

ALASKA LEGISLATURE COMMITTEE FILES

1991-1992

8672

7691

SENATE STATE AFFAIRS

245

1 (G) Alaska State Pension Corporation;

2 * Sec. 12. AS 39.30 is amended by adding a new section to read:

3 Sec. 39.30.175. INVESTMENT OF BENEFIT PROGRAM RECEIPTS. The State
4 Pension Corporation is the fiduciary of the receipts of the employee benefits program established
5 under AS 39.30.150 - 39.30.180 and has the same powers and duties concerning the management
6 and investment in regard to those receipts as are provided under AS 14.25.180.

7 * Sec. 13. AS 39.35.020 is amended to read:

8 Sec. 39.35.020. ADMINISTRATION. The commissioner of administration is responsible
9 for the administration of the system and for carrying out this chapter. In addition the
10 commissioner shall

11 (1) maintain the accounts of the system;

12 (2) make payments for the various purposes specified;

13 (3) submit periodic reports or statements of account that are needed;

14 (4) issue a statement of account to an employee requesting it showing the amount
15 of the employee's contributions to the system;

16 (5) as soon as possible after the close of each fiscal year, and not later than six
17 months after the close of each fiscal year, send to the governor, the legislature, and the board an
18 annual statement on the operations of the system containing

19 (A) a balance sheet;

20 (B) a statement of income and expenditures for the year;

21 (C) a report on an actuarial valuation of its assets and liabilities;

22 (D) a summary of assets held in the pension fund listed by the categories
23 of investment, as provided by the Alaska State Pension Corporation [COMMISSIONER
24 OF REVENUE];

25 (E) other statistical financial data that are necessary for a proper
26 understanding of the financial condition of the system and the result of its operations;

27 (6) establish a public employees retirement trust fund in which the assets of the
28 system shall be deposited and held;

29 (7) engage an independent certified public accountant to conduct an annual audit
30 of the system's accounts and the annual report of the system's financial condition and activity;

31 (8) report to the board concerning the condition and administration of the system

1 and distribute the report to the members of the system.

2 * Sec. 14. AS 39.35.080 is amended to read:

3 Sec 39.35.080. DUTIES OF THE ALASKA STATE PENSION CORPORATION
4 [COMMISSIONER OF REVENUE]. The Alaska State Pension Corporation
5 [COMMISSIONER OF REVENUE] is the [TREASURER OF THE SYSTEM AND THE]
6 fiduciary of the fund. The corporation [COMMISSIONER] has the same powers and duties
7 established under this chapter in regard to the fund as are provided in AS 14.25.035(d) and
8 14.25.180.

9 * Sec. 15. AS 39.45.030 is amended by adding a new subsection to read:

10 (c) Before investing the funds held under the state deferred compensation program, the
11 administrator of the program shall consult with the Alaska State Pension Corporation. The
12 commissioner shall reimburse the corporation for the cost of providing the advice.

13 * Sec. 16. AS 39.50.200(b) is amended by adding a new paragraph to read:

14 (52) Alaska State Pension Corporation (AS 37.10.210).

15 * Sec. 17. AS 44.25.020 is amended to read:

16 Sec. 44.25.020. DUTIES OF DEPARTMENT. The Department of Revenue shall

17 (1) enforce the tax laws of the state;

18 (2) collect, account for, have custody of, invest, and manage all state funds and
19 all revenues of the state except revenues incidental to a program of licensing and regulation
20 carried on by another state department and funds managed and invested by the Alaska State
21 Pension Corporation;

22 (3) register cattle brands;

23 (4) supply necessary clerical and administrative services for the Alcoholic
24 Beverage Control Board; and

25 (5) invest and manage the balance of the power development fund in accordance
26 with AS 44.83.386.

27 * Sec. 18. TRANSITION. All litigation, hearings, investigations, and other proceedings pending
28 under a law amended or repealed by this Act, or in connection with functions transferred by this Act,
29 continue in effect and may be continued and completed notwithstanding a transfer, amendment, or repeal
30 provided for in this Act. Orders and regulations issued or adopted under authority of a law amended
31 or repealed by this Act remain in effect for the term issued, or until revoked, vacated, or otherwise

1 modified under the provisions of this Act. All contracts, rights, liabilities and obligations created by or
2 under a law amended or repealed by this Act, and in effect on the effective date of this Act, remain in
3 effect notwithstanding this Act's taking effect. Records, equipment, and other property of agencies of
4 the state whose functions are transferred under this Act shall be transferred commensurate with the
5 provisions of this Act.

6 * Sec. 19. ORGANIZATION OF TRUSTEES. (a) Notwithstanding AS 37.10.210(c), enacted by
7 sec. 2 of this Act, the initial terms of the members, other than the commissioner of revenue, of the board
8 of trustees of the Alaska State Pension Corporation shall be as follows:

9 (1) one elected member and one appointed member shall serve terms of four years;

10 (2) one elected member shall serve a three-year term;

11 (3) one elected member and one appointed member shall serve terms of two years;

12 (4) one elected member and one appointed member shall serve one-year terms.

13 (b) The board of trustees of the Alaska State Pension Corporation may hold organizational
14 meetings as soon as a quorum of the board has been appointed to or selected for the board.

15 * Sec. 20. AS 37.10.210 and 37.10.230 - 37.10.390, enacted by sec. 2 of this Act, and sec. 19 of this
16 Act take effect July 1, 1991.

17 * Sec. 21. Except as provided in sec. 20 of this Act, this Act takes effect on the earlier of July 1,
18 1992, or the date established by resolution of the board of trustees of the Alaska State Pension
19 Corporation for the transfer to it of securities and assets of the retirement funds. The board shall
20 promptly provide the revisor of statutes and the lieutenant governor with a copy of this resolution.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE
CO-CHAIR



ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
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(907) 465-3712

Senator Pat Pourchot

TO; Senator Rodey
Chair, Senate State Affairs Committee

FROM: Senator Pat Pourchot

RE: SB 18, establishing the Alaska State Pension Corporation

DATE: January 30, 1991

The following is a summary of the changes made to SB 18 that are now in the Sponsor Substitute for Senate Bill 18.

Section 2. AS 37.10 Article 5

Sec. 37.10.210 (b)

(Page 2 Lines 5-12) Changes the board from seven to eight trustees, four of the trustees to be elected by the members in the retirement systems. Elected seats are identified as:

- 1 Active PERS/Active SBS
- 1 Retired PERS
- 1 Active TRS
- 1 Retired from system other than PERS.

Sec. 37.10.210 (g) (Page 2, Line 28) Changes quorum from four to five.

Sec. 37.10.220 (a) (7) (Page 3, Lines 20,21) Under powers and duties of the board, adds a requirement that the board advise the commissioner of administration concerning the investment of funds held under the state DEFERRED COMPENSATION PROGRAM.

Section 9. AS 36.30.990 (1)

(Page 8, Line 24) Previous drafting error corrected. Updated statute now in bill, which includes AHFC.

Section 12. AS 39.30

Sec. 39.30.175 (Page 12, Lines 2-6) establishes the corporation as the fiduciary for the SUPPLEMENTAL BENEFITS SYSTEM (SBS).

Section 15. AS 39.45.030 (Page 9-12) requires the commissioner of administration to consult with the corporation prior to investing DEFERRED COMPENSATION PROGRAM funds and to reimburse corporation for cost of advise.

Section 19. (Page 14, Line 10) under Organization of Trustees, sets out a 3 year term for the additional elected member.

SS 36 18

M E M O R A N D U M

January 29, 1991

SUBJECT; ALASKA STATE PENSION CORPORATION (ASPC): Summary of Sponsor Substitute for SB 18 by Section

TO; Senator Pat Pourchot

FROM; Susan Barnett, Staff

I have prepared this sectional analysis of the SSSB 18, An Act establishing the Alaska State Pension Corporation; relating to management and investment of state pension funds and other state funds; and providing for an effective date.

TITLE; Identifies that the retirement system funds, and other state funds upon agreement are to be managed and invested by the corporation.

SECTION 1/FINDINGS; recommendation that the ASPC should integrate the investment of pension funds with retirement benefit administration responsibilities for all state related pension funds, including EPORS, within two years of enactment of this legislation.

SECTION 2: creates the Alaska State Pension Corporation.

Sec. 37.10.210 establishes the corporation as a public corporation. Subsection (b) sets out the eight voting trustees, four of which are elected by members of the retirement systems, two of which are appointed by the governor from a list submitted by employers, one additional is appointed by the governor from a list of nominees submitted by the other seven trustees, and the commissioner of revenue serves as a trustee. Subsection (c) sets out staggered four year terms for trustees. Subsections (d) and (e) set out removal of trustees and filling of vacancy. Subsections (f)(g)(h) set out board organization: board elects chair annually, five trustees constitute a quorum and designees are not allowed. Subsection (i) requires trustees to participate in financial education training.

Sec. 37.10.220 sets out the powers and duties of the board, including establishing investment policies for the funds for which it is responsible, submitting investment reports to the legislature, employers, appropriate boards, contracting for external performance reviews, employing outside investment advisors, employing legal counsel, permitting trustees to enter agreement to assume responsibility for other state funds upon agreement with the managers of those funds. SSSB 18 requires the board advise the commissioner of administration concerning the investment of funds held under the state deferred compensation program.

Sec. 37.10.230 sets out conflict of interest provisions for the fiduciaries and allows the board to designate other staff who must comply with these provisions. Under this section, the board shall

adopt regulations to restrict fiduciaries and any designated staff, from having a substantial interest in corporate assets. Subsection (c) identifies that failure to disclose conflicts is grounds for termination of employment.

Sec. 37.10.240 exempts the board from the Administrative Procedures Act but requires the board to comply with the open meetings law.

Sec. 37.10.250 sets the honorarium for trustees at \$150 per meeting day and states that those who are public employees shall serve without compensation but shall be granted administrative leave.

Sec. 37.10.260 requires the board to employ and fix the compensation for an executive director who must meet qualifications as set in statute. The executive director may appoint employees with approval of the board. Subsection (b) requires the board to adopt regulations restricting staff from financial interest in those companies which provide service to the corporation. All employees are exempt from the personnel act but are subject to the ethics act.

Sec. 37.10.270 requires the board to appoint an investment advisory council composed of at least three and not more than five members who must meet qualifications. Subsection (b) sets out staggered three year terms. Subsection (c) allows board to establish compensation for advisory members. Subsection (d) sets out duties of the council to include reviewing investments, recommending investment policy, advising on selection of consultants and auditors. Subsection (e) allows the council to contract with other state agencies to provide advice.

Sec. 37.10.280 requires the board to protect assets held in trust and its own assets, services and employees by purchasing insurance or arranging for self-insurance.

Sec. 37.10.290 exempts the corporation and property it owns, manages or holds in trust from all taxes and assessments in the state.

Sec. 37.10.300 permits banks to give sureties to the corporation or to enter collateral agreements on approved securities.

Sec. 37.10.310 prohibits the corporation from engaging in commercial banking activity, from acting as a depository or trustee for a private person and from acting as a lender to a private person of money from any source other than the money from the state funds under its own management.

Sec. 37.10.320 limits the states responsibility for liabilities of the corporation.

Sec. 37.10.390 defines board, corporation and retirement systems.

Section 3 AS 06.05.025 amends the banking code to allow the board of trustees or the legislative auditor to request an examination of the corporation by the Division of Banking, Securities and Corporations

SECTION 4: substitutes the corporation for the Commissioner of Revenue in reporting about the condition of the teachers retirement system (TRS) and requires the corporation provide the TRS board with an annual external performance review of the trust fund.

SECTION 5; makes the corporation fiduciary of the TRS fund in place of the Commissioner of Revenue.

SECTION 6; substitutes the corporation for the commissioner of revenue in management of the Judicial Retirement Trust.

SECTION 7; substitutes the corporation for the commissioner of revenue in management and investment of the Alaska National Guard and Alaska Naval Militia retirement fund, referred to as the Military fund or system.

SECTIONS 8 and 9 exempt the corporation from the procurement code but require the board of trustees to adopt comparable procedures.

SECTION 10 substitutes the corporation for the Commissioner of Revenue in the section that sets out the powers and duties of the fiduciary that invests and manages state funds. In paragraph (a)(8) the bill requires accounting records to be kept in accordance with generally accepted accounting principles. Subsection (c) requires the fiduciary to exercise the Prudent Investor Rule in exercising powers and duties. Subsection (e) requires the state to defend and indemnify the fiduciary if fiduciary performed in good faith and was prudent. Subsection (f) defines fiduciary to include trustee, officer of the corporation and any other person who exercises control over corporation assets.

SECTION 11; places employees of the corporation in the exempt service.

SECTION 12; identifies the corporation as the fiduciary of the receipts of the employee benefits program.

SECTIONS 13 and 14; substitute the corporation for the Commissioner of Revenue in the management and investment of the public employees retirement (PERS) fund.

SECTION 15; requires the commissioner of administration to consult with the corporation before investing deferred compensation funds.

SECTION 16; adds the members of the Alaska State Pension

Corporation to coverage of the conflict of interest statutes.

SECTION 17; amends the duties of the Department of Revenue to reflect the changes made by the bill.

SECTION 18; is a transition section.

SECTION 19; sets out the initial terms of the board and permits the board to hold organizational meetings as soon as a quorum has been appointed/elected.

SECTION 20; sets July 1, 1991 as the effective date for board organization.

SECTION 21; sets the earlier of July 1, 1992 or the date established by resolution of the trustees as the effective date for the corporation to begin managing and investing assets as well as other duties as defined in the bill.



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0536

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

January 28, 1991

To: Sen. Rodey, Chair
Members; Senate State Affairs Committee

Re: SB 18; "An Act establishing the Alaska State Pension Corporation; relating to the management and investment of state pension funds and other state funds; and providing for an effective date."

NEA-Alaska, representing members of both the TRS and PERS, supports the basic concepts contained in this legislation and commends the sponsor for this approach to the management of employee pension funds.

The transfer of this fiduciary responsibility from the Commissioner of Revenue to a public corporation will enhance constituent confidence in the integrity and security of their vested benefits.

We do have three (3) concerns which we wish to call to the attention of the Committee.

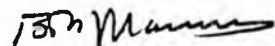
We recommend caution on the plan to assign, within two (2) years, responsibility for benefit administration to the ASPC. While it may be appropriate to have such a timeline as a goal it may also be wise to first attend to the management/investment responsibilities and defer the benefit administration to a later time. Both the TRS and the PERS currently have Boards with extensive benefit administration experience. Their present responsibilities in this area should continue for the time being.

We feel very strongly that the composition of the ASPC board of trustees must consist of a majority who are constituent members of the retirement systems. Historically, both the TRS and the PERS have been administered by Boards comprised primarily of constituent members. The system has worked effectively and we feel that it should be continued. Members will have a greater level of confidence in a new investment/management system if a majority of the board members come from their constituency and that they be both active members and those now drawing benefits from the systems.

Another concern which may only need clarification pertains to the language in Sec. 2, page 6, lines 19-23, Sec. 37.10.320. On its surface, this language appears to possibly diminish rights guaranteed under Article 12, Section 7 of the Alaska Constitution. NEA-Alaska would obviously oppose such a change.

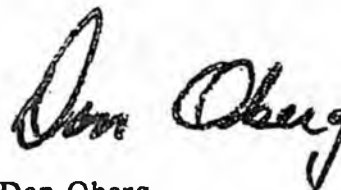
Thank you for your consideration of our position. We look forward to working with the Committee on this critical legislation.

Respectfully submitted,



Bob Manners
Executive Director

cc: Senator Pourchot



Don Oberg
President



Official Business

COMMITTEE:
ST. AFFAIRS

DATE: 1-28

SIGN-IN

Subject of meeting:

SB 18 - INVESTMENT OF PENSION FUNDS

PLEASE PRINT!

NAME	ADDRESS (MAILING) & (ZIP)	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
GARY BADER	DEPT OF ADMINISTRATION	x4460	DEPT OF ADMINISTRATION	YES
Louise Dawson	2880 Fritz Cove Rd	789-9655	-	NO
Rose Olive Druxman	P.O. Box 07 1365 Juneau 99801	586-1172		No
Archie Owen	P.O. Box 34852 Juneau, AK 99803	789-9264		No
Liz Lucas	2880 Fritz Cove Rd. Juneau	789-9655		NO
Jeanne Spaziani	8452 Kimberly St., Juneau 99801	789-7394	Juneau Ret. Tchrs. V Pres.	no
Richard Spaziani	8452 Kimberly St. Juneau 99801	789-7394	Juneau Ret. Tchrs. Pres.	Yes no
Vern Harlow	P.O. Box 020113 Juneau, AK 99802	586-6184	State of Juneau Ret. of Teachers	No
Leslie Boyd	P.O. Box 7318 Ketchikan, AK 99901	225-3231	NEA/AK & NEA-R Retired	No
✓ Terry Elder	816 & Erin St. Juneau AK 99801	465-4500	ASEA	Yes

BOB MANNERS

YES

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*****
*
* DELIVER TO: LIOCDAR
*
* ORIGINAL
* SENT: 01/30/91 TIME: 14:03
* FROM: LIOCLAI
* SUBJECT: 91-01-188; PL2; SB18; 1-30
* PRINT DATE: 01/30/91 TIME: 14:03
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SUBJECT LINE TO READ: TC NO.; PLANFS; SHORT SUBJECT; DATE

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TC NO: 91-01-188
DATE: 1-30
SPONSOR: S STATE AFFAIRS
SUBJECT: PENSION FUNDS
MODERATOR: JUDY
SITE: ANCHORAGE

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PARTICIPANT LIST 2

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*****
TO TESTIFY
NAME\ REPRESENTING ADDRESS PHONE BILL NO.
✓ MARIE MACKENZIE
✓ MARILYN SCOTT

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3. HERRITT OLSON

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*****
TO OBSERVE:
NAME\ REPRESENTING ADDRESS PHONE BILL NO.
1. H P GAZAWAY
*****

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BACK UP NUMBER: 561-1199
EMAIL ADDRESS LIOCHIL

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SUBJECT LINE TO READ: TC NO., PL FS; SHORT SUBJECT; DATE

TC NO: 91-01-175
DATE: 1/20/91
SPONSOR: CITA
SUBJECT: INVESTMENT OF PENSION FUND
MODERATOR: CIBY
SITE: ANCHORAGE

PARTICIPANT LIST

TO TESTIFY

NUMBERS/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. MERRITT C. OLSON/NEA	1032 WILLETTS	272-9156	SB 18
2. MARILYN SCOTT/AARP, CARTA	POB 112827	345-1698	SB 18
3. BUCK SMITH/CARTA	1346 ST/NEBACK	563-6316	SB 18



4. MARIE HACKENZIE	1620 CRESCENT	562-4895	SB 18
5. ROXY MCCOUGAL	402 E 23	272-0957	SB 18
6.			

TO OBSERVE:

NAME/ REPRESENTING	ADDRESS	PHONE	BILL NO.
1.			
2.			
3.			
4.			
5.			

BACK UP NUMBER: 561-1199
EMAIL ADDRESS: LIOCMIL

 *
 * DELIVER TO: LIOCDAR *
 *
 *
 * ORIGINAL *
 * SENT: 01/30/91 TIME: 13:37 *
 * FROM: LIOCLAI *
 * SUBJECT: 91-01-183;PL;STATE FUNDS;1-30 *
 * PRINT DATE: 01/30/91 TIME: 13:37 *
 *

SUBJECT LINE TO READ: TC NO.; PLNFS;SHORT SUBJECT;DATE

TC NO: 91-01-183
 DATE: 1-30
 SPONSOR: S STATE AFFAIRS
 SUBJECT: PENSION FUNDS
 MODERATOR: JUDY
 SITE: ANCHORAGE

PARTICIPANT LIST

TO TESTIFY

NAME\ REPRESENTING	ADDRESS	PHONE	BILL NO.
1. MARIE MACKENZIE			
2. MARILYN SCOTT			

TO OBSERVE

NAME\ REPRESENTING	ADDRESS	PHONE	BILL NO.
1. MERRITT OLSON			
2. H P GAZAWAY			

BACK UP NUMBER: 561-1199
 EMAIL ADDRESS: LIOCMIL

SENATE STATE AFFAIRS COMMITTEE
SUBJECT: SB 18: PENSION, SB 10: INVESTMENT STATE FUNDS
MODERATOR: CHRISTI
SITE: FAIRBANKS

PARTICIPANT LIST

TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. MIKE ANDREWS - PERS BOARD MEMBER			
2.			
3.			
4.			
5.			

OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. ANN WALSH, 924 KELLUM #201 FBKS. 99701		456-6737	SB 10, SB 18
2.			
3.			
4.			
5.			

TESTIFIED.

UNABLE:
OBSERVED:
TOTAL:

START TIME:

END TIME



Official Business

COMMITTEE:

SENATE STATE AFFAIRS

DATE: 1/30/91

SIGN-IN

Subject of meeting:

SB 18 INVESTMENT OF PENSION FUNDS

PLEASE PRINT!

NAME

ADDRESS

(MAILING) & (ZIP)

PHONE

REPRESENTING

DO YOU WANT TO TESTIFY?

Louise Dawson	2880 Fritz Cove Rd Juneau 99801	789-9655	RTA	No
Elizabeth Lucas	2880 Fritz Cove Rd Juneau 99801	789-9655	AARP State Coordinator / RTA	NO
DICK SPAZIANI	8452 Kimberly St. Juneau 99801	789-7394	AARP PRES. JUNEAU Retired Teach.	YES
Jeanne Spaziani	8452 Kimberly St. Juneau 99801	789-7394	V-Pres Juneau Ret Teachers	No
Carol Carroll	3570 W. Loop Rd Juneau Alaska 99801	789-4157	PRS - TRS	No
B. Manners			NEA	Not sure?

PUBLIC OPINION MESSAGE

DEAR: SENATOR RODEY

NAME: MARILYNN SCOTY

TITLE:

ADDRESS: P. O. BOX 112827

CITY: ANCHORAGE

ZIP: 99511

PHONE: 345-1698

BILL NO:

SUBJECT: SB 18 TELECONFERENCE

MESSAGE: SORRY NOT HAD OPPORTUNITY TO SPEAK TODAY WHILE I TENTATIVELY FAVOR THE
CORPORATION I OBJECT TO BLATANT DISREGARD FOR BOARD REPRESENTATION BY TRS
MEMBERS. TELECONFERENCES SHOULD BE ORGANIZED TO ACCOMMODATE TESTIMONY FROM
OUTSIDE JUNEAU RATHER THAN RESIDENT STAFF. WHEN WILL WE BE HEARD? /CMR

POMID: 03152034

DATE: 91/01/28

TIME: 15:20:34

LOCATION: ANCHORAGE LIO

COPIES: SENATOR

FOURCHOT

testified

***** FAX TRANSMISSION *****

TO: Max
DEPT: _____ FAX #: 463-3144
FROM: Judy PHONE: 561-1199
CO: _____ FAX #: 562-4376
Post-It brand fax transmits memo 7671

NO. OF PAGES
1

DELIVER TO: LIOCMIL

ORIGINAL

SENT: 04/28/91 TIME: 14:05
DATE: 04-28/91

INVESTMENT OF ASSETS
JUDY
ANCHORAGE

TO: DESTROY

NAME / REPRESENTING

ADDRESS W 11th Ave

PHONE

CELL NO

- 1. MERRITT G. OLSON/NEA 1032 WELLS ST 272-9156 ✓ SE 18
- 2. MARILYN SCOTT/AARP, CARTA POB #12827 9511 345-1698 ✓ SE 18
- 3. RUCK SMITH/CARTA 1346 STAMPAWK 563-6316 ✓ SE 18 *ELLA*
- * RALE HACKENZIE 1204 CRETCH 562-4895 ✓ SE 18
- * ROXY MOON *NAGH* 99503 272-0957 ✓ SE 18

PHONE

CELL NO

1346 Staubbach Circle 99508

→ "~~insure~~ insure retirement funds from political arena"

Committee →

PUBLIC OPINION MESSAGE

DEAR: SENATOR RODEY

NAME: BUCK SMITH
TITLE: CENTRAL AK RETTRED TEACHERS ASS.'S PRES.
ADDRESS: 1346 STAUBBACH CIRCLE
CITY: ANCHORAGE ZIP: 99508
PHONE: 563-6316
BILL NO:
SUBJECT: SB 18 TELECONFERENCE
MESSAGE: I WAS PRESENT BUT DID NOT GET TO TESTIFY SUPPORING THE BILL ONLY IF
MAJORITY OF MEMBERS ARE BENEFICIARIES AND THAT TEACHERS AND PUBLIC EMPLOYEES AN
EQUALLY REPRESENTED. /CMR

POMID: 03143117
DATE: 91/01/28
TIME: 14:31:17
LIONAME: ANCHORAGE LIO

COPIES: SENATOR

POURCHOT

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

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ANCHORAGE, AK 99510
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STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

MEMORANDUM

TO: Senator Pat Rodey
Chair, Senate State Affairs Committee

FROM: Senator Pat Pourchot *Pat*

RE: Request for hearing SB 18

DATE: January 21, 1991

SB 18, An Act establishing the Alaska State Pension Corporation; relating to management and investment of state pension funds; and providing for an effective date, has been referred to your committee.

SB 18 establishes a public corporation to manage the Public Employees Retirement System (PERS), the Teachers Retirement System (TRS), the Judicial Retirement System and the Military Retirement System funds and other state funds upon mutual agreement. The corporation allows for beneficiary and employer representation and provides for an Investment Advisory Council to assist the board in investment decisions.

I would greatly appreciate your scheduling this bill for a hearing as early as possible.

SB 18

Board of Trustees
Marc Langland,
Chairman
Charles H. Parr,
Vice-Chairman
Douglas B. Baily
John T. Kelsey
Byron I. Mallott
Hugh Malone



Alaska Permanent Fund Corporation
P.O. Box 4-1000 Juneau, Alaska 99802-4100
(907) 465-2047

October 2, 1990

The Honorable
Pat Pourchot
Alaska State Senator
3111 "C" Street, Suite 545
Anchorage, Alaska 99503

Re: Position of the Board of Trustees of the Alaska Permanent Fund Corporation on the Management of the PERS/TRS Funds.

Dear Senator Pourchot:

At your request, the Board of Trustees discussed and voted on its position concerning the possible management of the PERS/TRS funds by the Alaska Permanent Fund Corporation. It was the unanimous vote of the Board that the Trustees have no interest in assuming responsibility for the management of PERS/TRS and other state investment funds that have actuarial and different liability obligations than the Alaska Permanent Fund.

In general, it is the view of the Trustees, as well as staff, that the management of the Alaska Permanent Fund involves very different management philosophies and policies than are involved in the management of retirement funds. The potential mixing of the two types of policies in one organization was felt to be detrimental for both types of funds.

I have enclosed the verbatim transcript of the portion of the Board meeting where the Trustee position was raised, discussed, and voted upon. If you have any questions, please do not hesitate to call.

Sincerely,


Marc Langland
Chairman

Alaska Municipal League

Policy Statement 1991

Adopted at the Business Meeting
of the 40th Anniversary Local Government Conference
of the
Alaska Municipal League
Anchorage, Alaska
November 16, 1990



retirement benefits. Additionally, in order to assist municipalities and the Legislature in evaluating changes to the retirement systems, fiscal notes accompanying such legislation should include an analysis of the fiscal impact on each of the participating municipalities.

2. Separate PERS/TRS Corporation: The League supports the establishment of a separate corporation for the management and investment of state trust funds, including the trust funds of the Public Employees' Retirement System and the Teachers' Retirement System, insofar as the board of the corporation includes representatives of trust beneficiaries and employers. The League urges that legislation establishing such a corporation include a provision that foreclosed real property held as assets by funds managed by the corporation be subject to municipal property taxes.

Alaskan municipalities make over half of all employer contributions to the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and are directly affected by the performance of these funds because of the effect fund earnings have on employer contribution rates and, thus, on local tax rates. At present, both PERS and TRS funds are managed by the Department of Revenue, with the Commissioner of the Department as the sole fiduciary.

Creation of a separate corporation would give visibility to and strengthen the trust status of these trust funds. It would increase accountability, continuity, and public disclosure for the investment management of the funds by establishing a board of directors as fiduciary, incorporating professional investment managers and trust administrators, as well as representatives of beneficiaries, on the corporation's board, and providing for the exercise of fiduciary powers through the forum of regularly scheduled public meetings rather than administrative actions. A corporation would give management the authority to act in a timely manner and compete fully with other professional institutional investors. It would also allow the trust fund managers to have direct access to various Federal Reserve System services, increasing the security, earnings, and efficiency of trust fund investments and reducing the costs for intermediary custodian bank services.

In keeping with the League's general policy opposing exemption from taxation of foreclosed real property held as assets by state and federal agencies, the League supports inclusion of a provision making such assets held by the new corporation subject to municipal taxation.

E. GOVERNMENT MANDATES

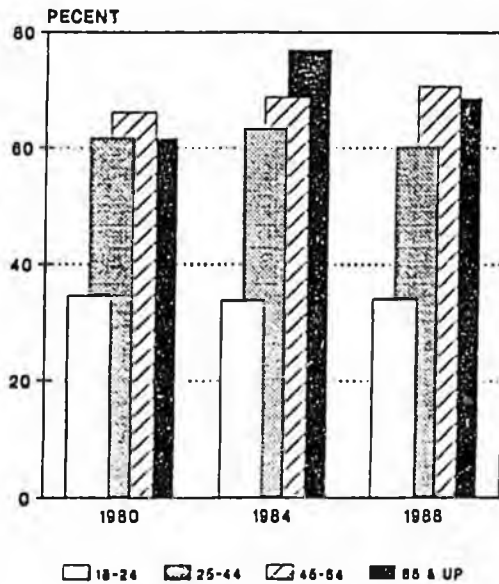
The League urges passage of legislation that would require a government agency unilaterally transferring responsibility for a program to a municipality or imposing regulations on a municipality to reimburse the municipality for the costs of the transferred responsibility or regulations.

OLDER VOTERS

Older people are generally eager to participate in all facets of political life. Older persons are often involved in registering voters, assisting voters in traveling to polls, and actually conducting poll operations on election day. They believe in the Eisenhower adage, "Politics should be the part-time profession of every citizen."

The voter turnout graph illustrates the participation rate of four age groups of Alaska voters in elections held between 1980 and 1988.

VOTER TURNOUT GRAPH



Prepared for AARP by Election Data Services

1991 ALASKA LEGISLATIVE PROGRAM

PRIORITIES

HEALTH

- Increase access to appropriate and affordable health care for all Alaskans by:
 - advocating formulation of a health policy for Alaska
 - supporting concept of state-mandated insurance for the uninsured
 - seeking legislation and appropriations for a comprehensive and coordinated program of home-, community-, and institutionally-based services throughout the state
 - supporting availability of adequate health insurance for all, including those uninsured

ECONOMIC SECURITY AND BUDGET

- Strengthen programs which will provide economic security for all Alaskans by:
 - supporting legislation to stabilize the Longevity Bonus Program
 - advocating recognition of the economic and social value of the retirement community by supporting programs to encourage retirees to remain in Alaska
 - supporting full funding of present property tax relief to senior citizen homeowners and renters

SUPPORT ITEMS

- Support legislation to provide separate management of public pension funds
- Support efforts to improve availability of insurance by means of tort reform and/or increased regulations consistent with adequate consumer protection

SL1003AK(1090)

ALASKA

State Legislative Committee

1991 FACTS & LEGISLATIVE PRIORITIES



American Association
of Retired Persons

ALASKA'S TEACHERS NEED AN INDEPENDENT PUBLIC CORPORATION
TO MANAGE OUR RETIREMENT FUND

—Charlie Arteaga
Chair, TRS Board

You know that your retirement depends on the Teachers' Retirement trust fund. You may not realize that you own this retirement fund. You do, and it is time to take a hand in its management.

The Teachers' Retirement System (TRS) trust fund has now grown to more than \$1.6 billion in size. The State of Alaska and local school districts have contributed to this fund for your benefit, but no government owns this money. You own this money. By law, your pension rights are the private property of you, the individual beneficiary.

Unfortunately, some legislators do not understand this fact. Some think the State owns Teachers' Retirement and other pension funds, and some seem to think the fund could be taken or "borrowed" to help solve a fiscal crisis. To fight this kind of thinking, we need to take the TRS fund out of the political arena and put our retirement fund in an independent public corporation where we help run things.

There are other good reasons why we need to make this change now.

Right now, the Commissioner of Revenue, who is a political appointee, is in charge of your fund. (The TRS Board has no direct role in the investment of the funds, although the Board is responsible for administering retirement benefits.) The Commissioner of Revenue has divided loyalties, because the Department of Revenue must manage numerous other funds, collect state taxes, distribute Permanent Fund Dividends, and enforce child support obligations.

Investment of the TRS Fund and the other retirement and trust funds should be the only priority of the organization responsible for the funds. All these other jobs the Department of Revenue has to do tend to keep the TRS fund hidden from the public eye—and you and the other beneficiaries need to know how your retirement funds are being run.

We need to take the TRS fund out of the political arena. We also need to make sure the TRS fund gets more management attention and more visibility than it has under the present set-up. Establishing a separate public corporation for the investment of the TRS fund and other retirement and trust funds is the best way to achieve these goals. (The corporation would separately account for each of the funds, just as the Department of Revenue does now.)

This corporation should be governed by a strong board of directors which should include representatives of you, the beneficiaries, because you have your funds at stake. The board should also include professional investors, who will provide built-in expertise in the complicated world of finance. The corporation should have its own staff, which should be dedicated to achieving the best return for the beneficiaries and not be distracted by other duties.

The TRS Board believes that these changes are overdue. Only a few other states have a single person in charge of their teacher pension plans. A 1989 report by Legislative Audit recommended that the Alaska Legislature put a board of trustees in charge of TRS and PERS. Legislative Audit's recommendations included placing on the board both representatives of the beneficiaries and financial experts.

WHAT'S HAPPENING IN
OTHER STATES...

New Jersey Retired Educators' Association is increasing its state life membership dues from \$150 to \$375 on August 31. Annual unified dues are \$35 and will increase annually with the cost-of-living adjustment.

California Teachers' Association-Retired (CTA-R) and California Retired Teachers' Association (CRTA) are joining forces as a result of an agreement between California Teachers' Association, the statewide active teachers' organization, and CRTA, the predominant association for retired teachers in California. With turf battles settled, the new organization should see rapid growth.

Arkansas Retired Educators' Association has experienced rapid membership growth since passage of legislation to permit dues transmittal through the state retirement system. Arkansas now has 1,960 NEA-R members and is eligible for two official delegates at the annual meeting.

Washington Education Association Retired has life membership dues of \$75 and annual dues of \$10. One of the goals of the organization is to up the maximum of the three percent cost-of-living adjustment for retirees.

Michigan Education Association-Retired has as a part of its pre-retirement seminars a computerized program for use in determining retirement benefits and retrieving information about specific programs in the retirement system.

NEA-AK/R NEWSLETTER

The official organ of NEA-Alaska/Retired, the Newsletter is published quarterly at Anchorage, Alaska.

Editor: Dr. Merritt C. Olson

ALASKA'S TEACHERS NEED INDEPENDENT CORPORATION

(Continued from page 1)

Legislation to accomplish this came very close to being enacted during the last session of the legislature. The bill was called Senate Committee Substitute for Committee Substitute for House Bill 580 (State Affairs). The only thing that prevented the passage of this legislation was the belief of some legislators that mixing the management of the TRS fund and other retirement funds in with the management of the Permanent Fund was a better approach. It is not.

The Permanent Fund is owned by all Alaskans. The retirement funds are owned by you and other beneficiaries. Getting mixed up with the Permanent Fund will confuse the point we need to make--that the retirement funds are our property, not the property of all Alaskans and every legislator.

Mixing the retirement funds in with the Permanent Fund would create a complicated, unwieldy creature just when we are on the verge of establishing a strong management structure for the retirement funds that will give those funds high visibility and clarity of purpose. TRS and the other retirement funds have been buried at the Department of Revenue for years. Why would we bury them now in the Permanent Fund?

The management of the retirement funds will be an important issue during next year's legislative session. I urge you to tell your legislator--and all those who want to be your legislator--that you support an independent public corporation to run your retirement fund. The Teachers' Retirement System fund belongs to you and other teachers, active and retired. Creating an independent public corporation will allow you to have a say in the management of your money, and will make the system more accountable to you. You and your money deserve nothing less.

ALASKA TRS SAYS "NO" TO DUES CHECK-OFF

The Alaska Teachers' Retirement System recently denied NEA-Alaska/R's request for a membership check-off for dues payments. Sally Smith, director of the Division of Retirement and Benefits, indicated that the check-off would involve expenses in compiling lists that "would impact an already stretched operation at a cost to everyone--not just those who express interest."

Last year the Arkansas legislature enacted a measure that mandated the retirement system of the state to provide a dues check-off for the Arkansas Retired Educators' Association. It has resulted in a marked increase in membership for the Arkansas retired group.

MEDICARE MAKES CHANGES IN CLAIMS REPORTING

Beginning September 1, 1990, doctors providing medical treatment must prepare and submit Medicare claims for all Part B services, Medicare officials recently announced. Details of the announcement include:

- * The physician, surgeon or medical supply company **MUST** prepare and submit the claim even if assignment is not accepted. A charge cannot be made for handling the claim.
- * If the provider of medical services does not agree to accept the Medicare approved amount as payment in full, the patient is responsible for paying the entire bill. Medicare payment for the approved amount will be mailed directly to the patient.
- * If the provider of medical services refuses to prepare and submit the Medicare claim, the patient should contact the Medicare carrier.

NEA-ALASKA PRESIDENT'S MESSAGE . . .

--Don Oberg

The 1989-90 success of NEA-Alaska was due to a great extent to the support and leadership of the members of NEA-AK/Retired. Your organizational talents were perhaps most evident in the political arena as we were able to gain significant improvements in our retirement programs and other NEA-Alaska legislative priorities.

We look forward to another productive and rewarding year working together to improve our Alaskan schools as well as benefits to members of our profession--past and present.

PRE-RETIRED SEMINAR FEATURED AT NEA-AK ISSUES CONFERENCE

NEA-Alaska/R gave two pre-retirement seminar sessions at the NEA-Alaska Issues Conference held at the Anchorage Hilton Hotel on August 9 and 10. The first sectional covered financial planning and TRS pension and Social Security coverage. The second session dealt with choosing a retirement location.

Don Schulz, Hank Harrison and Merritt Olson conducted the sessions which were attended by 35 teachers and educational support personnel from all parts of Alaska.

MEMBERSHIP DUES:

NEA-R Life	\$100
Annual	\$ 10
NEA-AK/R Life	\$200
Annual	\$ 25

UNIVERSITY OF ALASKA FAIRBANKS



Governance Office
Fairbanks, Alaska 99775-0680
(907) 474-7964 • FAX: (907) 474-5213

JAN 25 1991

January 16, 1991

Senator Pat Pourchot
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

JAN 25 1991

Dear Senator Pourchot:

Enclosed is a copy of a position paper regarding the PERS/TRS fund the UAF Staff Council passed at its December 7, 1990. Currently the PERS funds are managed by the Commissioner of Revenue, a gubernatorial appointee. This places the fund in possible jeopardy because of political pressure. Fiduciary responsibility for funds of this magnitude should not be placed in the hands of just one person.

UAF Staff Council is recommending that the management board for the PERS/TRS fund be separate from the Permanent Fund because the money belongs to a different group of people. The reason for ensuring the separation of pension funds from the Permanent Fund is the difference in ownership use and needs of the PERS/TRS fund.

The paper has been forwarded to Wendy Redman, Vice President for University Relations. Vice President Redman will be lobbying the legislature on this matter.

If you have questions regarding this matter, do not hesitate to contact me at 474-6162 or Lola Oliver, President of the UAF Staff Council at 474-7114. If you would like to discuss this matter further, I will be in Juneau on April 18 and 19 for the Board of Regents meeting.

Enclosed you will also find a 1991 UAF Staff Council calendar, enjoy.

Sincerely,

Lois Hildenbrand, President-Elect
UAF Staff Council

LH/kam

Enclosures

The UAF Staff Council approved the following at its Meeting #29 on December 7, 1990:

MOTION PASSED (unanimous approval)

=====

The UAF Staff Council moves to endorse the following position paper regarding the PERS/TRS fund:

1. PERS funds should be managed and invested by a separate public corporation. This corporation should be developed for the specific purpose of managing the investment and benefit administration of public pension funds within the state of Alaska.
2. The Corporate Board of Trustees should have fiduciary responsibility for the PERS fund and any other public pension fund managed by the corporation.
3. The Board should be composed of: elected representatives of the beneficiaries of the various funds; the Commissioner of Revenue (nonvoting); and gubernatorial appointees from fund employers. There should be equal representation between employers and employees.
4. An Advisory Council of investment experts should be established by the Board. The purpose of the Council should be to provide information to the Board based on its cumulative expertise in investment matters.
5. The Board should be responsible for hiring an Executive Director for the corporation who in turn should hire his/her staff for administration of operational and investment matters.
6. Under no circumstances should the PERS funds be co-mingled with the Alaska Permanent Dividend Fund.

RATIONALE: PERS funds are currently managed by the Commissioner of Revenue, a gubernatorial appointee. This places the fund in possible jeopardy because of political pressure. Fiduciary responsibility for funds of this magnitude should not be placed in the hands of just one person. The management board for the PERS/TRS fund should be separate from the Permanent Fund

because the money belongs to a different group of people. The reason for ensuring the separation of pension funds from the Permanent Fund is the difference in ownership use and needs of the PERS/TRS fund.

Lola Kay Olin 12/19/90
President, UAF Staff Council Date

SUPPLEMENTAL BENEFITS SYSTEM (SBS) ISSUE PAPER

Senator Pat Pourchot

January 22, 1991

WHAT IS THE SUPPLEMENTAL BENEFITS SYSTEM (SBS)?

The SBS program was established in 1979 as a replacement for the Federal Social Security program, from which the state withdrew. It was designed to offer "risk free" accumulation of retirement income under an annuity plan. Currently, the SBS investment portfolio of over \$540 million consists exclusively of Guaranteed Investment Contracts (GICs) with seven carriers. The program is expected to total \$800 million in 1992.

State employees are required to participate in the plan. Each month a contribution of 12.26% of an employee's salary is made to the employee's individual account. Contributions are equally shared by the employer and employee. The employee contributes 6.13% in employee pre-tax wage reductions while the employer contributes an equal amount in additional wages.

IS SBS CONSIDERED A RETIREMENT "PENSION" PROGRAM?

SBS participants are, at present, nearly exclusively "active" employees unlike PERS and TRS, in which vested terminated and retired employees constitute the majority of plan participants. 88% of the SBS program participants are state government employees compared with the PERS plan, which is only 46% state employees. Notably, 95% of all SBS participants elect to withdraw their savings in a lump sum upon leaving state service, regardless of age or retirement status. Participation in the retirement systems i.e. PERS, restricts benefit distribution to a post retirement formula.

According to the 1990 William M. Mercer SBS Report, "participants in SBS may see it as a savings plan because they have other retirement income benefits available. Younger employees typically view this type of plan as a savings plan".

Additionally, SBS is viewed differently from standard retirement programs at federal levels. SBS is not subject to the Employees Retirement Income Security Act (ERISA) as are other state retirement systems.

WHO MANAGES THE SBS FUNDS?

The Department of Administration (DOA) has historically been responsible for the investment and administration of the SBS program. In April 1990, by agreement between the Departments, through temporary regulations, the investment responsibility for

SBS assets was transferred from DOA to the Department of Revenue (DOR). No formal statement of fiduciary responsibility has been formulated for SBS. The PERS board, by statute, has the responsibility to adopt regulations and policies for the operation of the program.

As of this date, DOA and DOR have formed a SBS Task Force, with the PERS Board's approval. The Task Force assisted in drafting a Request for Proposal to select an entity to invest and administer the SBS annuity funds, for the purpose of diversifying the investment strategy of the funds. The Department intends to solicit proposals from financial institutions involved with annuity fund investment, management and benefit dispersal.

S B

3 2

CS FOR SENATE BILL NO. 32 (STATE AFFAIRS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS DUNCAN, Sturgulewski A BILL

FOR AN ACT ENTITLED

1 "An Act granting certain juvenile correctional institution employees status as peace officers
2 under the public employees' retirement system; and providing for an effective date."

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

4 * Section 1. AS 39.35.680(28) is amended to read:

5 (28) "peace officer" or "fire fighter" means an employee occupying a position as
6 a peace officer, chief of police, correctional officer, correctional superintendent, fire fighter, fire
7 chief, [OR] probation officer, youth counselor, unit leader, superintendent, or nurse in a
8 juvenile correctional institution;

9 * Sec. 2. An employee who was employed as a youth counselor, unit leader, superintendent, or nurse
10 at a juvenile correctional institution in the public employees' retirement system before the effective date
11 of this Act may convert the credited service for that position to credited service as a peace officer by
12 claiming the service as peace officer service before the member is appointed to retirement. When the
13 member claims this retroactive credited service, an indebtedness of the member to the system shall be
14 established. The indebtedness is equal to (1) the contributions to the system that the juvenile correctional

1 institution employee would have made if the service had counted as peace officer service, less (2) the
2 contributions to the system that the juvenile correctional institution employee actually made. Interest
3 as prescribed by regulation accrues on this indebtedness beginning July 1, 1992. Any outstanding
4 indebtedness that exists at the time a person is appointed to retirement will require an actuarial
5 adjustment to the benefits payable based upon the juvenile correctional institution service.

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

FISCAL NOTE

BILL NO. SB 32

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: An act granting certain juvenile correction employees status of peace officers under PERS.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: DUNCAN
Requestor: _____

Component: Retirement and Benefits
COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	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	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	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
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

Estimate of current year impact: Zero

ANALYSIS: (attach a separate page if necessary.) This bill is estimated to cost the state of Alaska \$168.6 in increased personal services for FY 93 and each year thereafter.

The attached sheet discusses the fiscal implications of this bill to the Public Employees' Retirement System.

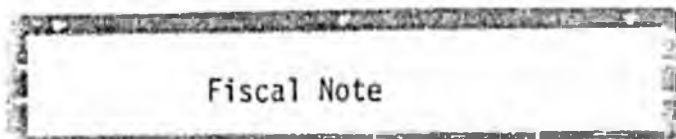
Prepared By: Garv Bader
Division: Retirement and Benefits

Phone: 465-4460
Date: February 1, 1991

Approved by Commissioner: Millett Keller
Agency: Department of Administration

Date: 2/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).



Senate Bill 32
Analysis of Fiscal Implications to the Retirement Funds
Prepared by Division of Retirement and Benefits
Department of Administration
February 1, 1991

Analysis: This bill is intended to include Public Employees' Retirement System (PERS) members who serve as youth counselors, unit leaders or superintendents in juvenile correctional institutions under "Peace Officer/Firefighter" coverage. They are currently covered under the "All Other" category. We have assumed that this bill will increase the "Peace Officer/Firefighter" participation and decrease the "All Other" participation in PERS by 170 members.

This bill, if amended to clarify the covered group, will increase the state FY 93 PERS contribution rate by .03%. The state payroll is estimated to be \$561,946,558 in FY 93 and remain stable each year thereafter.

The state cost of \$168.6 is calculated as follows:

State FY 93 payroll	\$ 561,946,558
Increase in PERS rate	X <u>.03%</u>

TOTAL FY 91 STATE COST.....\$ 168,584

This bill will not materially affect the accrued liabilities or the funding ratio of the PERS fund.

Karen Decker-Brown
7601 Lotus Drive
Anchorage, Alaska 99502
907-248-1606

December 24, 1990

Senator Jim Duncan
P.O. Box V
Juneau, Alaska 99811

Re: 20 year retirement

Dear Jim:

I hope this letter finds you and your family in good health and looking forward to a good new year.

On several occasions I have tried to contact you to discuss an item that is of importance to myself and my partner, Debbie Eisenmenger. We both are employed in youth corrections at McLaughlin Youth Center in the capacity of Nurse II.

It is in this capacity as nurses that we ask you to review the following and consider our request for a 20 year retirement for the nurses in youth corrections as part of the bill you are sponsoring for the youth counselors.

First, there is to my knowledge only three nursing positions in youth correctional facilities funded by the State. The two positions at McLaughlin Youth Center and one position at Fairbanks Youth Facility which is split into two part-time positions. The rest of the facilities statewide are contract positions to the best of my knowledge.

Secondly, it is my understanding that the medical staff is included in the 20 year retirement plan for the State of California. Thus there is precedent for this already established.

A brief review of what our job entails and how it compares to the youth counselors will give you a better perspective of why we are asking to be included.

Primarily 75 - 80% of our time is spent in direct contact with the residents. These residents are being held or convicted of serious crimes such as homicide, armed robbery, rape assault, drug dealing, etc. We are not talking about the Sunday School choir here. Our job involves

doing physicals, drawing blood, giving medication or injections, cleaning and scrubbing of wounds, splinting, and examination of body parts on a population that may or more than likely does not want this done. In this capacity we have to utilize instruments which can be used as weapons against us such as syringes, needles, scalpels, scissors, etc, and thus we have to be even more vigilant than the youth counselors that these objects are accounted for and utilized in a manner that they will not be taken from us. As nurses we are responsible for more potentially harmful and dangerous objects than the counselors. In accreditation of correctional facilities the medical offices are scrutinized far more than any other area because of the above.

In this capacity we are subjected to the same verbal and physical abuse the youth counselors have received. We have had to examine and assist in controlling residents while in restraints on more than one occasion.

Both the nurses here at the facility are required to take Mandt training which is methods of holding and applying restraints on inmates.

Since we are on call 24 hours a day, seven days a week - every other week and subject to recall, we have additional stress of never leaving our jobs at the office. We usually receive at least one call a night on average and on occasion have to come into the facility under extreme circumstances, usually to give injections to a combative person that is on medication for assaultive behavior. Because of this probability of recall at any hour we have keys to every area of the facility including the master key in and out of the facility and all the jail cells. It is because of these keys we also become a target unlike the counselors that do not carry these keys to everything.

On a daily basis we provide escort duties to many times to count for the residents between their units and various locations including outside the main facility and on occasion medical escorts. Many of these are alone on a one-to-one basis as well as being alone in the medical office with one or more of the residents.

Inmates and their families are particularly litigious and being in the medical field we are especially vulnerable for suit happy persons. We have been threatened many times with law suits.

Should your bill for the 20 year retirement go through for the youth counselors, MYC's training officer and superintendant as well as the directors of the cottage and detention units would be eligible. The only contact the first two people have with any of the residents at all is during the lunch break when they are in the cafeteria the same time meal movement occurs. The latter two have minimal contact at best and do not work the "front line" that we are involved in.

Finally, our contract physician, Dr. Don Hudson, who has spent numerous years providing medical care to inmates of Alaska's correctional facilities can and will attest of the hazards and dangerous inherent to nursing in

this setting. He states the average length of time a medical person lasts in the correctional setting is three years. I would wager there is no one approaching 20 or 30 years in the correctional medical field working for the State of Alaska in that capacity.

I am writing this letter on a personal level and not representing the views of the administration of McLaughlin Youth Center or Youth Corrections.

Please review and consider this matter. Thank you for your time and we await your response.

Sincerely yours,

Karen Decker-Brown RN BSN

Karen Decker-Brown RN., BSN

CC ASEA
Debbie Eisenmenger RN



Cramer

P.O. Box V
Juneau, Alaska 99811
(907) 465-3793



Senate

January 28, 1991

Karen Decker-Brown, RN BSN
7601 Lotus Drive
Anchorage, Alaska 99502

Dear Karen:

Thank you for your recent letter expressing your interest in having nurses, who are employed at juvenile correctional institutions, included under Senate Bill 32.

Senate Bill 32 has been referred to the Senate State Affairs Committee, which I chair. I agree that your suggestion is a good one and will be happy to support efforts to include nurses, such as yourself, in the legislation. I plan to address your suggestion when this bill is scheduled in the committee.

I appreciate knowing of your interest in this proposal. Although the bill has not yet been scheduled for committee consideration, I anticipate it will pass out of the Committee in the near future.

Thanks again for getting in touch with me about this issue.

Kindest regards,

Pat
Patrick M. Rodey

*Max - This bill is in St. Affairs - Pat wants to add an amendment to include nurses -
- Duncan supports having nurses included -
See Mr. Kater*

Karen Decker-Brown
7601 Lotus Drive
Anchorage, Alaska 99502

January 20, 1991

Senator Pat Rodey
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Rodey:

Enclosed you will find correspondence with Senator Jim Duncan requesting he include State employed nurses working in Youth Corrections to be included in the 20 year retirement bill he is sponsoring. Since this bill, Senate Bill No. 32, has already been prefiled he directed me to correspond with you as you are the senator representing my area.

Please review my correspondence with him outlining the reason this is requested. I believe we present very valid reasons.

Additionally, I believe only 3 positions would be affected by this addition. The positions being at McLaughlin Youth Center (two full time nursing positions) and one at Fairbanks Youth Facility (a shared half time position).

+ 1 amendment
part time
B...

Therefore, I am formally requesting that you include an amendment to Senate Bill #32 introduced by Senator Duncan to include those positions for the 20 year retirement.

ASEA has also been advised of this request and have assisted and encouraged pursuit of this matter.

I await your response to this request.

Sincerely yours,

Karen Decker-Brown RN BSN
Karen Decker-Brown RN BSN

cc: Senator Duncan
ASEA
Deb Eisenmenger

265-5095 - Dick Williams (Advisor Youth Corrections)
"Nurse" is position -
Then an as other health care professionals - May want to consider including mental health technician

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

January 14, 1991

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

Ms. Karen Decker-Brown
7601 Lotus Drive
Anchorage, Alaska 99502

Dear Ms. ^{Karen} Brown:

Thank you for your letter concerning 20 and out retirement for nurses in Youth Correctional Facilities.

I certainly understand your concerns about the retirement status of nurses in the Youth Correctional System. In my experience, adding groups to the 20 and out system has always been a very sensitive and difficult area legislatively. For this reason, we have been working to add one group at a time to the program.

Your letter convinced me that nurses such as yourself should be included in the 20 and out retirement system. Since the legislation extending the 20 and out to Youth Corrections Officers has already been prefiled, I suggest you contact your area's legislators recommending addition of nurses in Youth Correctional Facilities to the bill. If addition of nurses to the legislation is proposed and supported by other legislators, it will be much easier to gain passage of the legislation including nurses.

I appreciate your contacting me on this issue, please be sure to keep me informed of your plans in pursuing this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Duncan".

Jim Duncan
Senator

STATE OF ALASKA

Class Specification

YOUTH COUNSELOR I	7611-11
YOUTH COUNSELOR II	7612-13
<u>YOUTH COUNSELOR III</u>	7613-15

Definition:

Positions in the Youth Counselor series participate in a treatment team concept and perform or lead a variety of duties designed to provide care, custody, and treatment to residents of a juvenile correctional institution.

Distinguishing Characteristics:

Youth Counselor I is the entry level training class in which incumbents gain familiarity with policy and procedures while acquiring a basic understanding of the dynamics of juvenile delinquency and the practices of juvenile rehabilitation. Youth Counselor I acts as primary counselor to one or two residents; duties are designed to acquaint them with fundamental program treatment concepts and assist them in developing basic counseling skills. Advancement to the journey Youth Counselor II level is contingent upon demonstrated achievement of established performance standards; failure to achieve these standards within 18 months constitutes unsatisfactory service and is grounds for dismissal.

Youth Counselor II is the journey level class in which incumbents perform a full range of treatment and security functions. Incumbents in this class act as primary counselor to three to five residents for which they actively participate in the development, implementation and administration of an individual treatment program. Youth Counselor II may be assigned additional responsibility such as institutional center duty officer or shift supervisor in the absence of higher level classified personnel.

Youth Counselor III is the lead level classification in which incumbents provide training and direction to Youth Counselor I and II; supervise the activities of living or reception unit during an assigned shift; and assume the responsibility of institutional center duty officer on a regular rotating basis.

Example of Duties:

Youth Counselor I and II

Supervises resident group living situations; initiates resident interaction, establishes rapport and builds trust; encourages the development of interpersonal skills and personal hygiene; promotes socially acceptable attitudes and behaviors; supervises resident recreational and housekeeping functions; evaluates residents attitude

and behavior during these activities; administers medications and routine medical treatments.

Assumes responsibility for individual resident caseload; reviews resident's intake interview, medical and psychological history, or other pertinent information regarding the resident's background; assists in establishing and/or revising treatment goals and strategies; participates in treatment team evaluation conferences; conducts and/or participates in individual, family and group counseling sessions; assists in reintegrating residents into the community; and, participates in treatment related meetings with probation officers or medical and psychiatric consulting personnel.

Remains cognizant of individual and group emotional tone; responds appropriately to significant behavior changes; closely monitors potentially suicidal and/or assaultive residents; intervenes in crisis situations; physically restrains residents as necessary; recommends disciplinary action.

Maintains adequate security measures; performs routine and special security checks; supervises the movements of residents within the institution; escorts residents to medical appointments, etc., outside the institution including transportation to other cities and/or states; conducts searches and apprehends AWOL residents.

Performs treatment related administrative functions including preparation of initial treatment plans, quarterly and annual progress reports, review board memos, pre-release reports, court summaries, "behavioral contracts" or "special programs," and incident reports; maintains chronological log of unit activities; notes and documents significant resident behaviors; attends staff meetings and training sessions.

Performs routine administrative functions, e.g., preparation of maintenance requests, supply requests, maintains resident's financial accounts; admits youth offenders to the reception unit.

Youth Counselor III

In addition to one of more of the above, Youth Counselors III perform the following:

Trains and directs subordinate Youth Counselors I and II; evaluates employee performance; supervises group living activities during an assigned shift; schedules and coordinates recreational activities; supervises the maintenance of the daily log.

Prepares and/or reviews and approves the preparation and submission of treatment, disciplinary, and security related reports; leads small group counseling sessions; confers with medical psychiatric consulting personnel; recommends psychiatric evaluations.

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Conducts I-level interviews; evaluates individual resident treatment needs; recommends unit placement, primary counselor and group leader; orients new residents to living unit; explains program rules and expectation.

Knowledges, Skills and Abilities:

Youth Counselor I

Basic awareness of human behavior and the dynamics of juvenile delinquency.

Ability to: acquire general knowledge, skills and abilities necessary to establish and promote a therapeutic relationship; read and comprehend policies, procedures, manuals and other written material; follow written and oral instruction; learn quickly and reason logically, secure cooperation, maintain control, and direct the activities of delinquent adolescents; apply the principles of good personal hygiene and sound mental health; promote socially acceptable attitudes and behaviors; accept variable behavior and values and treat individuals with respect and consideration; enforce rules and regulations with firmness, tact and impartiality; think and act quickly in emergencies; respond appropriately to verbal and/or physical confrontations; communicate effectively both orally and in writing; operate a motor vehicle.

Youth Counselor II

In addition to the above, Youth Counselors II are expected to possess

Knowledge of: program manuals, policies and procedures; the dynamics of juvenile delinquency; the principles of rehabilitation; treatment methodologies, counseling techniques, and basic first aid.

Ability to: contribute significantly toward the rehabilitation of delinquent adolescents within the treatment team concept; exercise effective judgement in emergency and/or stressful situations; provide therapeutic intervention; recognize and interpret significant individual and group behavior changes and cues; maintain appropriate safety and security measures.

Youth Counselor III

In addition to the above, Youth Counselors III are expected to possess,

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Knowledge of: institutional and unit policies, procedures and programs, the I-level classification system; individual and group counseling techniques.

Familiarity with: judicial proceedings; principles of behavior modification and reinforcement techniques.

Skill in: coordinating and directing the work of others; preparation of written reports; recognizing and assessing individual and group emotional tone.

Ability to: analyze situations accurately and adopt an effective course of action.

Minimum Qualifications:

Youth Counselor I

Graduation from high school or the equivalent.

One year of experience in a correctional, medical, psychiatric, casework, nursing, childcare, educational, law enforcement, or security program.

Substitution:

College may be substituted for the required experience on a year for year basis.

Special Requirement: Possession of a valid Alaska driver's license.

Youth Counselor II

Six months experience as a Youth Counselor I with the State of Alaska and demonstrated achievement of departmentally approved performance standards.

OR

One year of experience equivalent to Youth Counselor I, Probation Officer I, Correctional Officer I, Social Worker I, or a closely related job class.

OR

A Bachelor's degree or the equivalent in counseling, education, psychology, corrections, criminal justice, other behavioral science, or a closely related field.

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Youth Counselor III

One year of experience as a Youth Counselor II with the State of Alaska or the equivalent elsewhere.

OR

Two years of experience as a Probation Officer or Correctional Officer with the State of Alaska or the equivalent elsewhere.

NOTE: Positions in the Youth Counselor series are required to work a nonstandard work-week including a regular rotating shift frequently encompassing weekend and holiday work.

Orig: 03/70

Rev: 12/16/80 Def.; D.C.; E.D.; K.S.A.; M.Q.s

Rev: 06/06/83 M.Q.s

9/7SPEC9/7611-13

STATE OF ALASKA

Class Specification

UNIT LEADER

7614-17

Definition:

Under direction, coordinates, develops, and directs all programs within a reception or residence unit for delinquent or court-ordered detention youth; oversees the treatment, custody, care and discipline of residents; directs staff and conducts and coordinates training and counseling sessions.

Examples of Duties:

Directs unit staff (Youth Counselors) in providing training, treatment, and care of Center residents.

Serves in an administrative capacity as head of the unit.

Conducts and plans group staff conferences; conducts in-service training classes.

Plans and administers recreation, training, and work schedules.

Handles complex social, behavioral, and disciplinary problems.

Coordinates unit activities with Center Clinical and Admissions Sections.

Consults with professional administrative superiors on policy and problem matters.

Performs other related work as required.

Knowledges, Skills and Abilities:

Knowledge of: The principles and techniques of individual and group counseling and guidance of delinquent youths; causes and treatment of juvenile delinquency; principles and aims of juvenile rehabilitation; health and safety precautions; record keeping and report preparation; principles of employee supervision and training.

Ability to: Apply principles and techniques of individual and group supervision of delinquent youths; secure and maintain confidence and cooperation of delinquent juveniles and fellow workers; supervise and train others; maintain fair and firm discipline; plan and conduct recreational; and work activities; analyze situations accurately and adopt an effective course of action; conduct meetings effectively; exercise tact and discretion; maintain records and prepare comprehensive reports; establish and maintain cooperative relationships with those contacted in the course of the work; be flexible in a variety of situations.

Minimum Qualifications:

One year of experience as a Youth Counselor III with the State of Alaska or the equivalent elsewhere.

Rev: 03/70
Rev: 05/16/73
Rev: 01/16/79 Title
Rev: 10/16/80 Title, Definition
Rev: 08/16/84 Definition

STATE OF ALASKA

Class Specification

YOUTH CENTER SUPERINTENDENT I
YOUTH CENTER SUPERINTENDENT II

7631-19
7632-21

Definition:

Under general direction is responsible for the management of a juvenile detention facility including planning, general administration, budget, operations, maintenance, logistics, treatment, training and coordination of community activities related to facility functions. These are supervisory classes with substantial responsibility for the exercise of independent judgment in appointing, promoting; transferring, suspending, discharging and adjudicating grievances of subordinates.

Distinguishing Characteristics:

The classes of Youth Center Superintendent I and Youth Center Superintendent II are differentiated by such factors as: size of physical plant, size of staff, scope, intensity and impact of youth programs and operating budgets. Youth Center Superintendent II is in charge of a recognized major juvenile residential and detention facility equivalent to the McLaughlin Youth Center, Anchorage. Youth Center Superintendent I has two options: 1) in charge of those facilities with lesser capacity, such as Fairbanks and Nome; or 2) under the Youth Center Superintendent II directing the institutional detention units or treatment units within a major institution equal to or larger than the small institution in terms of size of staff, number of residents, and the scope and intensity of the programs.

Examples of Duties:

Establishes policies, procedures and programs within the institutions in conformance with agency and department regulations.

Selects personnel; assigns work and supervises custodial, maintenance, clerical and other personnel; prepares evaluations on work performance.

Reviews and monitors actions of the review board and other committees to evaluate the care and treatment program through treatment planning, specific and general maintenance, work assignments, program changes, disciplinary actions, and release planning; ameliorates problems which may arise.

Drafts and submits annual budget for institutions; authorizes and approves budget expenditures; supervises food service operations and all other institutional operations.

Supervises admissions, health care, diagnosis and treatment. Reviews psychological and psychiatric evaluations. Oversees personal fund accounts, releases, and other required records. May direct the operation of a diagnostic and treatment clinic within the detention program.

Responsible for preparation and submission of monthly reports on operations and submits a total fiscal report annually.

Coordinates intern training with universities and oversees continuous in-service training program.

Maintains close relationships with civic clubs and organizations within the community to promote better understanding of facility programs and responsibilities; coordinates volunteer programs and special events.

Maintains close working relationships with various federal, state and local agencies to enhance the operation of the facility.

Coordinates a school program with the State Department of Education or local educational jurisdictions.

Knowledges, Skills and Abilities:

Knowledge of: Principles of and practices in the administration of facilities for the rehabilitation of delinquent youths; provisions of the Alaska laws relating to juvenile delinquency; vocational guidance and recreational and educational principles and methods as related to the rehabilitation and treatment of delinquent youths; principles and practices of youth vocational education; principles and techniques of normal and abnormal psychology, and social casework; principles of personnel management and supervision; functional requirements of a physical education program in a school for youths; medical and psychiatric problems involved in the diagnosis, classification, and treatment of delinquency cases.

Ability to: Plan, organize, and direct the work of the youth center staff and provide for their training in the techniques of supervision of youths; assume total responsibility for the operation of the center; keep records and prepare reports, make budget estimates and conduct special studies; maintain effective leadership and gain the interest, respect, and cooperation of employees and youths; analyze situations accurately and take effective action; maintain cooperative relationships with those contacted in the work; speak and write clearly and effectively; interpret and enforce institutional rules and regulations with firmness, tact, and impartiality.

Minimum Qualifications:

Bachelor's degree in corrections, criminology/justice, behavioral sciences, sociology, psychology, or anthropology and three years of work experience in the justice field including one year of management or supervisory experience equivalent to Unit Leader, Special Services Officer, Probation Officer III or Assistant Correctional Superintendent with the State of Alaska or the equivalent elsewhere.

Substitutions: A Master's degree in corrections, psychology, social work, public administration or a closely related area may be substituted for one year of the required experience, except for the required year of management or supervisory experience.

Additional years of experience in the justice field may be substituted for the required college education on a year-for-year basis.

Orig: 04/04/68 Youth Treatment Program Supervisor
Abol: 07/16/84 Merged: Youth Center Superintendent I

Orig: 04/04/68 Clinical Services Administrator
Rev: 09/01/78 Def. Supv.
Abol: 07/16/84 Merged: Youth Center Superintendent I

Orig: 04/04/68 Youth Center Assistant Superintendent
Rev: 05/19/70
Rev: 07/16/84 Youth Center Superintendent II

ALASKA JUVENILE CORRECTIONAL OFFICER ASSOCIATION

POSITION PAPER

It is the position of the Association that Juvenile Correctional Officers, (i.e., Youth Counselors, Unit Leaders, and Youth Center Superintendents) be included as members in the Peace Officers Retirement System.

The Association requests that legislation be introduced granting Youth Counselors, Unit Leaders, and Youth Center Superintendents status as peace officers under the public employees retirement system. This proposed legislation should allow these job classes currently employed, the ability to claim prior years of service as peace officers for the purpose of credited service. Youth Counselors, Unit Leaders, and Youth Center Superintendents claiming this retroactive service should accrue an indebtedness to the retirement system equal to the difference between their actual employee contribution and the contribution which they would have made at the peace officer rate.

For most state employees the Public Employee Retirement System provides for normal retirement at age 55 or 30 years service if hired before July 1, 1986 and at age 60 or 30 years service if hired after June 30, 1986.

Employees defined as peace officers are eligible to retire with normal benefits after 20 years of service without regard to age. PERS regulations and Title 39 define "peace officer" as an employee of a police agency or other governmental organization who has primary responsibility of "the prevention and detection of crime and the enforcement of the fish and game, penal, traffic or highway laws of the state ...". This special retirement plan for peace officers was enacted in 1960 in recognition of the dangers and stress related to the performance of peace officer duties and

the need for persons performing peace officer functions to be physically and mentally fit. Peace officers are encouraged to retire before the inevitable loss of the physical and emotional stamina required for peak performance.

Over the last few years, eligibility for the 20 year peace officer retirement plan has been expanded to include other job classifications. Fire fighters, fire chiefs, special officers commissioned by the state troopers, correctional officers, correctional superintendents, and probation officers have now been included in addition to the original group of police officers, state troopers, and police chiefs.

Correctional officers and correctional superintendents in the adult system became the first justice system employees to participate as "peace officers" who were not in the traditional law enforcement category. Failure to include Youth Counselors, Unit Leaders, and Youth Center Superintendents employed in juvenile correctional institutions in the peace officers retirement system has resulted in glaring inequities between similar job classifications in the justice system.

The job classifications of law enforcement powers, danger, stress, and the need for physical and emotional fitness which justified inclusion of adult correctional officers and correctional superintendents are present to an equal or greater degree with Youth Counselors, Unit Leaders, and Youth Center Superintendents. Youth Counselors, Unit Leaders, and Youth Center Superintendents employed at state juvenile correctional institutions have many of the same job characteristics as those personnel employed in the adult system. The above mentioned personnel within the juvenile system are required to physically restrain out of control juveniles, transport juvenile offenders, and apprehend juveniles who have absconded from the institution. Juveniles, because of

their impulsive nature are more likely than adults to be aggressive and assaultive to staff.

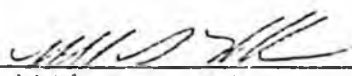
The disparate treatment of these job classes with respect to 20 year retirement demoralizes the ineligible employees and reduces the benefits to the employing agency of an established progressive system. There is little incentive for an employee of the juvenile correctional system to seek professional advancement within. To work in youth corrections rather than in the adult correctional system deprives the employees of the security of a 20 year retirement option. Employees are drawn down the career ladder rather than up.

An agency whose employees are eligible for 20 year peace officer retirement potentially accrues a number of organizational benefits. Recruitment and retention of a skilled, satisfied and stable work force can contribute greatly to public service goals. Such an agency can more easily attract the most qualified workers.

Youth Counselors, Unit Leaders, and Youth Center Superintendents have become the entry point for persons into state service and the training ground for employees seeking greater benefits available in the adult correctional system or the probation officer job classification series.

In summary, the Association respectfully requests the introduction of legislation to include Youth Counselors, Unit Leaders, and Youth Center Superintendents as members of the Peace Officers Retirement System.

Respectively,



Billy D. Holder, Pres.
Alaska Juvenile Correctional
Officers Association

12-6-90
Date

ALASKA JUVENILE CORRECTIONAL OFFICER ASSOCIATION
FACT SHEET

1. Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) have the powers of Peace Officers as defined by AS 11.81.900(38) and AS 47.10.220.
2. Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) have the authority to make arrests, execute court orders, and the service of process.
3. Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) are frequently called upon to physically restrain delinquent youth both inside and outside Juvenile Correctional Institutions.
4. Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) are subjected to the same or greater degree of stress and physical endangerment as Adult Correctional Officers.
5. Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) are currently the only Correctional law enforcement group not included in the Peace Officer retirement system.
6. Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) perform the same job duties as Adult Correctional Officers. In addition, are required to transport incarcerated individuals and perform community searches for escaped individuals.
7. In a sense of fairness and recognition of contributions to public safety, Juvenile Correctional Officers (ie. Youth Counselors, Unit Leaders, and Youth Center Superintendents) should be included in the Peace Officer Retirement System.

ALASKA JUVENILE CORRECTIONAL OFFICERS ASSOCIATION

STATISTICAL REPORT
ALASKA YOUTH CORRECTIONAL INSTITUTIONS

	<u>1988*</u>	<u>1989</u>	<u>1990</u>
1. <u>ADMISSIONS</u> - total # of admissions to Juvenile Correctional Institutions	1520	1806	1628
2. <u>FELON ADMISSIONS</u> - total # of felon admissions to Juvenile Correctional Institutions	211	231	236
3. <u>SUICIDE ATTEMPTS</u> - total # of suicide attempts by incarcerated youth	86	94	79
4. <u>ASSAULTS ON JCO</u> - total # of assaults on Juvenile Correctional Officers	19	34	76
5. <u>ASSAULTS ON YOUTH</u> - total # of assaults on youth by other youth	136	118	161
6. <u>PLANNED ASSAULTS</u> - total # of disclosed planned assaults by incarcerated youth on Juvenile Correctional Officers	193	131	287
7. <u>JCO INJURIES</u> - total # of Juvenile Correctional Officer injuries while on duty	26	19	30
8. <u>RESTRAINTS</u> - total # of incarcerated youth requiring physical restraints by Juvenile Correctional Officers	338	421	418
9. <u>ESCAPES</u> - total # of escapes by incarcerated youth	77	53	52
10. <u>APPREHENDED ESCAPEES</u> - total # of escapees apprehended by Juvenile Correctional Officers	41	24	18
11. <u>ESCAPE PLANNING</u> - total # of incarcerated youth involved in disclosed escape planning	191	129	285
12. <u>CONTRABAND</u> - total # of contraband incidents involving dangerous or illegal objects or substances	141	103	183
13. <u>SECURITY ESCORTS</u> - total # of security escorts by Juvenile Correctional Officers	1969	2349	3519
14. <u>DESTRUCTION OF STATE PROPERTY</u> - total # of destruction of State property incidents by incarcerated youth	63	60	52

* Statistics for Bethel and Nome Youth Correctional Facilities not available for this year.

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

February 1, 1991

TO: ~~Senator Pat Rodey, Chairman~~
Senate State Affairs Committee

FROM: Senator Jim Duncan

SUBJECT: SB 32 "An Act granting certain juvenile correctional institution employees status as peace officers under the public employees' retirement system; and providing for an effective date."

Thank you for scheduling SB 32, granting certain juvenile correctional institution employees status as peace officers under the public employees' retirement system for a hearing February 4, 1991.

SB 32 provides Juvenile Correctional Officers a 20 year retirement by granting them Peace Officer Status in the Public Employees' Retirement System. This status in the retirement system is currently afforded to peace officers, fire fighters, probation officers, and adult correctional officers.

Employees at state juvenile correctional facilities have many of the same responsibilities as personnel in adult correctional institutions. Because of the hazardous nature of this work, I feel it is appropriate to include these employees in the 20 year retirement system. There is much support throughout the state for this legislation.

Please find attached pertinent information relating to this legislation.

S B

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FISCAL NOTE

CSSB34

BILL NO. CSSB34

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: Administration

Title: Longevity Bonus allowable absences

BRU: Longevity Bonus

Component: Grants

Sponsor: Senator Pourchot

Requestor: Senator Rodey

COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	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	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	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

The initial calculated prediction of costs to the program at 135 days allowable absences was 9 recipients x \$3,000 = \$27,000. The margin of error in the prediction of social behavior of 22,000 recipients is greater than 27,000, therefore, the fiscal note is 0.

Prepared by: Barbara Bathony *Barbara Bathony* Phone: 465-4400
Division: Pioneers' Benefits Date: 2/5/91

Approved by Commissioner: Millett Keller *Millett Keller* Date: 4/2/91
Agency: Administration

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 34

Revision Date: _____ Department Affected: Administration
 Title: Longevity Bonus: Allowable BRU: Longevity Bonus
Absence Component: Grants
 Sponsor: Senator Pourchot
 Requestor: Senator Pourchot COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	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	165.0	330.0	330.0	330.0	330.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	165.0	330.0	330.0	330.0	330.0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	165.0	330.0	330.0	330.0	330.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	165.0	330.0	330.0	330.0	330.0	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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

(SEE ATTACHED)

Prepared By: Barbara Bathony *B. Bathony* Phone: 465-4400
 Division: Pioneers' Benefits Date: 2/4/91
 Approved by Commissioner: *Milton Miller*
 Agency: Department of Administration Date: 2/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE SB 34

02/04/91

The cost of Longevity Bonus is effected four ways. Summary:

- A) Increased use of allowed absences will decrease bonuses.
- B) As length of allowable absences increase, a number of now disqualified people will be added to the program.
- C) As length of allowable absences increases, people who are not on the program at all will be added.
- D) The bill disqualifies recipients for cumulative absences; this could be some savings.

::

A) as the length of allowable absences increase, people who leave longer will not receive bonuses while they are gone, thus reducing program costs

gap analysis--most recent 8 months

Warrants Missed	Recipients	Percent
0	17,742	97.5% don't travel--won't be affected
1	304	1.7% could travel more--won't be affected
2	115	0.6% might travel more if allowed
3	22	0.1% recipients missings more than 2 warrants
4	15	0.1% exceed limit but weren't disqualified,
5	4	0.0% so were on excused absence--won't
6	2	0.0% be affected
7	0	0.0%
8	0	0.0%

18,204

CONSIDERATIONS:

The above calculations represent a single period analysis. Alaskans do not necessarily want to leave every year. The calculations are based on social behavior, which is very unpredictable. We do not know how many of the 0.6% would leave for longer absences if allowed, and we do not know for how long they would leave. The reporting accuracy is also questioned. The penalty for exceeding 90 days is so severe that it may encourage fraud. If four times as many people (relative to the above estimate) were affected and the breakdown is as follows (NOTE: arbitrary) then the savings from people forfeiting bonuses is as shown below.

460				
Days Allowed	Percent Affected	Number Affected	Lost Bonuses	Cost Reduction
90	100%	460	0	0
120	70%	322	1	80,500
135	60%	276	1.5	103,500
150	50%	230	2	115,000
165	30%	138	2.5	86,250
180	10%	46	3	34,500

B) As the length of allowable absences increases, the number of people disqualified for exceeding the limit will decrease, thus increasing program cost

disqualifications in FY 90 and 91
(both partial years--equivalent to about one year)

::

Days Absent	Disqualified		Category Cost	Cost
	Number	Percent		
120	18	28%	54,000	54,000
135	4	6%	12,000	66,000
150	6	9%	18,000	84,000
165	4	6%	12,000	96,000
180	4	6%	12,000	108,000
+	28	44%	84,000	192,000

64

C) As the length of allowable absences increases, the number of people who qualify for the program will increase. These people are gone too much to receive checks now, but they will receive some payments if longer absences are allowed.

Department of Labor population over 65 is:

1988	20,397
1989	21,885
1990	23,000 (estimate)

The division mailed approximately 22,000 1099 IRS forms for 1990 recipients. This leaves about another 1,000 potential recipients who are not presently on the program at all.

of these: 650 in nursing homes or incarcerated
100 philosophically opposed or will not apply

The remainder who might qualify are arbitrarily distributed below.

Days Absent	Distribution		Bonuses Missed	Bonuses Received	Category Cost	Cost
	Percent	Number				
		250				
120	5%	13	4	8	25,000	25,000
135	10%	25	4.5	7.5	46,875	71,875
150	40%	100	5	7	175,000	246,875
165	20%	50	5.5	6.5	81,250	328,125
180	15%	38	6	6	56,250	384,375
+	10%	25	12	0	0	384,375

100%

::

D) Section 2 of the bill disqualifies people for cumulative absences as well as for a continuous period. Assuming the disqualification would be adjusted if the absolute limit is changed, there would be some savings as recipients are disqualified for cumulative absences.

Assume that the savings offset 10% of the effect of the failure to disqualify recipients under (B) above.

Summary of cost computations

Days Absent	Bonus Forfeiture	Fail to Disqualify	New Recipients	Additional Disquals	Total Cost
120	(80,500)	54,000	25,000	(5,400)	(6,900)
135	(103,500)	66,000	71,875	(6,600)	27,775
150	(115,000)	84,000	246,875	(8,400)	207,475
165	(86,250)	96,000	328,125	(9,600)	328,275
180	(34,500)	108,000	384,375	(10,800)	447,075
+	0	192,000	384,375	(19,200)	557,175

The fiscal note reports costs for only the 165 day version.
 Analysis of alternative limits was performed at the request of the sponsor.

ADDITIONAL COMMENTS:

The division revised the payment and absence reporting schedule effective December 1990. The division would like to see the absence reporting schedule included in the statute. A proposal for statute change is attached.

Draft Statute Change SB34

AS 47.45.030 ABSENCE FROM THE STATE. (a) A recipient shall notify the commissioner of absences as required by regulation. A recipient who is absent from the state for a continuous period that exceeds 30 days is disqualified from receiving one or more bonuses as follows:

(A) Duration of Absence	(B) Number of Bonuses
31 to 45 days	1
46 to 75 days	2
76 to 105 days	3
106 to 135 days	4
136 to 150 days	5

(b) A recipient who is absent from the state for a continuous period that exceeds _____ days is disqualified from receiving bonuses until returning to the state and for 12 months after returning to the state. At the conclusion of the 12-month period of disqualification, the recipient may apply for bonuses under AS 47.45.010.

(c) A recipient who is disqualified from receiving more than 5 bonuses within a 12-month period due to application of (a) of this section shall be disqualified from receiving bonuses for 12 months. At the conclusion of the 12-month period of disqualification, the recipient may apply for bonuses under AS 47.45.010.

(d) Absences separated by fewer than 10 days of physical presence in the state will be added together and considered a continuous absence.

(e) When the commissioner determines a period of absence is beyond the control of a recipient, the recipient is disqualified from receiving bonuses according to (a) of this section and from receiving bonuses until returning to the state. The portion of an absence determined to be beyond the control of the recipient shall be excluded from the application of (b) and (c) of this section.

BILL SB 34 DATE RECEIVED 1-21-91

TITLE ABSENCES - LONGEVITY BONUSES

CONTACT JEANNE OFFICE/DEPT POUROHOT PHONE 3712

SPONSOR POUROHOT

COMMITTEE ACTION

<u>DATE</u>	<u>ACTION TAKEN</u>
<u>1-29-</u>	<u>DISCUSSED, CONTINUED</u>
<u>1-31</u>	<u>DISCUSSED, CONTINUED, CS</u>
<u>2-4</u>	<u>DISCUSSED, PASSED OUT</u>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

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JUNEAU
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(907) 465-3712

MEMORANDUM

DATE: January 22, 1991

TO: Senator Pat Rodey, Chair
Senate State Affairs Committee

FROM: Senator Pat Pourchot *Pat*

RE: Scheduling of SB 34, "An Act relating to absence from the state for purposes of qualifying for longevity bonuses."

Attached is a copy of SB 34, which increases the length of time from 90 to 165 days that a longevity bonus recipient may be continuously absent from the state without being disqualified from the program for one year. The restriction on paying people bonuses while they are out of state would still apply.

This proposal may result in an overall cost savings in the bonus program based on the additional number of bonus payments forfeited due to increased time out of state.

I would be most appreciative if you would schedule SB 34 for a hearing before the Senate State Affairs Committee at your earliest convenience.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

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MEMORANDUM

TO: Senate State Affairs Committee
Senator Pat Rodey, Chair
Senator Jim Duncan, Vice-Chair
Senator Pat Pourchot
Senator Rick Uehling
Senator Paul Fischer

DATE: January 28, 1991

FM: Senator Pat Pourchot

RE: SB 34, "An Act relating to absence from the state for purposes of qualifying for longevity bonuses."

From public hearings held by the Division of Pioneer Benefits this past Fall on proposed changes to longevity bonus regulations, it was evident that seniors felt unduly restricted in their travel by the current 90-day statutory limitation on continuous absences. This restriction appears severe in light of the fact that many seniors must save for several years before being able to afford a trip outside.

Enclosed is a copy of SB 34 which increases the length of time from 90 to 165 days that a longevity bonus recipient may be continuously absent from the state without having to undergo the one-year requalification procedure.

For seniors who like to take several shorter trips during the year, the bill includes a provision that allows a person to miss 5 bonus payments during a previous 12-month period without fear of the one-year disqualification.

This legislation appears to be a win/win situation. Not only would seniors be afforded greater travel opportunities, but the overall cost of the longevity bonus program may be reduced since seniors may choose to be gone up to 75 additional days (and not receive a bonus) without risking disqualification.

Senator Pourchot
January 28, 1991

SUMMARY

SB 34 amends the Longevity Bonus statutes governing length of absence from the state by increasing from 90 to 165 days the length of time a bonus recipient can be gone before having to go through the one year requalification process.

For seniors who like to take several shorter trips during the year, the bill includes a provision that allows a person to miss 5 bonus payments during a previous 12-month period without fear of the one-year disqualification.

In public hearings held by the Division of Pioneer Benefits this past fall, seniors repeatedly stated that they felt unduly restricted in their travel by the current statutory 90-day limitation on absences. This restriction appears severe in light of the fact that many seniors must save for several years before being able to afford a trip Outside.

By allowing seniors to be gone an additional 75 days (during which time they do not receive a bonus), the bill appears to offer a win/win situation. Not only would seniors be afforded greater travel opportunities, but the overall cost of the longevity bonus program may be reduced since seniors may choose to forfeit up to 5 bonuses without fear of being disqualified from the program for one year. In addition, this proposal may reduce the chicanery that is suspected in current reporting of absence procedures.

1991 LEGISLATION
POSITION PAPER
DEPARTMENT OF ADMINISTRATION

Division Pioneers' Benefits Bill Number SB34

Bill Title Longevity Bonus: Allowable Absence

Position Statement: Explain briefly what bill does, its impacts and Department's position, i.e.
a) support, b) do not support, c) neutral or d) oppose.

The department supports a reasonable increase in the amount of time a longevity bonus recipient may be out of state without losing the bonus for a year, if the change will not increase the cost of the program.

APPROVED:

Director Barbara Bathony Division Pioneers' Benefits
print name

Signature Barbara Bathony Date 1-28-91

Commissioner Millett Keller

Signature Millett Keller Date 1/30/91

(For more information, call Barbara Pritchett 465-2200)

Rev. 1/23/91

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CS FOR SENATE BILL NO. 51 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR DUNCAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to transfer of service credit by active and inactive members and former
2 members of the teachers' retirement system and the public employees' retirement system."

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

4 * Section 1. AS 14.25 is amended by adding a new section to read:

5 Sec. 14.25.127. TRANSFER OF CREDITED SERVICE. (a) When an active or inactive
6 member applies to retire under this chapter, the member may transfer to the system credited
7 service recognized under AS 39.35 (Public Employees' Retirement System of Alaska). The
8 transfer may not result in the member receiving more than one year of credited service for one
9 calendar year of employment. The transferred credited service shall count as credited service
10 under this chapter and may be used to meet vesting requirements. The transfer of credit for
11 military service under AS 39.35.340 is subject to the limitations set out in AS 14.25.100.

12 (b) To transfer credited service, the member shall file a written request with the
13 administrator when the member applies to retire. The administrator shall determine the full
14 actuarial cost to the system of benefits based on the transferred credited service. An amount

1 equal to the contributions paid by the employee and by the employer on behalf of the employee
2 and interest earned on the contributions shall be transferred from the public employees'
3 retirement system to this system. If the amount to be transferred is less than the full actuarial
4 cost computed under this subsection, an indebtedness to the system equal to the amount of the
5 difference is established. Interest as prescribed by regulation accrues on the indebtedness. Any
6 outstanding indebtedness existing at the time the member is appointed to retirement will require
7 an actuarial adjustment to the benefits based on the transferred credited service. If the amount
8 to be transferred is greater than the full actuarial cost, the administrator shall pay the balance to
9 the member.

10 (c) Benefits calculated on credited service transferred under this section shall be
11 calculated using the percentage multiplier in AS 39.35.370(c) that would have applied to the
12 transferred credited service if benefits had been calculated under that section.

13 (d) After transfer of credited service under this section, the member loses all rights to
14 benefits under AS 39.35 based on the credited service transferred.

15 (e) A member may not transfer credited service under this section unless the member
16 transfers all of the credited service the member has in the public employees' retirement system.
17 A transfer of credited service under this section is irrevocable as to that period of credited
18 service.

19 (f) A member whose rights to benefits under AS 39.35 are subject to a qualified domestic
20 relations order may transfer credited service under this section. However, the credited service
21 transferred remains subject to the terms of the qualified domestic relations order.

22 (g) Notwithstanding AS 14.25.063 and AS 39.35.350, a former member of the public
23 employees' retirement system who is an active or inactive member of this system may reinstate,
24 under this section, credited service earned under AS 39.35 for which the member received a
25 refund of contributions.

26 (h) A person who is a former member of both this system and the public employees'
27 retirement system may transfer credited service from the public employees' retirement system to
28 this system if this is the system in which the person was most recently an active member.

29 * Sec. 2. AS 14.25.200(a) is amended to read:

30 (a) Member contributions and other amounts held in the system on behalf of a member
31 or other person who is or may become eligible for benefits under the system are exempt from

1 Alaska state and municipal taxes and are not subject to anticipation, alienation, sale, transfer,
2 assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary, before
3 they are received by the person entitled to the amount under the terms of the system, and any
4 attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise
5 dispose of any right to amounts accrued in the system is void. However, a member's right to
6 receive benefits may be assigned under a qualified domestic relations order and may be
7 transferred under AS 39.35.355.

8 * Sec. 3. AS 39.35 is amended by adding a new section to read:

9 Sec. 39.35.355. TRANSFER OF CREDITED SERVICE. (a) When an active or inactive
10 member is appointed to retirement under this chapter, the member may transfer to the system
11 credited service recognized under AS 14.25 (Teachers' Retirement Act). The transfer may not
12 result in the employee receiving more than one year of credited service for one calendar year of
13 employment. The transferred credited service may be used to meet vesting requirements under
14 this chapter. The transfer of credit for military service under AS 14.25.100 is subject to the
15 limitations set out in AS 39.35.340. The transfer of credited service may not include the transfer
16 of credited service based on unused sick leave under AS 14.25.115.

17 (b) To transfer credited service, the employee shall file a written request with the
18 administrator when the member applies to retire. The administrator shall determine the full
19 actuarial cost to the system of benefits based on the transferred credited service. An amount
20 equal to the contributions paid by the employee and by the employer on behalf of the employee
21 and interest earned on the contributions shall be transferred from the teachers' retirement system
22 to the public employees' retirement system. If the amount to be transferred is less than the full
23 actuarial cost computed under this subsection, an indebtedness to the system equal to the amount
24 of the difference is established. Interest as prescribed by regulation accrues on the indebtedness.
25 Any outstanding indebtedness existing at the time the employee retires will require an actuarial
26 adjustment to the benefits based on the transferred credited service. If the amount to be trans-
27 ferred is greater than the full actuarial cost, the administrator shall pay the balance to the
28 member.

29 (c) Benefits calculated on credited service transferred under this section shall be
30 calculated using the percentage multiplier in AS 14.25.110(d) that would have applied to the
31 transferred credited service if benefits had been calculated under that section.

1 (d) A peace officer who transfers credited service from the teachers' retirement system
2 under this section may count the service as peace officer service for purposes of meeting the
3 eligibility requirements of AS 39.35.370(a)(2).

4 (e) After transfer of credited service under this section, the employee loses all rights to
5 benefits under AS 14.25 based on the credited service transferred.

6 (f) An employee may not transfer credited service under this section unless the employee
7 transfers all of the credited service the employee has in the teachers' retirement system. A
8 transfer of credited service under this section is irrevocable as to that period of credited service.

9 (g) An employee whose rights to benefits under AS 14.25 are subject to a qualified
10 domestic relations order may transfer credited service under this section. However, the credited
11 service transferred remains subject to the terms of the qualified domestic relations order.

12 (h) Notwithstanding AS 14.25.063 and AS 39.35.350, a former member of the teachers'
13 retirement system who is an active or inactive member of this system may reinstate, under this
14 section, credited service earned under AS 14.25 for which the member received a refund of
15 contributions.

16 (i) A person who is a former member of both this system and the teachers' retirement
17 system may transfer credited service from the teachers' retirement system to this system if this
18 is the system in which the person was most recently an active member.

19 * Sec. 4. AS 39.35.500 is amended to read:

20 Sec. 39.35.500. SAFEGUARD OF EMPLOYEE FUNDS HELD BY THE SYSTEM.

21 Employee contributions and other amounts held in the system are exempt from Alaska state and
22 local taxes. Amounts held on behalf of, or payable to, any employee or other person who is or
23 may become eligible for benefits under the system are not subject to anticipation, alienation, sale,
24 transfer, assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary,
25 before being received by the person entitled to the amount under the terms of the system. An
26 attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise
27 dispose of a right to amounts held under the system is void. However, an employee's right to
28 receive benefits may be assigned under a qualified domestic relations order and may be
29 transferred under AS 14.25.127.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB-51 (ST.)

Revision Date: _____ Department Affected: Dept. of Administration
 Title: Creating a public service benefit in PERS BRU: Retirement & Benefits
 Sponsor: Duncan Component: _____
 Requestor: State Affairs (Sen.) COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	Ø					

CAPITAL	Ø					
---------	---	--	--	--	--	--

REVENUE	Ø					
---------	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	Ø					
FEDERAL FUNDS						
OTHER						
TOTAL	Ø					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)
 Legislation is revenue neutral. Any indebtedness to PERS under this bill must be met by the retiring member before appointment to retirement.

Prepared By: Senate State Affairs Phone: x4522
 Division: Alaska State Legislature Date: 3/25/91
 Approved by Chairman, Senator Pat Vooley
 Agency: State Senate Date: 3/25/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB-51

Revision Date: _____ Department Affected: Administration
 Title: Transfer of credited service between TRS and PERS BRU: Retirement and Benefits
 Component: _____
 Sponsor: Duncan
 Requestor: Senate State Affairs COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	?					

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

REVENUE	?					
---------	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	?					
FEDERAL FUNDS						
OTHER	?					
TOTAL	?					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: ?

ANALYSIS: (Attach a separate page if necessary.) The bill as introduced made computing a fiscal note nearly impossible. The State Affairs committee moved a CS which resulted in a zero fiscal note, transferring any financial responsibility to the retiring member seeking the benefit granted in CSSB-51.

Prepared By: Senate State Affairs Phone: x4522
 Division: Alaska Legislature Date: 3/25/91
 Approved by Chairman, Senator [Signature]
 Agency: Legislature / Senate Date: 3/25/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR SENATE BILL NO. 51 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR DUNCAN

A BILL

FOR AN ACT ENTITLED

1 "An Act creating a public service benefit in the public employees' retirement system."

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

3 * Section 1. AS 14.25.200(a) is amended to read:

4 (a) Member contributions and other amounts held in the system on behalf of a member
5 or other person who is or may become eligible for benefits under the system are exempt from
6 Alaska state and municipal taxes and are not subject to anticipation, alienation, sale, transfer,
7 assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary, before
8 they are received by the person entitled to the amount under the terms of the system, and any
9 attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise
10 dispose of any right to amounts accrued in the system is void. However, a member's right to
11 receive benefits may be assigned under a qualified domestic relations order and may be claimed
12 under AS 39.35.355.

13 * Sec. 2. AS 39.35 is amended by adding a new section to read:

14 Sec. 39.35.355. PUBLIC SERVICE BENEFIT. (a) An active or inactive member who