nominal fee and are then repaid for participating. The proposed amendment removes the provision for paying recount representatives.

#### Section 21

The cost to the State for conducting recounts are approximately \$1700 per District. This proposed amendment would increase the fees required of candidates for recounts. Additionally, the amendment raises the difference between the number of votes cast between candidates from 10 votes to 20, as a basis for determining if a recount is to be completed free of charge.

#### Section 22

This section deletes language allowing late absentee ballots received after the deadline for receipt from being included in recounts.

#### Section 23

The addition of this section formalizes the authority of the Director to supervise punch-card voting and counting procedures as necessary. This formal placement of final authority is critical, especially under emergency situations which sometimes occur during election night counting. As an example, during the failure of the mainframe computer in Anchorage during the 1984 primary election, the decision to

go to the backup system had to be made quickly. This addition clarifies the role of the Director in making such decisions while coordinating the work of the Data Processing Review Board as responsible for testing and implementing the actual computer counting of ballots. Timely and responsive decisions by a single authority is required to ensure the counting process continues to proceed as smoothly and efficiently as possible.

#### Section 24

This amendment alters the method by which a random sampling of ballots is selected to be manually counted and checked against the computer tabulation during the data vote counting. Under current statute, an individual race is manually counted in 6 precincts. The amendment provides that all races are checked in at least one precinct selected at random based on a statistical sampling. Based on recommendation from programmers who have accomplished data vote computations, the Division endorses this amendment.

#### Section 25

This section provides new language which allows the Director to conduct special elections held at any time other than dates of primaries, general or municipal elections entirely by mail. Registered voters who are eligible to vote in the special election would automatically receive a ballot in the mail and would return it by mail. The purpose of this amendment is to save costs while increasing turnout in special elections.

#### Section 26

This amendment represents new sections clarifying the role of the Director in reviewing evidence related to eligibility of a candidate, most specifically in terms of claimed residence. The Director is authorized to determine eligibility based on a preponderance of evidence. It also clarifies the rules for determining residence.

#### Section 27

This proposed amendment seeks to make the filing fees paid by candidates non-refundable. In addition it deletes the provision that these fees be paid to the central committee of the political party of that candidate subject to legislative appropriation.

#### Section 28, 29, 30, 31, 36, 37, 38, 39 and 46

The proposed amendments to these sections are in response to an Alaska Supreme Court decision in Vogler vs. Miller, 651, P.2d 1 (Alaska 1982), and Vogler vs. Miller, 660 P2d 1191 (Alaska 1983).

In particular, the court held that AS 15.25.160 and 15.60.010(20) are unconstitutional as being unduly restrictive of ballots access and as to other consequences of "political party" status. AS 15.25.160 requires that a petition for nomination of candidates for the office of governor, lieutenant governor, United States senator and representative be signed by qualified voters equal in number to at least three percent of the number of votes cast in the preceding general election. AS 15.60.010(20) defines "political party" as a group of organized voters that represent a political program and that nominates a candidate for governor who received at least 10 percent of the vote cast at the preceding general election for governor.

This bill amends those two sections to reduce the required percentages to one percent and three percent, respectively. The bill also amends other sections to similarly reduce the required percentages in light of the Vogler decision.

Sections 32, 33, 34, 35, 41, 42, 43, 44, and 45

These sections make changes in the deadlines for submission of materials from political parties, candidates, judicial retention candidates and the judicial council, for inclusion in the official election pamphlet. Conforming Amendments are also made to the filing deadlines for judges and justice. These amendments ease the constricted timeframes which currently make publication of the Official Election Pamphlet nearly impossible to accomplish in time to meet the statutory deadline for mailing them to the voters. Under the current submission deadlines the Division is effectively allowed little more than 2 weeks to prepare 5, 150 page booklets for printing. Until the deadline has been reached, the Division cannot even adequately determine the exact number of pages which will be required.

The amendments to these deadlines are very important for efficient preparation of the Official Election Pamphlet. Under current statute, the critically tight time frame has resulted in several unfortunate circumstances. First of all strategic planning and budgeting is seriously hampered. Secondly, the strict time constraints eliminate adequate opportunity to assure quality control and proper proofreading. Thirdly, we have experienced costly overtime changes above and beyond contract award fees to accommodate last minute submissions and required revisions. In 1984 these excess changes were \$17,000. With serious budget cuts and shortfall facing State government, we can no longer absorb such increases. The deadline changes offer us greater control in assuring that these additional charges kept at an absolute minimum.

Offered: 4/21/86  
Referred: Rules

Original sponsors: Boucher, Hurley  
and Navarre

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 284 (Rules) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. AS 15.05.030 is amended to read:

10 Sec. 15.05.030. LOSS AND RESTORATION OF VOTING RIGHTS. (a) A  
11 person convicted of a crime that constitutes a felony involving moral  
12 turpitude under state law may not vote in a state or a municipal  
13 election from the date of the conviction through the date of the  
14 [RESTORATION OF VOTING RIGHTS UNDER THIS SECTION. THE RIGHT TO VOTE  
15 WITHDRAWN UNDER THIS SECTION IS AUTOMATICALLY RESTORED UPON THE]  
16 unconditional discharge of the person. Upon the unconditional dis-  
17 charge, the person may register under AS 15.07.

18 (b) The commissioner of corrections shall establish procedures  
19 by which a person unconditionally discharged is advised of the voter  
20 registration requirements and procedures [RESTORATION OF VOTING RIGHTS  
21 WITHDRAWN BY A CONVICTION].

22 \* Sec. 2. AS 15.07.135 is amended to read:

23 Sec. 15.07.135. CANCELLATION [SUSPENSION] OF REGISTRATION OF  
24 CONVICTED PERSONS. The director shall make reasonable efforts to ob-  
25 tain the names of persons convicted of a felony involving moral turpi-  
26 tude. [THE DIRECTOR SHALL ALSO MAKE REASONABLE EFFORTS TO OBTAIN THE  
27 NAMES OF PERSONS UNCONDITIONALLY DISCHARGED FROM CUSTODY.] The direc-  
28 tor shall cancel [SUSPEND] the registration of a person convicted of a  
29 felony involving moral turpitude. Upon presenting proof that [UNTIL]  
H

1 the person is unconditionally discharged from custody, the person may  
2 register. The director shall make reasonable efforts to verify the  
3 unconditional discharge of persons applying for registration under  
4 this section.

5 \* Sec. 3. AS 15.07.160(a) is amended to read:

6 (a) Except as provided in AS 15.07.135, it [IT] is unlawful for  
7 a registration official to refuse to register a person who is qual-  
8 ified to vote under provisions of AS 15.05.010(1) - (4).

9 \* Sec. 4. AS 15.07.160(b) is repealed and reenacted to read:

10 (b) It is unlawful for a person knowingly lacking the qualifica-  
11 tions of a voter to register under AS 15.07.030 to vote.

12 \* Sec. 5. AS 15.10.180 is amended to read:

13 Sec. 15.10.180. APPOINTMENT OF PARTY REPRESENTATIVES FOR STATE  
14 BALLOT COUNTING REVIEW. The director shall appoint [TWO] persons from  
15 each political party to serve on teams to participate in the state  
16 ballot counting review. The director may determine the number of  
17 teams to be appointed but each team must have members from at least  
18 two political parties. Each person who is appointed and serves is  
19 entitled to compensation as provided in AS 15.15.380. Each political  
20 party may present to the director a list of three or more names from  
21 which the director shall select the persons to represent the party.  
22 The list of names may be submitted in writing at least 30 days before  
23 the date of the election. The persons to represent the party on the  
24 state ballot counting review board may be selected by the state party  
25 central committee or in any other manner prescribed by the bylaws of  
26 the party. The list of names shall be certified by the chair [CHAIR-  
27 MAN] of the state central committee of the party or by the person  
28 authorized by the party bylaws to act in the absence of the chairman.

29 \* Sec. 6. AS 15.13.120(a) is amended to read:  
H

1 (a) A person who violates a provision of this chapter is guilty  
2 of a misdemeanor and, upon conviction, is punishable by imprisonment  
3 for not more than one year or by a fine of not more than \$5,000. A  
4 violation includes but is not limited to any of the following acts or  
5 omissions:

6 (1) failing to make a statement or report required to be  
7 made under this chapter, or failing to make a statement or report at  
8 the time the statement or report is required to be made under this  
9 chapter;

10 (2) making a campaign contribution or expenditure which  
11 exceeds the limitations of AS 15.13.070 [AS 15.13.070(f)];

12 (3) making a false statement or report under this chapter;

13 (4) giving or furnishing money to another person or group  
14 for the purpose of making a contribution or expenditure anonymously,  
15 in a fictitious name, or in the name of another, or contributing in  
16 violation of AS 15.13.090;

17 (5) making a communication to support or defeat a candidate  
18 without identification of sponsorship, in violation of AS 15.13.090;  
19 [.]

20 (6) knowingly accepting a contribution in violation of  
21 AS 15.13.070\_ [;]

22 \* Sec. 7. AS 15.15.070(c) is amended to read:

23 (c) Public notice shall also be given by posting notices in two  
24 or more conspicuous places in each election precinct. The posted  
25 notice shall specifically include but is not limited to the date of  
26 election, [THE BOUNDARY OF THE PRECINCT,] the location of the polling  
27 place, the hours between which the polling places will be open, the  
28 offices to which candidates are to be nominated or elected, and the  
29 subject of the propositions and questions which are to be voted on.  
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1 \* Sec. 8. AS 15.15.198(a) is amended to read:

2 (a) If a voter's name does not appear on the official registra-  
3 tion list in the precinct in which the voter [HE] seeks to vote, the  
4 election judge shall affirmatively advise the voter that the voter may  
5 cast a questioned ballot and the voter [HE] shall be allowed to vote a  
6 questioned ballot.

7 \* Sec. 9. AS 15.15.440 is amended to read:

8 Sec. 15.15.440. DATES FOR OPENING AND CLOSING STATE BALLOT  
9 COUNTING REVIEW. The state ballot counting review shall begin no  
10 later than 11 [EIGHT] days after the election and be continued daily  
11 until completed. The director may designate the hours each day during  
12 which the state ballot counting review board is to conduct its ballot  
13 counting review. The director shall close the review when the direc-  
14 tor [HE] is satisfied that no missing precinct certificate of election  
15 would, if received, change the result of the election. If no election  
16 certificate has been received from a precinct, the director may secure  
17 from the election supervisors and may count a certified copy of the  
18 duplicate election certificate of the precinct. If no election mate-  
19 rials have been received, but election results have been received by  
20 telephone, telegram or radio, the director shall count the election  
21 results so received. If the director has reason to believe that a  
22 missing precinct certificate, if received, would affect the result of  
23 the election, the director shall await the receipt of the certificate  
24 until the close of business on [FOUR O'CLOCK IN THE AFTERNOON OF] the  
25 15th day after the date of election. A certificate not actually  
26 delivered to the director by the close of business [FOUR O'CLOCK] on  
27 the 15th day after the election may [SHALL] not be counted at the  
28 state ballot counting review.

29 \* Sec. 10. AS 15.20.071(c) is amended to read:  
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1 (c) The personal representative shall deliver the absentee  
2 ballot to the voter as soon as practicable. Upon receipt of an absen-  
3 tee ballot through a personal representative, the voter shall proceed  
4 to mark the ballot in secret, to place the ballot in the small enve-  
5 lope, to place the small envelope in the larger envelope, and to sign  
6 the voter's certificate on [THE BACK OF] the envelope in the presence  
7 of the personal representative who shall witness and date the signa-  
8 ture of the voter. The voter must mark the ballot and sign the vot-  
9 er's certification not later than election day [SIGN AS ATTESTING  
10 WITNESS AND DATE HIS SIGNATURE]. The voter shall then return the  
11 absentee ballot to the [HIS] personal representative who shall deliver  
12 the ballot to the election official who provided the ballot. The  
13 absentee ballot must be returned to the election official [ WITHIN  
14 THREE DAYS FROM THE DATE IT IS OBTAINED BUT] not later than 8:00 p.m.  
15 on election day. [AN ABSENTEE BALLOT THAT IS NOT RETURNED TO THE  
16 ELECTION OFFICIAL BY THE CLOSE OF BUSINESS ON THE THIRD DAY FROM THE  
17 DAY IT IS OBTAINED MAY NOT BE COUNTED BUT THE VOTER MAY VOTE IN THE  
18 ELECTION.]

19 \* Sec. 11. AS 15.20.081(b) is amended to read:

20 (b) An application for an absentee ballot by mail must be  
21 postmarked not [MORE THAN SIX MONTHS NOR] less than 14 [SEVEN] days  
22 before the election for which the absentee ballot is sought. The  
23 absentee ballot application shall permit the person to register to  
24 vote under AS 15.07.070 and to request an absentee ballot for each  
25 state election held within that calendar year for which the voter is  
26 eligible to vote.

27 \* Sec. 12. AS 15.20.081(e) is amended to read:

28 (e) An absentee ballot must be marked [AND ATTESTED] on or  
29 before the date of the election. Except as provided in (h) of this  
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1 section, a [IF THE] voter who returns the ballot by mail [, HE] shall  
2 use a mail service at least equal to first class [THE MOST EXPEDITIOUS  
3 MAIL SERVICE] and mail the ballot not later than the day of the  
4 election to the election supervisor for the [IN HIS] election district  
5 in which the voter seeks to vote. The ballot may not be counted  
6 unless it is received by the close of business on the 10th day after  
7 the election. If the ballot is postmarked, it must be postmarked on  
8 or before election day. After the day of the election, no ballots  
9 shall be accepted unless received by mail.

10 \* Sec. 13. AS 15.20.081 is amended by adding a new subsection to read:

11 (h) An absentee ballot returned by mail from outside the United  
12 States or from a military APO or FPO address that has been marked and  
13 mailed not later than election day may not be counted unless the  
14 ballot is received by the election supervisor not later than the close  
15 of business on the 10th day following the election.

16 \* Sec. 14. AS 15.20.201(a) is amended to read:

17 (a) No less than seven days [ON THE SEVENTH DAY] preceding the  
18 day of election, the election supervisor [OR HIS DESIGNEE], in the  
19 presence and with the assistance of the district absentee ballot  
20 counting board, shall review all voter certificates of absentee bal-  
21 lots received by that date. The review of absentee ballots shall  
22 continue at times designated by the election supervisor until complet-  
23 ed [AND SHALL INCLUDE ALL ABSENTEE BALLOTS RECEIVED IN THE OFFICE OF  
24 THE ELECTION SUPERVISOR BY 4:00 P.M. ON THE SEVENTH DAY FOLLOWING THE  
25 DAY OF THE ELECTION].

26 \* Sec. 15. AS 15.20.201(c) is amended to read:

27 (c) On the 10th [EIGHTH] day following the day of the election,  
28 the district absentee ballot counting board shall certify the absentee  
29 ballot review.

1 \* Sec. 16. AS 15.20.203(b) is amended to read:

2 (b) An absentee ballot may not be counted if

3 (1) the voter has failed to properly execute the certifi-  
4 cate;

5 (2) an official or the witnesses authorized by law to  
6 attest the voter's certificate fail to execute the certificate;

7 (3) [THE VOTER FAILS TO ENCLOSE THE MARKED BALLOT INSIDE  
8 THE SMALL ENVELOPE;

9 (4)] the ballot is not attested on or before the date of  
10 the election; [OR]

11 (4) [(5)] the ballot, if postmarked, is not postmarked on  
12 or before the date of the election; or [.]

13 (5) after the day of election, the ballot was delivered by  
14 a means other than mail.

15 \* Sec. 17. AS 15.20.203(g) is amended to read:

16 (g) Upon completion of the absentee ballot review, the election  
17 supervisor shall prepare an election certificate for execution by the  
18 district absentee ballot counting board and shall forward the original  
19 certificate and other returns to the director no later than the 11th  
20 [NINTH] day following the election.

21 \* Sec. 18. AS 15.20.205(c) is amended to read:

22 (c) The district questioned ballot counting board shall certify  
23 the questioned ballot totals as soon as the count is completed but no  
24 later than the 10th [EIGHTH] day following the election.

25 \* Sec. 19. AS 15.20.207(b) is amended to read:

26 (b) A questioned ballot may not be counted if

27 (1) the voter has failed to properly execute the certifi-  
28 cate; or

29 (2) an official or the witnesses authorized by law to  
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1 attest the voter's certificate fail to execute the certificate [; OR

2 (3) THE VOTER DID NOT ENCLOSE THE MARKED BALLOT INSIDE THE  
3 SMALL ENVELOPE].

4 \* Sec. 20. AS 15.20.440(a) is amended to read:

5 (a) The application shall state in substance the basis of the  
6 belief that a mistake has been made, the particular election precinct  
7 or election district for which the recount is to be held, the particu-  
8 lar office, proposition, or question for which the recount is to be  
9 held, and that the person making the application is a candidate or  
10 that the 10 persons making the application are qualified voters. The  
11 candidate or persons making the application shall designate by full  
12 name and mailing address two persons who shall represent the applicant  
13 and be present and assist during the recount. Any person may be named  
14 representative, including the candidate [HIMSELF] or any person sign-  
15 ing the application [, AND THE REPRESENTATIVES SHALL BE PAID IN THE  
16 SAME AMOUNT AND MANNER AS ELECTION JUDGES]. Applications by 10 qual-  
17 ified voters shall also include the designation of one of the number  
18 as chair [CHAIRMAN]. The candidate or persons making the application  
19 shall sign the application and shall print or type their full name and  
20 mailing address.

21 \* Sec. 21. AS 15.20.450 is amended to read:

22 Sec. 15.20.450. REQUIREMENT OF DEPOSIT. The application shall  
23 include a deposit in cash, by certified check, or by bond with a  
24 surety approved by the director. The amount of the deposit is \$300  
25 [\$50] for each precinct, \$750 [\$250] for each election district, and  
26 \$10,000 [\$2,000] for the entire state. If [HOWEVER, IF] the recount  
27 includes an office for which candidates received a tie vote, or the  
28 difference between the number of votes cast was 20 [10] or less or was  
29 less than .5 percent of the total number of votes cast for the two  
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1 candidates for the contested office, or a question or proposition for  
2 which there was a tie vote on the issue, or the difference between the  
3 number of votes cast in favor of or opposed to the issue was 20 [10]  
4 or less or was less than .5 percent of the total votes cast in favor  
5 of or opposed to the issue, the application need not include a deposit  
6 and the state shall bear the cost of the recount. If, on the recount,  
7 a candidate other than the candidate who received the original elec-  
8 tion certificate is declared elected, or if the vote on recount is  
9 determined to be four percent or more in excess of the vote reported  
10 by the state review for the candidate applying for the recount or in  
11 favor or opposed to the question or proposition as stated in the  
12 application, the entire deposit shall be refunded. If the entire  
13 deposit is not refunded, the director shall refund any money remaining  
14 after the cost of the recount has been paid from the deposit.

15 \* Sec 22. AS 15.20.480 is amended to read:

16 Sec. 15.20.480. PROCEDURE FOR RECOUNT. In conducting the re-  
17 count, the director [OR HIS APPOINTED REPRESENTATIVE] shall review all  
18 ballots whether the ballots were counted at the precinct or by comput-  
19 er or by the district absentee counting board or the questioned ballot  
20 counting board to determine which ballots, or part of ballots, were  
21 properly marked and which ballots are to be counted in the recount,  
22 and shall check the accuracy of the original count, the precinct  
23 certificate and the review. The director shall check the number of  
24 ballots and questioned ballots cast in a precinct against the regis-  
25 ters and shall check absentee ballots voted against absentee ballots  
26 distributed. [THE DIRECTOR SHALL COUNT ABSENTEE BALLOTS RECEIVED AF-  
27 TER 4:00 P.M. ON THE 15TH DAY FOLLOWING THE ELECTION AND BEFORE THE  
28 COMPLETION OF THE RECOUNT.] For administrative purposes, the director  
29 may join and include two or more applications in a single review and  
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1 count of votes. The rules in AS 15.15.360 governing the counting of  
2 hand-marked ballots and the rules in AS 15.20.730 governing the count-  
3 ing of punch-card ballots shall be followed in the recount. The  
4 ballots and other election material shall remain in the custody of the  
5 director during the recount and the highest degree of care shall be  
6 exercised to protect the ballots against alteration or mutilation.  
7 The recount shall be completed within 10 days. The director may  
8 employ additional personnel necessary to assist in the recount.

9 \* Sec. 23. AS 15.20 is amended by adding a new section to article 5 to  
10 read:

11 Sec. 15.20.580. SUPERVISION OF PUNCH-CARD VOTING. In accordance  
12 with AS 15.15.010, the director shall supervise punch-card voting  
13 procedures and the counting of punch-card ballots.

14 \* Sec. 24. AS 15.20.620(d) is repealed and reenacted to read:

15 (d) During the tabulation by computer at main computer counting  
16 sites, a manual count shall be made of a statistical sample of ballots  
17 for all races in at least one precinct picked at random for each  
18 election district counted at the site, under regulations adopted by  
19 the director. The director shall check the results of the manual  
20 count against those of the system.

21 \* Sec. 25. AS 15.20 is amended by adding a new section to read:

22 ARTICLE 6. VOTING BY MAIL.

23 Sec. 15.20.750. VOTING BY MAIL. (a) The director may conduct  
24 an election by mail if it is held at a time other than when the gen-  
25 eral, party primary, or municipal election is held.

26 (b) If the director conducts an election under (a) of this  
27 section by mail, the director shall send a ballot for each election  
28 described in (a) of this section to each person whose name appears on  
29 the official registration list prepared under AS 15.07.125 for that  
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1 election. The ballot shall be sent to the address stated on the  
2 official registration list unless the voter has notified the director  
3 or an election supervisor of a different address to which the ballot  
4 should be sent. The director shall send ballots by first class,  
5 nonforwardable mail.

6 (c) If the director conducts an election under (a) of this  
7 section by mail, the director shall mail ballots under this section on  
8 on or before the 22nd day before the election.

9 (d) The voter may cast the ballot under AS 15.20.081(d) - (e).

10 (e) The director shall review ballots voted under this section  
11 under procedures established for the review of absentee ballots under  
12 AS 15.20.201 and 15.20.203.

13 \* Sec. 26. AS 15.25 is amended by adding new sections to read:

14 Sec. 15.25.042. ELIGIBILITY OF A CANDIDATE. (a) If the direc-  
15 tor receives a complaint regarding the eligibility of a candidate for  
16 a particular office, the director shall determine eligibility under  
17 regulations adopted by the director. The director shall determine the  
18 eligibility of the candidate within 30 days of the receipt of the  
19 complaint.

20 (b) Except as provided in (c) of this section, the director  
21 shall determine the eligibility of the candidate by a preponderance of  
22 the evidence.

23 (c) If a candidate for the legislature has been registered to  
24 vote at any time during the 12 months preceding the filing of the  
25 declaration of candidacy in a district other than the district in  
26 which the declaration of candidacy has been filed, the director may  
27 not determine that a candidate is eligible except under a standard of  
28 clear and convincing evidence.

29 (d) A person may not be a resident of two districts at the same  
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