

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5052 HSTA COMMITTEE SCHEDULING - EO 65

624

The 14th Legislature passed a bill identical to HB 79. The vote in the House was 29 yes votes and the Senate was 11 yes votes. This bill is just one step in reducing the cost of a government program while also assuring that state money remains here at home. HB 79 could be categorized as an "arts jobs" bill. This bill also provides accountability for the artwork selections for the public. Adding more public members to the selection committee provides greater public accountability for the artwork selections.

I respectfully ask that HB 79 be voted on and passed out of your committee with individual recommendations to the House Finance Committee. I would like for the bill to have a chance to be voted on by the House before we adjourn this session.

Alaska State Legislature

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

REPRESENTATIVE
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

MEMORANDUM

To: Representative Fran Ulmer

From: Representative Mark Boyer *MB*

Subject: HB348, An Act relating to the composition
of the Medicaid Rate Commission

Date: January 25, 1988

I would very much appreciate an early hearing of this bill, currently in the House State Affairs Committee. Passage of HB 348 would give the state an important advantage in an on going effort to contain Medicaid costs in Alaska.

Rate appeals currently pending before the Medicaid Rate Commission total several million dollars for increased workers compensation and malpractice insurance costs for which providers are seeking reimbursement. We must get a handle on the rapid spiral in rate increases. This bill is a step in the right direction. Its early consideration by your committee will help the Finance Committee focus on the entire issue of the increasing cost of the Medicaid program.

Thank you for your consideration.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD

PO. BOX V, JUNEAU 99811
(907) 465-3822



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

DATE: January 18, 1988
TO: Honorable Fran Ulmer, Chair
House State Affairs Committee
FROM: Representative Dave Donley *DD*
SUBJECT: Hearing for SB72

I am writing to request that the State Affairs Committee schedule a hearing on SB72, at your earliest convenience.

SB72 is a bill that prohibits salaries in state government not to exceed the Governors.

If you need any additional information please feel free to contact me.

CC: Senator Paul Fischer



Alaska State Legislature

House of Representatives

P.O. BOX 783
GIRDWOOD, ALASKA 99587
(907) 783-2905

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-2693/2719


REPRESENTATIVE
JIM ZAWACKI
DISTRICT 7

MEMBER
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE
LEGISLATIVE BUDGET &
AUDIT COMMITTEE
FINANCE SUBCOMMITTEE

M E M O R A N D U M

January 15, 1988

TO: Representative Fran Ulmer
Chairman, House State Affairs Committee

FROM: Representative Jim Zawacki 

SUBJ: Scheduling of HB 309

I would like to inquire into the possibility of having HB 309, relating to contributions from permanent fund dividends for the Alaska Special Olympics, be scheduled for a hearing as soon as possible.

Alaska Special Olympics serves almost four hundred Alaskans with mental retardation. The monies raised from this source would provide a lot more support and would enable the organization to serve more athletes which in turn would build more programs.

I believe this bill is important to Alaskans and to those children and individuals who do partake in Special Olympics. I would again ask for a hearing to be scheduled just as soon as possible.

Fran, if you have any questions on the bill, please feel free to contact me or my legislative assistant, Tally Johnson at 465-2719.

Thank you for our consideration.

cc: Judy Meidinger, Executive Director
Alaska Special Olympics

1 IN THE HOUSE

BY ZAWACKI

2

HOUSE BILL NO. 309

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to contributions from permanent fund
dividends for the Alaska Special Olympics; and pro-
viding for an effective date."

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

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* Section 1. AS 43.23 is amended by adding a new section to read:

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Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-
ment shall prepare the permanent fund dividend application to allow an
applicant to elect to have money subtracted from the dividend check
and contributed to the official organizing committee for the Alaska
Special Olympics.

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(b) The amount of each contribution elected under (a) of this
section is \$5. Contributions shall be deposited in a special dividend
contribution account and allocated by the department in accordance
with the contribution elections made by applicants except that the
department shall use money in the account to pay administrative costs
incurred under this section.

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* Sec. 2. This Act takes effect July 1, 1987.

REPRESENTATIVE DAVE DONLEY


ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD

P.O. BOX V, JUNEAU 99811
(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

DATE: January 11, 1988
TO: Honorable Fran Ulmer, Chair
House State Affairs Committee
FROM: Representative Dave Donley 
SUBJECT: HB 297: Notification to Community Councils

I am writing to request that the State Affairs Committee schedule a hearing on HB 297, at your earliest convenience.

House Bill 297 requires that state agencies notify community councils about pending state actions that may affect their districts,

Community councils have long desired to be adequately informed of pending state decisions in order to assure local participation in decisions affecting communities. House Bill 297 offers a vehicle for this.

Please contact me or my aide, Mark Begich, at 3892 should you have any questions or need additional information.

Alaska State Legislature



REPRESENTATIVE
ADELHEID HERRMANN

PO BOX 83
NAKNEK, ALASKA 99833
(907) 248-4495

While in Juneau
BOX V
JUNEAU, ALASKA 99811
(907) 465-4942, 465-4943

CO-CHAIRMAN
RESOURCES COMMITTEE

MEMBER
TRANSPORTATION
COMMITTEE

House of Representatives

Tolson, Fowles
Bona
1/1/82

DISTRICT 28

- ADAK
- AKUTAN
- ALEKNAJIK
- ATKA
- BELKOFSKI
- CLARK'S POINT
- COLD BAY
- DILLINGHAM
- DUTCH HARBOR
- EGEGIK
- EKUK
- EKWOK
- FALSE PASS
- IGIUGIG
- ILIAMNA
- KING COVE
- KING SALMON
- KOKHANOK
- KOLIGANEK
- LEVELOCK
- MANOKOTAK
- NAKNEK
- NELSON LAGOON
- NEWHALEN
- NEW STUYAHOK
- NIKOLSKI
- NONDALTON
- PEDRO BAY
- PILOT POINT
- PORT ALSWORTH
- PORT HEIDEN
- PORT MOLLER
- PORTAGE CREEK
- SAND POINT
- SOUTH NAKNEK
- SQUAW HARBOR
- ST. GEORGE
- ST. PAUL
- TOGIAK
- TWIN HILLS
- UGASHIK
- UNALASKA

December 9, 1987

Representative Fran Ulmer
Chairman, State Affairs Committee
P.O. Box V
Juneau, Alaska 99811

Dear Representative Ulmer:

The legislative session is rapidly approaching and I'm sure the committee calendar is already filling up.

This is to request that you hold hearings in the State Affairs Committee on my HB 326, relating to the state register system during the latter part of February.

As you know, any bill relating to the state register system will draw a lot of attention and probably require several meetings. A statewide teleconference may be beneficial as I know there are people across the state who have strong concerns about the state's current hiring practices.

My staff is working on a packet of back-up material and will send it down as soon as it is completed.

If you have any questions, or if there will be any problem in scheduling an early committee hearing for HB 326, please contact me at your earliest convenience.

Sincerely,

Adelheid Herrmann

Adelheid Herrmann
Representative

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



State Senate

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

MEMORANDUM

TO: Representative Fran Ulmer, Chair
House State Affairs Committee

FROM: Senator Paul Fischer *PAF*

SUBJECT: Senate Bill 72
(prohibiting salaries for certain employees from
exceeding the governor's salary)

DATE: March 9, 1988

I would appreciate your scheduling the above referenced bill for a hearing before the House State Affairs Committee at your earliest possible convenience.

Under this bill, the state could not pay an officer or employee, or an employee of the Alaska Railroad Corporation (if the corporation receives at least 50 percent of its yearly budget by direct appropriation or grant from the state treasury) a basic salary that is greater than the salary of the governor.

PAF/sgn

M E M O R A N D U M

TO: Ben Grussendorf
Speaker

FROM: Fran Ulmer, Chair
House State Affairs Committee

RE: Committee Scheduling

DATE: February 25, 1988

I am tentatively proposing the following committee schedule in response to your list of priority legislation in House State Affairs Committee.

<u>BILL</u>	<u>TITLE</u>	<u>SCHEDULE DATE OR COMMENTS</u>
HB 17	Early Retirement Program	After hearings last session, it was decided to wait until the original program could be evaluated.
HB 252	Supplemental Benefits Program	We will schedule this bill after DOA has analyzed responses to an employee survey.
HB 312	Legislative Ethics	3/9/88
HB 348	Membership of Medicaid Rate Commission	3/2/88
HB 416	Pensions for National Guard and Naval Militia	3/9/88

<u>BILL</u>	<u>TITLE</u>	<u>SCHEDULE DATE OR COMMENTS</u>
HB 420	Adoption and Validity of Regulations	Hearing on 2/19/88. Committee is waiting for Department of Law and Senator Hensley to work out compromise.
HB 450	State Contract and Job Solicitation	3/2/88
HB 462	Medically Needy Coverage Under Medicaid	3/16/88
HB 498	Drug Sales to Minors and Near Schools	Passed from committee on 2/24/88.
HB 501	Children's Commission	3/14/88
HB 516	Hazardous Wastes/Materials Placards	3/11/88
HB 523	Preference for Recycled Alaska Products	3/2/88
HB 528	Composition of Alaska Naval Militia	3/11/88

Senator Rick Uehling

Senate District H
Downtown, Elmendorf, Northeast Anchorage



Senate Finance Committee
Chair, International Trade Committee
Vice-Chair, State Affairs Committee
Labor & Commerce Committee

March 4, 1988

M E M O R A N D U M

TO: Representative Fran Ulmer, Chair
House State Affairs Committee

FROM: Senator Rick Uehling

SUBJECT: SCR 37, "Relating ^{PAU} to the Young Astronaut Program"

I would like to respectfully request that SCR 37, relating to the Young Astronaut Program, receive a hearing in the House State Affairs Committee at your earliest possible convenience.

Thank you for your attention to this matter.



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

COMMITTEE ON STATE AFFAIRS

February 2, 1988

TO: Representative Ben Grussendorf,
Speaker of the House

FROM: Representative Fran Ulmer, Chair
House State Affairs Committee

RE: Bills In Committee

Attached you will find A and B lists where A bills refer to caucus priorities and B refers to bills requested by legislators which I have agreed to hold hearings on.

→ SB 422 Kentucka

A:LIST

- * HCS CSSB 56(SA) Annuity Program
- * SSHB 252 Supplemental Benefits System/Medicare
- HB 312 Legislative Ethics, Miscellaneous Amendments

B:LIST

- ✓ HB 128 Educational Trust Fund; PF Dividend Check-off
- ✓ HB 174 Giving Alcohol to Minors in Private Homes
- ✓ HB 309 Special Olympics; PF Dividend Check-off
- ✓ HB 333 Use of State Forest Products by Alaska Railroad
- ✓ HB 336 Providing Alcohol to Minors
- ✓ * HB 348 Membership of Medicaid Rate Commission
- ✓ * HB 397 Licensing Exemptions for School Bus Drivers
- ✓ * HB 416 Pensions for National Guard and Naval Militia
- ✓ * HB 420 Adoption and Validity of Regulations
- ✓ * HB 447 Option for Direct Deposit of PF Dividend
- ✓ * HB 450 State Contract and Job Solicitation
- ✓ HB 462 Medically Needy Coverage Under Medicaid
- ✓ * HB 469 Expanding PERS Peace Officer Definition
- ✓ * HB 500 ABC Board Members/License Suspension
- ✓ * HB 501 Children's Commission
- ✓ * HB 521 Open Containers/Alcohol in Motor Vehicles
- ✓ * HB 528 Composition of Alaska Naval Militia
- ✓ HJR 53 Naming Navy Vessel for General Cates
- ✓ * HJR 57 Over the Horizon Backscatter Radar
- ✓ * HJR 58 Return of Human Remains from Smithsonian
- HJR 67 Legislative Confirmation/Public Corporations
- ✓ SB 95 Renewal of Driver's License by Mail
- ✓ SB 113 Arctic Winter Games/PF Dividend Check-off
- ✓ * SB 246 Employment Protection for Jurors
- SB 288 Candidate's Use of Political Party Name
- ✓ * SB 342 In-Bond Merchandise at International Airports
- ✓ * SJR 15 Right to Keep and Bear Arms
- ✓ * SJR 48 Supporting Alaska-Soviet Exchanges
- ✓ * SJR 61 Islands in Chukchi and East Siberian Seas

* Scheduled

CONFIRMATION
ATHLETIC
COMMISSION
AND
APOC



Official Business

Alaska State Legislature

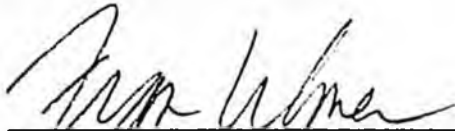
House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

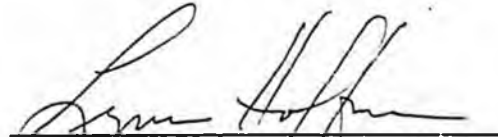
COMMITTEE ON STATE AFFAIRS

April 18, 1988

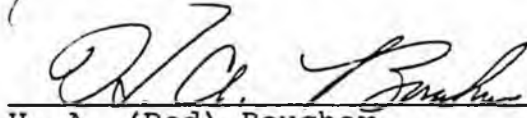
The State Affairs Committee has considered Governor Cowper's appointment of S. Allen Vezey, Jr. to the Alaska Public Offices Commission. The committee recommends that the full body confirm this appointment.



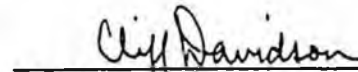
Fran Ulmer, Chair



Lyman Hoffman, Vice Chair

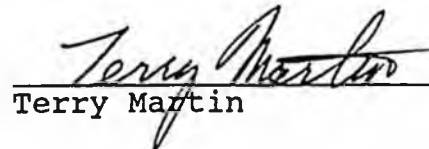


H. A. (Red) Boucher

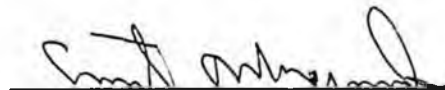


Cliff Davidson

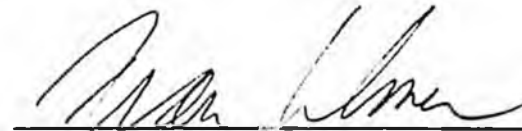
Dave Donley



Terry Martin



Curt Menard



Fran Ulmer, Chair

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H.S.A

4-18-88

3:00p.m.



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE

CONFIRMATION HEARINGS

FILE CONTENTS

1. LETTER FROM GOVERNOR COWPER TO SPEAKER GRUSSENDORF,
DATED APRIL 5, 1988
2. RESUME OF J.H. "PAT" CAROTHERS, JR. AS ATHLETIC
COMMISSIONER
3. RESUME OF S. ALLEN VEZEY, JR. TO ALASKA PUBLIC OFFICES
COMMISSION

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 5, 1988

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

In accordance with AS 38.05.080 and Article III Section 25 and 26 of the Alaska Constitution, I submit the following names for legislative confirmation of appointment to the positions noted:

Athletic Commissioner

Carothers, Jr., J.H. "Pat" - Juneau
Term began 3/31/88 expires 5/14/91

SA

State Medical Board

Nolan, Patrick M. - Anchorage
Term begins 4/22/88 expires 4/21/92

HESS

Alaska Public Offices Commission

Vezey, Jr., S. Allen - North Pole
Term began 4/4/88 expires 2/1/93

SA

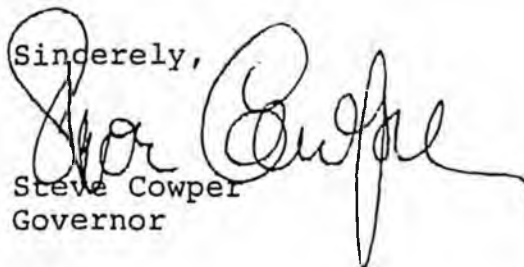
University of Alaska Board of Regents

Clapp, Marcus R. "Randy" - Fairbanks
Term began 4/1/88 expires 2/1/93

HESS

The resumes for these appointments will be submitted to the Fifteenth Alaska State Legislature through the clerks of both houses.

Sincerely,


Steve Cowper
Governor

J.H. "PAT" CAROTHERS, JR.



Post Office Box 2926 • Juneau, Alaska 99803

RESUME

EDUCATION: B.S., Environmental Technology & Urban Systems,
Florida International University, Miami, Florida
Member: Sigma Chi Social Fraternity

WORK EXPERIENCE: Thirty-five years in federal governmental employment with progressive advancement to GS-14 (O-5) level based upon demonstrated ability. Twenty-six years were fruitfully expended in management (personnel & facilities) and public relations positions with Executive Director responsibility. I possess a strong background in representation to local and national media, administration, budgeting and effective management of personnel and material resources. The past six years since leaving federal service have been spent as Owner/Operator of Eyes Unlimited, a private investigative service. I have represented the U.S. government as "Chief of the United States Delegation" in international sporting events to include negotiating joint agreements and hosting social functions at the Embassy level abroad. Eight years of law enforcement field work and five years in law enforcement administration to include magistrate duties. Twenty-seven years of personnel management dealing with all ages, sexes and ethnic backgrounds

TRAINING: Formally schooled in Public Affairs (N.Y.-1968); Formally instructed in Japanese, Vietnamese, and Spanish languages, and am partially familiar in four others. Formally schooled, then instructed and participated in actual civil disturbances (Miami, Fla.-1968, Washington D.C.-1970) and natural disasters (tornado, Virginia-1978) at the commanders level; graduate of Command & Staff College.

J.H. "PAT" CAROTHERS, JR.



Post Office Box 2926 • Juneau, Alaska 99803

--2--

PERSONAL: Health, good; Hobbies, fishing, hunting, golf, jogging and cooking.

MEMBERSHIP: Past Charter member on Board of Directors, Juneau Crimeline;
Past Commander, American Legion, Juneau Post;
Presently Chairman, Alaska State Employees Federal Credit
Union Supervisory Committee;
Member, Alaska Peace Officers Association, Capitol City Chapter;
Member, Territorial Sportsmen;
Member, Elks Lodge # 402, Juneau.

REFERENCES: References will be furnished on request.


J.H. CAROTHERS, Jr.

Phone: 586-9862

ATHLETIC ACHIEVEMENTS

1. Light-heavyweight Champion, 3d and 5th U.S. Fleet, 1944-45, BOXING
2. U.S.A. Olympic Team, 191 lb. class, London, England (did not compete do to injury), WRESTLING
3. Southern Pacific AAU Champion, 191 lb. class, 1947-48, WRESTLING
4. 10th Naval District Championship Team, 1959-60, Coach, Quarterback, FOOTBALL
5. Northern Virginia Regional Championship Team, 1966, VOLLYBALL
6. Okinawa Regional Doubles Champion, 1973, BADMINTON
7. Okinawa Regional Singles Runnerup, 1973, BADMINTON
8. Okinawa Regional Golf Tournament, 3d Seniors, GOLF
9. 1,500 Mile Club, 1973, Okinawa, JOGGING
10. Northern Virginia Regional Championship, First Flight, 1976, GOLF
11. Northern Virginia Regional Championship, Second Flight, 1978, 1979, GOLF
12. Alaska state licenced referee, wrestling-boxing, #AAO001, 1981

1216 Rangeview Road
North Pole, AK 99705

Lakloey, Inc.

General Contractor

IAN

Phone 907-453-3745

RESUME OF ALLEN VEZEY

Name S. Allen Vezey, Jr.

Date of Birth June 03, 1949

Alaska resident since 1972

Marital Status Wife - Jean, Russell - age 15, Josie - age 14, Sarah - age 6

Occupation: Manager for Lakloey, Inc. a family owned construction company.

Hobbies: Hunting, fishing, hockey

Activities: Member of the board of directors of the Alaska Chapter of the Associated General Contractors of America

Commissioner for the Lakloey Hill Road Service Area Commission of the Fairbanks North Star Borough

Chairman District 18 Republican Party of Alaska

Chairman of the Building Committee of the New Hope Methodist/Presbyterian Church

Active in Fairbanks youth hockey programs

LAW OFFICES OF
JERMAIN, DUNNAGAN & OWENS

WILLIAM K. JERMAIN
CHARLES A. DUNNAGAN
BRADLEY D. OWENS
RANDALL G. SIMPSON
HOWARD S. TRICKEY
GREGORY C. TAYLOR
GARY C. SLEEPER

A PROFESSIONAL CORPORATION
3000 A STREET, SUITE 300
ANCHORAGE, ALASKA 99503
(807) 563-8844

GEORGE T. FREEMAN
CONSTANCE E. LIVSEY
D. KENNETH FORD
TOBY N. STEINBERGER
HOLLY R. McLEAN*
OF COUNSEL
DAVID J. WALSH
*NOT ADMITTED IN ALASKA

CHARLES A. DUNNAGAN
Democratic Nominee
Alaska Public Offices Commission

Personal

37 years old. Married. Two children, 3 years and 1 and 1/2 years. Alaska resident for over ten years. Am a somewhat better banjo player than Steve Cowper.

Education

College: Trinity University in San Antonio. B.S.
Economics 1972.

Law: University of Texas at Austin. Juris Doctor.
1975.

Professional

Partner with law firm of JERMAIN, DUNNAGAN & OWENS, P.C. The firm does work in a variety of areas. My particular emphasis has been labor law, native housing, school law, and election law.

APOC Philosophy

Reasonable public disclosure of campaign financing is essential. APOC must focus its limited resources on serious or potentially serious violations.

Election Law Experience

Examples of persons whom I have represented in election matters: Clark Gruening - candidate for United States Senate. Dave Walsh - candidate for Mayor. Bill Sheffield - candidate for Governor (resigned during campaign). Steve Cowper - candidate for Governor. I have advised various clients on the formation and operation of political action committees under Alaska law.

Conflicts

I am aware of the requirements of AS 15.13.020 concerning political activities of Commission members. If appointed to the Commission, I will comply with Alaska law in that regard.

Dated this 9th day of April, 1987.

By: 
Charles A. Dunnagan

Confirmation

Human Rights

Commission



Official Business

Alaska State Legislature

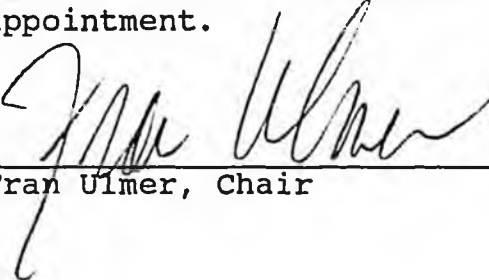
House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

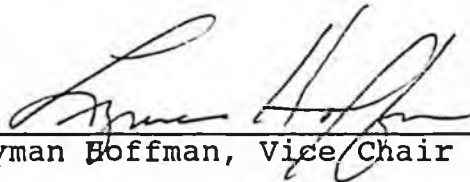
COMMITTEE ON STATE AFFAIRS

April 18, 1988

The State Affairs Committee has considered Governor Cowper's appointment of Esther C. Wunnicke to the Human Rights Commission. The committee recommends that the full body confirm this appointment.

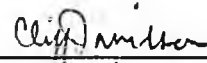


Fran Ulmer, Chair




Lyman Hoffmann, Vice Chair

H. A. (Red) Boucher

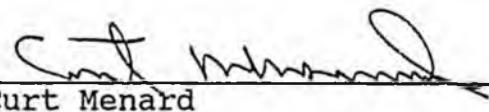


Cliff Davidson

Dave Donley



Terry Martin



Curt Menard



Fran Ulmer, Chair

STATE OF ALASKA
THE LEGISLATURE

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JUNEAU, ALASKA 99811
907-465-3800

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LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. S A

4-18-88

3:00 p.m.

4-1

Virgie M. King
4010 Birch Way
Fairbanks, Alaska 99701
Phone: (907) 479-3977

SUMMARY OF QUALIFICATIONS

Nature of Background and Scope of Experiences:

Background of service within varied public contact positions that provided different skills.

Scope of Capabilities:

Proven abilities in the areas of: Teaching, Counseling, Supervising, Managing, and Organizing.

Personal Characteristics:

Personal and self-motivated individual with creative skills and concept-orientations.

Employment Experiences:

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
September, 1973 - Present

8th Grade Teacher - Tanana Junior High School
My responsibilities as a teacher include supervision and improving instruction in the basic usage of Grammar for 120 students daily.

STATE OPERATED SCHOOLS - October, 1973 - May 1975

Reading Skills - 8th Grade
The responsibilities as a Reading Teacher for 75 students were to teach the fundamental course that offered Phonics, Word Structure, Comprehension, and Vocabulary Skills.

U. S. ARMY - Fort Wainwright, Alaska
1972-1973

Counselor

As a counselor, I assisted the soldiers in education assistance, also place them on the job training (OJT) for RIF. I supervised the soldiers that were on OJT along with the manager that was in charge of where they worked. I further assisted them in applying for loans and checking the colleges they wanted to attend.

page 2
Resume
Virgie King

SPECIAL EDUCATION, JACKSONVILLE UNIVERSITY
Jacksonville, Alabama - 1971-72

Junior High - 15 Students
Instructor for MR Special Education. Taught students to learn how to survive in society, do general work, such as doing applications for jobs, job hunting, how to feel good about themselves and have confidence that they could make it.

BOARD OF EDUCATION, AMERICAN SCHOOLS - 1968-69
Aschaffenburg, Germany

Assisted in approving funding and programs for 18 schools. Worked with parents, community, and the schools to maintain a working relationship.

INSTRUCTOR, AMERICAN SCHOOLS - 1969-71
Aschaffenburg, Germany

I taught a period of time in different classes.

INSTRUCTOR, HENRY HIGH SCHOOL - 1964-68
Byhalia, Mississippi

As an English Instructor, I worked daily with students 9th through 12th grades. My responsibilities were to continue to focus on basic grammar, parts of speech, sentence structure, paragraph structure, and use of research materials. I sponsored the Senior Class during those years.

TEACHER, WINONA HIGH SCHOOL - 1963-64

Other Experience:

1982-Present	Voter Registrar for Alaska. Three years Delegate to State Democratic Convention. Statewide Fundraiser for NEA - Endorsed Candidates.
1980-1982	National Education Director for Overseas Minority Caucus.
1981-1982	NEA-Alaska Board of Directors

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Resume'
Virgie King

Other Experience: (cont'd)

1982-Present	Chairperson, NEA-Alaska, Minority Affairs Committee
1981-1982	Region V, NEA-Alaska, PACE Chairperson
1980-1982	NEA-Alaska, Steering & Rules Committee
1980-Present	NEA-Alaska, Legislative Contact Team
1981-Present	FEA Minority Caucus Chairperson
1982-1984	Queen for Prince Hall Grand Chapter Order of the Eastern Star for 50 States and Abroad.
1981-1982	Past Grand Associate Matron for State of Alaska O.E.S.
1963-1966	Organizer - NAACP (Mississippi Chapter)
1962-1963	Editor of Jacksonian (Yearbook), Jackson State
1962-1963	Associate Editor of Newspaper, Jackson State

Education:

Have completed 42 hours beyond a Master of Science in Education Degree, University of Southern California, 1979-80.

Bachelor of Science Degree in Language Arts, Jackson State College, Jackson, Mississippi, 1959-1963.

Certifications:

School Administration, University of Alaska, Fairbanks
1975-1980

Special Education, University of Alaska, Fairbanks
1973-1974

Interests:

Involved in organizations, organizing people/groups.
I am a people person. Also enjoy reading, sports,
poetry, and dancing.

Page 4
Resume'
Virgie King

Personal Data:

Marital Status:	Married, 1 son
Birthdate:	October 9, 1940
Height:	5'3"
Weight:	155 lbs.
Health:	Excellent

References:

Available upon request.

ESTHER C. WUNNICKE

1406 Sunrise Drive
Anchorage, Alaska 99508

Phone: (907) 279-4996

Employment History

December 1986 - present	Retired Member of Alaska Bar Association
1983-1986	Commissioner, Department of Natural Resources, State of Alaska, Juneau
1979-1982	Manager, Alaska Outer Continental Shelf Office, Bureau of Land Management and Minerals Management Service, U. S. Department of the Interior, Anchorage
1977-1979	Federal Co-Chairman, Joint Federal-State Land Use Planning Commission for Alaska, Anchorage.
1972-1977	Director, Policy Development and Research and Co-Counsel, Federal-State Land Use Planning Commission, Anchorage
1971-1972	Assistant Attorney General, State of Alaska, Department of Law, Anchorage
1967-1971	Attorney-Advisor, Federal Field Committee for Development Planning in Alaska, Anchorage
1950-1959	Experience during these years included instructor in college (Colorado) and attorney in private practice (New Mexico).

Education

A. B. Degree in English and Political Science - George Washington University, Washington, D. C., 1945-1948.

Law Degree (J.D.) with highest honors, George Washington University, Washington, D. C., 1948-1950.

M. Ed. Degree, Adams State College, Alamosa, Colorado, 1957-1958.

Doctor of Public Service (honorary degree) University of Alaska, Anchorage, Alaska, May, 1985.

Professional and Civic Associations

Current professional and civic organizations include the Alaska, New Mexico Bar Associations, as well as the Anchorage Women Lawyers' Association, Anchorage League of Women Voters, Anchorage Women's Resource Center. In prior years I served on the Anchorage Human Relations Commission and the Chugach Council of Camp Fire, Inc.

Before my home and career made such demands on my time I also served in the 1960's in Anchorage on the Alaska Housing Opportunities Made Equal board as well as the Welcome Center Board.

Personal

Born: March 15, 1922, Kline, Colorado.

Married to William C. Wunnicke, deceased September, 1983.

Mother of William Paul, born in 1961 and Amy Margaret born in 1962.

Confirmation:

DEPT. of

Public

SAFETY



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

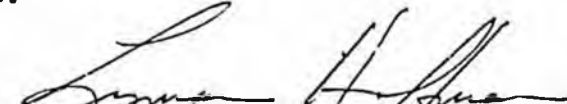
HOUSE STATE AFFAIRS

April 29, 1987

The State Affairs Committee has considered Governor Cowper's appointment of Arthur English to the post of Commissioner of the Department of Public Safety. The committee recommends that the full body confirm his appointment.

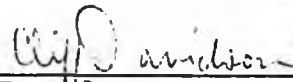


Fran Ulmer, Chair



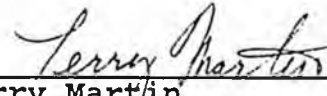
Lyman Hoffman, Vice Chair

H. A. (Red) Boucher

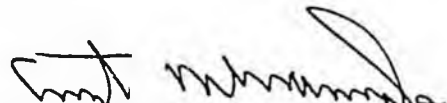


Cliff Davidson

Dave Donley



Terry Martin



Curt Menard



Fran Ulmer, Chair

2

RESUME

ARTHUR A. ENGLISH /

4640 Canterbury Way
Anchorage, AK 99503

562-5280 - H
243-1222 - W

PERSONAL INFORMATION

Date of Birth: 1-20-32
Place of Birth: Seldovia, AK
Marital Status: Wife Carol J. English
Sons Stan and Scott English
Military: U. S. Air Force - Four Years Air Police

EXPERIENCE

1981 - Present: Purcell Security Services, Division of
Nana Development Corp.
Vice President and General Manager - Contract
Industrial Security Service
Provide security for major oil companies at
Prudhoe Bay and other commercial businesses in
Anchorage

1960 - 1981: Alaska State Troopers - As Follows

1980-81 Captain - Fairbanks - Detachment Commander

1978-80 Director's Office - Varied Administrative Duties

1976 Promoted to Captain - Assigned to Anchorage
as Detachment Commander

1974-76 Lieutenant Assigned to Commissioner's Office
with Varied Responsibilities in both Divisions

1972-74 Sergeant - Division Operations Officer
Responsible for Civilian Operations as well
as Trooper Functions

1968-72 Corporal - Anchorage Operations Commander.
Administrative Responsibilities in the
Director's Office

1962-68 Assigned to Kenai as Officer in Charge of
the Kenai Peninsula

1960-62 Trooper - Anchorage Civil and Patrol Sections

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN - SPENARD

PO. BOX V, JUNEAU 99811
(907) 465-3892



RECEIVED APR 13 1987

CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

April 8, 1987

M E M O R A N D U M

To: Representative Fran Ulmer, Chair
House State Affairs Committee

From: Representative Dave Donley *DD*

Re: Overview of the Department of Public Safety

I'm writing to request that the House State Affairs Committee host an overview of the Department of Public Safety, specifically regarding collective bargaining, binding arbitration, and policy decisions being made in response to substantial budget cuts proposed for FY 88.

For your information, I've enclosed a copy of a letter from the Public Safety Employees Association. I believe the questions raised in this letter deserve a review and your committee would be an ideal forum.

Please call me at 3892 if you have any questions or need additional information.

cc: Robert Piazza

Enclosure



Public Safety Employees Association



Edward L. Stauber
President

P.O. Box 92624
Anchorage, AK 99509-2624

Representing Alaska's Finest

(907) 276-6464

March 16, 1987

The Honorable Dave Donley
House of Representatives
P.O. Box V
Mail Stop 3100
Juneau, AK 99811

Dear Representative Donley:

Recently I had the opportunity of talking to many legislators concerning the Department of Public Safety in reference to the proposed budget cuts and long term affects to the citizens of the State of Alaska.

The State is faced with a tremendous problem of how to cope with declining revenues and maintain a semblance of services which are statutorily required. We have been meeting, and shall continue to meet, with many of you in hopes of formulating an alternative budget which we feel meets the needs of Alaska.

During the initial budget presentation for the Department of Fish & Wildlife, I was amazed. I was amazed because of the number of positions being deleted and amazed at the Department's allegations that services can be maintained. I was also amazed that the Acting Commissioner admitted that these divisions were top heavy with supervisors, yet his budget document showed a retainment of the supervisors while eliminating the working people.

During the past four years, the Department of Public Safety has experienced numerous position cuts. These cuts have resulted in a staffing level which equals those prior to the oil boom. In short, we are close to the level we were when the State's population and road system were far less than we now have. Historically during periods of declining revenues, other State's have experienced an increase in crime and related offenses. It seems logical to assume our enforcement responsibility shall increase in the months to come.

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March 16, 1987

There has been much criticism and publicity regarding Public Safety employees making extremely high salaries. The usual remarks are that high salaries are a product of abuse of binding arbitration for contract settlement. The truth of the matter may not lie there. For instance, when the article in the paper appeared about two Public Safety employees making over \$100,000 a year because they were on sea duty, the response by the Public Safety Commissioner was that it was because of an arbiter's decision. That was a misleading remark. The facts are that one of the employees was not in our bargaining unit and was not subject to an arbiter's decision; in the other case, it was management's decision to have one employee performing work which expended hours equaled that of two employees. Often times the binding arbitration issue is used as a scapegoat for just plain bad management.

In the past four years, some of the salaries for the Department of Public Safety have sky rocketed. A great portion of the cause is that we have fewer people employed yet the same workload and response criteria. Translated, this means employees are working more hours during the year. Notwithstanding the Collective Bargaining Agreement, Federal law requires time and a half payment for overtime hours.

In the past, much criticism by the legislative body has been expressed regarding the cost of supplying employee housing in remote locations. In 1982, this Association was the leader in increasing the rental structure in hopes of approaching a break even status. Unfortunately, we did not have the luxury of involvement in the State leases for housing units. Some of the leases the State entered into are outrageous. I requested the Commissioner of Administration to investigate a State lease for housing units. That request was denied. Therefore, we believe there was mismanagement, if not a violation of law. The employees again are faced with the brunt of costing the State too

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March 16, 1987

much to do the State's business. The result is the elimination of housing in the budget. When the State was asked how they plan to cope with the problem that some of these housing units are actually the office of the Department, no response was received. Often times the Alaska State Trooper or Fish & Wildlife Protection Officer residing in remote locations and occupying State housing performs a dual function; the function of being a rentor and the function of using their private residence as the State Trooper's office. An additional benefit with this scenario is the fact that the spouse of the employee is often an uncompensated secretary and dispatcher for the Department.

In recent years, the take home vehicle policy was eliminated. Of course, the hierarchy continued to take vehicles home. Upon reflection of the cost savings with this elimination, Governor Sheffield determined that the take home vehicle policy should be reinstated. I personally know that some of the reasons for the reinstatement was that the State lost tremendous cost saving trade-offs. These trade-offs were the greater exposure of law enforcement to the general public, quicker response time and unreported work hours for the convenience of the employee having the vehicle.

With the current budget, the State is going to eliminate the Public Safety Training Academy. I recently asked legislators if they could determine the amount of revenue the Academy was generating through training to non-state entities. There should be some consideration comparing the expenditures for the Academy, the amount of revenue received which goes back into the General Fund, and the functions performed by the Training Academy. The image of the Alaska State Troopers, the Fish & Wildlife Protection Officers, Fire Marshals and VPSO's has been outstanding. Most people in the State view these people with pride and integrity. Their teamwork and consistency greatly admired. I question how this fine record of teamwork, consistency and

Page Four
March 16, 1987

pride can exist without the employer explicitly training all the employees for the State's goals and responsibility without a controlled training environment.

Also in the budget introduction, the Acting Commissioner introduced the classification of Prisoner Transport Officer. Recently the State paid a consultant tens of thousands of dollars to study this. Although I have not seen the study, apparently the result was that with the initiation of Prisoner Transport Officers a tremendous savings could be found. In the late 1970's, while that same consultant was a part of the State's Management team, the Department of Public Safety conducted a study which showed that by re-classifying Judicial Service Officers (who will now be called Prisoner Transport Officers) to State Troopers, a tremendous cost savings factor could be obtained due to greater flexibility and dual functions. Which study should we believe?

While negotiating past contracts, the Public Safety Employees Association introduced some creative ways of decreasing personnel costs. Most of these were frowned upon by the State. For instance, we proposed that in lieu of overtime, compensation time be accumulated. Then the employee could attend training classes by using their compensation time. In short, we proposed that the employee earn their salary for attending training by working overtime hours, thereby decreasing the overall monthly cost to the State. This proposal also maintained if an employee had compensation time earned and there was a slack period of time where the State could do without that employee, the employee could then be on comp time. This also would have resulted in a decrease of the monthly salaries paid by the State. The State refused this proposal because "it sounded too good to be true". We did go to binding arbitration. When the arbiter heard the State's claim that they weren't willing to participate in compensation time, he denied the introduction of language into

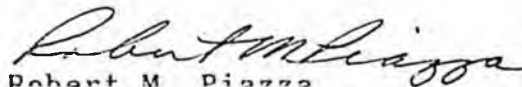
Page Five
March 16, 1987

the Agreement. The end result is that the State continued to pay overtime, criticize the arbitration process and complained about the high overtime cost.

One of the popular buzz words in Juneau lately seems to be "PRIVATIZATION". Although "Rent-A-Cops" do perform a necessary function in the private sector, does the State want the transportation of felonious and dangerous criminals done by anyone less than someone who is empowered to, and specifically trained to, protect the citizens, the State, and potential liability? Does the State wish to enforce drunk driving laws with anyone less than those who have the specific training to ensure prosecution through the court system? Does the State want drug and abusive chemical enforcement conducted by other than those specifically trained and with a clean background check? Does the State want to eliminate Investigative units? Does the State want to diminish its power to ensure all buildings used for public access meet fire codes? The long term effects to fish and wildlife resources have already suffered. In short, can the State afford to, or desire to give the citizens of this State those services at less than the current level of competence?

I appreciate your willingness to hear P.S.E.A.'s position and am available to discuss this further with you at your convenience.

Sincerely,



Robert M. Piazza
Business Representative

RMP/cd

Confirmation:

Resumes,

List of appointees



Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE

CONFIRMATION HEARINGS

FILE CONTENTS

1. RESUME OF GARREY M. PESKA, DEPARTMENT OF ADMINISTRATION
2. RESUME OF BRIGADIER GENERAL-SELECTRE JOHN W. SCHAEFFER, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
3. RESUME OF HUGH MALONE, DEPARTMENT OF REVENUE
4. LIST OF APPOINTEES TO BOARDS AND COMMISSIONS, DATED 2/16/87
5. RESUME OF MARLENE JOHNSON, PERSONNEL BOARD



Official Business

Alaska State Legislature


House

P.O. BOX V
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Juneau, Alaska 99811

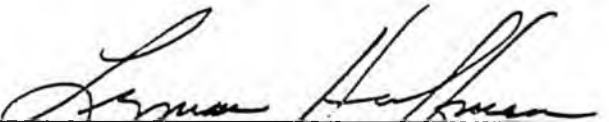
HOUSE STATE AFFAIRS

March 2, 1987

The State Affairs Committee has considered Governor Cowper's appointment of John Schaeffer to the post of Commissioner of Military and Veterans Affairs. The committee recommends that the full body confirm this appointment.



Fran Ulmer, Chair

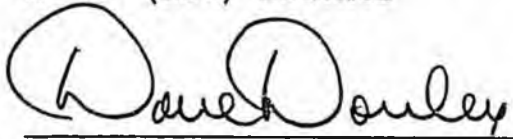


Lyman Hoffman, Vice Chair




H. A. (Red) Boucher

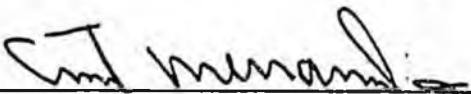
Cliff Davidson



Dave Donley



Terry Martin



Curt Menard



Fran Ulmer, Chair

GARREY M. PESKA
P.O. BOX 185
DOUGLAS, ALASKA

PROFESSIONAL RESUME

MARITAL STATUS: Married eight years - Wife's name - Karen
We've been raising a foster son since 1982

AGE: Forty one - born May 25, 1945 in Abilene Texas

EDUCATION: Graduated with a Professional Accounting degree from
Davenport College in Grand Rapids, Michigan

ALASKA RESIDENCY / WORK EXPERIENCE:

Moved to Alaska in 1972 to work on the staff of the Division of Legislative
Audit.

Appointed in 1974 by the Legislative Budget & Audit Committee to head
the Division of Legislative Audit.

Resigned from Legislative Audit in 1977 to travel through Europe and Asia.
Returned in 1978 to take a position as Senior Aide to the Senate Finance
Committee.

Left Senate Finance in 1980 at the end of the Eleventh Alaska Legislature
to start a computer service bureau in Juneau.

Worked as a budget analyst for the Division of Legislative Finance during
the 1982 legislative session then returned to self employment as a CPA in
Juneau.

Worked from January, 1985 to present as an aide to the House Finance
Committee.

WORK EXPERIENCE BEFORE MOVING TO ALASKA:

From 1965 to 1970, worked as a Certified Public Accountant working for
CPA firms in Grand Rapids Michigan. Clients included retail,
manufacturing, transportation and broadcasting companies.

Worked as Comptroller of a computer manufacturing company from 1970
to 1972 then moved to Juneau.

BRIGADIER GENERAL-SELECTEE JOHN W. SCHAEFFER**Adjutant General**

Brigadier General-Selectee John W. Schaeffer is the Adjutant General for the Alaska National Guard and Commissioner of the Department of Military and Veterans Affairs.

General Schaeffer was born March 30, 1939 in Kotzebue, Alaska. After attending Mt. Edgecumbe High School in Sitka, he began his military career as a private with the 1st Scout Battalion, Alaska Army National Guard. Upon graduation from the Infantry Officers Candidate School at Fort Benning, Georgia, he was commissioned as a Second Lieutenant on October 2, 1958. He is Airborne and Special Forces qualified. The General is a graduate of the Army's Command and General Staff College.

Prior to his selection as Adjutant General, General Schaeffer served as Assistant Adjutant General (Army). Previous assignments since his enlistment, in 1957, included Chief of Staff for the Alaska Army National Guard's State Area Command, Commander of the Guard's 1st Scout Battalion, Nome, and 3rd Scout Battalion, Kotzebue, plus several key staff positions at the Department of Military and Veterans Affairs headquarters in Anchorage.

In his civilian career, General Schaeffer was recently elected as Mayor of the the newly established Northwest Arctic Borough. He previously served as President of the NANA Regional Corporation for the past fourteen years. Prior to that assignment he served as a technician with the Alaska Army National Guard. As a distinguished civic leader he has had such varied assignments as a University of Alaska regent and has held membership on the Federal-State Land Use Planning Commission. He has also served on numerous other national and state advisory boards.

His awards and decorations include the Meritorious Service Medal, Army Commendation Medal, Armed Forces Reserve Medal, BG Noyes Award, Alaska Distinguished Service Medal, Alaska Commendation Medal, Alaska Disaster Award, and the Alaska National Guard Longevity Medal.

He was promoted and federally recognized as a Colonel on March 22, 1985 and received a state promotion to Brigadier General on October 17, 1986. He will reach the minimum time in grade threshold for federal recognition on March 23, 1987.

General Schaeffer is married to the former Mary Howarth. They have nine children and nine grandchildren.

RESUME FOR HUGH MALONE

Mr. Malone was appointed Commissioner of the Alaska Department of Revenue by Governor Steve Cowper in December, 1986. At the time Malone was one of the six Trustees of the Alaska Permanent Fund, having been named in January, 1985 and elected Vice-Chairman of Trustees last July. As Revenue Commissioner, his continued presence on the Board of Trustees is mandated by statute.

Mr. Malone was born in Catskill, New York and came to Alaska in 1958. He has resided in Kenai since 1961.

Mr. Malone was elected to the Alaska State House of Representatives in 1972 and won re-election to serve five subsequent terms. He began his career with seats on the Judiciary and Health, Education and Social Services Committees. He served as Chairman of the House Finance Committee in 1975 and 1976, and was Speaker of the House of Representatives for 1977 and 1978. In 1979, he was appointed Chairman of the House Special Committee on the Alaska Permanent Fund. In 1981 and 1982, Malone served as Chairman of the Legislative Council.

Mr. Malone is a former member of the Kenai City Planning Commission, was elected to the Kenai City Council in 1969, and served as a member of the Kenai Peninsula Borough Assembly from 1969 to 1972. He is a former Chairman of the State of Alaska Local Boundary Commission.

Mr. Malone served six years with the Alaska National Guard. He is married and has three children and owns and operates a land surveying business in Kenai.



STATE OF ALASKA
OFFICE OF THE GOVERNOR

JUNEAU

February 16, 1987

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

Dear Representative Grussendorf:

In accordance with AS 39.05.080 and Article III Section 26 of the Alaska Constitution, I submit the following names for legislative confirmation of appointment to the positions noted:

BOARDS AND COMMISSIONS

Alaska State Board of Public Accountancy

L+C
Cook, Michael T. - Fairbanks

Original term began 4/16/81, reappointed 6/3/86,
expires 4/25/89

McMahon, Ida H. - Wasilla

Original term began 3/30/84, reappointed 6/3/86,
expires 4/25/89

Mecham, Edward B. - Ketchikan

Original term began 3/30/84, reappointed 6/3/86,
expires 4/25/89

Jud
FLA
Alcoholic Beverage Control Board

Gordon, Michael W. - Anchorage

Term began 1/28/87 expires 1/31/90

Perkins, Jane C. - Nome

Original term began 10/19/83, reappointed 2/12/87,
expires 1/31/90

State Board of Registration for Architects, Engineers, and Land Surveyors

L+C
Luke, Jacquelyn R. - Anchorage

Term began 10/30/86 expires 7/1/90

Menzies, Malcolm A. - Juneau

Original term began 10/19/83, reappointed 8/6/86,
expires 7/1/90

LOC
State Assessment Review Board

Morrison, Frank E. - Fairbanks

Term began 5/5/86 with no expiration date

LEC
Athletic Commissioner
Armstrong, Joe - Anchorage
Original term began 4/7/83, reappointed 6/3/86,
term expires 5/14/91

LES
Athletic Commission
Jackson II, Brady D. - Anchorage
Term began 6/3/86 expires 5/14/87
Lawrence, Edwin W. - Fairbanks
Original term began 11/26/84, reappointed 6/3/86
expires 5/14/88

JUD
Board of Governors of the Alaska Bar
Ackerman, Jan - Anchorage
Original term began 8/26/85, reappointed 6/24/86,
expires 6/30/89

LEC
Board of Barbers and Hairdressers
Irick, Wendy S. - Anchorage
Term began 11/21/86 expires 7/1/89
Sadlier, Elaina M. - Ketchikan
Term began 10/1/86 expires 7/1/89

HESS
Board of Chiropractic Examiners
Davis, DC, Carol J. - Fairbanks
Term began 8/6/86 expires 7/15/90
Kufel, Frank J. - Anchorage
Term began 10/30/86 expires 7/15/90

HESS
Board of Dispensing Opticians
May, Barbara J. - Douglas
Term began 10/30/86 expires 6/14/90
Reedy, Jr., William E. - Eagle River
Original term began 11/30/84, reappointed 7/18/86,
expires 6/14/90

LEC
Board of Electrical Examiners
Andrews, Michael C. - Fairbanks
Term began 10/8/86 expires 7/10/89

RES
Guide Board
McNutt, Ray - Sterling
Original term began 5/2/83, reappointed 6/24/86,
expires 6/15/89
Weir, Charles E. - Anchorage
Original term began 5/2/83, reappointed 6/24/86,
expires 6/15/89

TRANS

Board of Marine Pilots
Taylor, M. Paul - Skagway
Term began 10/31/86 expires 6/1/90

HESS

State Medical Board
Conley, MD, Thomas L. - Ketchikan
Original term began 7/15/82, reappointed 6/3/86,
expires 4/21/90

HESS

Board of Nursing
Buness, RN, Janet L. - Wrangell
Term began 8/7/86 expires 3/31/91
Waskey, Georgianna - Mountain Village
Term began 8/7/86 expires 3/31/91

L+C

Occupational Safety and Health Review Board
Wingfield, Jesse C. - Fairbanks
Term began 8/7/86 expires 8/1/87

RLS

Alaska Oil and Gas Conservation Commission
Barnwell, William W. - Anchorage
Term began 6/3/86 expires 12/31/86

HESS

Board of Examiners in Optometry
Lounsbury, OD, John - Fairbanks
Original term began 1/9/85, reappointed 8/7/86,
expires 6/15/90
Richmond, Carole L. - Ketchikan
Term began 10/9/86 expires 6/15/90

SA

Personnel Board
Johnson, Marlene A. - Hoonah
Original term began 10/19/83, reappointed 6/24/86,
expires 6/20/92

HESS

Board of Pharmacy
Cekada, MPH, Emil L. - Anchorage
Term began 6/24/86 expires 4/1/90

HESS

State Physical Therapy Board
Dudley, Gail E. - Anchorage
Original term began 11/12/85, reappointed 9/18/86,
expires 9/1/90

HESS

Professional Teaching Practices Commission
Nelson, James "Tom" T. - Anchorage
Original term began 10/19/83, reappointed 7/18/86,
expires 7/1/89

February 16, 1987

Hess

Professional Teaching Practices Commission - continued

Weinstein, Robert - Ketchikan

Term began 7/18/86 expires 7/1/89

Hess

Board of Psychologist and Psychological Associate Examiners

Harper, PhD, James F. - Anchorage

Term began 10/31/86 expires 7/1/89

Scholl, PhD, Dennis M. - Seward

Term began 10/31/86 expires 7/1/90

LHC

Alaska Public Utilities Commission

Whiteaker, Kathleen L. - Anchorage

Original term began 1/15/85, reappointed 12/19/86,
expires 10/31/92

LHC

Alaska Workers' Compensation Board

Richards, David W. - Juneau

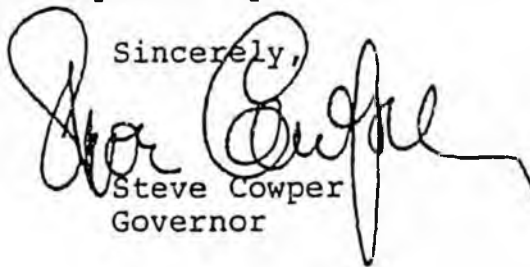
Original term began 1/19/77, reappointed 7/18/86,
expires 7/1/89

Thompson, Stephen M. - Fairbanks

Original term began 11/29/85, reappointed 7/18/86,
expires 7/1/89

Resumes and autobiographies for these appointees will be submitted to the Fifteenth Alaska State Legislature through the clerks of both houses respectively.

Sincerely,



Steve Cowper
Governor



MAY 9 1986

BOARDS AND COMMISSIONS RESUME

INSTRUCTIONS

A separate application is required for each position for which you apply. Complete and specific answers will aid in rapid and accurate processing of your resume. The initial determination of whether you qualify for the position specified will be based on this application.

Please type or print legibly in ink. Forward to the above address. Be sure your answers are correct. A willfully false answer may result in your disqualification or removal from office if you are appointed.

Position for which I am applying:

Personnel Board

Please list any other State Board or Commission on which you serve:

REPORT ADDRESS AND TELEPHONE CHANGES PROMPTLY

Name Marlene JOHNSON		Previous Name applied under
Mailing Address P.O. Box 218		Residence Address #1 Hill St.
City, State and Zip Code Hoonah, Alaska 99829		
Home Telephone 907-945-3372		Business or Message Telephone 907-586-1512

AS 39.05.100 requires that a person appointed to a board or commission be a registered voter BEFORE the last general election held _____.

Are you a registered voter? YES NO

Voter Registration Number (Optional)

8998

Social Security Number (Optional)

574-10-6688

Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years? YES NO
If "YES", explain the circumstances on a separate sheet of paper and attach it to this application. A conviction is not necessarily grounds for disqualification. The number of convictions, nature, recency, and relationship to the board position applied for will be evaluated and a determination will be made after a review of all relevant facts.

A policy in the Governor's Office pertaining to boards and commissions is that a member attend at least 75% of the meetings. Are there any circumstances in either your professional or personal life which would prevent you from participating at the required meetings? YES NO

If "YES", explain on a separate sheet of paper and attach to this application.

This position may require that the member travel to either urban or rural (or both) areas. Are there any circumstances which would prevent you from participating?

NO

CONFLICTS OF INTEREST: Certain Boards and Commissions require full disclosure of personal financial data under AS 39.50.010. If required for the Board or Commission for which you are applying, are you willing to do so?

YES NO

Could you or any member of your family be affected financially by decisions to be made by the Board or Commission for which you have applied?

YES NO If "YES", explain.

The Office of the Governor will not discriminate against an applicant for a Board or Commission based on Sex, Age, National Origin, Marital Status, Pregnancy, Handicap, Religion, or Parenthood.

TRAINING & EXPERIENCE: (If resume attached, it is not necessary to complete this section.)

A. List any professional licenses, certifications, or registrations and dates obtained that may be used as qualifying criteria:

None

B. List both formal and informal education and training experience (use additional paper if necessary):

High School - Juneau High graduate

C. List any community service positions, municipal government positions, state positions held, and list any awards received. These include both compensated and uncompensated positions (for example, president of a service organization or a mayor). Also include length of time served in the positions.

Haanah School Board - Jan. 1961 Thru Oct. 1985
Rural Cap 1965 - 1974

D. Employment work history: paid, unpaid, or voluntary (use additional paper if necessary):

Southeast Skyways -	1969 - 1982
Wings of Alaska	1982 - 1986
Sealaska, Inc	1971 - 1986
Huna Talem, Inc	1974 - 1980
" " "	1983 - 1986

The Office of the Governor and the State of Alaska have an Affirmative Action Equal Employment Opportunity Program. To assist in the program, you are asked to voluntarily answer the following questions to provide the information necessary for reporting purposes. Under State and Federal law, the information you provide will not be used to illegally discriminate against you.

SEX

- Male
- Female

Date of Birth

ETHNIC BACKGROUND

- White
- Black
- Alaska Native
- Asian or Pacific Islander
- American Indian
- Hispanic
- Other

enst
mf

CERTIFICATION: I swear that the information I have entered on this form is true to the best of my knowledge. I understand that if I deliberately conceal or enter false information on the form my application may be rejected, I may be removed from the list of eligible candidates or I may be removed from the position. I agree that the Office of the Governor may contact present or former employers or other persons who know me to obtain additional information about my skills and abilities. I understand that the information on this application is public information and may be released through a legal request for such information.

Signature in Ink

Madelene Salomon

Date

5-6-86

Supplemental
Benefits
System

February 18, 1988

Dear SBS Participant:

Major changes will be required in the Supplemental Benefits System (SBS) beginning January 1, 1989. These changes are required as a result of the federal Tax Reform Act of 1986. Legislation has been introduced by the governor and must be enacted this session to provide for the changes. Information is being requested from you to help determine the direction the change will take.

The SBS was created in 1980 to replace Social Security by providing future retirement benefits and current insurance benefits supplemental to the state health plan. Currently, the SBS consists of two major parts; insurance benefits and retirement money accumulation (annuity). Under today's SBS, 6.13% of your salary is deducted from your wages before taxes are calculated. This percentage is matched by the State for a total contribution to the SBS of 12.26% of your gross wages. This contribution is made to the SBS on each employee's behalf and is used to first pay the SBS administrative fees and insurance premiums for each employee, with the

remainder being deposited into the employee's annuity account.

Since each employee chooses his or her own insurance election and insurance premiums vary with each employee's age and salary, the result is that different percentages of salary are contributed to the annuity accounts for each employee.

This structure will not be allowed under the Tax Reform Act. A pre-set, uniform, and non-discretionary percentage of salary must be contributed to the annuity account for each employee.

In an effort to maintain as much consistency with the current SBS plan and ideals, the proposed legislation establishes two separate plans; a free-standing insurance plan and a free standing annuity plan. Each plan will be qualified under separate provisions of the Internal Revenue Tax Code. The entire employer contribution (6.13%) will go into the annuity plan.

The question that remains, and on which we would ask your advice, is: What should each employee's percentage contribution be to the annuity plan?

The answer could be all, or some portion, of the current 6.13% employee contribution. Whatever portion of this amount is not paid into the annuity account would increase the employee's "pre-taxable income" (income before federal taxes are calculated). It would then be available to help pay premiums under the separate insurance plan, or to increase take-home pay.

The separate insurance plan will allow each employee to select from any or all of the insurance options (including dependent care coverage) and to pay for those selections with dollars from "pre-taxable income". Of course, the total cost of the options selected will ultimately affect your net taxable income.

We have selected three sample alternatives to illustrate the effects on the annuity account and on gross salary of various employee contribution

percentages paid to the annuity account. These examples assume a monthly salary of \$2100.00 and monthly insurance premiums of \$50.00. The examples do not include administrative costs.

SAMPLE ALTERNATIVES

Employer 6.13% Annuity Contribution	Employee Annuity Contribution Percent	Employee Contribution Amount	Total Monthly Contribution to Annuity	Amount of Increase to "Pre-Taxable Income" Before Insurance Premiums	Net Effect on Taxable Income After Insurance Premiums of \$50/mo.
\$128.73	6.13	\$128.73	\$257.46	\$ 0	-\$50.00
128.73	4.25	89.25	217.98	39.48	- 10.52
128.73	2.37	49.77	178.50	78.96	+ 28.96

Enclosed is a survey form on which you may indicate your preference on the level of contributions all employees would make to their annuity accounts. Remember this is in addition to the "employer" contribution of 6.13%. If you choose a high amount, such as 6.13%, you are indicating your preference for pre-tax savings for retirement or other purposes for use after your termination. If you choose a low amount, such as 2.37%, you are indicating your preference for current-year income which you may use for the purchase of insurance premiums or to increase your regular taxable payroll.

The survey is for information purposes only. The results of the

information will be used by both the legislature and the administration in determining the direction of the final legislation. The final employee's annuity contribution rate will ultimately be set by the legislature. However, your input will help provide needed information for the legislature's consideration.

These are important decisions. There will be future correspondence on this subject as events develop. If you have any questions, please contact the Supplemental Benefits System at 465-4460.

Sincerely,

Robert F. Stalnaker

Acting Director

RFS/MBC/LMT/cam/9

Enclosure

DIVISION OF RETIREMENT AND BENEFITS

SUPPLEMENTAL BENEFITS SYSTEM SURVEY

Please indicate your preference for the "employee's" annuity contribution rate that should be established by the State by checking one of the following alternatives and returning this survey form by March 11, 1988 to: *Division of Retirement & Benefits, P.O. Box CR, Juneau, Alaska 99811* or *2600 Denali, Suite 401, Anchorage, Alaska 99503*. You may also return your ballot to your personnel office for delivery to Mail Stop 0203.

1. Maximum Annuity Contribution (6.13%):
Under this alternative, the entire current contribution of 6.13% will go to your annuity account. If you wish to purchase insurance benefits, your taxable income will decline by the amount of your insurance costs.

2. Middle Annuity Contribution (4.25%):
Under this alternative, 4.25% of your earnings will go to your annuity account. The balance, 1.88% of your earnings, will be available for purchasing insurance benefits or take-home pay. You will experience an increase (decrease) in your taxable income depending on whether your insurance purchases are smaller (greater) than 1.88% of your earnings.

3. Low Annuity Contribution (2.37%):
Under this alternative, 2.37% of your earnings will go to your annuity account. The balance, 3.76% of your earnings, will be available for purchasing insurance benefits or take-home pay. You will experience an increase (decrease) in your taxable income depending on whether your insurance purchases are smaller (greater) than 3.76% of your earnings.

EXAMPLE:

Assumptions: Annual Salary = \$35,000; Annual Insurance Purchases = \$800.

Under the *existing* SBS program, your total annual SBS contribution is allocated as follows:

Total Contribution ($\$35,000 \times .0613$)	=	\$2,146
Insurance Purchases	=	<u>\$800</u>
Employee's Annuity Contribution	=	<u>\$1,346</u>

Under the 3 *revised* alternatives described above, the annual allocation would be as follows:

	Employee Annuity Contribution <u>Percent</u> <u>Amount</u>		Available for Insurance or Wages <u>Percent</u> <u>Amount</u>		Pre-tax Change in <u>Annual Wages</u>
1. High Annuity	6.13% \$2,146		0.0% \$0		\$800 -\$800
2. Middle Annuity	4.25% \$1,488		1.88% \$658		\$800 -\$142
3. Low Annuity	2.37% \$830		3.76% \$1,316		\$800 \$516



Alaska Public
Employees Association **APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

TO: Representative Fran Ulmer, Chairman
House State Affairs Committee

FROM: Cherie Shelle *CS*

SUBJECT: Proposed SBS Legislation

DATE: February 5, 1988

As a result of the work session on HB 252, please find attached for your consideration a draft of an advisory ballot. This ballot is recommended by the APEA Executive Committee and provides for three options as follows:

Option 1: Under this option the entire employee contribution of 6.13% would be placed in the employee annuity account. All employees wishing to purchase insurance would do so out of pretax payroll dollars.

Option 2: Under this option, 4.53% of employee's contributions would be placed in the annuity account. The balance of 1.6% would be available for insurance purchases. This percentage was selected as 1.6% is the average cost of insurance purchased for all employees.

Option 3: Under this option, 4% of the employees' contribution would be placed in the annuity account. The balance of 2.13% would be available for insurance purchase. This percentage was selected as 80% of all employees could purchase insurance at this level without affecting their current payroll.

APEA Executive Committee believes that the options set forth above provides the employee an opportunity for individual preferences, while preserving the integrity of SBS as a retirement system, replacing social security.

As I indicated at the hearing, APEA is also concerned about automatic provision of the legislation which would reduce employer and employee contributions to the annuity program for mandatory social security contributions. APEA believes each social security change should be scrutinized carefully for its impact on the SBS and change should then be made as the legislature deems as

Fairbanks Field Office
825 College Road
Fairbanks, AK 99701
Telephone: (907) 456-5412

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
Telephone: (907) 274-1688

Juneau Field Office
227 4th Street
Juneau, AK 99801
Telephone: (907) 586-6305

appropriate.

In the present case, APEA opposes reducing employees' benefits by 1.45%. The state's contributions to the SBS and the 1.45% to social security for those employees hired after April 1986 is approximately the same as the current level of social security contributions. The increased cost of \$800,000, which the state is currently paying is more than offset by the millions of dollars in employer savings resulting from participation in the SBS rather than social security.

I would be happy to answer any questions you may have.

DIVISION OF RETIREMENT AND BENEFITS
SUPPLEMENTAL BENEFITS SYSTEM ADVISORY BALLOT

Please indicate your preference for the "employee's" annuity contribution rate that should be established by the State by checking one of the following alternatives and returning this information ballot by January 29, 1988 to: Division of Retirement and Benefits, P.O. Box CR, Juneau, Alaska 99811 or 2600 Denali, suite 401, Anchorage, Alaska 99503. You may also return your ballot to your personnel office for delivery to Mail Stop 0203.

1. Annuity Contributions of 6.13%
Under this alternative, the entire current contribution of 6.13% will go to your annuity account. If you wish to purchase insurance benefits, your paycheck and taxable income will decline by the amount of your insurance costs.

2. Annuity Contributions of 4.53
Under this alternative, 1.6% of your earnings, will be available for purchasing insurance benefits. You will experience an increase (decrease) in your paycheck and taxable income depending on whether your insurance purchases are smaller (greater) than 1.6% of your earnings.

3. Annuity Contributions of 4%
Under this alternative 4% of your earnings will go to your annuity account. The balance 2.13% of your earnings, will be available for purchasing insurance benefits. You will experience an increase (decrease) in your paycheck and taxable income depending on whether your insurance purchases are smaller (greater) than 2.13 of your earnings.

Supplemental Benefits System (SBS) Overview

The current Supplemental Benefits System (SBS) offers five types of insurance coverage and an annuity benefit. The five types of insurance are: health, life, accidental death and dismemberment, survivor, and disability. Insurance selections become effective on February 1 each year and run through January 31. This period is called the SBS benefit year. Premium costs for the various types of insurance are guaranteed for the benefit year. All displayed premiums in this report are monthly.

I. SBS Health Insurance

A. The current SBS Health Program--The SBS presently offers two health plans for employees. They are called SBS Health Option I and SBS Health Option II.

1. The current SBS Health Option I is a supplement to the employer provided major medical coverage. It is available only to employees with State-sponsored major medical coverage. Essentially it pays an additional 10% of covered medical expenses. It does not cover Dental-Visual-Audio (D-V-A) expenses. In addition, this plan will pay for an annual physical, immunizations, well-baby care, inpatient rehabilitative care, 80% of outpatient or skilled nursing facility costs, and increases the maximum lifetime benefit for major medical from \$250,000 to \$1,000,000.
2. The current SBS Health Option II is a major medical plan which pays 80% of covered medical expenses after a \$200 deductible per covered family member (maximum of \$600 per family) and an unlimited out-of-pocket limit. SBS Health Option II is available only to employees who are not covered by State-sponsored major medical coverage (nonpermanents, etc.). It does not cover D-V-A expenses.

Costs for the current SBS health options are as follows:

	Benefit Year 1987	Benefit Year 1988	Benefit Year 1989 (estimated)
SBS Health Option I:			
Employee Only	\$ 8.75	\$ 11.03	\$ 13.24
Employee and Family	\$ 23.80	\$ 29.99	\$ 35.99
SBS Health Option II:			
Employee Only	\$ 44.80	\$ 72.16	\$ 86.59
Employee and Family	\$108.50	\$176.74	\$212.09

B. The future SBS Health Program--The SBS could potentially add some new plans in the SBS benefit year 1989.

1. The current version of SBS Health Option I could be expanded to cover 20% or 30% of covered medical expenses instead of the current 10%. This expansion could occur in the event that the major medical coverage is reduced to an 80% or 70% co-insurance level.

2. A new health plan could be added to provide the opportunity for employees to elect D-V-A coverage for themselves and/or their families under the SBS. Again, this would be a response to a possible reduction in the current medical plan provided to employees.

	Benefit Year 1987	Benefit Year 1988	Benefit Year 1989 (estimated)
SBS Health Option I, 20% Proposal			
Employee Only	N/A	N/A	\$ 22.44
Employee and Family	N/A	N/A	\$ 61.04
SBS Health Option I, 30% Proposal			
Employee Only			\$ 30.97
Employee and Family			\$ 84.24
SBS D-V-A Proposal			
Employee Only			\$ 34.06
Employee and Family			\$ 98.52

II. SBS Life Insurance

- A. The current SBS Life Program offers term life insurance for the employee only. Coverage can be elected for \$10,000, \$20,000, \$30,000, \$40,000, or \$48,000. No more than \$48,000 of term life is currently offered because in conjunction with the \$2,000 basic life, this amount reaches the \$50,000 maximum for employer funded life insurance, life insurance premiums for a life volume beyond \$50,000 causes the premiums paid to become taxable income.

Costs for SBS Life Insurance per \$1,000 of coverage are as follows:

Age of Employee	Benefit Year 1987	Benefit Year 1988	Benefit Year 1989 (estimated)
Under 30	.12	.12	.13
30-39	.15	.15	.16
40-44	.24	.24	.25
45-49	.35	.35	.37
50-54	.52	.52	.55
55-59	.78	.78	.82
60-64	1.12	1.12	1.18
65-69	1.61	1.61	1.69
70-74	3.57	3.57	3.75
75-79	6.80	6.80	7.14
80-84	9.64	9.64	10.12
85 and Over	14.83	14.83	15.57

- B. There are no changes currently being considered under the life coverages for benefit year 1989.

III. SBS Accidental Death and Dismemberment Insurance

- A. The current SBS Accidental Death and Dismemberment (AD&D) Program offers AD&D coverage for employee or employee and family. AD&D pays \$100,000 for the death of an employee or for the loss of both eyes, feet, or hands or any combination thereof, if due to accidental causes. AD&D pays reduced amounts for spouse and children and for lesser losses (one eye, one hand, etc.).

Costs for SBS AD&D are as follows:

	Benefit Year 1987	Benefit Year 1988	Benefit Year 1989 (estimated)
Employee Only	\$6.00	\$6.00	\$6.30
Employee and Family	\$8.00	\$8.00	\$8.40

- B. There are no changes currently being considered under the AD&D coverages for benefit year 1989.

IV. SBS Survivor Insurance

- A. The current SBS Survivor Program offers survivor's benefits which provide monthly payments to an employee's chosen survivor. The employee chooses payout periods that range from five to 30 years. The present value of all payouts is \$38,000. An SBS participant cannot elect more than \$10,000 of SBS Life if the participant elects SBS Survivor. Coverage is for the employee only.

Costs for SBS Survivor insurance are as follows:

Age of Employee	Benefit Year 1987	Benefit Year 1988	Benefit Year 1989 (estimated)
Under 30	\$ 4.94	\$ 4.94	\$ 5.19
30-39	\$ 5.70	\$ 5.70	\$ 5.99
40-44	\$ 9.12	\$ 9.12	\$ 9.58
45-49	\$13.68	\$13.68	\$14.36
50-54	\$20.14	\$20.14	\$21.15
55-59	\$30.40	\$30.40	\$31.92
60-64	\$43.32	\$43.32	\$45.49
65 or over	\$62.70	\$62.70	\$65.84

- B. There are no changes currently being considered under the Survivor coverage for benefit year 1989.

V. SBS Disability Insurance

- A. The current SBS Disability Program offers three disability plans. Plan A pays \$200 a week for four months following a 31-day waiting period. Plans B and C pay 50% and 70% of salary respectively

following a five-month waiting period, minus "other income benefits" such as salary, other disability, retirement, unemployment, and social security. Plans B and C pay a maximum of \$4,000 a month and a minimum of \$100.

Plans B and C pay until age 65 and have extended limited durations for employees 62 or older. A 63-year-old employee can receive three years of coverage, and a 67-year-old employee can receive 1-1/2 years of coverage.

Costs for SBS Disability insurance are as follows:

	Benefit Year 1987	Benefit Year 1988	Benefit Year 1989 (estimated)
Plan A	\$5.44	\$5.44	\$6.26
Plan B	.37 per \$100 salary	.75 per \$100 salary	.86 per \$100 salary
Plan C	.61 per \$100 salary	1.22 per \$100 salary	1.40 per \$100 salary

- B. There are no changes currently being considered under the Disability coverage for benefit year 1989.

VI. Annuity Benefit

- A. The current annuity benefit operates as a default election. That is, if an employee does not elect any insurance coverages under the SBS, the total current contribution of 12.26% of salary up to the wage base, less administrative fees, is allocated to the Annuity Benefit. If insurance is selected, whatever contribution remains after administrative fees and any insurance premiums are deducted is allocated to the Annuity Benefit. A separate account is established for each employee to record annuity balances, interest earnings and other accounting. Annuity accounts are currently earning 11.3%. The SBS Annuity Plan is an Internal Revenue Service approved plan under Part 401(a) of the Internal Revenue Code (IRC).
- B. Some changes to the Annuity Benefit will be required in 1989 in order to preserve the tax-deferred status of the current Annuity Benefit.
1. As discussed in the attached letter from the State's consultant, the Tax Reform Act (TRA) of 1986 requires the Annuity Benefit to be "free-standing" from the insurance part of the SBS. Instead of residual contributions being allocated to annuities, TRA requires a fixed contribution to annuities or, in other words, a contribution that cannot be affected by individual employee discretion. The State must determine the amount of the contribution.

2. In setting the level of contributions to annuities, a second factor may well be considered in this section: mandatory contributions of the Medicare portion of Social Security. For each employee hired on or after April 1, 1986, both the State and the employee are required to make contributions. These contributions currently total 2.9% of wages up to the Social Security wage base in effect (\$45,000 for 1988). The employee and employer each contribute 1.45% of this total. This requirement has created a discrepancy in the cost of benefit packages of State employees. Since Medicare contributions are required on behalf of each of these newer employees and SP^ contributions are also being paid for these individuals, the question of parity in the benefit package arises. The table below shows the total contribution (SBS and Medicare) for these two classes of employees.

	State Contribution Rate SBS and Medicare	
	<u>"Old" Employee (Hired before April 1, 1986)</u>	<u>"New" Employee (Hired on or after April 1, 1986)</u>
SBS	6.13%	6.13%
Medicare	<u>0%</u>	<u>1.45%</u>
Total State Contribution	6.13%	7.58%

Parity might be achieved by adjusting the State's SBS contribution by 1.45%, as illustrated in the following table.

Possible State Contribution Rates Adjusted for Parity
SBS and Medicare

	<u>"Old" Employee</u>	<u>"New" Employee</u>		<u>"Old" Employee</u>	<u>"New" Employee</u>
SBS	6.13%	4.68%	OR	7.58%	6.13%
Medicare	<u>0%</u>	<u>1.45%</u>		<u>0%</u>	<u>1.45%</u>
Total State Contribution	6.13%	6.13%		7.58%	7.58%

As shown by the examples above, there is nothing to prohibit the State from setting a different SBS annuity contribution from group to group as long as the distinctions are rational and do not serve to discriminate against lower paid employees. Clearly, for those employees for whom Medicare is required, a lower SBS rate might be established.

3. Finally, whatever the contribution to annuities, two general guidelines for the restructuring of SBS contributions should be mentioned:
 - a. All employer contributions should go to the annuity plan along with a fixed, additional, pre-tax employee contribution.
 - b. The contributions for the purchase of insurance benefits (IRC 125 cafeteria plan) should be variable, pre-tax employee contributions.

This is discussed in the attached letter from the State's consultant. The reason for such a structure is to maximize the choices available to the greatest number employees with a minimum of confusion and red tape. In this way, those employees who want no insurance benefits simply make that election and that is all there is to it. Those who want insurance elect a wage reduction in just the right amount to cover the premiums for the coverage they selected. If any employer contributions were directed to the insurance side of SBS, a person who wanted no insurance could not put these employer dollars into annuities and they would have to be paid out at the end of the year as taxable earnings.

VII. Dependent Care Benefit

There is no dependent Care Benefit available under the current SBS Program. Assuming that the SBS is restructured under Part 125 IRC, a Dependent Care Benefit could be made available under the SBS in 1989.

This benefit would allow employees to utilize pre-tax dollars to assist in dependent care expenses up to limits imposed by the Internal Revenue Service. Generally, an employee can elect to exclude from their gross income up to \$500 per month not to exceed the employee's earned income in the case of a single employee. A married employee may exclude up to the lesser of the employee's earned income or his or her spouse's earned income.

The Supplemental Benefits System as a Replacement of Social Security

The SBS was originally designed as a benefit program to be offered in lieu of Social Security following the State's decision to opt out of that program. It can be reasonably asked at this point what was given up by that decision? Social Security would provide a fully vested employee a lifetime monthly pension based on time in the system and contributions to the system. Survivors of the employee would also be eligible for a pension. In addition, Medicare Part A, or hospital coverage would be available at no charge. Active employees would also be eligible for disability protection under Social Security.

The benefits offered through Social Security were abandoned by the State in 1980 and replaced by those described earlier. Each employee by using individual election could avail himself or herself of all the insurance options described while they were actively working. Contributions that were allocated to the SBS annuity account could serve as supplemental income during retirement just as a Social Security pension is designed to do. Unlike Social Security, this income can be distributed in a wide range of pension options or even in a lump sum.

The cost to the State today, had it remained in the Social Security system, would be dramatically higher than under the current SBS. For example, the 1987 employer contribution under Social Security, is 7.15% of wages up to the 1987 wage base of \$43,800. Assuming a workforce of 12,000 employees, and an average annual wage of \$25,000, this difference in contribution rates would have required an additional \$3.0 million in employer contributions during 1987. Next year, when the Social Security contribution rate increases to 7.51%, this incremental difference would increase to \$4.1 million. Clearly, the SBS legislation that froze the contribution rate at the 1980 Social Security level of 6.13% has resulted in considerable savings to the State since 1980.

The initial program design of the SBS has served the State quite well given the decision to leave Social Security. Much work was put into the design at that time with input from the legislature, employee groups and the administration. At that time, the idea of a cafeteria style benefit program was quite unique and viewed as being on the leading edge of such programs. Cafeteria style benefit plans have now become quite standard with large employers throughout the country, and are fully recognized by the IRS under Section 125 of the Internal Revenue Code (IRC). Since the State finds itself in the position of having to make programmatic changes due to the Tax Reform Act of 1986, it can be viewed as an opportune time to qualify our benefit plan under Section 125 IRC and allow the annuity plan to remain qualified under Section 40(a). Revenue Code (IRC).

To demonstrate the powerful effects of compounding on annuity account balances and the difference between the current SBS contribution rate and the 1988 Social Security contribution rate consider these examples:

1. A 35-year-old individual is hired by the State of Alaska at a salary of \$45,000. He or she works for 20 years and retires at age 55. Assuming the same salary for the entire period, all contributions being allocated to the annuity account and a 10% interest rate, this individual would have accumulated an annuity account balance of \$315,000.

2. Using the same example and assumptions as above except a smaller salary of \$22,000, an account balance of \$155,000 would exist at retirement age.
3. Using the same example as in 1 above except that the 1988 Social Security contribution rate of 7.15% instead of the SBS rate of 6.13%, the balance, of course, becomes considerably higher: \$386,600.
4. The lower salaried example in 2 above using the Social Security rate would, of course, also result in a higher account balance: \$189,000.

Under the SBS, the individual could elect to take these balances as a lump sum or elect a continuing pension. For example, the balances above would yield a lifetime monthly benefit as follows:

1. \$2,303	2. \$1,133	3. \$2,827	4. \$1,382
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or a continuing pension for 10 years only:

1. \$3,604	2. \$1,773	3. \$4,424	4. \$2,163
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Other options are available under the SBS. A major distinction that should be made between Social Security and the SBS is the amount and the form of an individual's return.

A Social Security pension is not calculated based on the amount of money contributed. It is based on the length of time under the system and the salary. The SBS returns whatever was contributed plus interest with a choice in the form of payment. The examples above point out how much money might have accumulated in an individual account under Social Security. Unfortunately, the individual has no choice in the form of payment, is not eligible for any pension until age 65, and has no guarantee of ever receiving full value of his or her contributions.

WILLIAM M.
MERCER - Meldinger
INCORPORATED

August 31, 1987

Mr. Michael B. Coughlin
Deputy Director
State of Alaska
Department of Administration
Division of Retirement & Benefits
Pouch CR
Juneau, Alaska 99811

Re: SBS Chances

Dear Mike:

I, too, share your concern about the changes which may be required to the Supplemental Benefits System. From what I have heard, SBS is one of the smoothest operating, most appreciated employee benefits for State employees. Certainly, "if it ain't broke, don't fix it". I will answer the questions in your August 20 letter in the same order:

- (1) Yes, the Tax Reform Act of 1986 (TRA) does require changes to SBS. Even though SBS only allows election among non-taxable benefits, it will be considered a cafeteria plan and must comply with cafeteria rules (IRC Section 125) effective January 1, 1989 (assuming regulations are not issued by October 1, 1987). However, on this score, there is some very good information. The Technical Corrections Bill (HR 2636 and S 1350) contains a provision which would reverse the change required by TRA. In other words, if the Technical Corrections Bill passes with this provision intact, plans that allow choices of only non-taxable benefits (like SBS) will not be considered "cafeteria plans". Unfortunately, it is very unlikely this bill will pass this year, and may not pass, if at all, until late next year.

Is it possible for the Alaska Legislature to pass a bill, contingent on federal law requiring a change? Then, if the Technical Corrections Bill passes after the Alaska Legislature convenes, but before January 1, 1989, the remedial legislation for SBS would not be effective. 2

- (2) There can be no employee discretion regarding contributions to a qualified money purchase plan. In general, contributions to a money purchase plan must be fixed. We believe that depositing "residual" amounts from a cafeteria plan would not meet the fixed contribution requirements.

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Mr. Michael B. Coughlin
Page Two
August 31, 1987

If the new SBS program limits the amount of contribution for group benefits, it will be necessary for some employees to reduce take-home pay in order to obtain their desired group benefits. This might cause a hardship for a small number of employees.

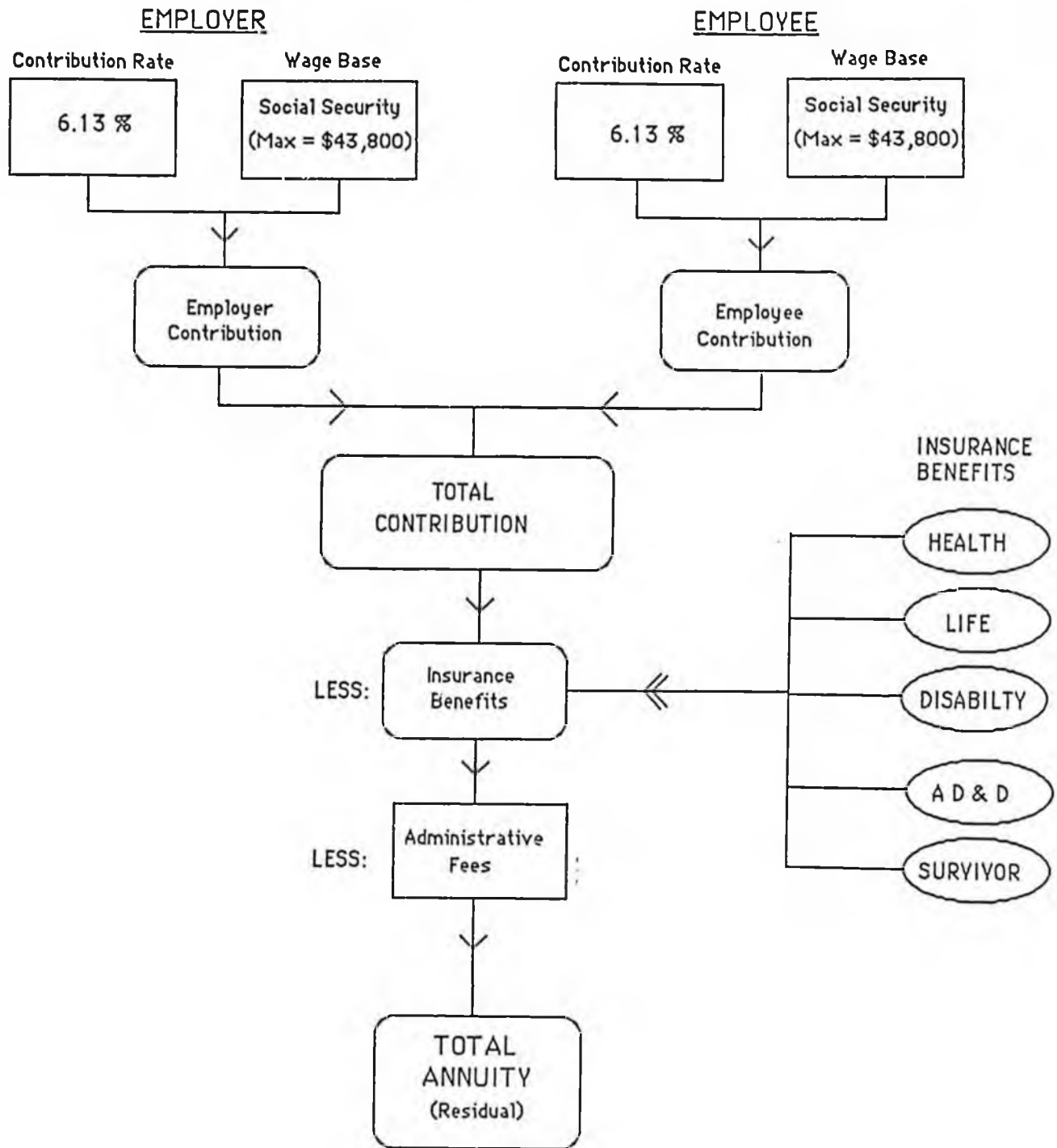
- (3) Several employees are currently putting all of their SBS contributions into the Annuity Plan, as well as deferring the maximum under the Deferred Compensation Program. These employees will be upset if their tax deferral capabilities are diminished. The redesigned SBS Program could have an automatic 12.26% contributed to a free-standing 401(a) plan. Then, a variable, before-tax employee contribution could be used to pay for the group benefits under the cafeteria plan. This approach preserves the maximum tax advantage but also requires most employees to reduce their take-home pay to pay for the desired group benefits.
- (4) You could add a dependent care benefit to the current SBS. However, employees cannot fund a dependent care benefit through salary reduction contributions to the current SBS. If the Technical Corrections Bill passes, SBS could be left alone and a separate 125 cafeteria plan could be established for taxable life insurance benefits and any other benefits you wish to fund with salary reduction contributions (i.e., dependent care).
- (5) An offset to SBS contributions by the amount of any required Medicare contribution would not cause a problem. This is because the contribution rate would be based upon date of hire, rather than employee discretion. We have considered this situation and believe that the best approach would be to have two different contribution rates to the free-standing annuity plan.
- (6) As stated before, employees may not have discretion on the amount of contributions made to the 401(a) annuity plan.

Staying within the current basic contribution structure of SBS (12.26% up to the wage base), and meeting the requirements of the Tax Reform Act will disadvantage a group of employees . . . thus leading to dissatisfaction. The particular group of employees that is disadvantaged depends on how the State elects to correct SBS. At this time, it may be appropriate to rethink the contribution structure under SBS. In any event, we envision that you will end up with an annuity plan with a fixed contribution rate and a separate 125 cafeteria plan. The annuity plan need not limit contributions to the wage base. For example, the annuity plan might have a 10% contribution on all salary (6.13% up to the wage base from the employer, and the rest from the employee).

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SEP 02 1987

CHART I
CURRENT SBS PROGRAM



STATE DECISION

EMPLOYEE DECISION

RESIDUAL/ DERIVED

NEW SBS PROGRAM

ANNUITY PLAN

BENEFIT PLAN

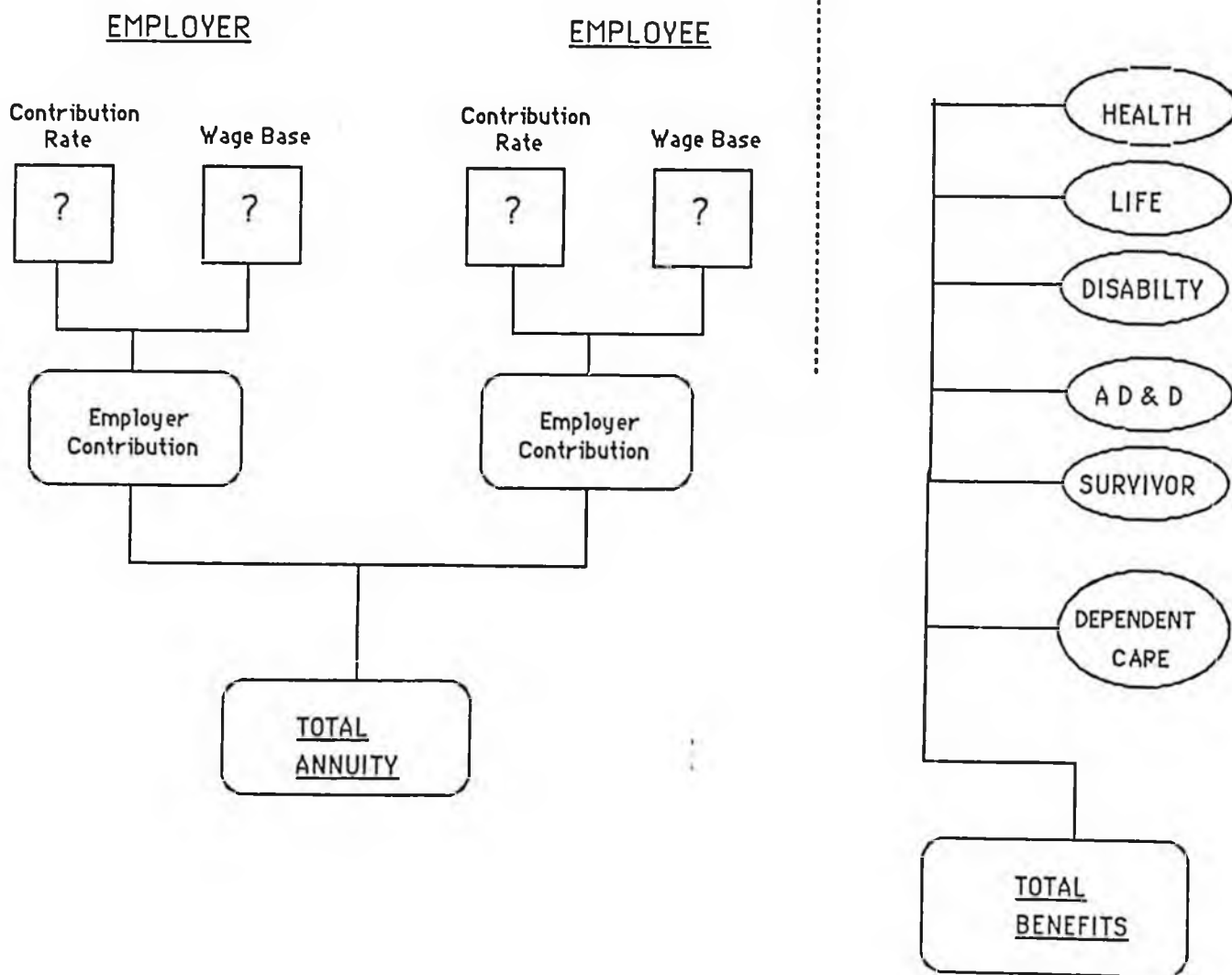
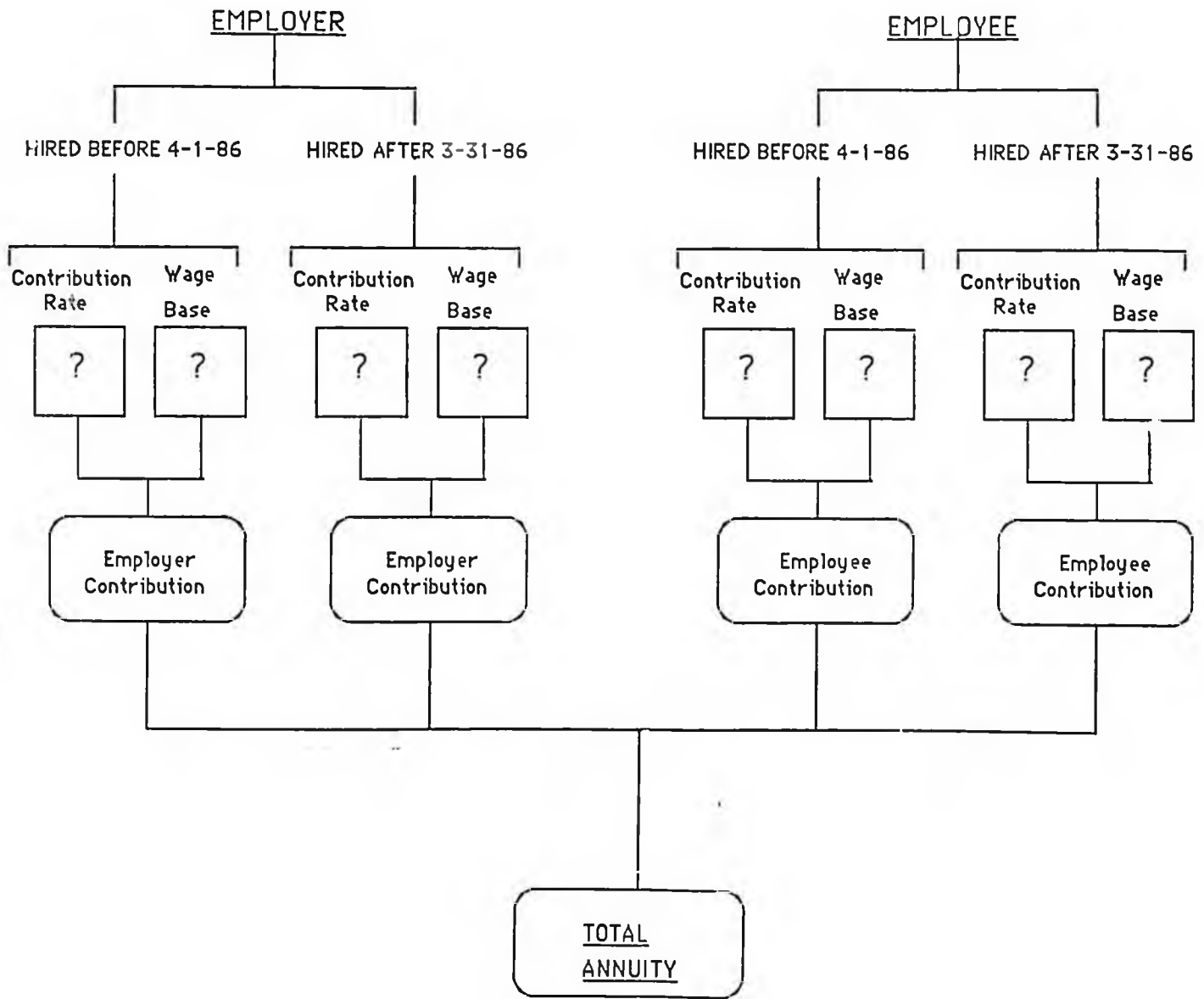


CHART 3.
NEW SBS PROGRAM
ANNUITY PLAN



STATE DECISION
 EMPLOYEE DECISION
 RESIDUAL/ DERIVED

January 4, 1988

SBS REVISIONS

(SPONSOR SUBSTITUTE FOR HB-252)

Recommendation-decisions made so far:

- 1) State contribution to annuity -- 6.13% minus mandated Social Security payments (e.g. 1.45% Medicare portion)
- 2) Wage base -- Social Security Wage Base, for both employer and employees (\$43,900)
- 3) Add "Dependant Care" to cafeteria menu

Remaining decisions:

- 1) Employee contribution to annuity
Sample options: maximum -- 6.13%
middle -- 4.25%
minimum -- 2.37%
rock bottom -- 0.00 %

Need to do:

- 1) Prepare a 2-page explanatory handout
 - why some change is necessary; potential loss if not changed
 - necessary structure of revised system
 - effect of sample options on taxable income
 - effect of sample options on annuity balance
- 2) Ask consultant to look over handout for compliance with federal law
- 3) Present the issue, for their advice, to:
 - employees, for "poll"
 - departmental personnel officers
 - union groups
- 4) Bring the press into it early, for reporting accuracy
- 5) Draft bill with employee % specified as 6.13%, to open discussions
- 6) Summarize employee attitudes for presentation to State Affairs committees, along with statistical data on current employee insurance-purchasing patterns

STATE OF ALASKA

DRAFT

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460

2600 DENALI ST. SUITE 401
ANCHORAGE, ALASKA 99503-2740
PHONE: (907) 277-7504

Public Employees Retirement System
Teachers' Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees Voluntary Dental-Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

STEVE COWPER, GOVERNOR

January 8, 1988

Dear SBS Participant:

Major changes will be required in the Supplemental Benefits System (SBS) beginning January 1, 1989. These changes are required as a result of the federal Tax Reform Act of 1986. Legislation must be enacted this session to provide for the changes. Information is being requested from SBS participants to help determine the direction the change will take.

Currently the SBS consists of two major parts. These are: 1) insurance, and 2) retirement money accumulation (annuity). Under the current plan, 12.26% (6.13% employer and 6.13% employee) of salary (up to the Social Security Wage Base) is contributed to the SBS on behalf of each eligible employee. The contribution is used to pay first the administrative fees and insurance premiums. The remaining contribution is then deposited in the employee's annuity account.

Since each employee chooses his or her own insurance enrollment, and insurance premiums vary with the employee's age and salary for certain insurance coverages, the result is that different percentages of salary are contributed to the annuity accounts for each employee. This current structure will not be allowed under the Tax Reform Act. A pre-set and uniform percentage of salary must be contributed to the annuity account for each employee.

In an effort to maintain as much consistency with the current SBS plan and ideals, we are proposing to establish separate, freestanding insurance and annuity plans under two separate provisions of the federal tax laws. The entire "employer" contribution (6.13%) will go to the annuity plan. The "employer" contribution will be reduced for mandatory employer contributions to Social Security plans. Currently, Social Security requires a 1.45% employer contribution for medicare for employees hired on or after April 1, 1986.

The main question is what to do with the "employee wage reduction" contribution (the other 6.13%). All, a portion, or none of the "wage reduction" contribution can be paid into the annuity account. If a portion of the "wage reduction" contribution is not paid into the annuity account, that portion will be available to pay or help pay premiums under the freestanding insurance plan. Any portion of the "wage reduction" not paid into annuities, or used to pay insurance premiums, will be paid directly to the employee as part of regular taxable income, thereby

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SBS Participant

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January 8, 1988

increasing their take-home pay. Any amount necessary to pay for insurance premiums over and above the amount available after the annuity contribution can be provided for by additional tax-free salary deductions.

The following example illustrates effects on the SBS monthly annuity contribution under the various wage reduction percentages. This example assumes a monthly salary of \$2,100.00 and that the employee was hired before April 1, 1986, and not subject to Medicare contributions.

Employer 6.13% Annuity Contribution	Employee Annuity Contribution Percent	Employee Contribution Amount	Total Monthly Contribution to Annuity	Amount Available for Insurance, or for Additional Payroll
128.73	6.13	128.73	257.46	Ø
128.73	4.25	89.25	217.98	39.48
128.73	2.37	49.77	178.50	78.96
128.73	Ø	Ø	128.73	128.73

After 20 years of employment, at 10% annual interest, the approximate value of an annuity account would be as follows:

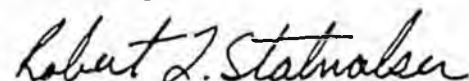
Monthly Contribution	Account Balance
\$450.00	\$325,000.00
400.00	288,000.00
300.00	216,000.00
250.00	180,000.00
200.00	144,000.00
100.00	72,000.00

Enclosed is a ballot on which you may indicate your choice on levels of your contribution to your annuity account. If you choose a high amount you are indicating your preference for pre-tax savings for retirement or other post-termination uses. If you choose a low amount you are indicating your preference for current-year income which you may use for insurance premiums or regular taxable payroll.

The ballot is for informational purposes only. The final employee's annuity contribution rate will be ultimately set by the legislature. However, your input could make a difference.

These are very important decisions. There will be future correspondence on this subject as events develop. If you have any questions, please contact the Supplemental Benefits System at 465-4460.

Sincerely



Robert F. Stalnaker
Acting Director

RFS/MEH/cam/7
Enclosure

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DIVISION OF RETIREMENT AND BENEFITS

SUPPLEMENTAL BENEFITS SYSTEM BALLOT

Please indicate your preference for the "employee's" annuity contribution rate that should be established by the State by checking one of the following alternatives and returning this information ballot at the earliest to: *Division of Retirement & Benefits, P.O. Box CR, Juneau, Alaska 99811* or *2600 Denali, Suite 40, Anchorage, Alaska 99503*. You may also return your ballot to your personnel office for delivery to Mail Stop 0203.

1. _____ Maximum Annuity Contribution (6.13%):
Under this alternative, the entire current contribution of 6.13% will go to your annuity account. If you wish to purchase insurance benefits, your paycheck and taxable income will decline by the amount of your insurance costs.
2. _____ Middle Annuity Contribution (4.25%):
Under this alternative, 4.25% of your earnings will go to your annuity account. The balance, 1.88% of your earnings, will be available for purchasing insurance benefits. You will experience an increase (decrease) in your paycheck and taxable income depending on whether your insurance purchases are smaller (greater) than 1.88% of your earnings.
3. _____ Low Annuity Contribution (2.37%):
Under this alternative, 2.37% of your earnings will go to your annuity account. The balance, 3.76% of your earnings, will be available for purchasing insurance benefits. You will experience an increase (decrease) in your paycheck and taxable income depending on whether your insurance purchases are smaller (greater) than 3.76% of your earnings.
4. _____ Zero Annuity Contribution (0.0%):
Under this alternative, you will not contribute to your annuity account; your entire current contribution of 6.13% will be available to you for purchasing insurance benefits. Your paycheck and taxable income will increase (decrease) depending on whether your insurance purchases are smaller (greater) than 6.13% of your earnings.

EXAMPLE:

Assumptions: Annual Salary = \$35,000; Annual Insurance Purchases = \$800.

Under the *existing* SBS program, your total annual SBS contribution of is allocated as follows:

Total Contribution (\$35,000 X .0613)	=	\$2,146
Insurance Purchases	=	\$800
Employee's Annuity Contribution	=	<u>\$1,346</u>

Under the *revised* SBS program the annual allocation will be as follows:

	Employee		Available for Insurance		Insurance	Pre-tax
	Percent	Amount	Percent	Amount	Purchases	Change in Annual Wage
1. High Annuity	6.13%	\$2,146	0.0%	\$0	\$800	-\$800
2. Middle Annuity	4.25%	\$1,488	1.88%	\$658	\$800	-\$142
3. Low Annuity	2.37%	\$830	3.76%	\$1,316	\$800	\$516
4. Zero Annuity	0.0%	\$0	6.13%	\$2,146	\$800	\$1,346

TABLE II.4.
POPULARITY OF INSURANCE OPTIONS
BY SALARY RANGE

April '87

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-44-

		----- MONTHLY SALARY (\$) -----										
		1001-2000			2001-3000		3001-4000		4001-5000		OVER 5000	
TOTAL NUMBER		NUMBER	PCT	NUMBER	PCT	NUMBER	PCT	NUMBER	PCT	NUMBER	PCT	
TOTAL		11,959	1,894	100%	4,319	100%	3,465	100%	1,432	100%	849	100%
NUMBER OF OPTIONS	0	2,014	340	18%	755	17%	580	17%	215	15%	124	15%
	1	2,371	430	23%	898	21%	644	19%	263	18%	136	16%
	2	1,997	302	16%	714	17%	585	17%	240	17%	156	18%
	3	2,724	445	23%	976	23%	779	22%	308	22%	216	25%
	4	2,115	292	15%	732	17%	629	18%	294	21%	168	20%
	5	738	85	4%	244	6%	248	7%	112	8%	49	6%
SURVIVOR BENEFITS	NOT SELECTED	9,692	1,574	83%	3544	82%	2,769	80%	1112	78%	693	82%
	SELECTED	2,267	320	17%	775	18%	696	20%	320	22%	156	18%
A D & D	NOT SELECTED	6,835	1,134	60%	2525	58%	1,945	56%	779	54%	452	53%
	MEMBER	1,556	244	13%	572	13%	462	13%	159	11%	119	14%
	FAMILY	3,568	516	27%	1222	28%	1,058	31%	494	34%	278	33%
HEALTH INSURANCE	NOT SELECTED	3,472	515	27%	1224	28%	1,046	30%	429	30%	258	30%
	OPT I MEMBER	2,424	460	24%	907	21%	685	20%	234	16%	138	16%
	OPT I FAMILY	5,950	902	48%	2130	49%	1,704	49%	764	53%	450	53%
	OPT II MEMBER	61	11	1%	28	1%	17	0%	4	0%	1	0%
	OPT II FAMILY	52	6	0%	30	1%	13	0%	1	0%	2	0%
DISABILITY	NOT SELECTED	8,462	1,487	79%	3174	73%	2,344	68%	917	64%	540	64%
	DISABILITY A	381	126	7%	159	4%	66	2%	19	1%	11	1%
	DISABILITY B	285	34	2%	98	2%	81	2%	45	3%	27	3%
	DISABILITY C	2,831	247	13%	888	21%	974	28%	451	31%	271	32%
LIFE INSURANCE	NOT SELECTED	4,647	798	42%	1726	40%	1,314	38%	520	36%	289	34%
	10 K	2,956	500	26%	1060	25%	871	25%	345	24%	180	21%
	20 K	460	107	6%	214	5%	94	3%	29	2%	16	2%
	30 K	391	78	4%	160	4%	112	3%	30	2%	11	1%
	40 K	450	49	3%	161	4%	161	5%	53	4%	26	3%
	48 K	3,055	362	19%	998	23%	913	26%	455	32%	327	39%

EO

65

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/28/87

FURTHER REFERRALS:

DATE: 2-16-87

The State Affairs Committee has considered EO 65

Moving the Alaska Foreign Offices from the Department of Commerce and Economic Development to the Office of the Governor.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS: MOTION NOT TO TAKE ANY ACTION

*Serry M...
 M.C. ...
 ...
 ...
 ...*

SIGNING OTHER RECOMMENDATIONS:

[Signature]

 Chairman's signature



Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE

EXECUTIVE ORDER 65

FILE CONTENTS

1. EO 65
2. FISCAL NOTE, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
3. HOUSE LABOR AND COMMERCE COMMITTEE REPORT
4. MEMO FROM REPRESENTATIVE DAVE DONLEY TO LABOR AND COMMERCE COMMITTEE, DATED 1/26/87
5. GOVERNOR'S TRANSMITTAL LETTER