

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6161 HOUSE STATE AFFAIRS

565

Item 3

May 2, 1990



**General
Communication
Incorporated**

The Honorable Pat Pourchot
Alaska State Legislature
Capitol, Room 504
P. O. Box V
Juneau, Alaska 99811

Dear Senator Pourchot:

On behalf of GCI, I want to thank you for your tremendous efforts regarding CS 206 (attached). GCI supports CS 206 as introduced on May 2, 1990, subject to the following representations being made by both GCI and Alascom:

(1) GCI will not seek, nor support, any amendments or direct or indirect changes to the May 2, 1990 version of CS 206. We will withdraw our support of CS 206 if such amendments or changes are made, and ask you and others to do the same. Furthermore, we will withdraw our support of CS 206 if any attempt is made to amend the APUC's regulatory authority through other bills this year.

(2) GCI supports the finding that CS 206 is substantially similar to 89-TELE and 89-ALAS. In this regard, we will not challenge in court, or elsewhere, a determination that CS 206 is substantially similar to both initiatives. Conversely, if a determination is made that CS 206 is not substantially similar to either initiative or to both initiatives, we will challenge that determination in court and argue that CS 206 is substantially similar to both initiatives. Furthermore, if any third party challenges the substantial similarity of CS 206 to either or both initiative, we agree to intervene in the lawsuit to support the position that CS 206 is substantially similar to both initiatives.

(3) We will not challenge the legality, including the constitutionality, of CS 206. If any third party challenges the legality of CS 206, we agree to intervene in the lawsuit and support the position that CS 206 is legal.

(4) We agree to meet with members of the State Senate and House to communicate the representations contained in this letter at your earliest convenience.

Again, thank you for your outstanding and crucial role in developing CS 206. We look forward to working with you in the future on overseeing its effective implementation.

Sincerely,

Ron Duncan
President

Item 4

John E. McGill
Executive Vice President
& General Manager



May 2, 1990

Senator Pat Pourchot
Chairman, Senate State
Affairs Committee
Room 504
State Capitol Building
Juneau, Alaska 99811

Re: The Intrastate Long-Distance Telephone Competition Bill (CS 206)

Dear Senator Pourchot:

This letter supersedes the similar letter I sent to you earlier today. GCI has asked for additional comfort from Alascom, and I am happy to give it.

As I said earlier, I have reviewed the telephone competition bill carefully, including the change to section 810(b) proposed this morning.¹ Alascom wants to compete and believes that this bill will permit competition. Alascom supports the bill and makes the following commitments to you and the legislature:

1. Alascom will not, directly or through a third party, attempt to amend the bill. If amendments are made, Alascom will withdraw its support for the bill. Alascom will also withdraw its support if the APUC's regulatory

¹Section 810(b) contains a provision keyed to facilities owned by long-distance telephone companies on May 1, 1990. Alascom does not know every place in the state where, on May 1, 1990, companies other than Alascom owned and operated facilities to provide interstate long-distance message telephone service. Alascom believes that GCI on May 1, 1990, owned and operated such facilities in Anchorage, Fairbanks, Juneau, Ketchikan, the Kenai-Soldotna area, the Mat-Su area, and Eagle River. GCI may have owned and operated facilities in other places. If necessary, the APUC can determine what other facilities were owned and operated on May 1, 1990, by companies other than Alascom

Senator Pat Pourchot
May 2, 1990
Page Two

authority is changed this year by other bills which affect the purpose, spirit, or intent of this bill.²

2. Alascom will not challenge the legality, including the constitutionality of the bill. If anyone challenges the legality of the bill, Alascom will intervene in the lawsuit and support the legality of the bill.
3. Alascom agrees with and will support the legislative finding that the bill is substantially similar to the initiatives 89-TELE and 89-ALAS. Alascom will not challenge this finding in court or elsewhere and will contest any finding that the bill is not substantially similar to both initiatives.

Senator, I sincerely thank you for your interest and concern. Your efforts have been invaluable, and we deeply appreciate your support.

Sincerely,



John E. McGill
Executive Vice President and
General Manager

whm

²Bills have been introduced which change the APUC's authority but which either do not affect or are consistent with this bill.

S B

226

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
CSSB 226 (Jud)

Possession of Guns While Intoxicated

Received April 29, 1989
by Sens. Binkley, Faiks, Coghill and Jones

Heard January 17, 1990

Passed Out of Committee January 17, 1990
3 Do Pass
2 No Recommendation

TABLE OF CONTENTS

CSSB 226 (Jud): Possession of Guns While Intoxicated

- Item 1:** CSSB 226 (Jud) by Binkley, Faiks, Coghill, and Jones
- Item 2:** Fiscal Notes by Dept. of Corrections and Dept. of Public Safety. Fiscal Note and Analysis by Dept. of Law
- Item 3:** Memorandum from Sen. Binkley, January 12, 1990

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 29, 1989

FURTHER REFERRALS: JUDICIARY

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

CSSB 226 (JUD)

CS FOR SENATE BILL NO. 226 (Judiciary)

[POSSESSION OF GUNS WHILE INTOXICATED]

"An Act relating to misconduct involving possession of a firearm by a person who is intoxicated or under the influence of drugs."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [] a new title
- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact _____ [] fiscal note(s) _____
- [2] zero fiscal note ^{Dept Corrections 4/11/90} _{Pub Safety 4/11/90} [] zero fiscal note(s) _____
- [X] zero with analysis _{Law 4/11/90} [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend

<i>Eileen B. MacLean</i>		✓	
<i>David Douley</i>		✓	

D.A. Bush

Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to misconduct involving firearms...by intoxicated"
 Sponsor: Senator Binkley
 Requestor: _____

Agency Affected: Department of Corrections
 BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This legislation would have minimal impact on the Department of Corrections.

Susan E. Knighton

Prepared by: Susan E. Knighton, Director
 Division: Administrative Services

Phone: 465-3376
 Date: 01/16/90

Approved by: *Donna Humphrey-Barnett*
 Agency: Department of Corrections

Date: 01/16/90

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: 1-8-90 Agency Affected: Public Safety
 Title: Possession of firearms while intoxicated BRU: Alaska State Troopers
 Sponsor: Senator Binkley, et al. Component: Detachments
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This bill will not have any fiscal impact on the Department of Public Safety.

Prepared by: Francis C. Allan
 Division: Alaska State Troopers

Phone: 269-5691
 Date: 12/19/89

Approved by Commissioner: Arthur English
 Agency: Department of Public Safety

Date: 1-8-90
 Page 1 of 1

Photo
12/22/89

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to misconduct
 involving possession of a firearm..."
 Sponsor: Senate Judiciary
 Requestor: Senate State Affairs

Agency Affected: Department of Law
 BRU: Prosecution
 Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director

Phone: 465-3672

Division: Administrative Services

Date: January 11, 1990

Approved by Commissioner: Richard I. Pegues / FBR / Douglas B. Baily, Attorney General

Date: January 11, 1990

Agency: Department of Law

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 226 (Jud)

The committee substitute for SB 226 amends AS 11.61.200 by adding a new subsection that provides that a person commits misconduct involving weapons in the first degree, if the person also commits criminal trespass in the first degree, while the person possesses a firearm, and while the person is under the influence of an intoxicating liquor or drug. Misconduct involving weapons in the first degree is a class C felony. Criminal trespass in the first degree is a class A misdemeanor.

The committee substitute also amends AS 11.61.210 to provide that possession on a person of a firearm while under the influence of an intoxicating liquor or drug, in circumstances other than those that constitute misconduct involving weapons in the first degree, is misconduct involving weapons in the second degree. Misconduct involving weapons in the second degree is a class A misdemeanor.

Because the department is already prosecuting trespass offenses and because there is no accurate way to predict the number of times when trespass, intoxication and possession of a firearm will occur in combination, fiscal note costs are not being requested at this time. The department cautions, however, that in the face of diminished staff resources, it will be hard-pressed to handle any sizable caseload that may occur as a result of enactment of this bill. In the event of significant caseload, additional funding would have to be provided before enforcement could take place.

Item 3



Senator John Binkley


Senate Finance Committee
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

Finance Committee
Co-Chairman

MEMORANDUM

January 12, 1990

TO: Representative Red Boucher
Chairman, House State Affairs Committee

FROM: Senator John Binkley 

RE: SB 226, relating to misconduct involving possession of a firearm

The above-referenced bill is scheduled to be heard before your committee on Wednesday, January 17. If this bill were to become law, a person who commits criminal trespass in the first degree while under the influence of drugs or alcohol and who has a gun on his person would be guilty of misconduct involving possession of a firearm in the first degree. That offense is a Class C felony and would be subject to a penalty of up to \$50,000 and 5 years in jail.

First degree criminal trespass is entering and remaining in a person's home or land unlawfully. I've attached copies of the appropriate statutes for your easy reference.

Guns and alcohol or drugs don't mix under any circumstances. But to have a person in this condition in your home or on your property without your permission or consent is a frightening and potentially dangerous situation.

I appreciate your willingness to schedule this bill so quickly. Due to a scheduling conflict, Janice Adair of my staff will attend the meeting to answer any of the members' questions.

(b) It is an affirmative defense to a prosecution under (a)(1) of this section that

(1) the defendant took reasonable steps to remove the substance from the highway; and

(2) no person suffered physical injury as a result of the presence of the substance on the highway.

(c) Obstruction of highways is a class B misdemeanor. (§ 7 ch 166 SLA 1978)

Collateral references. — 39 Am Jur, 2d, Highways, Streets and Bridges, §§ 281-310.
39A C.J.S., Highways, §§ 217-231.

Article 2. Weapons and Explosives.

Section	Section
200. Misconduct involving weapons in the first degree	230. Possession of burglary tools
210. Misconduct involving weapons in the second degree	240. Criminal possession of explosives
220. Misconduct involving weapons in the third degree	250. Unlawful furnishing of explosives

Collateral references. — Validity and construction of gun control laws, 28 ALR3d 845.

Sec. 11.61.200. Misconduct involving weapons in the first degree. (a) A person commits the crime of misconduct involving weapons in the first degree if the person

(1) knowingly possesses a firearm capable of being concealed on one's person after having been convicted of a felony by a court of this state, a court of the United States, or a court of another state or territory;

(2) knowingly sells or transfers a firearm capable of being concealed on one's person to a person who has been convicted of a felony by a court of this state, a court of the United States, or a court of another state or territory;

(3) manufactures, possesses, transports, sells, or transfers a prohibited weapon;

(4) knowingly sells or transfers a firearm to another whose physical or mental condition is substantially impaired as a result of the introduction of an intoxicating liquor or drug into that other person's body;

(5) removes, covers, alters, or destroys the manufacturer's serial number on a firearm with intent to render the firearm untraceable; or

(6) possesses a firearm on which the manufacturer's serial number has been removed, covered, altered, or destroyed, knowing that the serial number has been removed, covered, altered, or destroyed with the intent of rendering the firearm untraceable.

(b) It is an affirmative defense to a prosecution under (a)(1) or (2) of this section that

(1) the person convicted of the prior offense on which the action is based received a pardon for that conviction;

(2) the underlying conviction upon which the action is based has been set aside under AS 12.55.085 or as a result of post-conviction proceedings; or

(3) a period of five years or more has elapsed between the date of the person's unconditional discharge on the prior offense and the date of the possession, sale, or transfer of the firearm.

(c) It is an affirmative defense to a prosecution under (a)(3) of this section that the manufacture, possession, transportation, sale, or transfer of the prohibited weapon was in accordance with registration under 26 U.S.C. 5801-5872 (National Firearms Act).

(d) The provisions of (a)(3) of this section do not apply to a peace officer acting within the scope and authority of the officer's employment.

(e) As used in this section,

(1) "prohibited weapon" means any

(A) explosive, incendiary, or noxious gas

(i) mine or device that is designed, made, or adapted for the purpose of inflicting serious physical injury or death;

(ii) rocket, other than an emergency flare, having a propellant charge of more than four ounces;

(iii) bomb;

(iv) grenade;

(B) device designed, made, or adapted to muffle the report of a firearm;

(C) metal knuckles;

(D) switchblade or gravity knife;

(E) firearm that is capable of shooting more than one shot automatically, without manual reloading, by a single function of the trigger; or

(F) rifle with a barrel length of less than 16 inches, shotgun with a barrel length of less than 18 inches, or firearm made from a rifle or shotgun which, as modified, has an overall length of less than 26 inches;

(2) "unconditional discharge" has the meaning ascribed to it in AS 12.55.185.

(f) Misconduct involving weapons in the first degree is a class C felony. (§ 7 ch 166 SLA 1978)

Sec. 11.46.310. Burglary in the second degree. (a) A person commits the crime of burglary in the second degree if the person enters or remains unlawfully in a building with intent to commit a crime in the building.

(b) Burglary in the second degree is a class C felony. (§ 4 ch 166 SLA 1978)

NOTES TO DECISIONS

For cases construing former law, see notes to AS 11.46.300, analysis line II. Applied in *McManners v. State*, Ct. App. Op. No. 123 (File No. 6065), 650 P.2d 414 (1982); *Linn v. State*, Ct. App. Op. No. 210 (File Nos. 6163, 6188), 658 P.2d 150 (1983).

Quoted in *Kirby v. State*, Ct. App. Op. No. 117 (File No. 5738), 619 P.2d 963 (1982).

Cited in *Ozenna v. State*, Sup. Ct. Op. No. 2209 (File No. 4748), 619 P.2d 477 (1980); *Zurfluh v. State*, Sup. Ct. Op. No. 2238 (File No. 4697), 620 P.2d 690 (1980); *Kanipe v. State*, Sup. Ct. Op. No. 2242 (File No. 4993), 620 P.2d 678 (1980); *Nix v. State*, Ct. App. Op. No. 008 (File No. 4879), 624 P.2d 825 (1981); *Koteles v. State*, Ct. App. Op. No. 232 (File No. 4782), 660 P.2d 1199 (1983).

Sec. 11.46.320. Criminal trespass in the first degree. (a) A person commits the crime of criminal trespass in the first degree if the person enters or remains unlawfully

- (1) on land with intent to commit a crime on the land; or
- (2) in a dwelling

(b) Criminal trespass in the first degree is a class A misdemeanor. (§ 4 ch 166 SLA 1978; am § 12 ch 102 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "land" for "real property" at the beginning of paragraph (1) in subsection (a), and substituted "the land" for "that real property" near the end of paragraph (1) in subsection (a).

Collateral references. — 35 Am. Jur. 2d, *Forcible Entry and Detainer*, §§ 58 — 61; 52 Am. Jur. 2d, *Malicious Mischief*, § 1 et seq.; 75 Am. Jur. 2d, *Trespass*, §§ 86 — 94.

36 C.J.S. *Forcible Entry and Detainer*, § 1 et seq.; 54 C.J.S. *Malicious Mischief*, § 1 et seq.; 87 C.J.S. *Trespass* §§ 140 — 165.

Forcible detainer or trespass, where entry was peaceable, 49 ALR 697.

Sec. 11.46.330. Criminal trespass in the second degree. (a) A person commits the crime of criminal trespass in the second degree if the person enters or remains unlawfully

- (1) in or upon premises; or
- (2) in a propelled vehicle.

(b) Criminal trespass in the second degree is a class B misdemeanor. (§ 4 ch 166 SLA 1978)

Cross references. — For provisions authorizing arrest without warrant in certain cases where the police officer has reasonable cause to believe that the person has committed a crime under this section, see AS 12.25.030(b).

NOTES TO DECISIONS

Cited in *Moxie v. State*, Ct. App. Op. No. 246 (File No. 7192), 662 P.2d 990 (1983).

Sec. 11.46.340. Defense: emergency use of premises. In a prosecution under AS 11.46.300, 11.46.310, 11.46.320, or 11.46.330(a)(1), it is an affirmative defense that

(1) the entry, use, or occupancy of premises or use of personal property on the premises is for an emergency in the case of immediate and dire need; and

(2) as soon as a reasonably practical after the entry, use, or occupancy, the person contacts the owner of the premises, the owner's agent or, if the owner is unknown, the nearest state or local police agency, and makes a report of the time of the entry, use, or occupancy and any damage to the premises or personal property, unless notice waiving necessity of the report is posted on the premises by the owner or the owner's agent. (§ 4 ch 166 SLA 1978)

Sec. 11.46.350. Definition. (a) As used in AS 11.46.300 — 11.46.350, unless the context requires otherwise, "enter or remain unlawfully" means to

(1) enter or remain in or upon premises or in a propelled vehicle when the premises or propelled vehicle, at the time of the entry or remaining, is not open to the public and when the defendant is not otherwise privileged to do so;

(2) fail to leave premises or a propelled vehicle that is open to the public after being lawfully directed to do so personally by the person in charge; or

(3) enter or remain upon premises or in a propelled vehicle in violation of a provision in an order issued under AS 25.35.010(b) or 25.35.020.

(b) For purposes of this section, a person who, without intent to commit a crime on the land, enters or remains upon unimproved and apparently unused land, which is neither fenced nor otherwise enclosed in a manner designed to exclude intruders, is privileged to do so unless

(1) notice against trespass is personally communicated to that person by the owner of the land or some other authorized person; or

(2) notice against trespass is given by posting in a reasonably conspicuous manner under the circumstances. (§ 4 ch 166 SLA 1978; am § 9 ch 61 SLA 1982)

(10) "culpable mental state" means "intentionally", "knowingly", "recklessly", or with "criminal negligence", as those terms are defined in (a) of this section;

(11) "dangerous instrument" means any deadly weapon or anything which, under the circumstances in which it is used, attempted to be used, or threatened to be used, is capable of causing death or serious physical injury;

(12) "deadly force" means force which the person uses with the intent of causing, or uses under circumstances which he knows create a substantial risk of causing, death or serious physical injury; "deadly force" includes intentionally discharging or pointing a firearm in the direction of another person or in the direction in which another person is believed to be and intentionally placing another person in fear of imminent serious physical injury by means of a dangerous instrument;

(13) "deadly weapon" means any firearm, or anything designed for and capable of causing death or serious physical injury, including a knife, an axe, a club, metal knuckles, or an explosive;

(14) "deception" means to knowingly

(A) create or confirm another's false impression which the defendant does not believe to be true, including false impressions as to law or value and false impressions as to intention or other state of mind;

(B) fail to correct another's false impression which the defendant previously has created or confirmed;

(C) prevent another from acquiring information pertinent to the disposition of the property or service involved;

(D) sell or otherwise transfer or encumber property and fail to disclose a lien, adverse claim, or other legal impediment to the enjoyment of the property, whether or not that impediment is a matter of official record; or

(E) promise performance which the defendant does not intend to perform or knows will not be performed;

(15) "defense", other than an affirmative defense, means that

(A) some evidence must be admitted which places in issue the defense; and

(B) the state then has the burden of disproving the existence of the defense beyond a reasonable doubt;

(16) "drug" has the meaning ascribed to it in AS 11.71.900(9);

(17) "dwelling" means a building that is designed for use or is used as a person's permanent or temporary home or place of lodging;

(18) "explosive" means a chemical compound, mixture, or device that is commonly used or intended for the purpose of producing a chemical reaction resulting in a substantially instantaneous release of gas and heat, including dynamite, blasting powder, nitroglycerin, blasting caps, and nitrojelly, but excluding salable fireworks as defined in AS 18.72.050, black powder, smokeless powder, small arms ammunition, and small arms ammunition primers;

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240

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
CSSB 240 (SA) am

Radio/TV Notice of Regulation Proposals

Received May 4, 1990
by The State Affairs Committee

Heard May 5, 1990

Passed Out of Committee May 5, 1990
3 Do Pass
1 No Recommendation

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CSSB 240 (SA) am: Radio/TV Notice of Regulation Proposals

- Item 1:** CSSB 240 (SA) am by Sen. Adams, Duncan, Finkley, Zharoff, Sturgulewski, Coghill, Kelly, Pearce, Rodey
- Item 2:** Fiscal Notes by Departments of Administration, Commerce & Economic Development, Corrections, Community & Regional Affairs, Environmental Conservation, Fish & Game, Health & Social Services, Labor, Natural Resources, Military & Veterans Affairs, and Public Safety
- Item 3:** Mr. Egan's Comments
- Item 4:** Mr. Egan's Comments on the Anchorage Times Editorial

HOUSE COMMITTEE REPORT

(7)

Date Referred: May 4, 1990

FURTHER REFERRALS:

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

CSSB 240(SA) am

CS SB NO. 240 (SA) am

RADIO/TV NOTICE OF REGULATION PROPOSALS

"An Act relating to the notice requirements for the adoption, amendment, or repeal of regulations and for the meetings of public agencies."

RECOMMENDATIONS:

- be replaced with _____ the same title
- have 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):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) 4/28/90 DOA, CED, COR, APA, DEC, FDG, HSS, LABOR, DNR, DMVA, DPS
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

Do Not Pass No Rec Amend

[Signature] Hanley
[Signature] Zawacki
[Signature] Boucher

SIGNING: (Check approp. column)	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Finkelstein		X	

[Signature]
Chairman's Signature

Amended: 5/3/90
Offered: 4/28/90
Referred: Finance

Item 1
6-0585E

Original sponsor(s): SEN. ADAMS, Duncan, Binkley, Zharoff, Sturgulewski,
Coghill, Kelly, Pearce, Rodey

ALLOWING AN ADDITIONAL ALLOWANCE -
NOTIFICATION.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 240 (State Affairs) (am)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the notice requirements for the
7 adoption, amendment, or repeal of regulations and for
8 the meetings of public agencies."

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

10 * Section 1. AS 44.62.190(a) is amended to read:

11 (a) At least 30 days before the adoption, amendment, or repeal
12 of a regulation, notice of the proposed action shall be

13 (1) published in the newspaper of general circulation, or
14 trade or industry publication, that the state agency prescribes and in
15 the Alaska Administrative Journal; publication in a newspaper or trade
16 or industry publication may be supplemented by broadcasting the notice
17 or an abbreviated form of the notice by television or radio;

18 (2) mailed to every person who has filed a request for
19 notice of proposed action with the state agency;

20 (3) if the agency is within a department, mailed or deliv-
21 ered to the commissioner of the department;

22 (4) when appropriate in the judgment of the agency,

23 (A) mailed to a person or group of persons whom the
24 agency believes is interested in the proposed action, and

25 (B) published in the additional form and manner the
26 state agency prescribes;

27 (5) furnished the Department of Law together with a copy of
28 the proposed regulation, amendment, or order of repeal for the depart-
29 ment's use in preparing the opinion required after adoption and before

1 filing by AS 44.62.060;

2 (6) furnished to all incumbent State of Alaska legislators
3 and the Legislative Affairs Agency;

4 (7) furnished to the standing committee of each house of
5 the legislature having legislative jurisdiction over the subject
6 matter treated by the regulation under the Uniform Rules of the Alaska
7 State Legislature, together with a copy of the proposed regulation,
8 amendment, or order of repeal for the committee's use in conducting
9 the review authorized by AS 24.05.182;

10 (8) furnished to the staff of the Administrative Regulation
11 Review Committee.

12 * Sec. 2. AS 44.62.310(e) is amended to read:

13 (e) Reasonable public notice shall be given for all meetings
14 required to be open under this section. The notice must include the
15 date, time, and place of the meeting, and if the meeting is by tele-
16 conference the location of any teleconferencing facilities that will
17 be used. Except for the publication required by AS 44.62.175(a) in
18 the Alaska Administrative Journal, the notice may be given by using
19 print media supplemented by broadcast media.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Relating to notice requirements for regulations
 Sponsor: Sen. Adams
 Requestor: Sen. Adams

Agency Affected: Administration
 BRU: All
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Providing notice on TV or radio would be optional. Department of Administration would switch from newspaper notice to radio and TV only in some cases. Costs would offset, resulting in no fiscal change.

Prepared by: Mike Maher, Director *Mike Maher* Phone: 465-2277
 Division: Administrative Services Date: 4/23/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 4/28/90
 Agency: Administration

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

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Regarding notice requirements
for . . . regulations
 Sponsor: Senator Adams
 Requestor: Senate State Affairs

Agency Affected: Commerce & Economic Dev.
 BRU: All
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact for FY 90.

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

Prepared by: Guy Bell, Director Phone: 465-2505
 Division: Administrative Services Date: 4/23/90

Approved by Commissioner: Larry Mercuri Date: 4/23/90
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "Notice requirements for... regulations."
 Sponsor: Senator Adams
 Requestor: _____

Agency Affected: Department of Corrections
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Because broadcast notice is optional, the Department of Corrections foresees minimal fiscal impact from this legislation.

Susan E. Knighton

Prepared by: Susan E. Knighton, Director
 Division: Administrative Services

Phone: 465-3376
 Date: 04-24-90

Approved by Commissioner: *Susan H. Humphrey-Barnett*
 Agency: Department of Corrections

Date: 04-24-90

Distribution (by preparer):

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

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act relating..notice requirements for adoption, amend or repeal.." BRU: _____
 Sponsor: Senate State Affairs Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Jeri Plummer Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 4/20/90
 Approved by Commissioner: David C. Hoff Date: 4-20-90
 Agency: Community & Regional Affairs

Distribution (by preparer):

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

Changes in CS SB 240 (SA)
 have no fiscal impact. This
 fiscal note is appropriate.
 Projections of no fiscal impact
 would continue through 1996.

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION CS SB 240 (SA) (e)
PUBLISH DATE: 4-28-90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to notice
requirements for regulations
Sponsor: Senator Adams
Requestor: State Affairs Committee

Agency Affected: Environ. Conservation
BRU: Environmental Quality/
Environmental Health
Components: Environmental Quality/
Environmental Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
CELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

Television and radio announcements would be done when available as a public service announcement to avoid prohibitively expensive advertising costs.

Prepared by: Gail Gatton
Division: Administrative Services

Phone: 465-2600
Date: 4/24/90

Approved by Commissioner: *a. Dilley*
Agency: Environmental Conservation

Date: 4/24/90

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

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An act relating to the notice requirements for the adoption..."
 Sponsor: Senator Adams
 Requestor: _____

Agency Affected: Fish and Game
 BRU: Boards of Fisheries and Game
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The division would prefer the written media since a notarized affidavit of 30-day notice is provided for the legal record.

Prepared by: Laird A. Jones Phone: 465-4110
 Division: Boards of Fisheries and Game Date: 04/23/90

Approved by Commissioner: [Signature] Date: 4/24/90
 Agency: Fish and Game

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

Changes in _____ ()
 have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Health & Social Services
 Title: An Act Relating to Notice BRU: _____
 Requirements for the adoption... _____
 Sponsor: Adams Components: _____
 Requestor: Adams _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY92	FY93	FY94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)
FY 90 fiscal impact is "0".

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

Prepared by: Jay Livey
 Division: Special Assistant
 Approved by Commissioner: Myra M. Munson
 Agency: Department of Health and Social Services

Phone: 465-3030
 Date: 4/23/90
 Date: 4/23/90

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

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CS SB 240 (SA) (h)
PUBLISH DATE: 4-28-90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: "An Act relating to the notice
requirements for the adoption, ... regulations." BRU: All
Sponsor: Adams Components: All
Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: There is no fiscal impact in FY90.

) Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate.

Prepared by: Jim Sampson *[Signature]* Phone: 465-2700
Division: _____ Date: 4/23/90

Approved by Commissioner: Jim Sampson *[Signature]* Date: 4/23/90
Agency: Department of Labor

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

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: SSSB 240 (SA) (i)
PUBLISH DATE: 4-28-90

FISCAL NOTE

REQUEST:

Revision Date: 23-Apr-90 Agency Affected: Natural Resources
Title: Notice requirements for the adoption, BRU: Management & Administration
amendment, or repeal of regulations.
Sponsor: Senator Adams Components: Commissioner's Office
Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if ne.....)

Changes in SSSB 240 (SA):
have no fiscal impact.
This fiscal note is
appropriate.

Prepared by: Larry Ostrovsky Phone: 465-2400
Division: Commissioner's Office Date: 23-Apr-90
Approved by Commissioner: [Signature] Lennie Gorsuch Date: 23-Apr-90
Agency: Department of Natural Resources

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

FISCAL NOTE

REQUEST:

Revision Date: April 24, 1990
 Title: An Act relating to notice requirements for adoption of regulations.
 Sponsor: Sen. Adams
 Requestor: Sen. State Affairs

Agency Affected: DMVA
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill will have no fiscal impact on DMVA

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate.

Prepared by: Jeff Morrison, Director Phone: 465-4600
 Division: Administrative & Support Services, DMVA Date: 4/24/90
 Approved by Commissioner: for MG John Schaeffer Date: 4/24/90
 Agency: Department of Military & Veterans Affairs

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
 Title: Radio/TV Notice of Regulation
Proposals BRU: All
 Sponsor: Senator Adams Component: _____
 Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Because radio or TV broadcasting of notices of regulatory changes is more expensive than the use of newspaper notices, it is doubtful DPS would use the broadcast media method if this bill passes. Therefore, additional fiscal impact is expected.

Prepared by: Gayle A. Horetski, Deputy Commissioner
 Division: _____

Approved by Commissioner: Arthur English
 Agency: Department of Public Safety

Changes in CS SB 240 (SA) have no fiscal impact. This fiscal note is appropriate.

Date: _____
 Page 1 of 1

May 4, 1990

I WOULD LIKE TO TESTIFY IN FAVOR OF SB 240 RELATING TO NOTICE REQUIREMENTS.

SB 240 WILL ALLOW MORE EQUITABLE TREATMENT OF ALASKA BROADCASTERS WHEN COMPETING WITH THE PRINT MEDIA FOR ADVERTISING DOLLARS SPENT BY THE STATE OF ALASKA.

NEWSPAPERS FROM THROUGHOUT THE STATE CURRENTLY GARNER SUBSTANTIAL REVENUES BY CHARGING HIGH RATES FOR PUBLISHING PUBLIC NOTICES REQUIRED BY STATE LAW. CURRENT ALASKA STATUTES CONTAIN OVER 1,500 REFERENCES REQUIRING STATE AGENCIES PUBLISH NOTICES IN NEWSPAPERS OF GENERAL CIRCULATION. AT PRESENT, BROADCASTERS ARE NOT INCLUDED WHEN IT COMES TO HOW STATE AGENCIES ARE ALLOWED TO PLACE PUBLIC NOTICE ADVERTISING. HOWEVER, MOST OF THESE AGENCIES ARE UNDER THE FALSE IMPRESSION THAT BROADCASTERS ARE REQUIRED TO RUN THESE NOTICES AT NO CHARGE. THIS IS NOT THE CASE. BROADCASTERS ARE NOT REQUIRED TO RUN ANY PUBLIC SERVICE ANNOUNCEMENTS BUT DO SO BECAUSE OF A COMMITMENT WE HAVE TO THE COMMUNITIES WE SERVE.

WHAT ALASKA BROADCASTERS ARE ASKING IS FOR THE LAWS OF ALASKA TO RECOGNIZE BROADCAST AS AN EQUAL OR BETTER MEDIUM TO CONVEY CERTAIN MESSAGES SUCH AS NOTICES OF ELECTIONS, MEETINGS, PUBLIC HEARINGS AND OTHER FUNCTIONS OF STATE GOVERNMENT THAT REQUIRES PUBLIC NOTICE.

WE UNDERSTAND SOME NOTICES, SUCH AS INVITATIONS TO BID AND OTHERS REQUIRING A HIGH DEGREE OF COMPLEXITY, DO NOT MAKE THEMSELVES ENTIRELY SUITABLE TO BROADCAST DUE TO TIME LIMITATIONS. ALTHOUGH I BELIEVE THE USE OF BROADCAST WOULD SERVE AS AN EXCELLENT TOOL FOR CROSS PROMOTION OF THE DETAILED INFORMATION PUBLISHED BY THE PRINT MEDIA. BROADCAST CAN EASILY BE USED AS A TOOL TO ALERT CITIZENS TO THE DETAILED INFORMATION IN NEWSPAPERS.

AS I'VE STATED, SENATE BILL 240 REPRESENTS A GOOD START IN PROVIDING MORE EQUITY BETWEEN THE BROADCAST AND PRINT MEDIA FOR

PUBLIC NOTICE ADVERTISING. THERE'S MORE WORK TO BE DONE, BUT ALASKA'S BROADCASTERS WILL WELCOME PASSAGE OF THIS MEASURE THIS SESSION.

THANK YOU.

COMMENTS ON ANCHORAGE TIMES EDITORIAL

1. They claim SB 240 was introduced to get back at the print media for their coverage of the legislative session. The fact is, SB 240 was introduced over a year ago at the request of a constituent. Me.

2. They claim the intent of SB 240 was to take advertising dollars away from newspapers that cause discomfort to legislators and bureaucrats. The fact is, as presented in my earlier testimony, that broadcasters wish to be placed on more equal footing with the print media when conveying messages to the public from state agencies.

3. They claim publication of certain notices in the broadcast media would amount to "so much gibberish" to the listener or viewer. The fact is, and pointed out in my testimony, that we realize that and if the newspapers would have read the original version of SB 240 they would have realized that the matter of where to publish would have been left to the individual agency.

4. They claim they serve nearly every portion of the state with a daily or weekly newspaper. The fact is, broadcasters serve all of Alaska and serve it with an immediacy not found with a newspaper. With the Senate amendment, do broadcasters have to wait for a notice to be published in the local newspaper to announce an emergency closure of a highway or an emergency closure of an area for avalanche control? Or what happens when a public hearing has been rescheduled at the last minute? The answer is, the agencies will go to the immediacy of the broadcast media and request another public service announcement!

5. They claim the original SB 240 would have allowed broadcast of summarized legal advertising only in those areas not served by newspapers. The fact is, I have a copy of the original SB 240 that, with the exception of minor changes suggested last week by

the Department of Law, is the same legislation amended in two places with the word "supplement" on the floor of the Senate this week.

6. They claim the dangers, from the public viewpoint, are enormous. The fact is, the only danger is the public being more informed of the goings on of the various agencies of State government and allowing the people of Alaska to be better informed as to the actions of those agencies.

The Anchorage Times

Alaska's Best Newspaper



Alaskan owned and operated since 1915

Bill J. Allen, Publisher

Hugh Cunningham, Editor

Gono R. Aehart, General Manager

William J. Tobin, Editor, Editorial Page

Robert B. Atwood, Publisher Emeritus

Paul Jenkins, Managing Editor

Our purpose: To present a balanced, accurate, impartial news report; to watchdog government and other institutions depending on the public for support; to provide wholesome family entertainment; and to support on our editorial page environmentally sound development of our natural resources and a diversity of other economic opportunities.

Forgetting public needs

THIS IS the time of the year when most legislators don't like newspapers. The lawmaking session is beginning its death throes, the pressure is on, and the criticism level accelerates as the spotlight is turned more forcefully on legislative activities. As heat builds, a lot of it comes from the press.

In their perhaps understandable desire to strike back, however, the legislators should not do something stupid — and in the process forget the people they are supposed to serve.

The Senate did that a couple of days ago, unfortunately, when it passed a bill which would permit state agencies to ignore newspapers or trade publications when it comes to publishing legal advertisements — and instead to summarize proposed changes in various state rules and regulations in abbreviated announcements made over radio or television.

The intent, perhaps, is to take advertising dollars away from newspapers that cause discomfort to legislators and bureaucrats — a bit of economic punishment, as it were.

BUT FROM a public policy standpoint, it is absurd.

We do not mean to demean our friends in the broadcasting industry. They serve an important and vital role in society. But carrying some kind of fast-food menu of the highlights of proposed changes to critically important state rules and regulations is not one of them.

The sponsor of the measure, Democratic Sen. Al Adams of Kotzebue, argues that rural communities don't have access to newspapers but are reached by television and radio. Hence, he says, they would be better served by this amendment to an existing law that requires such

publication in either a general circulation newspaper or a trade publication at least 30 days in advance of the proposed modifications.

In the first place, such rule changes are usually complex and detailed. And they are vitally important to affected parties, who need time to study and examine the very clear and precise wording of proposed changes.

A 30-second spot — or even a three-minute recitation — of an abbreviated summary of proposed changes would be so much gibberish to a listener.

Furthermore, there are few, if any, rural communities not touched by one or more daily or weekly newspapers serving every part of Alaska.

THIS KIND of advertising is not life and death stuff for the state's larger publications, as the legislators may think. But changes in proposed rules and regulations very well could mean economic life or death for Alaskans on the receiving end, and they deserve the opportunity for careful review of such matters.

As originally proposed, this bill would have permitted broadcast of summarized legal advertising notices only in those areas not directly served by a newspaper. Somewhere in the Senate that provision was dropped, and as passed the other day, it applies to state legal advertising anywhere.

The dangers, from the public viewpoint, are enormous.

The Senate reportedly was to bring this bill back for a reconsideration vote today. For the sake of ordinary Alaskans who must deal with the bureaucratic monster, the senators need to change their votes and give this measure the deep six.



Can Young win with Georgia

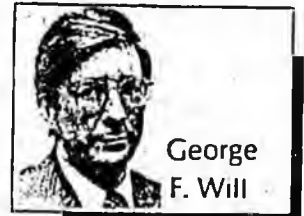
ATLANTA — Andrew Young, the black Democrat trying to become governor of the state that Gen. Sherman made exceedingly Democratic, turns a rhetorical corner in his talk to a roomful of Democrats who are shopping for a gubernatorial nominee and comes down hard on an issue he hopes will be salient: pecans. Increased exports of. And carpets, chickens, soybeans, textiles.

As governor, he says, he will expand exports, as he did during two terms as Atlanta's mayor. And he hopes that before Election Day in November, he can bask in the glow of a \$4 billion import: the 1996 Olympic Games for Atlanta. Economics, that's what he wants to talk about.

But what he must talk about, because his rivals for the nomination do so incessantly, is crime, particularly Atlanta's. They say, for example, that Atlanta has a higher pickpocket rate than New York. Young should reply: Heck, most New Yorkers probably don't even report that crime. If nothing more horrible happens in a day, they sigh with relief.

What Young does say is a lot about punishment, including his new support for capital punishment: "The state has got to have the right to put mad dogs to death." As mayor, "I went to too many (six) policemen's funerals." And court rulings have reduced the likelihood of racially disparate impact of capital punishment. And there is a lot of "black-on-black crime, and a lot of black lawyers, judges and prosecutors saying something must be done." And although he does not think capital punishment deters, it seems to satisfy some desire for "retribution." Eighty percent of Georgians agree.

Young puts a novel wrinkle on the popular pastime of taking credit for victory in the Cold



George F. Will

George F. Will is a Pulitzer prize-winning columnist for the Washington Post.

War: "When they come out from behind the Iron Curtain, they are singing 'We shall overcome,' a Georgia Baptist hymn." And he has a crime-related idea for getting special benefits for Georgia from the coming military build-down, just as it especially benefited from the decades of build-up (thanks to the late Sen. Richard Russell and the late Rep. Carl Vinson, chairmen of the armed services committees, and Russell's heir, Sen. Sam Nunn).

A lot of servicemen live in Georgia and are worried about their futures. Young notes that someone drawing both a military pension and a teacher's salary can live well here. An infusion of retired military men into Georgia schools would give a lot of young Georgians what they need most: male role models who are professional disciplinarians. And former military men who do not want to teach could run "boot camps" where youthful offenders could be incarcerated at an annual cost of \$5,000 each instead of \$30,000 in regular prisons.

Young, the former United Nations ambassador and former congressman, has crowded a lot of political history into his 58 years. He was with Martin Luther King early and at the end — on the motel balcony in Memphis. His endorsement of Jimmy

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342

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
SB 342

Reenlist Bonus Nat'l Guard/Naval Militia

Received April 19, 1990
by Sen. Duncan, Halford, Szymanski

Heard April 25, 1990

Passed Out of Committee April 25, 1990
4 Do Pass

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SB 342: Reenlist Bonus Nat'l Guard/Naval Militia

- Item 1:** SB 342 by Sen. Duncan, Halford, Szymanski
- Item 2:** Fiscal Note by Department of Military and Veterans Affairs
- Item 3:** Memorandum from Sen. Duncan, April 19, 1990
- Item 4:** DMVA Position Paper, February 13, 1990

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 19, 1990

FURTHER REFERRALS:

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

SB 342

SENATE BILL NO. 342

REENLIST BONUS NAT'L GUARD/NAVAL MILITIA

"An Act relating to the reenlistment bonus for members of the Alaska National Guard and the Alaska Naval Militia."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] _____ [] a new title
- [] have attached amendment(s)
- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

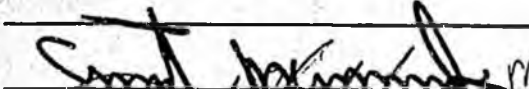

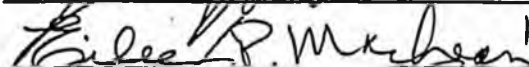
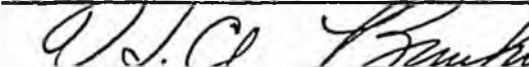
- [] fiscal note(s) _____
- [X] zero fiscal note(s) 4/10/90 - DMVA
- [] zero fn/analysis _____

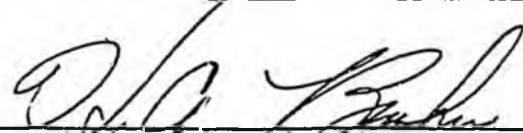
SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
Pass No Rec Amend

 Menard				
 Finkelstein				
 MacLean				
 Boucher				



Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: February 13, 1990
Title: An Act relating to reenlistment
bonus for members of National Guard
Sponsor: Rep. Duncan
Requestor: _____

Agency Affected: DMVA
BRU: Alaska National Guard Benefits
Components: Retention Benefits
Formula

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill will have no fiscal impact on DMVA

Prepared by: Jeff Morrison, Director Phone: 465-4600
Division: Administrative & Support Services, DMVA Date: 2/13/90
Approved by Commissioner: MG John Schaeffer Date: 2/13/90
Agency: Department of Military & Veterans Affairs

Distribution (by preparer):

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

Alaska State Legislature

Item 3



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR -
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

To: Representative Red Boucher
Chair
House State Affairs Committee

From: Senator Jim Duncan

Regards: SB 342

Date: April 19, 1990

I would appreciate the earliest possible hearing for Senate Bill 342.

This measure amends Alaska Statute 26.05.265(c) to allow employees of the Department of Military and Veterans Affairs not required to be members of the Alaska National Guard or the Alaska Naval Militia as a condition of their employment to receive a reenlistment bonus.

As pointed out in the Department's position paper which is attached along with a zero fiscal note, legislation approved in 1987 discriminates against department employees who are not required to be members of these organizations.

It points out that a National Guard or Naval Militia member who is an Accounting Technician or Mail Clerk Carrier in any other state agency would be eligible to receive the reenlistment bonus, but not if they worked for the Department of Military and Veterans Affairs.

There are currently no employees in the Department facing this problem now, but certainly there is the potential for problems in the future.

As stated in the Department's position paper, "This is in the Department's interest because it enables National Guard members to compete equally for state positions in D-M-V-A instead of putting them at a disadvantage." This measure provides an opportunity for the Legislature to correct an inequity.

The Senate State Affairs Committee, the bill's only committee referral in the Senate, approved SB 342 as introduced.

Your consideration of this request is most appreciated.

Attachments:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

POSITION PAPER

SB 342

Summary of Bill: This bill would allow DMVA employees to be eligible to receive the National Guard reenlistment bonus as long as their state position did not require that they belong to the National Guard.

History of Issue: In 1987, legislation passed (Ch 24, SLA 87) that restricted eligibility for the reenlistment bonus in order to reduce the cost of this program. The unchanged text of A.S. 26.05.265(c) is the language adopted at that time. In practice, subsection (c)(3) of the 1987 language has essentially discriminated against state employees of DMVA who are not required to be members of the National Guard. For example, a member of the National Guard who is an accounting technician or mail carrier in any other state agency would be eligible to receive the reenlistment bonus, but would not be eligible if they did the same work for DMVA. This legislation would remove the current inequity.

Impact of Bill on Department of Military and Veterans Affairs: There would be no administrative or fiscal impact on DMVA as a result of passage of this bill. There are currently no state employees in DMVA who would be directly affected by this legislation. In the future, National Guard members who are competing for a state position in DMVA would not be required to give up their reenlistment bonus eligibility by accepting the position. This is in the department's interest because it enables National Guard members to compete equally for state positions in DMVA instead of putting them at a disadvantage.

Departmental Position on Bill: The department supports this bill.

Approved: *J. Morrison* Date: 2/13/90
for MG John W. Schaeffer

S B

343

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
CSSB 343 (SA)

Retirement Incentive Program

Received February 2, 1990
by Sen. Duncan, Faiks, Szymanski, Halford,
Sturgulewski

Heard February 14, 1990

Passed Out of Committee February 14, 1990
3 Do Pass
1 No Recommendation

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CSSB 343 (SA): Retirement Incentive Program

- Item 1:** CSSB 343 (SA) by Sen. Duncan, Faiks, Szymanski, Halford, Sturgulewski
- Item 2:** Fiscal Notes and Analyses
- Item 3:** Memorandum from Sen. Duncan, February 2, 1990
- Item 4:** Retirement Benefits Program Explanation
- Item 5:** Letter from Richard C. Randall, January 26, 1990
- Item 6:** Detailed Cost Savings by Position
- Item 7:** Chapter 89/89 (Conference CSSB 73)
- Item 8:** Statement from Bernard Gary Johnson

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 2, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

CSSB 343(SA)

CS FOR SENATE BILL NO. 343 (SA)

RETIREMENT INCENTIVE PROGRAM

"An Act relating to the retirement incentive program; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [-] a new title
- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [X] fiscal note(s) DOA/1-17-90 to 1-18-90
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

Eileen P. Macklin As it moved out of committee
D.C. Brubaker

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend
<i>Alvin Stanley</i>		✓	

D.C. Brubaker

 Chairman's Signature

Item 2

FISCAL NOTE

REQUEST:

Revision Date: January 13, 1990
Title: An Act relating to the Retirement Incentive Program
Sponsor: Duncan
Requestor: _____

Agency Affected: Administration
BRU: Retirement and Benefits
Components: Retirement and Benefits

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	57.0	0	0	0	0	0
TRAVEL	2.1	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	59.1	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	59.1	0	0	0	0	0
TOTAL	59.1	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	13.0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Robert F. Stalnaker
Division: Deputy Director
Approved by Commissioner: Frank S. Baxter
Agency: Department of Administration

Phone: 465-4470
Date: 01/16/90
Date: 1/16/90

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

⁵¹⁷
 CSSB
 Committee Substitute for ~~Senate Bill~~ 343
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration
 January 16, 1990

Analysis: This bill would expand Chapter 89, SLA 1989 (the Retirement Incentive Program) for the Public Employees' (PERS) and Teachers' Retirement Systems (TRS) by allowing the employer 5 years in which to show a cost savings for eligible employees, by allowing eligible employees to assume part of the employer's costs so that a savings to the employer can be shown, and by extending the retirement window for designated employees in the Division of Elections.

The total estimated administrative cost to the division by fiscal year is as follows:

Personnel services costs:	<u>FY 90</u>	<u>FY 91</u>
FY 91		
1 Retirement Specialist I (2 mo.) \$	4.9	
8 Retirement Tech. I/II (2 mo.)	37.0	
2 Accounting Clerk III (2 mo.)	8.2	
2 Clerk II (2 mo.)	<u>6.9</u>	
Total FY 91		\$ 57.0
Travel:		
FY 90		
2 trips each to ANCH & FBKS	\$ 4.1	
FY 91		
1 trip to ANCH & FBKS	—	<u>2.1</u>
Total Bill Cost		
FY90	<u>\$4.1</u>	
FY91		<u>\$ 59.1</u>

All administrative costs for this program will be paid in advance by the participating employers as required by Chapter 89, SLA 1989.

CSSB slip
Committee Substitute for ~~Senate~~ Bill 343
Analysis of Financial Implications on the Retirement Systems
Prepared by Division of Retirement & Benefits
Department of Administration
January 16, 1990

Analysis: The retirement incentive program legislation requires state agencies and participating employers and employees to reimburse the PERS and TRS for the costs of participation in the program; it also requires a showing of a cost savings to participate in the program. There should be no long-term or short-term costs to the retirement systems' funds.

FISCAL NOTE

REQUEST:

Revision Date: 1/13/90
Title: An act relating to the retirement incentive program
Sponsor: Duncan
Requestor: _____

Agency Affected: Administration
BRU: Finance
Components: Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	31.2					
TRAVEL						
CONTRACTUAL	6.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	37.2	-0-	-0-	-0-	-0-	-0-

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FUNDING: (Thousands of Dollars)

GENERAL FUND	37.2					
FEDERAL FUNDS						
OTHER						
TOTAL	37.2	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-2-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Keith Busch Keith Busch Phone: 465-2200
Division: Finance Date: 1/17/90

Approved by Commissioner: Frederic Bonet Date: 1/17/90
Agency: _____

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

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No CS SB 343

The Division of Finance is responsible for the verification of employment history and processing termination pay. It is estimated that 500 employees will participate in the program. The estimated increased costs to process these employees are:

Data processing support	\$ 6.0
Two part-time Accounting Techs for five months	<u>31.2</u>
Total Costs	<u>\$37.2</u>

Item 3

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR -
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

MEMORANDUM

DATE: February 2, 1990
TO: Representative Red Boucher, Chair
House State Affairs Committee
FROM: Senator Jim Duncan
SUBJECT: CS Senate Bill 343 (State Affairs), Retirement Incentive
Program Amendments

I request your prompt scheduling of CS Senate Bill 343(SA), which makes minor amendments to the existing Retirement Incentive Program. The reason it is imperative SB 343 be scheduled for a hearing as soon as possible is because the application period for State employees closes on March 31, 1990.

During the interim, I was contacted by a great many State employees with many years of service who did not qualify for the Retirement Incentive under the current statute and OMB guidelines. I believe the program is intended primarily for long term employees and therefore asked the Executive Branch how we could enable such employees to participate. Their suggestion was to allow the savings to be calculated over a five year term as was done in the 86-87 Retirement Incentive Program. Offsetting the cost to the State of the employee's participation in the program against the savings in personal services costs over a longer term will allow more employees to participate and increase the savings to the State.

I have requested statistical information from the Office of Management and Budget about the age and years of service of employees found eligible under the three year scenario versus those found ineligible. I expect to receive it very soon.

To summarize the proposed amendments to the program, it would;

1. increase the period within which savings must be shown from three to five years;
2. allow employees to pay part of the employer's share of the Retirement Incentive cost in order to show a savings; or

Representative Red Boucher
February 2, 1990
Page 2

3. in lieu of payment, allow employees to elect a reduced benefit to reduce the employer's cost.

The Senate State Affairs Committee added language which will allow Division of Election employees until February 1, 1991 to actually retire. This will allow the Division to retain RIP-eligible employees on board through the 1990 general election and its certification.

As I said before, I would appreciate your scheduling this bill for a hearing as soon as possible due to the March 31, 1990 deadline for State employee application. Currently, OMB is not allowing employees to apply if a savings is not found under the three year calculation. OMB has requested all agencies to recalculate savings over a five year period for non-qualifying employees so applications can be processed expeditiously when SB 343 is enacted.

I believe these amendments to the program will make the program more equitable and result in a larger savings to the State. If you have any questions, please contact me at 465-4766.

Attachments

INFORMATION FOR HOUSE STATE AFFAIRS COMMITTEE
Provided by Senator Jim Duncan

SB 343, RETIREMENT INCENTIVE PROGRAM AMENDMENTS -

The Retirement Incentive Program was implemented in June of 1989 and the program continues through November 1 of this year. Employers choosing to participate in the Retirement Incentive are required to show a personal services savings. Chapter 89/89 also explicitly states in section 2(b) that "The organizational units of a plan must be selected so that implementation of the plan results in maximum savings to the employer in personal services costs within three years after the commencement of the plan."

The three year calculation has rendered many long term state employees not eligible because OMB is strictly interpreting each individual position as an organizational unit. Thus, if a savings is not shown on an individual's position, that person is not considered eligible for the program. School districts and the University have not taken the same approach to organizational units and thus have not experienced similar problems.

The preliminary information which I have received on the program to date indicates that:

	Total Eligible by or Service	Designated to Participate	% of Total
State	2,987	1,837	61.5
University	767	767	100.0
School Districts	2,271	1,970	87.5
Polysubs	<u>2,627</u>	N/A	N/A
Totals	8,652		

Current OMB statistics show 1,475 employees designated, not including Marine Highways, Courts, or Legislative employees. For those 1,475 employees, if they all retire, the State will save \$14.3 million over the next three years.

A comparison of the current program with the 86-87 program indicates that in the prior program 83 percent of eligible State employees were designated to participate versus the current program's rate of 61.5 percent. I think this clearly shows that many more employees are not qualifying for the program under the three year savings criteria. Because incentives for long term employees are more costly to the employer than those for short term employees it is very likely that when we receive the detailed information which I have requested it will show that long-term employees make up the bulk of those not designated for participation. I have, in fact, been contacted by many employees eligible in the previous program who have not been designated to participate in this one.

Not all school districts have chosen to participate in the program and this is reflected in their 87.5 percent designation rate.

To briefly explain the reason why many long term employees have not been designated by OMB, the retirement benefit in PERS is calculated as 2% times the first ten years of service times average monthly compensation, the second ten years is multiplied times 2.25% and the third times 2.5%. A copy of the applicable pages from the PERS booklet are in your packet entitled "Retirement Benefits". Thus a person with thirty years of service earns a retirement benefit which is almost 70% of their ending salary. A person with only ten years' service would receive only 20% of their ending salary. Since the cost of participation in the incentive is based on an actuarial calculation of the cost to the retirement system of the three year incentive plus the current value of any increased lifetime benefit, it costs more for long term employees to participate. If an individual is relatively young and has many years of service, the problem is compounded. Exhibits A and B in your folder show the difference the five year calculation makes on an actual employee's savings calculation. Exhibit C is an example of the three year calculation of an Anchorage employee who was found ineligible.

SB 343 is very limited in scope, it basically makes changes which affect only state government and it does not change the window periods of the program. It will not change the benefit calculation nor add an additional incentive over what is offered in CH 89/89.

To summarize the proposed amendments to the program, they will;

1. increase the period within which savings must be shown from three to five years;
2. allow employees to pay part of the employer's share of the Retirement Incentive cost in order to show a savings; or
3. in lieu of payment, allow employees to elect a reduced benefit to reduce the employer's cost.

The Senate State Affairs Committee added language which will allow Division of Elections employees until February 1, 1991 to actually retire. This will enable the Division to retain RIP-eligible employees on board through the 1990 general election and its certification.

The window periods for all other employees remain:

<u>Employee Type</u>	<u>Application Period</u>	<u>Employee Must Retire on or Before</u>
Teachers	June 30, 1989 - Dec. 31, 1989	August 1, 1990
University	" "	" "
State	Sept. 30, 1989 - March 31, 1990	November 1, 1990
Municipal	" "	" "

The closure of the application period for State employees on March 31 makes it of paramount importance that SB 343 progress through the legislative process as swiftly as possible so that many deserving long-term employees can participate. In this way I believe the State can realize the maximum savings possible through the use of the Retirement Incentive Program.

Item 4



RETIREMENT BENEFITS

MINIMUM REQUIREMENTS FOR RETIREMENT

When will I be eligible to retire and start receiving monthly benefits?

That depends on your age and PERS service. If you meet the minimum PERS service requirements described below and you were first hired under the PERS:

- before July 1, 1986, you can retire at age 55 for normal retirement or age 50 for early.
- after June 30, 1986, you can retire at age 60 for normal retirement or age 55 for early.

Under **early retirement** (see page 26), your monthly benefit is actuarially reduced based on age. The closer you are to normal retirement age, the smaller the reduction.

Under **normal retirement** (see page 25), your monthly benefit is **not** reduced.

To retire, **you must also** meet the minimum PERS service requirements. You must have at least:

- five **paid-up** years of PERS service; or
- 60 days of **paid-up** PERS service if you were an employee of the legislature during each of five legislative sessions and you were first hired under the PERS before May 30, 1987 (see *Conditional Service Benefit* on page 22); or

- 80 days of **paid-up** PERS service if you were an employee of the legislature during each of five legislative sessions and you were first hired under the PERS after May 29, 1987 (see *Conditional Service Benefit* on page 22); or
- two **paid-up** years of PERS service if you are vested in the Teachers' Retirement System (TRS). See *Conditional Service Benefit* on page 22.

In addition, you may retire at **any** age and receive a normal (unreduced) benefit if you have at least:

- 30 **paid-up** years of PERS service; or
- 20 **paid-up** years of PERS service as a peace officer or fireman (see page 67).

Military and temporary credit may **not** be used to satisfy the 20 or 30 years needed to retire at any age.

Members who have received a refund of their PERS contributions should review the following sections in this handbook:

Reinstatement of Service - page 62
Payment of Indebtedness - page 63

BENEFIT CALCULATION

How will my monthly retirement benefit be calculated?

Your "normal" benefit will be calculated by multiplying the percentage multiplier (page 19) times your average monthly compensation times your PERS service. The normal benefit will be adjusted if you select one of the other retirement options (early, joint and survivor, or level income). See *Retirement Options* on page 25.

Your average monthly compensation is determined by adding together the compensation earned during your three highest consecutive payroll years and dividing the total by the number of months worked during that same time period. You must have at least 115 days of credited service in the last payroll year worked to include that year as one of your three highest.

For instance, if your three highest consecutive salaries and months worked are as follows, your average monthly compensation would be \$2,500.

Payroll Year Worked	Salary	Months
1986	\$30,000	12
1987	27,500	11
1988	<u>15,000</u>	<u>6</u>
	\$72,500	29

\$72,500 ÷ 29 months equals \$2,500

If you received a cost of living differential during your three highest years and you were first hired under the PERS before January 1, 1987, the differential will automatically be included as part of your salary(s). However, it will only be included if you were first hired after December 31, 1986, and you received a comparable differential during at least 50% of your credited service. See *Refund of Contributions on Cost of Living Differential* on page 62.

Percentage Multipliers

The percentage multipliers for members, other than peace officers and firemen, are:

- 2% per year for all service earned up to 10 years; plus
- 2-1/4% per year for all service over 10 years, but less than 20 years (applies only to service earned after June 30, 1986); plus
- 2-1/2% per year for all service over 20 years (applies only to service earned after June 30, 1986).

All service earned before July 1, 1986, will be calculated using the 2% multiplier.

This example shows how to calculate a normal retirement benefit. We have assumed that the average monthly compensation is \$2,500, and that the member had 10 years of service on June 30, 1986, and earned 20 additional years after June 30, 1986.

Example:			
2%	x the first 10 years	x \$2,500	= \$ 500.00; plus
2-1/4%	x the second 10 years	x \$2,500	= \$ 562.50; plus
2-1/2%	x the third 10 years	x \$2,500	= \$ 625.00
		Total	\$1,687.50

As you can see, the normal benefit is: \$500.00 for the first 10 years of service; \$562.50 for service between 10 and 20 years; and \$625.00 for service between 20 and 30 years.

The member in the example would receive a monthly base benefit of \$1,687.50 for the rest of his or her life. Any adjustments to the benefit would be calculated on that base benefit. Please review the following sections for details about adjustments:

- Post Retirement Pension Adjustment (PRPA)* - page 53
- Cost of Living Allowance (COLA)* - page 51
- Joint and Survivor Options* - page 27
- Early Retirement* - page 26
- Payment of Indebtedness* - page 63

The percentage multipliers for peace officers and firemen are:

- 2% per year for their first 10 years of service; plus
- 2-1/2% per year for service over 10 years.

For a terminated, deferred vested member, the percentage multiplier that was in effect when the member terminated from PERS employment will be used to calculate the benefit. Consequently, even though the current multipliers may be larger, the multiplier in effect at the time of termination will be used.

BENEFIT PAYMENTS

When will I be appointed to retirement?

You will be appointed on the first of the month following the date that:

- you meet the minimum service and age requirements for retirement. But, if your birthday falls on the first day of the month, you are eligible to retire that month rather than the following month;
- you terminate PERS employment; and
- your written application for benefits is received by the Division of Retirement and Benefits. It should be sent to the division at least 30 days before you terminate.

Please review the following sections for details about benefit payments under other provisions:

Item 5

Richard C. Randall
P.O. Box 230444
Anchorage, Alaska 99523
January 26, 1990

Senator Jim Duncan
P.O. Box V, Room 119
Juneau, AK 99811

Dear Senator Duncan:

This letter is to express my support for passage of SENATE BILL NO. 343 (Relating to the retirement incentive program, or RIP) and request that you give this bill serious consideration when it comes up for debate and eventually a floor vote.

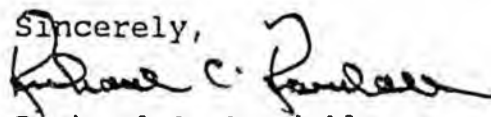
If passed in its present form this proposed amendment to the retirement incentive program would be a significant improvement over the existing law for the following reasons:

1. In the face of declining revenue it would help cut the cost of government through a combination of reduced employee salaries, benefit costs and, where appropriate, could even result in the elimination of some nonessential positions.

2. It would also provide additional savings to the State by allowing the retiring employee to assume a portion of the employer's liability created through that person's early retirement. (Many employees who would be eligible for the existing RIP except that there is no provision for those employees to personally help pay for their indebtedness).

The schedule for possible consideration and passage of Senate Bill No. 343 is also important because the deadline for application for the existing RIP is March 31, 1990. Unless this bill is passed into law prior to this date there will be some employees who may neglect to apply because they have previously been informed that they don't qualify under the existing law. You may wish to consider the possibility of further amending the bill by extending the deadline for application to coincide with the end of the current legislative session.

Thank you for any support you may be able to provide toward the timely passage of this bill and for consideration of this letter. Please contact me if you have questions or if I can provide any additional information.

Sincerely,


Richard C. Randall
346-2312 (Home)

RECEIVED FEB 02 1990

Item 6.

RETIREMENT INCENTIVE PROGRAM

DETAILED COST SAVINGS BY POSITION

PCN _____
JOB CLASS TITLE _____
JOB CLASS CODE _____

DEPARTMENT _____
BUDGET BRU _____
BUDGET COMPONENT _____
INTENDED DATE OF RETIREMENT _____

AUTHORIZED IN FY 90 BUDGET Y N
E O
S

DOES THE PERSON CURRENTLY FILLING THIS PCN INTEND TO RETIRE UNDER THE RETIREMENT INCENTIVE PROGRAM Y N
E O
S

HAS THIS PERSON BEEN CONTINUOUSLY EMPLOYED BY THE STATE SINCE NOVEMBER 1, 1988 Y N
E O
S

CALCULATION OF SAVINGS

	Estimated FY 91	Estimated FY 92	Estimated FY 93	Total
1. Current Range and Step	20L	20L	20L	
2. Salary and Benefit Cost	\$ 71.6	\$ 71.6	\$ 71.6	\$ 214.8
3. Replacement Range and Step	20A	20L	20C	
4. Salary and Benefit Cost	\$ 56.3	\$ 58.2	\$ 60.2	\$ 174.7
5. Funds Available (line 2 minus line 4)	\$ 15.3	\$ 13.4	\$ 11.4	\$ 40.1
6.a. Retirement and Benefits estimate of cost to the Employer (not including the participant's share of the cost) for this individual to take part in the retirement incentive program			51.8	
b. Administrative cost (.007 X Retirement and Benefits cost from 6a)			\$ 0.4	
			Total Cost (6a + 6b)	\$ 52.2
7. ^{COST} Savings for this PCN (line 5 minus line 6)				\$ <12.1>

A

D R A F T

RETIREMENT INCENTIVE PROGRAM
 DETAILED COST SAVINGS BY POSITION

DEPARTMENT: TRANSPORTATION AND PUBLIC FACILITIES

Anchorage employee

THESE CALCULATIONS ASSUME THAT YOU
 HAVE BEEN CONTINUOUSLY EMPLOYED BY
 THE STATE SINCE NOVEMBER 1, 1988

CALCULATION OF SAVINGS

	ESTIMATED FY 91	ESTIMATED FY 92	ESTIMATED FY 93	TOTAL
1. CURRENT RANGE AND STEP	20 L	20 L	20 L	
2. SALARY AND BENEFIT COST	\$75,412.18	\$75,412.18	\$75,412.18	\$226,236.54
3. REPLACEMENT RANGE AND STEP	20 A	20 B	20 C	
4. SALARY AND BENEFIT COST	\$59,035.88	\$61,047.32	\$62,801.66	\$182,884.87
5. FUNDS AVAILABLE (LINE 2 MINUS LINE 4)	\$16,376.30	\$14,364.86	\$12,610.52	\$43,351.68
6.A RETIREMENT AND BENEFITS ESTIMATE OF COST TO THE EMPLOYER (NOT INCLUDING THE PARTICIPANT'S SHARE OF THE COST) FOR THIS INDIVIDUAL TO TAKE PART IN THE RETIREMENT INCENTIVE PROGRAM.			\$43,055.00	
B ADMINISTRATIVE COST (.007 X RETIREMENT AND BENEFITS COST FROM 6A)			\$301.38	
			TOTAL COST (6A + 6B)	\$43,356.38
7. SAVINGS FOR THIS PCN (LINE 5 MINUS LINE 6)				\$-4.71

C

86-87

RETIREMENT INCENTIVE PROGRAM
STATUS REPORT
February 27, 1989

Employer	Eligible By Age/Svc	Designated By Empl.	Retired
Governor's Office	30	5	5
Administration	229	174	101
Law	41	18	11
Revenue	55	29	23
Education - PERS	72	71	28
Education - TRS	38	36	19
Health & Social Svc.	335	304	150
Labor	147	138	54
Commerce	88	55	28
Military Affairs	29	6	4
Natural Resources	160	139	65
Fish & Game	160	143	78
Public Safety	193	182	101
Environmental Consv.	36	34	12
Corrections	154	139	38
Comm. & Regional Aff.	21	18	7
Transportation	854	809	355
Ombudsman	1	0	0
Legislative Affairs	53	20	13
Legislative Finance	2	0	0
Legislative Audit	5	3	3
Court System	98	0	0
Total State PERS	2762	2287	1076
Total State TRS	38	36	19
University of Ak - PERS	325	319	107
University of Ak - TRS	372	349	95
Geophysical Inst - PERS	27	27	7
Geophysical Inst - TRS	38	35	8
Total University - PERS	352	346	114
Total University - TRS	410	384	103
Total Poly - Subs PERS	2661	1272	412
Total Schl Dists TRS	1773	1668	603
Grand Total PERS	5775	3905	1602
Grand Total TRS	2221	2088	725
Overall Total	7996	5993	2327

Original sponsors: Duncan and Kerttula

1 IN THE SENATE BY THE CONFERENCE COMMITTEE

2 CONFERENCE CS FOR SENATE BILL NO. 73

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to retirement incentive programs for
7 the public employees' retirement system and the
8 teachers' retirement system; and providing for an
9 effective date."

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

11 * Section 1. PURPOSE. Since it may be necessary for state agencies and
12 other employers who participate in the state retirement systems to reduce
13 their personal services costs because of declining state revenue, reimple-
14 mentation of the retirement incentive program established by ch. 26, SLA
15 1986, as amended by ch. 76, SLA 1988, encouraging employees to retire
16 voluntarily, will reduce the hardship of layoffs. This program is intended
17 to realize sufficient economies to offset the cost of administration and
18 benefits to state agencies and other employers resulting from the award of
19 retirement credits and to result in a net reduction in personal services
20 costs to the state or other employers during a period of declining revenue.

21 * Sec. 2. RETIREMENT INCENTIVE PROGRAM. (a) An employer may adopt a
22 retirement incentive plan under secs. 3 - 6 of this Act, as appropriate, to
23 designate organizational units of employees eligible to participate in the
24 retirement incentive program.

25 (b) The organizational units of a plan must be selected so that
26 implementation of the plan results in maximum savings to the employer in
27 personal services costs within three years after the commencement of the
28 plan. A plan that results in savings in personal services costs in any
29 amount that is in excess of all costs to the employer qualifies under this

1 section. The designation may include only representatives from job class-
2 ifications whose inclusion contributes to the overall cost savings.

3 (c) A member is eligible to participate in the retirement incentive
4 program only if the member is vested, is employed in a position in a des-
5 ignated organizational unit, and will be qualified to retire under AS 14.-
6 25.110 or AS 39.35.370 after receipt of the retirement incentive. To
7 participate, a member shall apply on a form provided by the administrator.

8 (d) A participating employer shall prepare and file the retirement
9 incentive plan with the administrator. For state employees other than
10 university employees, the administrator may approve a designated orga-
11 nizational unit only if the office of management and budget certifies that
12 the unit's participation in the plan meets the requirements of (l) of this
13 section. The administrator shall approve the plan if it meets the require-
14 ments of this section. The plan must

15 (1) identify organizational units and employees eligible to
16 participate in the program;

17 (2) include a reimbursement agreement that

18 (A) requires the employer, for each employee who is retired
19 under the plan, to reimburse the system within three years after the
20 end of the fiscal year in which the employee is appointed to retire-
21 ment in an amount equal to

22 (i) the actuarial equivalent of the difference between
23 the benefits the participant receives after the addition of the
24 retirement incentive under this section and the amount the par-
25 ticipant would have received without the incentive, less the
26 amount the participant has paid on the indebtedness determined
27 under (e) or (f) of this section; and

28 (ii) an appropriate share of the administrative costs
29 of the program; and

1 (b) provides that contributions from the employer under
2 this section take priority over other obligations of the employer to
3 the maximum extent permitted by law.

4 (e) A member of the teachers' retirement system who participates in
5 the retirement incentive program is indebted to the system. The amount of
6 indebtedness is equal to 21 percent of the member's actual compensation for
7 the school year, or the calculated school year compensation for a member
8 who works less than the entire school year, for the school year in which
9 the member terminates employment to participate in the program. An out-
10 standing indebtedness at the time a participant is appointed to retirement
11 will require an actuarial adjustment to the benefits payable.

12 (f) A member of the public employees' retirement system who partici-
13 pates in the retirement incentive program is indebted to the system. The
14 amount of indebtedness is equal to 22-1/2 percent for a peace officer or
15 fireman, and 20-1/4 percent for other members, of the member's actual
16 annual compensation, or the calculated annual compensation for a member who
17 works fewer than 12 months, for the year in which the member terminates
18 employment to participate in the program. An outstanding indebtedness at
19 the time a participant is appointed to retirement will require an actuarial
20 adjustment to the benefits payable.

21 (g) A participant in the retirement incentive program receives a
22 credit of three years. The three years must be applied in the following
23 order until exhausted:

24 (1) to meet the age or service required for eligibility for
25 normal retirement under AS 14.25.110 or AS 39.35.370, as appropriate;

26 (2) to meet the age required for early retirement under AS 14.-
27 25.110 or AS 39.35.370, as appropriate;

28 (3) to reduce the actuarial adjustment required for early re-
29 tirement under AS 14 25.110 or AS 39.35.370, as appropriate;

1 (4) as years of credited service for calculating retirement
2 benefits.

3 (h) Except as provided in sec. 7 of this Act, in the determination of
4 whether a member will qualify to retire under this section, credited ser-
5 vice may include only,

6 (1) for members of the teachers' retirement system, service
7 credit for employment rendered to an employer, territorial service under
8 AS 14.25.105, outside service and military service under AS 14.25.060, and
9 Alaska BIA service under AS 14.25.107;

10 (2) for members of the public employees' retirement system,
11 service credit for employment rendered to an employer.

12 * Sec. 3. AUTHORIZATION FOR STATE EMPLOYEE RETIREMENT INCENTIVE. (a)
13 A state agency is authorized to adopt a retirement incentive plan for its
14 employees. A plan adopted under this section shall permit a designat
15 employee to apply to the retirement incentive program under sec. 2 of this
16 Act only from September 30, 1989, through March 31, 1990.

17 (b) The plan may not permit an employee who is the commissioner, a
18 deputy commissioner, or assistant commissioner of a state department to
19 participate.

20 (c) A plan adopted under this section may only permit participation
21 by an employee who is otherwise qualified and who

22 (1) has been continuously employed by the state since
23 November 1, 1988;

24 (2) is a permanent seasonal employee continuously employed by
25 the state in the permanent seasonal position during all of the time since
26 November 1, 1988, in which the position normally was filled;

27 (3) has a job sharing agreement with a state agency in which two
28 or more employees share a single position identified by a single position
29 control number and in which the employee choosing to participate was

1 continuously employed by the agency during all of the time since
2 November 1, 1988, in which the employee normally worked under the job
3 sharing agreement; or

4 (4) meets a combination of the requirements of this subsection.

5 (d) Under a plan adopted under this section, the administrator may
6 not accept the application of an employee unless the employee will be
7 appointed to retirement on or before November 1, 1990.

8 (e) In this section "state agency" does not include the University of
9 Alaska or an entity covered by sec. 4 of this Act.

10 * Sec. 4. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOYEES IN
11 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM. (a) The governing body of a
12 political subdivision of the state or a public organization that has elect-
13 ed to participate in the public employees' retirement system under AS 39.-
14 35.550 - 39.35.650 is authorized to adopt a retirement incentive plan for
15 its employees under sec. 2 of this Act. A plan adopted under this section
16 shall permit designated employees to apply to the retirement incentive
17 program under sec. 2 of this Act from September 30, 1989, through March 31,
18 1990.

19 (b) Under a plan adopted under this section, the administrator may
20 not accept the application of an employee unless the employee will be
21 appointed to retirement on or before November 1, 1990.

22 * Sec. 5. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR THE EMPLOYEES OF
23 THE UNIVERSITY OF ALASKA. (a) The Board of Regents of the University of
24 Alaska is authorized to adopt a retirement incentive plan for its employ-
25 ees. A plan adopted under this section shall permit designated employees
26 to apply to the retirement incentive program under sec. 2 of this Act from
27 June 30, 1989, through December 31, 1989.

28 (b) Under a plan adopted under this section, the administrator may
29 not accept the application of an employee unless the employee will be

1 appointed to retirement on or before August 1, 1990.

2 * Sec. 6. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOYEES IN
3 THE TEACHERS' RETIREMENT SYSTEM. (a) An employer under the teachers'
4 retirement system who is not otherwise covered by secs. 3 or 5 of this Act
5 is authorized to adopt a retirement incentive plan for its employees under
6 sec. 2 of this Act. A plan adopted under this section shall permit des-
7 ignated employees to apply to the retirement incentive program under sec. 2
8 of this Act only from June 30, 1989, through December 31, 1989.

9 (b) Under a plan adopted under this section, the administrator may
10 not accept the application of an employee unless the employee will be
11 appointed to retirement on or before August 1, 1990.

12 * Sec. 7. POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.
13 Notwithstanding other provisions of law, a vested member who is a state
14 employee and is participating in the retirement incentive program may
15 receive credit for employment with a political subdivision or public orga-
16 nization before the political subdivision or organization became an em-
17 ployer under the system for purposes of determining eligibility for retire-
18 ment under AS 14.25.110 or AS 39.35.370, as appropriate. The member may
19 not receive credit for those years under this subsection for purposes of
20 determining benefits. In order for a state employee to receive credit
21 under this subsection, the employee's participation in the program must
22 contribute to the overall cost savings of the agency.

23 * Sec. 8. RECOVERY OF EMPLOYER DELINQUENCIES. To recover a delinquency
24 owed by an employer other than the state under an agreement entered under
25 sec. 2(d)(2) of this Act, the Department of Administration may

26 (1) bring an action against the employer; or

27 (2) direct that the amount of the delinquency or a lesser amount
28 be withheld from any money payable to the employer by a state department or
29 agency and that the amount withheld be credited to the delinquency.

1 * Sec. 9. REEMPLOYMENT INDEBTEDNESS AND REEMPLOYMENT PROHIBITION. (a)
2 If a participant in the retirement incentive program is reemployed as a
3 member of the public employees' retirement system under AS 39.35 or the
4 teachers' retirement system under AS 14.25 after appointment to retirement
5 under the program, the participant loses the incentive credit received
6 under sec. 2(g) of this Act and is indebted to the system. The amount of
7 the indebtedness is equal to 110 percent of the amount the participant
8 received as a result of participation in the program to which the partici-
9 pant was not otherwise entitled, including the cost of health insurance.
10 The participant is entitled to a credit to be applied against the reemploy-
11 ment indebtedness in the amount the participant has paid under sec. 2(e) or
12 (f) of this Act. Interest accrues on the indebtedness at the rate estab-
13 lished by regulation from the date of reemployment until the member is ap-
14 pointed to retirement and accepts an actuarial adjustment to the member's
15 future benefits or until the amount is paid in full.

16 (b) For one year after the date on which an employee who participated
17 in the program retired, the participant may not be employed by or enter
18 into a contract for personal services with a state department or agency
19 other than a personal services contract with the University of Alaska.
20 This subsection does not prohibit the university from entering into a
21 personal services contract with an employee who has participated in the
22 program during the year immediately following the employee's retirement.

23 * Sec. 10. OFFICE OF MANAGEMENT AND BUDGET. When designating an orga-
24 nizational unit for participation in the retirement incentive program, the
25 executive head of a state agency shall describe in detail the expected
26 effect of the program on the agency's personal services cost and operation.
27 This report shall be filed with the office of management and budget. For
28 each employee who will receive credit for employment under sec. 7 of this
29 Act, the agency head shall establish to the satisfaction of the office that

1 the proposed participation contributes to the overall agency cost savings.
2 The agency shall report as required by the office of management and budget
3 on the cost of each member's participation and the effect on the agency's
4 personal services cost and operation. The office of management and budget
5 shall submit to the legislature annual reports on the retirement incentive
6 program beginning on January 15, 1991, and continuing through January 15,
7 1993, and shall submit a final report on January 15, 1994. Each report
8 shall provide the information necessary for the legislature to evaluate the
9 effectiveness of the program in achieving its objectives. The report
10 should include information on the designated organizational units under the
11 retirement incentive plans including the cost of the retirement incentive
12 program per participant, the cost to the state, the cost to the employee,
13 the annual budgeted amount by agency for the retirement incentive, and the
14 projected or actual net savings over the three-year period.

15 * Sec. 11. PROGRAM CHANGES. An employee does not have a vested or
16 contractual right to any benefit under this Act until an agreement is
17 executed with the administrator that permits the benefits to be offered to
18 an organizational unit of which the employee is a member. The legislature
19 reserves the right to change any aspect of the incentive program as it
20 relates to members of organizational units for which participation agree-
21 ments are executed by the administrator after the effective date of the
22 changes.

23 * Sec. 12. TIMELY APPLICATION. A member who is eligible under secs.
24 2 - 7 of this Act and who has submitted a timely application for participa-
25 tion in the retirement incentive program may be considered for participa-
26 tion in the program notwithstanding sec. 14 of this Act.

27 * Sec. 13. DEFINITIONS. The definitions set out in AS 14.25.220 apply
28 to this Act for members of the teachers' retirement system. The defini-
29 tions set out in AS 39.35.680 apply to this Act for members of the public

1 employees' retirement system.

2 * Sec. 14. Sections 1 - 7 of this Act are repealed July 1, 1991.

3 * Sec. 15. This Act takes effect immediately under AS 01.10.070(c).

Statement

To: The House State Affairs Committee

From: Bernard Gary Johnson, State Employee

Subject: Proposed Amendment to the Retirement Incentive Program,
Chapter 89, SLA 89, Section 7.

Mr. Chairman and members of the committee:

Thank you for the opportunity to comment on Chapter 89, SLA 89, Section 7.

My comments will primarily be on the matter of the interpretation of Section 7 and the need for an amendment to clarify the meaning of the section.

I have worked for 20 years as a state employee. Two and one-half of those years, however, were with a state public organization before that organization became a member of the Public Employees Retirement System in 1982.

The main issue is whether the "credit" under Section 7 is the same "credit" for eligibility under the age or service criteria that is specifically spelled out under Section 2(g). Following is the text of Section 2(g):

21	(g) A participant in the retirement incentive program receives a
22	credit of three years. The three years must be applied in the following
23	order until exhausted:
24	(1) to meet the age or service required for eligibility for
25	normal retirement under AS 14.25.110 or AS 39.35.370, as appropriate;
26	(2) to meet the age required for early retirement under AS 14.-
27	25.110 or AS 39.35.370, as appropriate;
28	(3) to reduce the actuarial adjustment required for early re-
29	irement under AS 14.25.110 or AS 39.35.370, as appropriate;
30	(4) as years of credited service for calculating retirement
31	benefits.

As can be seen, Section 2(g) very clearly defines the credit as applying to meet the age or service required for eligibility for retirement.

Section 7, which is also directly under the Retirement Incentive Program statute, also refers to "credit". This credit is for employment with a public organization before the public organization became an employer under the system. Following is the text of Section 7.

12 * Sec. 7. POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.
13 Notwithstanding other provisions of law, a vested member who is a state
14 employee and is participating in the retirement incentive program may
15 receive credit for employment with a political subdivision or public orga-
16 nization before the political subdivision or organization became an em-
17 ployer under the system for purposes of determining eligibility for retire-
18 ment under AS 14.25.110 or AS 39.35.370, as appropriate. The member may
19 not receive credit for those years under this subsection for purposes of
20 determining benefits. In order for a state employee to receive credit
21 under this subsection, the employee's participation in the program must
22 contribute to the overall cost savings of the agency.

Section 7 refers to "credit" as it does in Section 2(g), but it is not specifically spelled out in Section 7. Clearly, however, the reference to "credit" under Section 7 under the chapter specifically entitled Retirement Incentive Program should be the same "credit" that is specifically spelled out in the legislation under Section 2(g).

Age and service credit are not ordinarily combined, but the Retirement Incentive Program provides for the exception to other statutes. Section 7 itself begins by saying "Notwithstanding other provisions of law ...". Senator Jim Duncan also agrees with my interpretation in the context of the RIP legislation. The Division of Retirement and Benefits is saying that the credit under Section 7 applies only to credit for service and not to credit for eligibility by age. They are referring to other retirement statutes, however, that are not under the current Retirement Incentive Program.

If you agree with my interpretation and that of Senator Duncan's, an amendment to Section 7 should be nothing more than a housekeeping change. There will be no fiscal impact because any credit received under this section must contribute to the cost savings of the agency.

Following is a proposed draft amendment to Chapter 89, SLA 89, Section 7.

Section 7, ch 89, SLA 1989, is amended to read:

* Sec 7. POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.

(a) Notwithstanding other provisions of law, a vested member who is a state employee and is participating in the retirement incentive program may receive credit for employment with a political subdivision or public organization before the political subdivision or organization became an employer under the system for the purpose of determining eligibility for retirement [UNDER AS 14.25.110 OR AS 39.35.370, AS APPROPRIATE].

The credit must be applied in the following order until exhausted:

(1) to meet the age or service required for eligibility for normal retirement under AS 14.25.110 or AS 39.35.370, as appropriate;

(2) to meet the age required for early retirement under AS 14.25.110 or AS 39.35.370, as appropriate;

(3) to reduce the actuarial adjustment required for early retirement under AS 14.25.110 or AS 39.35.370, as appropriate.

(b) The member may not receive credit for those years under this subsection as years of credited service for calculating retirement benefits. [FOR PURPOSES OF DETERMINING BENEFITS.]

(c) In order for a state employee to receive credit under this subsection, the employee's participation in the program must contribute to the overall cost savings of the agency.

The only change to Section 7 is the addition of wording directly from Section 2(g) which makes the credit very clear. It is possible, however, that the amendment could be made even shorter by simply covering it in the definitions section of the retirement statutes.

Thank you very much for your consideration of this issue. I appreciate this opportunity. I would be happy to answer any questions that I can.

b. Example / Checklist Contact Sheet

LEGISLATIVE SPONSOR: House State Affairs

TC DATE/DAY: Wed, Feb 14 1992

Pub. Hear Work Ses. Inv. Hear

TIME: 8:30 - 10AM

LEGISLATIVE REFERENCE: SB 343

JUNEAU ROOM: Cap 102

SUBJECT: RIP

BRIDGE: _____

OF PORTS: _____

CONTACT: Ann PH: 4963

DATE TAKEN/BY: Joanne 2/12

TELECONFERENCE SITES:

LIO'S

LTC'S

VTS'S

Anchorage

*- Gary Johnson
333-5225*

Homer

See List on Reverse Side

Barrow *

Wrangell

Bethel

Delta Junction *

Dillingham *

Fairbanks *add per Boyer*

ALL LIO'S

Glennallen *

OTHER SITES WELCOME WITH PRIOR NOTIFICATION

Juneau

Ketchikan

Kodiak

Kotzebue

Mat-Su

Nome

Petersburg *

Sitka

Soldotna

Valdez *

OFFNETS: _____

CHAIRING SITE: Juneau

CHAIRPERSON: Butcher

[] CONFORMS TO LEGISLATIVE COUNCIL POLICY 4/85

SIGNATURE OF SPONSOR/CONTACT PERSON

DATE

SPECIAL INSTRUCTIONS

S B

348

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
SB 348

PERS Benefits for Probation Officers

Received April 3, 1990
by Sen. Duncan, Zharoff, Sturgulewski, Halford

Heard April 17, 1990

Passed Out of Committee April 17, 1990
3 Do Pass
1 No Recommendation

HOUSE COMMITTEE REPORT

4/18

(7)

Date Referred: April 3, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

SB 348

SENATE BILL NO. 348

PERS BENEFITS FOR PROBATION OFFICERS

"An Act granting probation officers status as peace officers under the public employees' retirement system; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with _____ the same title
- have 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):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

zero

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis DOA/2/13/90

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

James Hanley Hanley

David Engelstein Engelstein

Ch. C. Bucher Bucher

<u>Eileen P. MacLean</u> MacLean	<input checked="" type="checkbox"/>		

Ch. C. Bucher

Chairman's Signature

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**