

**ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672**

**8459 SENATE STATE AFFAIRS**

**SB**

**118**

# SENATOR LOREN LEMAN

Northwest Anchorage

3111 "G" Street Anchorage, AK 99503 561-7614 During Session: State Capitol Juneau, AK 99801 465-2095

Loren:

The following are people who are scheduled to testify on SB118 this morning:

=====  
Art Ronimus Anchorage LIO Affected Party  
Tom Wolf Anchorage LIO Affected Party  
Dr. Mike Beller Anchorage LIO Affected Party  
Jim Patterson Anchorage LIO Affected Party  
Steve Bainbridge Anchorage LIO Affected Party from Fairbanks  
(Down in ANC on business)

=====  
Bob Stalnaker In Person Director of Retirement/Benefits

=====  
Terry Cramer from Leg Legal will be available in her office should we need her.

=====  
Maybe one or two more people from Anchorage will be added--Art Ronimus wasn't sure if they were going to be available.

23 January 1993

Honorable Mike Miller  
Alaska State Capitol  
MS 3100  
Juneau, Alaska  
99801-7182

RE: Eligibility of U.S. Public Health Service (PHS) Officers  
for the Public Employees Retirement System (PERS)

Dear Senator Miller,

The Alaska Public Employees Retirement System (PERS) covers employees of the State and its political subdivisions. Statutes governing PERS, specifically AS 39.35.340, have provisions allowing ex-military personnel and certain Merchant Marine and Foreign Service Officers to purchase up to five years of service time and apply this toward the State retirement system (PERS). This is an available option only if the individual was not able to retire from their respective service, and the individual is vested in PERS. The individual gains this service credit by making retroactive contributions to the State retirement system - the State is not required to make any contributions.

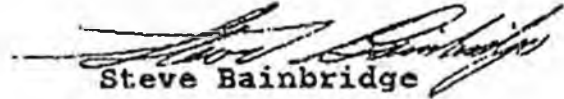
At this time, commissioned officers of the U.S. Public Health Service are not eligible to participate in this retroactive buy-back system, even though officers of the U.S. Public Health Service are granted all the benefits and status of Veterans as defined by the Federal Government. In fact, the State of Alaska does recognize officers of PHS as being eligible for some of its programs - for example, the Alaska Housing Finance Corporation (AS 18.56.101) considers PHS officers as Veterans who are eligible for low interest loans.

It does not seem an unreasonable request to allow that PHS officers be recognized in Statute 39.35.340, and to this end I respectfully request your assistance. I served approximately seven years in Alaska as an officer of the U.S. Public Health Service, and have approximately eleven years of participation in the State PERS program. I would welcome the opportunity to be able participate in the PERS program in the same manner as other officers of the Federal Government.

This subject was first raised by some of my colleagues now working in Anchorage. Senator Loren Leman, while serving in the House of Representatives in 1990, pursued measures to have this amendment added to AS 39.35.340 (see attached copy of correspondence to Honorable Sam Cotten dated April 12, 1990), but constraints of past organizations have hampered his efforts to accomplish this goal. Given a more favorable organization this Legislative Session, I am increasingly optimistic.

I look forward to your response on this issue, and I am available at 479-8351 or 479-9580 (FAX) to answer any questions that you might have, and/or offer assistance at your request. Your time and attention to my concern is most appreciated.

Sincerely,



Steve Bainbridge

cc: Senator Loren Leman  
Senator Steve Frank  
Mr. Tom Wolf  
Mr. Art Ronimus  
Mr. Jim Patterson

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

**DEPARTMENT OF ADMINISTRATION**

**DIVISION OF RETIREMENT & BENEFITS**

PLEASE REPLY TO:

P.O.B.  
JUNEAU, ALASKA 99811-0203  
PHONE: (907) 455-4460

701 EAST TUDOR ROAD, SUITE 240  
ANCHORAGE, ALASKA 99503-7445  
PHONE: (907) 563-5885

**STEVE COWPER, GOVERNOR**

February 15, 1990

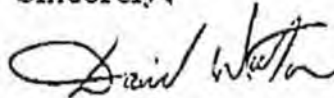
Mr. Thomas S. Wolf  
2415 Susitna Drive  
Anchorage, AK 99517

PERS: 574-16-8351

Dear Mr. Wolf:

I am returning to you your claim for military service credit for your service in the U.S. Public Health Service. This credit is available only for service in the U.S. Armed Forces, and certain specific exceptions such as World War II service in the U.S. Merchant Marine. I am sorry this news could not have been more favorable.

Sincerely,



David L. Watson  
Retirement Field Representative

DJLW/cfm  
1\6\0431781.wp

\* COPY RETAINED IN YOUR FILE.

# The Patterson Family

---

March 31, 1993

Senator Loren Leman  
Room 113  
State Capitol  
Juneau, Alaska  
99801-1182

APR 3 1993

SUBJECT: Senate Bill #118, An Act about PHS Officers and PERS.

Dear Loren,

I want to thank you for introducing legislation to help me and our cohorts. Receiving the subject Alaskan benefit available to other veterans of the Uniform Services recognized by the Federal government would be setting our status within the PERS system right. I am writing to express my concern over this legislation being "stalled out" at moving from the Committees on State Affairs through Health, Education & Social Services onward to Finance before the end of this year's Session.

Nevertheless, I as a former PHS officer am not eligible to participate in the retroactive buy-back system within PERS, although I am granted all the benefits and status of Veterans. I have served eight years in Alaska as a PHS Officer and have been a PERS participant about ten years. I have bought my current home using a low interest loan program available to Alaskan Veterans within AHFC. Yet, I cannot buy-back time, to five years, in service to apply toward my eventual State retirement like so many other officers of the Federal government now employed with the State.

Certainly, you've known from our graduation days in the early 70's what my role as a PHS officer has been in Alaska. Now, as a VSW engineer I have valued the experience I received from PHS in putting to use the positive qualities of that service as a professional in Alaska. I know you supported our cause for equal access to PERS last year. But, this year's fruition of a Bill with the essence of what we seek and no other supplements, would be a missed opportunity to do what is right.

Accordingly, I submit to you a packet of personal proof of my Veterans status by the Feds including distinguished recognition by Senator Stevens, former Governors Sheffield and Cowper. I've enclosed these and a few letters as a protege of Fred Reiff and Chuck Eggener who enabled me to receive Graduate Studies while using my Veteran's benefits under the G.I. Bill. I returned to Alaska to advance the state of the art of innovative sanitation systems such just as it is happening in Mekoryuk. Also, I learned how to work more effectively Councils as you have in rural/urban Alaska from experiences with PHS.

---

Letter to Loren  
March 31, 1993  
Page 2 of 2.

Since i rarely step forward to request a hearing on such a personal issue, I would like to know your opinion on the possibility of moving this Bill ahead. I am available at 273-4222 or 562-7965 (FAX) when not traveling, to help in anyway I can to receive the recognition our country has given us because I know Alaska will give us the same as it has others.

As always, if you are in Anchorage before or after Easter, please stop by the Frontier Building if I can relate any other information on this important matter.  
Thank you for your help.

Sincerely

  
Signed & Sent 3/31/93 by FAX

Jim Patterson

Enclosure

cc: Art Ronimus  
Tom Wolf  
Steve Bainbridge

JLP/Apple IIGS

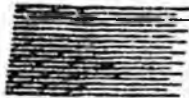
Pages Attached: 2

JAMES L. PATTERSON, P.E.  
P.O. Box 240721  
Anchorage, Alaska  
99524-0721

Date: *March 31, 1993*



Ph. (907)273-4222  
FAX o/c (907)562-7965



TO: *Senator Loren Larson*  
*Room 113, State Capitol, Juneau, AK* FAX: *465-2094 3810*  
Phone: *465-2075*

FROM: *Jim Patterson* 273-4222

*Please find letter enclosed for your personal and  
response. Thank you for your help.*

*Jim Patterson*

TRANSMISSION REPORT

THIS DOCUMENT (REDUCED SAMPLE ABOVE)  
WAS SENT

\*\* COUNT \*\*  
# 3

\*\*\* SEND \*\*\*

NO	REMOTE STATION I. D.	START TIME	DURATION	#PAGES	COMMENT
1	907 465 3810 907	3-31-93 9:01AM	2'47"	3	

TOTAL 0:02'47" 3

SB118

6521 GUNNISON DRIVE  
ANCHORAGE, AK. 99516  
MARCH 31, 1993

SENATOR LOREN LEDMAN  
CHAIRMAN, STATE AFFAIRS 4522  
STATE CAPITOL  
JUNEAU, AK. 99801-1182

APR 2 1993

REF: SENATE BILL # 118  
PHS OFFICER RETIREMENT CREDIT

DEAR LOREN —

AS A FORMER COMMISSIONED OFFICER  
IN THE U.S. PUBLIC HEALTH SERVICE, I  
STRONGLY SUPPORT ENACTMENT OF SENATE  
BILL #118. I SERVED AS A PHS  
OFFICER FROM 1972 TO 1980 IN THE  
ALASKA AREA NATIVE HEALTH SERVICE  
AS A SANITARY ENGINEER IN ANCHORAGE.  
PHS OFFICERS DESERVE THE RESPECT  
AND PRIVILEGES AFFORDED VETERANS OF  
THE ARMED SERVICES, COAST GUARD, FOREIGN  
SERVICE OFFICERS, AND MERCHANT MARINE  
SERVICE. THE U.S. GOVERNMENT RECOGNIZES  
SERVICE WITH PHS AND GIVES  
FULL FEDERAL VETERAN BENEFITS TO  
PHS OFFICERS. EVEN THE ALASKA  
HOUSING AUTHORITY HAS EXTENDED THEIR

VETERANS - HOUSING LOAN PROGRAMS TO  
PHS OFFICERS. I BELIEVE IT IS SIMPLY  
AN ISSUE OF FAIRNESS, IF THE U.S.  
GOVERNMENT RECOGNIZES PHS OFFICERS  
AS VETERANS, THEN THE STATE OF ALASKA  
SHOULD DO THE SAME. THE ACTUAL CASH  
IMPACT ON THE STATE TREASURY WOULD  
BE ZERO SINCE THE FEW (I CAN  
ONLY THINK OF 4 EX-PHS PEOPLE WHO  
WORK FOR THE STATE) PEOPLE THAT COULD  
ACTUALLY TAKE ADVANTAGE OF THIS  
PROGRAM WOULD HAVE TO PAY THE ACTUAL  
COST.

THEREFORE, COULD YOU PLEASE PROCEED  
WITH HEARINGS ON SENATE BILL #11850  
THIS LEGISLATION COULD BE PASSED THIS  
CURRENT SESSION.

YOUR SUPPORT OF THIS ACTION  
IS MOST APPRECIATED. PLEASE CALL  
ME AT 345-6348 (HOME) OR 271-5455 (WORK)  
IF I CAN BE OF ANY ASSISTANCE.

SINCERELY,

JOHN T. LOVETT, P.E.  
*J. T. Lovett*

April 2, 1992

Senator Loren Lemman  
 State Capitol,  
 Juneau, AK  
 99801-1182

APR 6 1992

Dear Loren,

I am writing to you to express my support for SB No 118. As a ex-Public Health Service Officer I believe the enactment of legislation to correct an inequality is the proper thing to do.

I served for about 10 years - 8 months with the Public Health Service, because the military retirement system was in effect during my employment, when I left the service I received no retirement or vesting rights, only social security coverage.

Since joining the State of Alaska with the Dept of Environmental Conservation I have frequently asked why would ex -

PHS officers not be allowed to participate in PERS as ex-military personnel can?

As you may know, PHS and military personnel are treated as Veterans for all purposes of establishing potential benefits by the Federal Government.

The potential number of beneficiaries to this legislation is small, fewer than 6, but an injustice will be eliminated. Only legislative action can address this inequality, I urge you to conduct a hearing on this bill. I will be glad to provide testimony or provide other information.

Thank You

Arthur D. Ronimus PE  
18113 SANCTUARY DR  
Eagle River, AK  
H 694-5157  
W 563-6529



Official Business

# Representative Loren Leman

## Alaska State Legislature

3111 C Street  
Suite 425  
Anchorage, Alaska 99503  
561-7614

During Session:

P.O. Box V  
Juneau, Alaska 99811  
465-2035

April 12, 1990

Honorable Sam Cotten  
Speaker of the House  
State of Alaska  
PO Box V  
Juneau, AK 99811

Dear Mr. Speaker,

I urge you to support an amendment that will add commissioned officers of the Public Health Service to AS.39.35.340.

Attached are a letter from Mr. Tom Wolf, one of my constituents, and an analysis from Sally Smith, Director of the Division of Retirement and Benefits.

Perhaps this provision could be attached as an amendment to legislation that will come before the House this session. I would support an effort to see that this provision passes the Legislature.

Sincerely,

A handwritten signature in cursive script that reads "Loren".

Loren Leman  
Representative

*Remed*  
*Cop.*  
*T. Wolf*

I was surprised and disappointed by this ruling because former officers of the PHS are granted all benefits and status of Veterans as defined by the Federal Government. In addition, I was aware

I first became interested in this issue in 1989 when I became vested in the PERS and applied for the Military Service Credit. Several months after I submitted my application I was notified by the Division of Retirement and Benefits that my application had been denied. They informed me that the credit was only available for service in the U.S. Armed Forces and certain specific exceptions and that service in the PHS did not qualify (2/15/90 letter & application attached).

Thank you for introducing SB118 in the Senate this session. As you know, I have been interested in getting legislation introduced that would allow former officers of the U.S. Public Health Service (PH) to participate in the PERS Military Service Credit program for several years.

Dear Loren,

Senator Loren Lemmon  
Rm 113  
State Capitol  
Juneau, Alaska 99801-1182

April 13, 1993

Thomas S. Wolf  
2415 Susitna Drive  
Anchorage, Alaska 99517

Thomas S. Wolf

Sincerely,

I have lived in Alaska my entire life. After college, I joined the PHS and served six and one half years as an officer supervising the construction of water and sewer systems in 20 villages in western Alaska. When I was asked to transfer to a location outside of Alaska, I left the PHS so I could stay in my home state. Subsequently, I went to work for the Municipality of Anchorage water and wastewater utility ~~and~~ where I worked for five and one half years and became vested in PERS. I would greatly appreciate the opportunity to participate in the PERS credit program like other officers of the Federal Government.

Upon receipt of the denial of my claim, I contacted the Division of Retirement and Benefits to see if there was anything I could do administratively to have the denial reversed. I was told that the chances of obtaining an administrative remedy ~~were~~ remote (because the interpretation of the statute was fairly cut and dry) and that my best bet was to pursue amending the statute.

that the State of Alaska recognizes officers of the PHS as being eligible for some programs. For instance, the Alaska Housing Finance Corporation considers PHS officers as Veterans who are eligible for low interest loans.

CC: State Affairs Committee Members  
 Senator Steve Rieger, Chair, Health, Education, & Social Services  
 Senator Steve Frank, Chair, Finance  
 Senator Drew Pearce, Chair, Finance

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

April 14, 1993

**SUBJECT:** Sectional Summary of SB 118 (PERS credited service for public health service officers)

**TO:** Senator Loren Leman

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill is not considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

**Section 1** permits a vested member of PERS to receive credit for service as a commissioned officer of the U.S. Public Health Service if the employee received an honorable discharge and is not entitled to receive retirement benefits from the U.S. government for the same service. Benefits are not payable on this service unless the PERS member makes retroactive contributions. Computation for retroactive contributions for Public Health Service employment is figured under AS 39.35.340(j), enacted by sec. 8 of the bill. Unlike the requirements for receiving credit for active military service, to receive credit for Public Health Service employment a person who was employed by a PERS employer immediately before entering the Public Health Service and who returned to employment with the PERS employer at the end of the Public Health Service employment must make the retroactive contributions to receive the PERS credited service.

**Sec. 2** excludes service with the U. S. Public Health Service from the subsection that sets out the formula for computing retroactive contributions for military service.

**Secs. 3 and 4** excludes service with the U.S. Public Health Service from the subsection that permit persons retired on July 1, 1976, or no longer working for a PERS employer but not yet retired on that date, to receive increased benefits based on military service.

LEGAL SECTIONAL

Senator Loren Leman

April 14, 1993

Page 2

**Sec. 5** includes service with the U. S. Public Health Service in the subsection that prohibits receiving credit under both the Teachers' Retirement System and PERS for the same period of military service.

**Sec. 6** excludes service with the U.S. Public Health Service from the subsection that permits surviving spouses receiving retirement benefits to receive increased benefits based on the deceased spouses' military service.

**Sec. 7** adds employment as a commissioned officer of the Regular or Reserve Corps of the U.S. Public Health Service to service that is included in AS 39.35.340(a), amended in sec. 1 of this bill.

**Sec. 8** adds a new subsection that sets out the conditions under which a member of PERS can receive credited service for service with the U.S. Public Health Service. The retroactive indebtedness is the sum of the full actuarial cost of providing benefits and an administrative fee.

TC:pl  
93-298.plm



# SENATOR LOREN LEMAN

Northwest Anchorage

3111 "C" Street Anchorage, AK 99503 561-7614 During Session: State Capitol Juneau, AK 99801 465-2096

## SPONSOR STATEMENT FOR SB118

TO: Senate State Affairs Committee

FROM: Senator Loren Lemman

DATE: April 16, 1993

=====

SB118 will allow a vested member of PERS to receive credited service for years served with the U.S. Public Health Service by purchasing up to five years of PERS benefits via retroactive contributions.

SB118 will allow former U.S. Public Health Service employees the same status as other uniformed personnel with regard to PERS.

The member must be vested in PERS , and must have received an honorable discharge from the U. S. Public Health Service in order to be eligible for this program.

The cost to the participating member is the full actuarial cost based on the member's full or annualized vesting year salary, plus an administrative cost.

It is expected that fewer than 20 Alaskans will be eligible to participate in this program upon its enactment.

I urge your support of SB118.

Veteran Status  
with the  
Federal Government

COPY



Veterans  
Administration

## Certificate of Eligibility

FOR HOME, CONDOMINIUM AND MOBILE HOME LOANS

The veteran named below is eligible for the benefits of Chapter 37, title 38, U.S. Code, and has the amount of entitlement shown on the reverse.

Administrator of Veterans Affairs

NAME AND ADDRESS OF VETERAN

JAMES L PATTERSON  
4243 PINNACLE CIR  
ANCHORAGE AK 99504

SERVICE SERIAL NO./SOCIAL SECURITY NO.

37522	542 56 3495
BRANCH OF SERVICE	DATE OF BIRTH
PHS	11/12/50
ENTITLEMENT CODE	DATE ISSUED
9	08/04/83

VA FORM  
JAN 1981 28-8320-1

(See REVERSE  
for instructions)

SUBJECT: Information on Change in Eligibility Requirements for Certain Benefits Administered by the Veterans Administration

*AdP 11/29/82*

1. Authority. Public Law 97-66 amended Title 38, United States Code, by adding Section 3103A which generally denies most benefits administered by the Veterans Administration (VA) to persons who originally entered on active duty with a uniformed service on or after October 17, 1981, and who fail to complete the lesser of:
  - a. Twenty-four months of continuous active duty, OR
  - b. The full period for which such persons were called or ordered to active duty.
  
2. Eligibility. A PHS commissioned officer who enters on active duty for the first time on or after October 17, 1981, and who meets the conditions set forth in a. and b. below should be found eligible for most benefits administered by the VA.
  - a. An officer entering on active duty on or after October 17, 1981, must either:
    - 1). Serve on continuous active duty for 24 months, or
    - 2). Complete the full period for which he/she was called or ordered to active duty. To meet this condition an officer must be appointed to a limited tour of active duty of more than six months but less than 24 months, as approved by the Director, Commissioned Personnel Operations Division (CPOD). An officer failing to complete the full period of the agreed-to limited tour will not be eligible for VA benefits under these requirements.
  - b. In addition to meeting the above requirements an officer must be released from active duty under honorable conditions for reasons other than the officer's own misconduct or substandard performance, and the officer must not have violated any contractually agreed-to period of obligated service.
  - c. An officer appointed to an unlimited tour of active duty, but who leaves active duty before completing 24 continuous months of active duty, regardless of the reason for leaving active duty, will not be considered as qualifying for VA benefits under the conditions set forth above.

EXPIRATION DATE: Indefinite

DISTRIBUTION: MS:CC1-1A (Management and Administrative Audience)  
MS:CC2 (Active Duty Officers)

COPY



Veterans Administration

# Certificate of Eligibility

FOR HOME, CONDOMINIUM AND MOBILE HOME LOANS

The veteran named below is eligible for the benefits of Chapter 37, title 38, U.S. Code, and has the amount of entitlement shown on the reverse.

Administrator of Veterans Affairs

NAME AND ADDRESS OF VETERAN

JAMES L PATTERSON  
4243 PINNACLE CIR  
ANCHORAGE AK 99504

SERVICE SERIAL NO./SOCIAL SECURITY NO.

37522	542 56 3495
BRANCH OF SERVICE	DATE OF BIRTH
PHS	11/12/50
ENTITLEMENT CODE	DATE ISSUED
9	08/04/83

VA FORM  
JAN 1981 26-5320-1

(See REVERSE  
for Instructions)

**INSTRUCTIONS TO VETERAN**

This Certificate of Eligibility shows your entitlement to Loan Guaranty benefits administered by the Veterans Administration. You should retain it until you are ready to purchase property with a VA loan. This certificate must accompany any loan application submitted to the VA for a loan.

If any of the situations listed below were applicable on the date this certificate was issued, it must be returned to one of the VA regional offices listed in the enclosed VA Pamphlet 26-4. Please indicate reason for returning the certificate by checking the appropriate box and signing in the space provided.

- 1. A Certificate of Eligibility was previously issued to me.
- 2. One or more of the items preprinted on the front are INCORRECT. I have corrected the error(s) and have attached a copy of my DD 214. (A corrected Certificate of Eligibility will be returned to you.) NOTE: It is NOT necessary to return the Certificate of Eligibility if only the address is wrong.
- 3. I previously received a VA loan or loans for home, farm, business, or mobile home through the following VA office(s):

\_\_\_\_\_  
(Signature of Veteran)

DO NOT WRITE IN THIS SPACE - FOR VA USE ONLY				
LOAN NUMBER (include amount if direct loan)	ENTITLEMENT			DATE AND INITIALS OF VA AGENT
	USED		AVAILABLE	
	1810	OTHER		
			27,500	

(NOTE: The figure shown as available entitlement represents the portion of a loan which may be guaranteed or insured by VA to a lender. For information about maximum loan amounts, see VA pamphlets 26-4 and 26-71-1, or contact the nearest VA office for further information.)

SUBJECT: Information on Change in Eligibility Requirements for Certain Benefits Administered by the Veterans Administration

- AdP 11/29/82*
1. Authority. Public Law 97-66 amended Title 38, United States Code, by adding Section 3103A which generally denies most benefits administered by the Veterans Administration (VA) to persons who originally entered on active duty with a uniformed service on or after October 17, 1981, and who fail to complete the lesser of:
    - a. Twenty-four months of continuous active duty, OR
    - b. The full period for which such persons were called or ordered to active duty.
  2. Eligibility. A PHS commissioned officer who enters on active duty for the first time on or after October 17, 1981, and who meets the conditions set forth in a. and b. below should be found eligible for most benefits administered by the VA.
    - a. An officer entering on active duty on or after October 17, 1981, must either:
      - 1). Serve on continuous active duty for 24 months, or
      - 2). Complete the full period for which he/she was called or ordered to active duty. To meet this condition an officer must be appointed to a limited tour of active duty of more than six months but less than 24 months, as approved by the Director, Commissioned Personnel Operations Division (CPOD). An officer failing to complete the full period of the agreed-to limited tour will not be eligible for VA benefits under these requirements.
    - b. In addition to meeting the above requirements an officer must be released from active duty under honorable conditions for reasons other than the officer's own misconduct or substandard performance, and the officer must not have violated any contractually agreed-to period of obligated service.
    - c. An officer appointed to an unlimited tour of active duty, but who leaves active duty before completing 24 continuous months of active duty, regardless of the reason for leaving active duty, will not be considered as qualifying for VA benefits under the conditions set forth above.

EXPIRATION DATE: Indefinite

DISTRIBUTION: MS:CC1-1A (Management and Administrative Audience)  
MS:CC2 (Active Duty Officers)

*(C.C.)*

- d. The above requirements will be referred to as the "length-of-service requirement" throughout the remainder of this circular.
3. Exceptions to the length-of-service requirement.
    - a. If an officer originally entered on active duty prior to October 17, 1981, he/she becomes eligible for VA benefits after completing 181 days of continuous active duty.
    - b. An officer does not need to meet the length-of-service requirement to participate in VA-sponsored insurance programs authorized under Chapter 19 of Title 38, United States Code. Therefore, an officer is eligible for Servicemen's Group Life Insurance (SGLI), with conversion privileges to Veterans Group Life Insurance (VGLI), in accordance with previously existing regulations. Further, the officer's beneficiaries are eligible to collect the proceeds from this insurance if the officer dies while the insurance is in effect, even if the officer leaves active duty before completing the length-of-service requirement.
    - c. An officer who is released from active duty because of a service-connected disability does not have to meet the length-of-service requirement in order to be eligible for VA benefits.
    - d. An officer who is rated by VA as having a compensable disability (a service-connected disability for which the VA awards some type of compensation) incurred in the line of duty does not have to meet the length-of-service requirements to be eligible for VA benefits. In addition, if such an officer dies while on active duty, or his/her death subsequent to release from active duty is determined by VA to be caused by the service-connected condition, the officer's beneficiaries may apply for and be awarded Dependency and Indemnity Compensation (DIC) and other types of compensation paid by VA to certain beneficiaries.
  4. Eligibility of Beneficiaries. If an officer is found ineligible for VA benefits because he/she did not meet the length-of-service requirements, the officer's dependents and beneficiaries are likewise ineligible for VA benefits on the officer's behalf.
  5. Effects on Specific Benefits. Effects of the length-of-service requirement on specific benefits if none of the exceptions in Section 3., above, apply:
    - a. VA Home Loan Guaranty - An officer who completes 181 days of continuous active service may apply for a VA home loan guaranty while he/she is on active duty. However, if that

officer fails to complete any length-of-service requirement, he/she is not eligible to have another VA home loan guaranty when the first is paid off, and his/her surviving spouse has no entitlement to a VA home loan guaranty on his/her behalf.

If an officer does not use the VA home loan guaranty while on active duty as described in the preceding paragraph, he/she must have completed the length-of-service requirement to use the benefit after he/she leaves active duty.

- b. Veterans Educational Assistance Program (VEAP) - An officer may begin contributing to VEAP immediately after entering on active duty. However, if the officer fails to meet the length-of-service requirement, he/she is not entitled to any educational benefits from VA. However, his/her VEAP contributions will be refunded upon application.
- c. Burial in National Cemeteries and Other VA Burial Entitlements- An officer is not eligible for burial in a National cemetery, a VA headstone or marker, and other VA burial entitlements unless he/she has met the length-of-service requirement, or one of the exceptions discussed in Section 3, above, is applicable.
- d. SGLI and VGLI - Participation in VA-sponsored insurance programs is not affected by the length-of-service requirement. An officer is eligible for participation in these programs immediately upon entry on active duty, remains eligible during the 120-day grace period immediately after leaving active duty, and remains eligible to convert the SGLI to VGLI.
- e. Medical Care From VA Hospitals - An officer must complete the length-of-service requirement to be eligible for medical care on a space-available basis from VA hospitals. However, an officer who has a service-connected condition as determined by VA qualifies for medical care from VA facilities even though he/she has not completed the length-of-service requirement.
- f. Disability Compensation (for the officer and dependents) - The length-of-service requirement does not change conditions which must be met to receive disability compensation from VA for either an officer or his/her eligible dependents.
- g. Dependency and Indemnity Compensation (DIC) - If the VA finds that an officer's death was caused by a service-connected condition, the officer's eligible dependents may be awarded DIC from VA. This is not changed by the length-of-service requirement.

6.    Verification of Active Service With PHS To Establish Entitlement to VA Benefits.    When an officer leaves active duty, CPOD issues the officer Form PHS-1867, "Statement of Service," which is used by VA to establish eligibility for benefits.    If an officer completes less than 24 continuous months of active duty, but has satisfied the full period for which he/she was ordered to active duty, CPOD will indicate this by printing the following on the Form PHS-1867 to aid VA in establishing the officer's entitlement:

    "To Veterans Administration Officials:

        This officer has satisfied the length-of-service requirements of 38 U.S.C. 3103A(b)(1)(B) by completing the full period for which he/she was ordered to active duty."

- a.    If VA disputes an officer's entitlement, the VA office should be advised to contact the Employment Operations Branch, CPOD, at the address shown below.

        Privacy Act Coordinator  
        Employment Operations Branch  
        Commissioned Personnel Operations Division  
        Room 4-35, Parklawn Building  
        5600 Fishers Lane  
        Rockville, MD 20857

        Telephone: 301-443-4948 (This is an FTS number.)

- b.    If a VA official contacts this office to verify or establish an officer's entitlement to VA benefits, it will be assumed that CPOD has the implied consent of the officer to release pertinent data to the VA official without actual written permission from the officer concerned.    Information is routinely provided to the VA by CPOD pursuant to routine uses stated in the Privacy Act system of records notice 09-37-0007.

**Verification of Status**

**as a**

**Qualified Veteran**

**by the**

**Federal Government**

THE  
PRESIDENT  
OF

COPY

THE UNITED STATES OF AMERICA



*To all who shall see these presents, greeting:*

Know Ye, that placing special trust and confidence in the patriotism, loyalty and abilities of **James L. Patterson**, I do appoint this person as **Engineer** Officer in the **Reserve** Corps of the United States Public Health Service effective the **fifth** day of **June**, **1912** hundred **seventy-two**

*This Officer will carefully and diligently discharge the duties of the office to which appointed.*

*I do require those Officers and other personnel of lesser rank to render such obedience as this officer is due. This Officer is to observe and follow such orders and directions, as may be given by me, or the future President of the United States of America, or other Superior Officers acting in accordance with the laws of the United States of America.*

*This commission is to continue in force during the pleasure of the President of the United States of America, for the time being under the provisions of those Public Laws relating to Commissioned Officers of the Public Health Service.*

By the President:



*Franklin D. Roosevelt*





DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

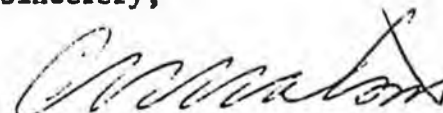
July 10, 1975

ALASKA AREA NATIVE  
BOX 7-741  
ANCHORAGE, ALASKA 99501

TO WHOM IT MAY CONCERN:

This is to certify that James L. Patterson, SA Sanitary Engineer, (R)(T)(O-3), PHS# 37522, SSAN: 542-56-3495, has served continuously as a Commissioned Officer Engineer with the Public Health Service Commissioned Corps from June 5, 1972, to July 24, 1975. He is being honorably discharged with no time loss. As an honorably discharged officer, Mr. Patterson is eligible for Veterans benefits.

Sincerely,

  
Charles W. Watson, Chief  
Area Personnel & Training Branch

Enc:

Copy of P.O.#94, dated 5-12-72  
Copy of P.O.#248.022, dated 6-26-75

STATEMENT OF SERVICE - VERIFICATION OF STATUS  
OF COMMISSIONED OFFICERS OF THE U. S. PUBLIC HEALTH SERVICE

SECTION I - PERSONAL DATA

SSAN: 542-56-3495

1. NAME (Last) (First) (Middle) PATTERSON JAMES LEE			2. SERVICE NUMBER PHS- 37522			
3. DESCRIPTION	SEX	RACE	COLOR HAIR	COLOR EYES	HEIGHT	WEIGHT
	-	-	-	-	-	-
4. DATE OF BIRTH November 12, 1950		5. PLACE OF BIRTH Portland, Or.			6. SELECTIVE SERVICE NUMBER 35 30 50 1191	
7. NUMBER AND ADDRESS OF SELECTIVE SERVICE LOCAL BOARD WHERE REGISTERED (Street and No. or R.F.D. No.) NO. 30, 2149 NE Hoyt St.			CITY, TOWN OR COUNTY, ZONE Portland 97232		STATE (Abbr.) OR	
8. PERMANENT ADDRESS FOR MAILING PURPOSES (Street and No. or R.F.D. No.) Mr. & Mrs. H. M. Patterson, 11039 SE Mill Court			CITY, TOWN OR COUNTY, ZONE Portland 97216		STATE (Abbr.) OR	

SECTION II - SERVICE DATA - PUBLIC HEALTH SERVICE

9.  WAS APPOINTED AND CALLED TO ACTIVE DUTY IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE AS A \_\_\_\_\_ EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

10.  WAS APPOINTED A \_\_\_\_\_ IN THE INACTIVE RESERVE CORPS OF THE PUBLIC HEALTH SERVICE. EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

11.  WAS PLACED ON ACTIVE DUTY IN THE RESERVE CORPS OF THE PUBLIC HEALTH SERVICE AS A \_\_\_\_\_ EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

12.  WAS RELEASED FROM ACTIVE DUTY IN PUBLIC HEALTH SERVICE TO INACTIVE RESERVE CORPS. EFFECTIVE July 24 19 75.

WAS RETIRED FROM PUBLIC HEALTH SERVICE EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

COMMISSION IN PUBLIC HEALTH SERVICE WAS TERMINATED. EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

13. DATE OF SEPARATION. PUBLIC HEALTH SERVICE July 24, 1975	14. RANK AT TIME OF SEPARATION. PUBLIC HEALTH SERVICE Senior Assistant sanitary Engineer (R)(T)
15. TYPE OF SEPARATION. PUBLIC HEALTH SERVICE Inactivation	16. CHARACTER OF SEPARATION. PUBLIC HEALTH SERVICE Honorable

17. REASON AND AUTHORITY FOR SEPARATION. PUBLIC HEALTH SERVICE  
Release from active duty. Personnel Order 248 dated 6/26/75

18. ACTIVE DUTY DATES. PUBLIC HEALTH SERVICE  
June 12, 1972 through July 24, 1975

SECTION III - MILITARY SERVICE DATA

19. PERIODS OF MILITARY SERVICE	CHARACTER OF SEPARATION	AUTHORITY
NONE TO . INCL.		
TO . INCL.		
TO . INCL.		
TO . INCL.		

20. PERIODS OF SERVICE UNDER ITEM 19 SERVED OUTSIDE CONTINENTAL UNITED STATES

NONE

21. REMARKS

SGLI COVERAGE - \$20,000

*J. M. Dees, Jr.*

FOR: J. M. Dees, Jr.

Chief, Employment Operations Branch  
Commissioned Personnel Division  
Office of Personnel & Training

Issued this 24th day of July, 19 75

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE  
PARKLAWN BUILDING  
5600 FISHERS LANE  
ROCKVILLE, MARYLAND 20852

PUBLIC HEALTH SERVICE  
PERSONNEL ORDER #248.022  
INACTIVATION

06/26/75

PATTERSON, JAMES L.  
PHS ALASKA NATIVE HLTH. SVC.  
P. O. BOX 7-741  
ANCHORAGE, AK 99501

PHS#: 37522  
SSAN: 542-56-3495

CATEGORY: SANITARY ENGINEER  
CORPS: RESERVE ACTIVE  
PERM GRADE: 0-1 JR ASSISTANT SANITARY ENGINEER  
TEMP GRADE: 0-3 SR ASSISTANT SANITARY ENGINEER  
P GRADE PROM: 0-2 ASSISTANT SANITARY ENGINEER EFF: 07/01/75  
HOME OF RECORD: PORTLAND, OR  
ORGANIZATION: HSA, IAS, EHA

STATION:  
PHS ALASKA NATIVE HLTH. SVC.  
P. O. BOX 7-741  
ANCHORAGE, AK 99501

FORWARDING ADDRESS:  
MR. & MRS. H. M. PATTERSON  
11039 S. E. MILL COURT  
PORTLAND, OR 97216  
RELIEVED DUTY ASSIGNMENT: 07/15/75  
AUTHORIZED TRAVEL TO: PORTLAND, OR  
RELIEVED ACTIVE DUTY: 07/24/75

CAN(PAY): 3580128 ACCT PT: 58  
CAN(TVL): 3580128 ACCT PT: 58

JOINT TRAVEL REGULATIONS. TRAVEL DIRECTED IS NECESSARY.  
PERMANENT CHANGE OF STATION. PRIVATELY OWNED CONVEYANCE AUTHORIZED.  
AUTHORIZED SHIPMENT OF PRIVATELY OWNED AUTOMOBILE.  
AUTHORIZED 25 LBS ACCOMPANIED EXCESS BAGGAGE PER PERSON.  
AUTHORIZED LUMP-SUM ANNUAL LEAVE PAYMENT.

REMARKS: ON RELEASE FROM ACTIVE DUTY OFFICER REVERTS TO PERMANENT GRADE  
OF 0-2 ASSISTANT SANITARY ENGINEER (R).

OFFICIAL

*Walter F. Newdell*  
Sanitarian Director

BY DIRECTION OF THE SURGEON GENERAL

DIRECTOR  
COMMISSIONED PERSONNEL OPERATIONS DIVISION

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PUBLIC HEALTH SERVICE



*The PHS Citation*

*is hereby awarded to*

Engineer James L. Patterson

*on this 24th day of April 19 80.*



*John H. Kelso*



NARRATIVE STATEMENT  
FOR  
PUBLIC HEALTH SERVICE PLAQUE

Sanitary Engineer James L. Patterson is hereby nominated for award of the U.S. Public Health Service Plaque for his overall superior performance as a field engineer and design engineer with the Alaska Area Native Health Service, Indian Health Service. Mr. Patterson began his career with the U.S. Public Health Service in 1972. His initial assignment as a field engineer in the Anchorage office included planning, design and construction of sanitation facilities for a number of Alaska Native communities. Mr. Patterson performed the broad spectrum of field engineering responsibilities in an unusually thorough manner. His efforts won the admiration of community leaders where he worked and the respect of his superiors and co-workers. Largely through his efforts, a number of construction contract claims by the contractor performing on a project assigned to Mr. Patterson at Yakutat, Alaska were resolved to the government's advantage. This resolution resulted in a significant savings to the government. It was brought about because of the excellent contract inspection, administration and thorough record keeping performed by Mr. Patterson. Throughout his three year assignment as a field engineer, Mr. Patterson demonstrated a high degree of professionalism, dedication, and responsibility.

Mr. Patterson earned a Master of Science in Civil Engineering from Colorado State University in 1977. Upon graduation, he was assigned to the Anchorage office as a senior design engineer. Since 1977 he has been of invaluable assistance in the design of numerous sanitation

facilities construction projects. One especially noteworthy contribution made by Mr. Patterson was a report entitled "Water Resources of the Former Moquawkie Indian Reservation, Tyonek, Alaska". This report was written at the request of the Tyonek Village Council in order to investigate water supply alternatives for the village. The objective was to assist the Village Council in selecting a new water supply in conjunction with a planned sanitation facilities construction project. The amount of time available for field and office work necessary to compile the report was abbreviated due to coordination with U.S. Department of Housing and Urban Development funded housing. The report was written in a comprehensive and readable manner. It was formally accepted by the Village Council and has served as a basis for design of the nearly completed facilities. Both the council president and secretary verbally expressed their satisfaction and appreciation for an excellent report. This report exemplifies Mr. Patterson's professionalism and ability.

As a result of his broad range of experience in the design and construction of sanitation facilities in Alaska, Mr. Patterson is frequently asked to assume responsibilities as the design engineer on technically complex projects. He was assigned as the design engineer after the original design engineer was transferred on the Nenana project, a complex \$6 million project in which construction is being performed by contract. The project includes construction of a water treatment plant with filtration, two continuously circulating distribution loops, fire demand pumping, sewage collection and treatment in a secondary sewage treatment plant. The contractor has submitted numerous requests for substitution of equipment; which Mr. Patterson has reviewed exhaustively

and yet in a timely manner. He has also, in conjunction with the Contracting Officer, prepared extensive documentation in support of the government's position regarding contract claims.

In recognition of his continued superior performance, Mr. Patterson is recommended for award of the U.S. Public Health Service Plaque .

*United States Public Health Service*  
Commissioned Officer Award



*- is presented to*

Sanitary Engineer James H. Patterson

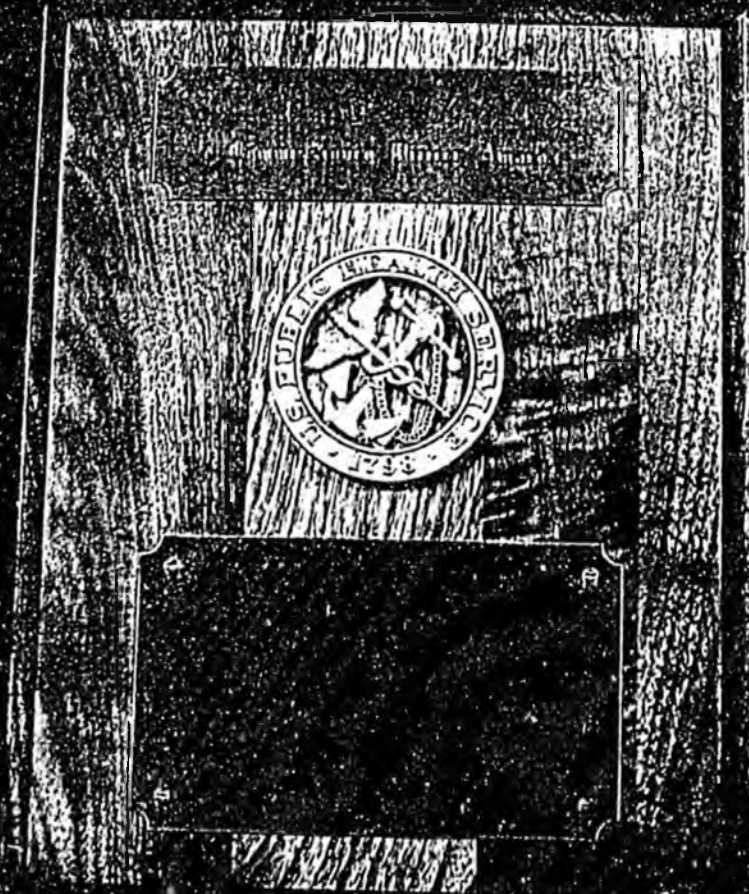
For his sustained superior performance

as a

Field Engineer and Design Engineer

1980

## PHS Citation

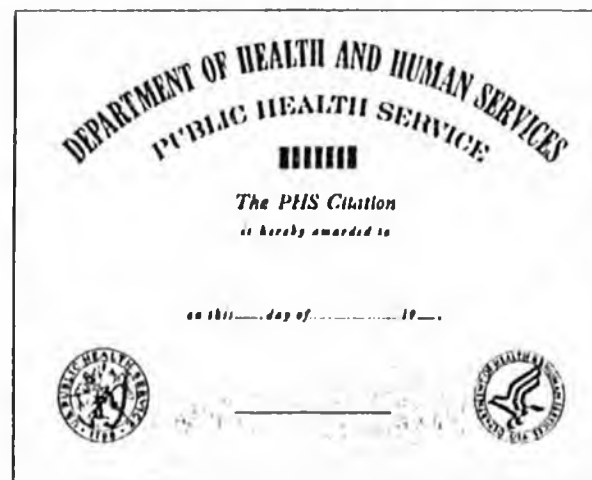


The PHS Citation is presented to an officer in recognition of noteworthy accomplishments in the performance of duty. This could include special contributions toward the attainment of program objectives, sustained above-average performance of duty, and high quality performance of duty over a relatively short period of time.

The PHS citation may also be awarded to an officer at the time of separation or retirement.

The Citation consists of a ribbon bar and a certificate. The ribbon is maroon with three central stripes of salmon bordered by two dark blue stripes, all separated by narrow white stripes.

At the discretion of the awarding official, a plaque may be presented, consisting of a metal PHS seal mounted on a walnut base with a brass plate on which is engraved the officer's name and award citation.



## memorandum

DATE: March 25, 1983

REPLY TO  
ATTN OF: District Design Engineer  
Alaska Area Native Health Service

Refer to: A-EHB

SUBJECT: Resignation of James L. Patterson from Active Duty

TO: Director, OEH, Headquarters

Through: Chief, SFCB, Headquarters

I want to take this opportunity to express my sincere gratitude for the opportunities you've offered me during the last five years (1977-1983) and the previous three years (1972-1975).

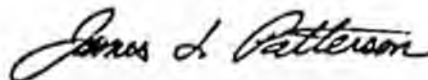
This experience, as a field engineer, design engineer, and district design engineer made me a lot more knowledgeable and capable in the profession of environmental health engineering. I look forward with great anticipation of using many of the skills I've learned while in your service.

From my point of view, I'd like to suggest something that might help you and engineers in the Commissioned Corps personnel system in the future. Quite candidly, I must say that I was discouraged to learn that I would be bound by the Service to meet program staffing needs in a location not otherwise indicated in my annual "Personnel and Assignment Preference Data" form. For the past five years, I filled in each annual assignment preference form with the intent of relocating voluntarily to one of the locations indicated. It has always been my understanding that these forms were completed to fully assist Office of Environmental Health (OEH) in my reassignment. Much to my recent anguish, I learned that the Service would not consider any other option but the specific undesired location and duty assignment necessary to meet the Service's needs. In light of my recent experience, I recommend the development and implementation of a simple, equitable, and explainable system to select individuals for reassignments. OEH should pursue the issue of involuntary mobility with the desire to retain capable engineers through the application of a consistent policy.

I sincerely trust that you will accept this idea in the spirit in which it is offered.

I will, of course, help in orienting the engineer you select should you decide to fill my position. I would like to continue my association with the Service in a positive manner by being placed on the inactive reserve status in June 1983.

I would like to thank the Environmental Health Branch staff in Alaska for being a part of the preventive health team and in providing me an opportunity to practice engineering with a wide range of applications to fulfill our mission of improving the health of the Alaskan people.



James L. Patterson  
Engineer Officer

cc: Chief, Design Unit, Anchorage  
Chief, SFCB, Anchorage  
Director, EHB, Anchorage

OPTIONAL FORM NO. 10  
(REV. 1-80)  
GSA FPMR (41 CFR) 101-11.6  
5010-114

STATEMENT OF SERVICE - VERIFICATION OF STATUS  
OF COMMISSIONED OFFICERS OF THE U. S. PUBLIC HEALTH SERVICE

SECTION I - PERSONAL DATA SSAN# 542-56-3495

1. NAME (Last) (First) (Middle)			2. SERVICE NUMBER			
PATTERSON JAMES LEE			PHS- 37522			
3. DESCRIPTION	SEX	RACE	COLOR HAIR	COLOR EYES	HEIGHT	WEIGHT
	--	--	--	--	--	--
4. DATE OF BIRTH		5. PLACE OF BIRTH			6. SELECTIVE SERVICE NUMBER	
NOVEMBER 12, 1950		PORTLAND, OREGON			N/A	
7. NUMBER AND ADDRESS OF SELECTIVE SERVICE LOCAL BOARD WHERE REGISTERED (Street and No. or R.F.D. No.)			CITY, TOWN OR COUNTY, ZONE		STATE (Abbr.)	
NO. N/A						
8. PERMANENT ADDRESS FOR MAILING PURPOSES (Street and No. or R.F.D. No.)			CITY, TOWN OR COUNTY, ZONE		STATE (Abbr.)	
4243 PINNACLE CIRCLE			ANCHORAGE 99504		AK	

SECTION II - SERVICE DATA - PUBLIC HEALTH SERVICE

9.  WAS APPOINTED AND CALLED TO ACTIVE DUTY IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE AS A \_\_\_\_\_ EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

10.  WAS APPOINTED A \_\_\_\_\_ IN THE INACTIVE RESERVE CORPS OF THE PUBLIC HEALTH SERVICE. EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

11.  WAS PLACED ON ACTIVE DUTY IN THE RESERVE CORPS OF THE PUBLIC HEALTH SERVICE AS A \_\_\_\_\_ EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

12.  WAS RELEASED FROM ACTIVE DUTY IN PUBLIC HEALTH SERVICE TO INACTIVE RESERVE CORPS. EFFECTIVE JULY 15, 1983.

WAS RETIRED FROM PUBLIC HEALTH SERVICE EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

COMMISSION IN PUBLIC HEALTH SERVICE WAS TERMINATED. EFFECTIVE \_\_\_\_\_ 19\_\_\_\_.

13. DATE OF SEPARATION. PUBLIC HEALTH SERVICE	14. RANK AT TIME OF SEPARATION. PUBLIC HEALTH SERVICE
JULY 15, 1983	ENGINEER OFFICER (R)
15. TYPE OF SEPARATION. PUBLIC HEALTH SERVICE	16. CHARACTER OF SEPARATION. PUBLIC HEALTH SERVICE
INACTIVATION	HONORABLE
17. REASON AND AUTHORITY FOR SEPARATION. PUBLIC HEALTH SERVICE	
RELEASE FROM ACTIVE DUTY: PERSONNEL ORDER No. 3132 DATED 5-12-83	
18. ACTIVE DUTY DATES. PUBLIC HEALTH SERVICE	
JULY 1, 1977 THROUGH JULY 15, 1983	

SECTION III - MILITARY SERVICE DATA

19. PERIODS OF MILITARY SERVICE	CHARACTER OF SEPARATION	AUTHORITY
NONE TO . INCL.		

20. PERIODS OF SERVICE UNDER ITEM 19 SERVED OUTSIDE CONTINENTAL UNITED STATES

NONE

21. REMARKS

SGLI COVERAGE - \$35,000.

*E.M. Morningstar*

for RICHARD J. BERTIN, PHD  
ACTING CHIEF, OFFICER SERVICES BRANCH

~~COMMUNICATIONS OPERATIONS BRANCH~~  
Commissioned Personnel Operations Division  
Office of Personnel Management, OM

Issued this 15th day of JULY, 1983.

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PUBLIC HEALTH SERVICE  
5600 FISHERS LANE, ROCKVILLE, MD., 20857

PERSONNEL ORDER NUMBER 3132.023  
INACTIVATION

EFF: 07-15-83

05-12-83  
NOA: 3101

PATTERSON, JAMES L.  
PO BOX 7-741  
ANCHORAGE AK 99510

PHS#: 37522  
SSAN: 542-56-3495

PERM GRADE: O-3 SR.ASSISTANT ENGINEER OFFICER  
TEMP GRADE: O-4 ENGINEER OFFICER  
CATEGORY: ENGINEER OFFICER CORPS: RESERVE ACTIVE

HOME OF RECORD: FORT COLLINS CO  
HRSA, IHS, ALASKA NATIVE HEALTH AREA OFFICE, ENVIRONMENTAL HLTH BR, SANTAN  
FACLS CONSTRUCTION SECT  
FORWARDING ADDRESS:

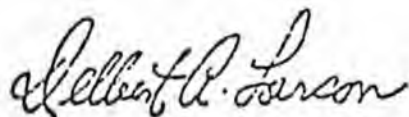
4243 PINNACLE CIRCLE ANCHORAGE AK 99504

RELIEVED DUTY ASSIGNMENT: 07-05-83  
AUTHORIZED TRAVEL TO: FORT COLLINS CO  
RELIEVED ACTIVE DUTY: 07-15-83  
CAN(PAY): 33592120  
CAN(TVL): 33592120 ACCT PT(TVL): 59

JOINT TRAVEL REGULATIONS  
TRAVEL DIRECTED IS NECESSARY  
PERMANENT CHANGE OF STATION  
PRIVATELY OWNED CONVEYANCE IS AUTHORIZED  
AUTHORIZED SHIPMENT OF PRIVATELY OWNED AUTOMOBILE  
AUTHORIZED 25 LBS. ACCOMPANIED EXCESS BAGGAGE PER PERSON  
AUTH. USE ALASKA STATE FERRY SYSTEM  
AUTHORIZED 1000 LBS. AIR FREIGHT

PURSUANT TO P.L. 97-60, OFFICER IS ENTITLED TO ALLOWANCES FOR HIS/HER  
PERSONAL TRAVEL UPON TERMINATION, INACTIVATION OR RETIREMENT ONLY FOR  
TRAVEL ACTUALLY PERFORMED.

ON RELEASE FROM ACTIVE DUTY OFFICER REVERTS TO PERMANENT  
GRADE OF O-3 SA ENG (R)



DIRECTOR

Engineer Director

COMMISSIONED PERSONNEL OPERATIONS DIVISION

**Distinguished  
Recognition  
of Service  
by  
State Officials**

MARK O. HATFIELD, OREG., CHAIRMAN

TED STEVENS, ALASKA  
LOWELL P. WICKEN, JR., CONN.  
JAMES A. MC CLURE, IDAHO  
PAUL LAXALT, NEV.  
JAKE BARN, UTAH  
THAD COCHRAN, MISS.  
MARK ANDREWS, N. DAK.  
JAMES ABONOW, S. DAK.  
ROBERT W. KASTEN, JR., WIS.  
ALFONSE M. D'AMATO, N.Y.  
MACK MATTINGLY, GA.  
WARREN RUDMAN, N.H.  
ARLEN SPECTER, PA.  
PETE V. DOMENICI, N. MEX.

JOHN C. STENNIS, MISS.  
ROBERT C. BYRD, W. VA.  
WILLIAM PROXMIRE, WIS.  
DANIEL K. INOUE, HAWAII  
ERNEST F. HOLLINGS, S.C.  
THOMAS F. EAGLETON, MO.  
LAWTON CHILES, FLA.  
J. BENNETT JOHNSTON, LA.  
WALTER D. HUDDLESTON, KY.  
QUENTIN N. BURDICK, N. DAK.  
PATRICK J. LEAHY, VT.  
JIM SASSER, TENN.  
DENNIS DE CONCI, ARIZ.  
DALE BUMPERS, ARK.

J. KEITH KENNEDY, STAFF DIRECTOR  
FRANCIS J. SULLIVAN, MINORITY STAFF DIRECTOR

## United States Senate

COMMITTEE ON APPROPRIATIONS  
WASHINGTON, D.C. 20510

August 20, 1983

Jim Patterson  
Chin & Mayo Inc.  
1113 W. Fireweed Lane  
Anchorage, Alaska 99503

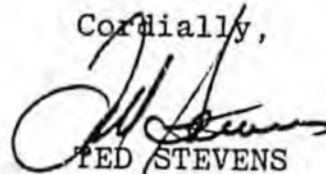
Dear Jim:

I read recently in the Anchorage Times that you have been appointed senior engineer of Chin & Mayo Inc. Congratulations to you.

Your prior experience with utility projects throughout the state will be an asset to you in your new position, I'm certain.

With best wishes,

Cordially,



TED STEVENS

POSTAGE AFFIXED

BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 22, 1985

Mr. Jim Patterson  
Engineer  
Department of Environmental  
Conservation  
437 E Street, Suite 200  
Anchorage, AK 99501

Dear Jim:

It was nice meeting you on my recent visit to  
the Department of Environmental Conservation.

I can appreciate the problems you encounter  
with village sanitation, Jim, and would  
appreciate any input on the subject.

Sincerely,

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

Bill Sheffield  
Governor

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU  
99501

RECEIVED  
STATE OF ALASKA  
STATE FIDELITY FOR  
TRANSMISSION

RECEIVED  
FEB 22 1985

Mr. Jim Patterson  
Engineer  
Department of Environmental  
Conservation  
437 E Street, Suite 200  
Anchorage, AK 99501

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

December 18, 1989

Mr. James L. Patterson  
Division of Facility Construction  
and Operation  
Department of Environmental  
Conservation  
Anchorage, Alaska

Dear Mr. Patterson:

I am pleased to acknowledge your five years of service with the State of Alaska. I am proud of our dedicated and professional public work force. It is the know-how and commitment of State employees that assures consistent delivery of important public services.

It is not often that the general public appreciates the critical role and service of government employees. Yours is often a job with few "thank yous." I know that this letter and five-year pin are only small gestures, but they carry with them a large "thank you."

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper".

Steve Cowper  
Governor



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

February 24, 1975

ALASKA AREA NATIVE HEALTH SERVICE  
BOX 7-741  
ANCHORAGE, ALASKA 99501

Refer to: A-OEH

Herman J. Kolseus  
Professor of Civil Engineering  
Civil Engineering Department  
Colorado State University  
Fort Collins, CO 80523

Dear Professor Kolseus:

It is with pleasure that I write a letter of reference for Mr. James Patterson. Mr. Patterson has served as a Field Engineer with the U.S. Public Health Service in Alaska for over two years. During this period he has saved the government much time and money through his excellent management of engineering projects.

Mr. Patterson is definitely one of our most capable young engineers. By combining his technical expertise with his mature judgement he is often able to arrive at creative solutions to some very difficult problems, which are aggravated by extreme weather conditions, rugged terrain and lack of adequate transportation and communication systems.

He is a determined and bright young man who will see anything he begins through to completion. I am confident he will be successful in all of his endeavors. I strongly recommend that he be accepted for graduate training.

Sincerely,

Fred M. Reiff, P.E.  
Sanitary Engineer Director  
Chief, Office of Environmental Health

rjg



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

February 28, 1975

Refer to: A-GEH

ALASKA AREA NATIVE HEALTH SERVICE  
BOX 7-741  
ANCHORAGE, ALASKA 99501

S. K. Bhagat, Ph.D.  
Professor and Head of Environmental Engineering  
Department Civil and Environmental Engineering  
Washington State University  
Pullman, Washington 99163

Dear Professor Bhagat:

I would like to provide the Admissions Committee with information pertinent to the application of James L. Patterson for admission to the Master of Science program in Civil Engineering.

I have known Jim for approximately 9 months and am presently his immediate supervisor in the Sanitation Facilities Construction Branch of the Alaska Native Health Service. For the past 2-1/2 years Jim has been responsible for design and construction of various components of municipal water and wastewater systems serving Native villages in Southeast Alaska. He is presently administering a construction budget of over \$400,000 and is designing a secondary treatment plant.

Jim is effective in his job, personable and eager to learn. He is mature, conscientious, and excels in organizational ability. In my opinion Jim is an excellent candidate for admission to the Masters program. His background and experience will be invaluable to students with less practical exposure during those in and out of class "rap sessions" that are so much a part of the graduate school experience.

Because of his experience, Jim will be of considerable value to you in the management of a research project or in some other capacity where his organizational abilities can be utilized. I'm sure he would appreciate both the challenge and the opportunity to earn part of the cost of his further education.

Sincerely,

Charles L. Eggener, P.E.  
Sanitary Engineer  
Southeastern District Engineer

rjg

## memorandum

Alaska Area Native Health Service  
Box 7-741, Anchorage, Alaska 99510

DATE: January 5, 1980

REPLY TO  
ATTN OF: A-EHB

SUBJECT: New District Design Engineer

TO: ALL EHB EMPLOYEES

Effective immediately, Mr. Jim Patterson has been selected to fill the District Design Engineer position vacated by Gary Pawluk (Southern District).

Mr. Patterson has served as a Senior Design Engineer with the Environmental Health Branch since July 1977 and was a Field Engineer for this office from June 1972 to July 1975. He holds a Master's Degree in Sanitary Engineering from Colorado State University and is a registered engineer in the States of Alaska and Colorado.



John R. DeLapp, P.E.  
Sr. Engineer Officer  
Chief, Design Unit

cc: Dick Peterson, A-FCS  
Christie Gutierrez, A-FPU

RECEIVED

JAN 7 1981

EHB AREA



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

SB 118

Claiming Service As A Commissioned Officer Of The  
United States Public Health Service

AS 39.35.340 is amended to allow credit for service as a commissioned officer of the Public Health Service. The cost to claim this service is the full actuarial cost based on the members full or annualized vesting year salary.

The amendment also allows for an administrative fee to be charged to the employee covering the costs of processing the claim. Costs of administering the plan are shared by all employers and as such it would be unrealistic to break out a small component of cost that would not effect many employees.

To provide an indication as to the potential cost to employees that are eligible to claim PHS time, I have provided three scenario's. These calculations assume a vesting year salary of \$50,000.00 with a calculation based on ages 35, 40 and 45. I have used these assumptions because only physicians, dentists, optometrists or specified engineers are commissioned officers of the PHS. As such, their salaries would tend to be higher as would their age at vesting.

While we don't have an idea as to how many years each eligible employee may have, I have based the examples on a cost per year basis. The calculations are as follows:

<u>Age</u>	<u>Salary</u>	<u>Act. Cost</u>	<u>Cost per yr of Svc.</u>
35	\$50,000	9.315	\$4,657.50
40	\$50,000	12.217	\$6,108.50
45	\$50,000	15.699	\$7,849.50

Prepared by Robert Stalnaker, Director  
Division of Retirement and Benefits -- 4/13/93  
State Department of Administration

UNITED STATES PUBLIC HEALTH SERVICE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

Statement of service as a U.S. Public Health Service Commissioned Officer

This document is the official statement of service performed by the officer named below and is true and correct as of the issuance date.

Name: WOLF, THOMAS S. Birth date: 09/04/54  
2415 SUSITNA DRIVE SSAN : 574-16-8351  
ANCHORAGE AK 99503 Pay grade : O-3, SA ENG  
PHS number: 47219

Profession: Engineer Specialty : ENG-CIVIL

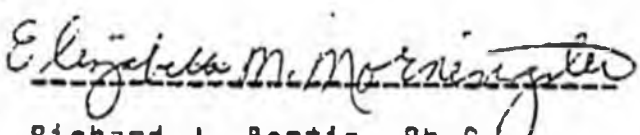
SEGLI coverage amount: \$35,000 VEA participation: No

Type of separation : Inactivation  
Character of separation: honorable  
Authority : Personnel order 213.009  
Separation date : 10/20/84

Dates of service as a U.S. Public Health Service Commissioned Officer.

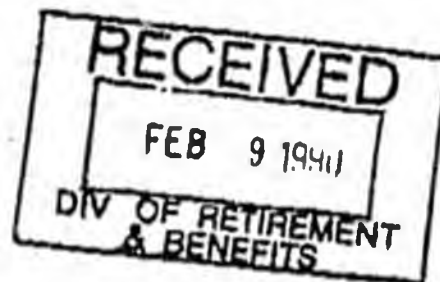
Last tour of active service: From 05/16/78 thru 10/20/84  
Net service this period Years: 6 Months: 5 Days: 5  
Total PHS active service Years: 6 Months: 5 Days: 5

Issued this 23 day of October 1984.

*for*   
Richard J. Bertin, Ph.D.  
Chief, Officer Services Branch  
Commissioned Personnel Operation Division  
Office of Personnel Management, OM

Never give this document away. Always use a photocopy when asked to provide proof of PHS service.

( Formerly PHS 1867 - Equivalent to DD 214 )





STATE OF ALASKA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Pouch CR, Juneau, Alaska 99811

APPLICATION AND SALARY VERIFICATION FOR  
MILITARY SERVICE CREDIT

Name (First, Middle, Last) <b>THOMAS, SCOTT, WOLF</b>		Social Security Number <b>574-16-8351</b>	
Address (Street or P.O. Box) <b>2415 SUSITNA DRIVE</b>	(City) <b>ANCHORAGE</b>	(State) <b>ALASKA</b>	(Zip Code) <b>99517</b>

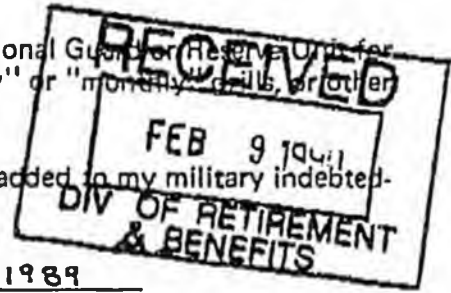
Employee of:  
State of Alaska, Department of \_\_\_\_\_  
Or Name of Political Subdivision MUNICIPALITY OF ANCHORAGE / ANCHORAGE WATER & WASTEWATER UTILITY

I wish to claim 6 years, 5 months, and 5 days of active military service. I have enclosed legible copies of my report of separation forms (DD or CG forms 214 or other documentation) which show beginning and ending dates of active duty to substantiate this claim.

I certify that no portion of the Active Military Service being claimed was with a National Guard or Reserve Unit for Active Duty Training, which is commonly referred to as "summer camp", "weekly" or "monthly" drills, or other special school courses.

I understand that compound interest at the rate prescribed by regulation shall be added to my military indebtedness until paid in full or retirement, whichever occurs first.

I became vested (five paid up years of creditable service) on: September 4, 1989  
Month/Day/Year



9/13/89  
(Date)

[Signature]  
(Signature)

PLEASE REQUEST YOUR PAYROLL/PERSONNEL OFFICE TO COMPLETE THE SALARY VERIFICATION PORTION OF THIS FORM (SEE SIDE 2) PRIOR TO SUBMITTING APPLICATION TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

APPLICANT - DO NOT WRITE BELOW THIS LINE

FOR RETIREMENT SYSTEM USE ONLY

CREDITABLE ACTIVE MILITARY SERVICE COMPUTATION

<u>Entry into Active Duty</u>	<u>Separation from Active Duty</u>	<u>Creditable Service</u>	
_____	_____	_____	Years
_____	_____	_____	Years
_____	_____	_____	Years
Total Years of Creditable Active Military Service			_____

Vested: \_\_\_\_\_

Signature of Retirement System Representative Making Verification and Computation of Service



Can you estimate actual cost  
for the group? -

Yes we can

- provide the p. ... cost in other claims
- see other groups "knocking @ the door?"

proceedings

4/16/93

Rick Whitbeck

Art Ronimus - age 43

10 1/2 yrs w/ PHS - lost when he left

Jerry Wolf

lifelong AK 6 1/2 yrs w/ PHS

Dr. Mike Beller - med. doctor (epidemiologist)

as coun. officer  
came to AK in 1987 & served for 2 yrs

Mike Torres

John Middaugh

Jim Patterson

Steve Cambridge

PHS - saw part in state housing

Bob Stalnsker

residual costs - adverse selection

30K = adverse selection

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 118

Revision Date: \_\_\_\_\_ Dept. Affected: All State Agencies  
 Title: An Act permitting certain public health officers to BRU: All State Agencies  
receive credited service in PERS Component: All State Agencies  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	1.9	1.9	1.9	1.9	1.9	1.9
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
<b>TOTAL OPERATING</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>

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

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.9	1.9	1.9	1.9	1.9	1.9
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>TOTAL</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>

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 (FY93) impact: \$ zero

ANALYSIS: (attach a separate page if necessary.) This bill will also increase personal service costs to political subdivisions by approximately \$.9. The increase in the contribution rate is immeasurable. This bill will increase the unfunded liabilities of the PERS by approximately \$30,000; the decrease in the funding ratio is not measurable.

Prepared By: Robert F. Stalnaker *MR Campbell* Phone: 465-4470  
 Division: Retirement and Benefits Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usena Date: 4/8/93  
 Agency: Department of Administration

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# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 118

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: "An Act permitting certain public health service officers to receive credited service" BRU: State Health Services  
 Sponsor: Leman Component: Public Health Administration  
 Requestor: State Affairs COMPONENT SERIAL NO. 292

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

REVENUE FUND SOURCE						
---------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

FUNDING	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

POSITIONS	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: None

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

Crediting service years with the United States Public Health Service in the state retirement system will not have a fiscal impact upon the Division of Public Health.

Prepared by: Peter M. Nakamura, MD, MPH  
 Division: Division of Public Health

Phone: (907) 465-3090  
 Date: April 5, 1993

Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Date: 4/6/93

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128

BS

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347

### MEMORANDUM

TO: The Honorable Randy Phillips  
Chairman, Legislative Budget  
and Audit Committee

FROM: Randy S. Welker *Randy*  
Legislative Auditor

DATE: February 13, 1993

RE: Audit Recommendation Follow-up Process

The attached table outlines a procedure that could be used to provide an ongoing follow-up process to the special/performance audit recommendations made by the Division of Legislative Audit.

The process we recommend involves using the Office of the Governor's Office of Management and Budget (OMB). Within OMB is the Division of Audit and Management Services. This division is staff with auditors who would have the necessary qualifications to adequately address the issues. I have not discussed these procedures with OMB, so I do not have an indication of their willingness to earnestly participate.

While the procedures I have outlined are lengthy, I believe that the majority of them could be adopted as LBA procedures and I would recommend that only the critical steps be placed in statute. The following outlines those items I think should be statutory requirements:

AS 24.20.311 should be amended to read:

**Sec. 24.20.311. Reports.** The committee shall file copies of its approved audit reports including any committee recommendations with the governor, the agency concerned and the legislature. Committee recommendations may include items requiring follow-up by the Office of Management and Budget under AS 24.20.312. An annual report summarizing....

(continued)

AS 24.20 is amended by adding a new sections to read:

**Sec. 24.20.312. Audit Recommendation Follow-up.** (a) The Office of Management and Budget is responsible for the review, resolution of differences, and follow-up on recommendations made by the legislative auditor and filed with the governor under AS 24.20.311.

(b) For follow-up items with which the audited agency concurs, the office shall monitor the agencies progress towards full implementation. For items with which the agency partially or fully disagrees, the office shall review the position of the legislative auditor and the agency. The office shall then either seek the governor's directive to implement the recommended action or report to the committee and the legislative auditor within sixty days with an alternative resolution or final position of opposition.

(c) By January 31, the office shall submit a report to the committee and the legislative auditor on the follow-up items filed with the governor during the previous calendar year. The report shall address the degree of implementation or continued opposition to the follow-up items.

(d) The legislative auditor shall review the report submitted by the office and make recommendations to the committee on the disposition of each follow-up item. The auditor may recommend closure of an item fully implemented, closure through waiver of implementation for a stated cause, or continued monitoring by the office for an additional year. The committee shall make the final determination on closure or continued monitoring by the office.

I have not developed a detailed "follow-up" format, but it would not be difficult to do. The process outlined in the attached pretty well identifies the type of information we would want to get from the audited agencies.

The committee procedures could also provide for our follow-up reporting to the committee by January 31 of the recommendations made in our single audits (financial). The committee could also refer any of those recommendations to OMB for follow-up resolution as well.

<b>AUDIT RECOMMENDATION FOLLOW-UP</b>			
<b>AGENCY</b>		<b>ACTION</b>	<b>DISCUSSION</b>
1.	Leg. Audit	Preliminary Audit submitted to LBA will include an "Audit Follow-up Summary".	"Audit Follow-up Summary" will contain those items the Leg. Auditor believes should be tracked.
2.	LBA Committee	Review report and summary; approve for release to agency for response.	In normal LBA process, would require response to audit and completion of information requested on the "Audit Follow-up Summary".
3.	Audited Agency	Agency would prepare response to the audit report and complete the "Audit Follow-up Summary" within 20 days.	In addition to normal agency response, the "Summary" would require info such as agreement, partial agreement or disagreement; detail timeline, position responsible for implementation, limitations on implementation.
4.	Leg. Audit	Formal Response and "Summary" included in report for final presentation to LBA.	Like current process, audit response and "Follow-up Summary" would be included in final audit presented to LBA.
5.	LBA Comm.	Approve release of audit to public and "Follow-up Summary" to Gov./OMB.	Release procedures would include the transmittal of the "Summary" to OMB.
6.	OMB	OMB responsible for review, resolution of differences and follow-up.	For follow-up items the agency agrees with, OMB would monitor the progress of implementation; for items of partial or full disagreement, OMB review positions of auditor and agency, then seek gov. directive to implement or report back to LBA and Leg. Auditor w/in 60 days w/ alternative solution or final position of opposition.
7.	Leg. Auditor	Make interim reports to LBA on acceptability of alternatives proposed by OMB and final rebuttal on position of opposition.	As necessary, the Leg. Auditor will keep the Committee apprised of the ongoing monitoring and review by OMB. Particular focus will be on areas of opposition.
8.	LBA Comm.	Consider interim actions.	The Committee at any time could exercise options such as formal communication to the Governor, requesting Commissioner or agency personnel to appear before LBA.

AUDIT RECOMMENDATION FOLLOW-UP		
AGENCY	ACTION	DISCUSSION
9. OMB	Submit Annual Report on Follow-up to LBA and Leg. Auditor.	By Jan. 31 OMB would be required to issue a report to the LBA and the Leg. Auditor detailing the extent of departmental implementation of "Follow-up Summary" items. Report would be required for all items issued in previous year detailing degree of implementation, lack of implementation, or continued opposition to recommendations.
10. Leg. Auditor	Review report, make any necessary verification inquiries, and report to the LBA with recommended action.	The review would include acceptance of status reported and recommendation to LBA on an item by item basis for (1) closure-fully implemented, (2) continued monitoring for additional year and report following Jan. 31, (3) closure- waiver of implementation for stated cause.
11. LBA	Review OMB Annual Report and Leg. Auditor suggested recommendations on action.	LBA would have final determination on closure recommendations and those items referred back to OMB for continued follow-up during next year. For items not closed, consider any or all options available: (1) Commissioner and/or agency personnel called before the LBA for discussion, (2) Referral of item to Finance Committee's for continued discussion during budget deliberations, (3) Formal communication with Gov., (4) Recommend OMB impound funds until adequate progress is made towards implementation, (5) Recommend the Finance Committees or Conference Committee assess a misc. reduction or conditioned appropriation budget item until implementation.

Sen. Randy Phillips  
Chairman  
Rep. Terry Martin  
Vice Chairman  
Sen. Al Adams  
Sen. Steve Frank  
Sen. Steve Rieger  
Sen. Bert Sharp  
Rep. John Davies  
Rep. Mark Hanley  
Rep. Ron Larson  
Rep. Eileen MacLean

# State of Alaska



Session  
Rm. 103  
State Capitol  
Juneau, AK 99801  
(907) 465-4949

Interim  
P.O. Box 142  
Eagle River AK 99577  
(907) 694-4949

## Legislative Budget and Audit Committee

### Memorandum

TO: Senator Loren Leman, Chairman  
Senate State Affairs Committee

FROM: Senator Randy Phillips  
Legislative Budget and Audit Committee

DATE: March 9, 1993

RE: Sponsor Statement in support of:  
Senate Bill 128, "An Act relating to legislative audits."

Senate Bill 128 was introduced to provide a systematic follow up procedure for recommendations made by the Legislative Auditor.

Currently Alaska's statute provides no formal follow up procedure for the recommendations of the Legislative Auditor. While the Auditor does review the status of prior year recommendations, the Auditor has no enforcement powers.

Senate Bill 128 would require that the Office of Management and Budget (OMB) work with agencies on the implementation of audit recommendations and to report to the Legislature on the status of these recommendations.

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347

### MEMORANDUM

**TO:** The Honorable Randy Phillips  
Chairman, Legislative Budget  
and Audit Committee

**FROM:** Randy S. Welker  
Legislative Auditor

**DATE:** March 9, 1993

**RE:** SB 128 - An Act relating to legislative audits

Senate Bill 128 was introduced to enhance the implementation rate of recommendations contained in audit reports issued by the Division of Legislative Audit. The Audit Division does not have enforcement powers. Therefore, we must rely on our ability to convince the audited agency that our recommendations have merit and would improve financial accountability and/or improve the efficiency, effectiveness and economy of state operations.

Often, agencies agree with our recommendations in their response to the audit report. Other times, the agency disagrees in part or entirely with our recommendations. Regardless of the agreement or disagreement, we believe that a formal system of follow-up on audit recommendations is necessary.

We presently review the implementation of recommendations made in our annual financial/compliance Single Audit of the State of Alaska. Each year's audit addresses the status of recommendations made in the prior year audit. We presently do not have a systematic method to follow up on items contained in our performance or special audits.

The responsibility for implementing audit recommendations rests with the administration. It is our responsibility to ensure that the agencies have an effective system for resolving audit differences and pursuing implementation. Senate Bill 128 provides the framework for that system of follow-up within the Office of Management and Budget (OMB).

The Division of Audit and Management Services within OMB is staffed with auditors who have the necessary qualifications to adequately address the issues raised in our reports. The attached table should give you some idea of the number of recommendations we issue in a year. This table was prepared from the highlighted recommendations in the audit digests contained in the 1992 Annual Report of the Legislative Budget and Audit Committee. As you can see, recommendations were made to virtually every department and to many other state entities. According to language in the bill, the Legislative Budget and Audit Committee would not necessarily refer all recommendations to OMB.

OMB would have the responsibility to monitor the implementation of those items with which the audited agency agrees and to seek resolution of items with which the audited agency disagrees in whole or in part.

Please contact me if I can provide any additional information.

Attachment

**SUMMARY OF AUDIT RECOMMENDATIONS BY DEPARTMENT - 1992 AUDITS**

AUDIT ↓	DEPARTMENT	GOV	DOA	LAW	DOR	DOE	HSS	LAB	CED	MVA	DNR	DFG	DPS	DEC	DOC	CRA	DOT	UNIV	OTHER
SWSA '91		1	9	1	2	8	11	1	1	1		3	1	2		1	20		
AKPAY Controls			9																
State Publications			3																
OPA			9																
Statewide Procurement		3	4	3	4	2	5	1						1	3	3	5	1	7
Employee Incentive Award Program			4																1
PFDD					6														
DOR-Income & Excise Tax Audit Division					5														
Special Education Agency						3													
PERA Impact on School Districts						1													1
DFYS							5												
Selected Abortion Issues							3												
Medicaid Rate Advisory Commission Rate Setting Issues							4												
5 Licensing Board Audits									5										
Big Game Commercial Services Board- Consistency of Penalties													2						
AEA/DEC - Circuit Rider Maintenance Program & Remote Maintenance Worker Program									2										
Alaska Tourism Marketing Council									6										
Submerged Lands Recalculation Project											1								
Wood-Tikchik State Park											1								
OHSR Corps and Emergency Response Depots										3				5					
Intensive Supervision Surveillance Program															4				
<b>TOTALS BY DEPARTMENT (187)</b>		<b>4</b>	<b>38</b>	<b>4</b>	<b>17</b>	<b>14</b>	<b>28</b>	<b>2</b>	<b>14</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>7</b>	<b>4</b>	<b>25</b>	<b>1</b>	<b>9</b>

Other Column is made up of: Permanent Fund Corporation (1), Alaska Science and Technology Foundation (1), Alaska Railroad Corporation (1), Alaska Court System (3), Alaska Energy Authority (1), and recommendations for Legislation to the Alaska Legislature (2)

Sen. Randy Phillips  
Chairman  
Rep. Terry Martin  
Vice Chairman  
Sen. Al Adams  
Sen. Steve Frank  
Sen. Steve Rieger  
Sen. Bert Sharp  
Rep. John Davies  
Rep. Mark Hanley  
Rep. Ron Larson  
Rep. Eileen MacLean

# State of Alaska



## Legislative Budget and Audit Committee

Session  
Rm. 103  
State Capitol  
Juneau, AK 99801  
(907) 465-4949

Interim  
P.O. Box 142  
Eagle River AK 99577  
(907) 694-4949

### Sectional Analysis

SB 128

#### Section 1:

Provides that the Legislative Budget and Audit Committee may identify audit recommendations that will be monitored by the Office of Management and Budget.

#### Section 2.

(a) Provides that the Office of Management and Budget shall be responsible for monitoring the implementation of those audit recommendations identified by the Legislative Budget and Audit Committee.

(b) Provides that the Office of Management and Budget report to the Legislative Auditor and to each member of the Legislative Budget and Audit Committee on the status of audit recommendations.

#### Section 3.

Adds the monitoring of audit recommendations to the duties of the Office of Management and budget

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSSB 128 (STA)

Revision Date: March 17, 1993 Dept. Affected: Governor's Office (OMB)  
 Title: "An Act Relating to Legislative Audits" BRU: \_\_\_\_\_  
 Component: \_\_\_\_\_  
 Sponsor: Senate Rules by Request of LB&A  
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact \$ -0-

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

Prepared by: Portia Babcock, Senate State Affairs Committee Staff Phone: 465-4522  
 Division: Senate State Affairs Committee Date: March 17, 1993  
 Approved by Commissioner: Senator Loren Leman, Chairman Date: March 17, 1993  
 Agency: Senate State Affairs Committee

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*passed 20-0  
4/24/93*

**CS FOR SENATE BILL NO. 128(STA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE STATE AFFAIRS COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND  
AUDIT COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to legislative audits."**

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

3 **\* Section 1. AS 24.20.311 is amended to read:**

4           Sec. 24.20.311. REPORTS. The Legislative Budget and Audit Committee  
5 [COMMITTEE] shall file copies of its approved audit reports including any committee  
6 recommendations with the governor, the agency concerned, and the legislature. A  
7 committee recommendation involving an agency in the executive branch may  
8 identify an item for monitoring under AS 24.20.312. An annual report summarizing  
9 the audit reports and committee recommendations made during the year shall be filed  
10 with the governor and with the legislature within the first five days of each regular  
11 session of the legislature. Reports shall be approved by a majority of the committee  
12 before their release and shall be open to public inspection after their release to the  
13 legislature.

14 **\* Sec. 2. AS 24.20 is amended by adding a new section to read:**

1           Sec. 24.20.312. MONITORING OF AUDIT RECOMMENDATIONS. (a)

2           The office of management and budget shall review each item identified for monitoring  
3           in a recommendation involving an agency in the executive branch contained in an audit  
4           report filed with the governor under AS 24.20.311. The office shall monitor the  
5           implementation of a recommended item if the audited agency agrees with it. If the  
6           agency disagrees in whole or in part with a recommended item, the office shall, within  
7           60 days after the audit report containing the item is filed with the governor (1) request  
8           the governor to direct the agency to implement the item, or (2) submit a report to the  
9           legislative auditor proposing an alternative resolution or indicating a final position of  
10          opposition to the item. A copy of the report shall be supplied by the office to each  
11          member of the Legislative Budget and Audit Committee.

12           (b) By January 31, the office of management and budget shall submit a report  
13          to the legislative auditor and a copy of the report to each member of the committee.  
14          The report must explain the results during the previous calendar year of the monitoring  
15          of each item under (a) of this section. The legislative auditor shall review the report  
16          and, as to each item, recommend to the committee that the matter be closed, that  
17          implementation be wholly or partially waived by the committee, or that the committee  
18          direct the office to continue to monitor implementation.

19          \* Sec. 3. AS 44.19.145(a) is amended by adding a new paragraph to read:

20                   (12) monitor audit recommendations under AS 24.20.312.

## SENATE BILL NO. 128

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

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AUDIT COMMITTEEIntroduced: 2/22/93  
Referred: STA, FIN

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*Executive  
Branch  
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*Amendment to  
clarify "agency"*

**SB**

**129**

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347

### MEMORANDUM

TO: The Honorable Randy Phillips  
Chairman, Legislative Budget  
and Audit Committee

FROM: Randy S. Welker *Randy*  
Legislative Auditor

DATE: February 4, 1993

RE: Recommendations for Amending Procurement Statutes

This memorandum is in response to your concerns regarding continued abuse of established contracting and procurement procedures. Our recent audit on the contract for services related to opening the Arctic National Wildlife Refuge is the most recent of several reports we have issued on abuses and circumvention of contracting procedures. From this background and perspective, we offer the following suggestions about possible amendments to the procurement statutes that would improve the fairness of the procurement process and curb the continuing abuses.

#### Make the Chief Procurement Officer (CPO) more independent

A central aspect to the State's procurement procedures is the position of the CPO. The primary impetus for the creation of this oversight position was the consensus of Senator Faiks' special committee on state contracting that some independent authority was necessary to make government contracting more fair and open. The minutes of that committee's deliberations indicate that the CPO was intended to act as an independent reviewer and approval authority over government contracting. The concept had been adopted from a model governmental procurement code that served in large measure as a guide to the committee's discussions and review.

In establishing the position of CPO, AS 36.30.010 most significantly provides that removal prior to expiration of a four year term, can be only for cause. Typically directors of state agencies can be removed at the discretion of the administration. Accordingly, the "removal for cause" provision indicates that the legislature wanted the CPO to have more autonomy and authority than a typical agency director. These provisions reflect Senator Faiks'

committee's concern that some measure of independent review be introduced into the state's procurement process.

Since its inception the position of CPO has not functioned as originally intended. The Cowper administration simply gave the Director of General Services and Supply the additional title of CPO. For the most part procurement practices continued as usual. In order to reinforce the independence aspect of the CPO position, the legislature should consider prohibiting the CPO from serving in any other capacity.

The CPO has extensive authority and responsibilities, the most significant being the mandated responsibility to "*procure or supervise the procurement of all supplies, services and professional services by an agency.*" We advise that the statutes be amended to make the intended independence and oversight function of the CPO more definite and clear. One way would be to lengthen the term of office to six years rather than four. This would clearly indicate that the CPO had a status beyond a single gubernatorial term. Consideration could also be given to making the CPO subject to confirmation by the legislature. The legislature may also feel it necessary to specify the salary or pay range for the position in order to further insulate the CPO from undue influence or pressure from executive branch agencies.

#### Require CPOs to certify procurement documentation

The procurement statutes repeatedly attempt to fix responsibility for procurement determinations with the CPO. For example, AS 36.30.300 states that a sole source contract can only be awarded after the CPO has determined "*in writing that there is only one source for the procurement exists*" and that "*this written determination must include findings of fact that are supported by clear convincing evidence.*" Further the statute prohibits the CPO from delegating his responsibilities to make such determinations. Such specificity indicates that the legislature wanted the CPO to independently exercise oversight and approval over procurement decisions.

In various audits of specific procurement and contracts we found that the CPO did indeed delegate his responsibility to make independent determinations. Typically, CPOs have been approving requests for alternative procurement (that is, procurement other than competitive sealed bidding) with the caveat that their "*approval is based solely on the attached information provided by [state agency].*" Particularly in procurement that involved the Office of the Governor, past CPOs have acquiesced to the certifications of staff in that office as to the necessity or lack of alternatives when approving sole source solicitations.

In view of this, we recommend that AS 36.30 be amended to specifically require the CPO to independently make, and certify that they made, the necessary determinations for approving non-competitive procurement. More specifically, AS 36.30 could be amended to put in place requirements similar to those that fiscal officers must follow when certifying state expenditures. AS 37.10.030 states that fiscal officers are responsible for "*the existence and correctness of the facts recited in the certificate or stated on the voucher or its supporting papers and for the legality of the proposed payment under the appropriation or fund involved.*"

Accordingly, if similar requirements were inserted in AS 36.30 the CPO could be responsible for accuracy and correctness of the information used for his approvals of limited solicitations. Failure to independently review, evaluate, and verify circumstances surrounding various procurement when certifying alternative procurement requests could subject the CPO to the sanctions of AS 11.56.210, unsworn falsification. The statute makes it a class A misdemeanor to for a person submit a false written or recorded statement which he knows not to be true. Attaching such sanctions to the CPO approvals should further serve to make the CPO more vigilant, which in turn would enhance the position's independence, when approving the use of alternative procurement procedures.

It should be recognized that there are limits to how much the effectiveness of a CPO can be improved by statutory amendment. No matter how much the autonomy and independence of the position is enhanced, the attitude and inclination of the individual appointed to the position is still the most critical element to making the concept of a CPO a workable part of promoting more open and fair government procurement.

#### Six suggestions for statutory amendments

In summary, we offer the following six suggestions regarding how the State's procurement statutes could be amended to provide more open and fair procurement:

- ◆ Increase the term of the CPO to six years. (AS 36.30.010 (a))
- ◆ Prohibit the CPO from holding any other state position. (AS 36.30.010 (b))
- ◆ Require legislative confirmation of the CPO. (AS 36.30.010 (a))
- ◆ Fix CPO salary in Statute to preclude retaliation. (AS 36.30.010 (a))
- ◆ Replace "commissioner" with CPO in Limited Competition Procurement section of the Procurement Code (Note: No change recommended to commissioner of Transportation reference). (AS 36.30.305 (a))
- ◆ Add statutory requirement that the CPO must "certify" as to the existence and correctness of the facts and the legality of the proposed alternative procurement under the State's procurement code. Further, subject the certification to sanctions under AS 11.56.210. This should apply to all procurement made under Article 4. Other Procurement Methods for which the CPO has approval responsibilities. This includes sole source (AS 36.30.300), limited competition (AS 36.30.305), and emergency procurement (AS 36.30.310).

**XPRT CONSULTANTS**

9701 Brien Street  
Anchorage, Alaska 99516  
(907) 346-3416

2 April 1993

APR 5 1993

Chairman Leman and Members of the Committee

Senate State Affairs Committee

Alaska State Senate

**SUBJECT: SB 129 - Chief Procurement Officer - Recommendations and Comments**

The concept of creating a means to assure better statutory compliance is a good idea and a lofty goal, but probably won't be achieved through additional limitations on the authority of the Chief Procurement Officer (CPO).

SB 129 as proposed does have several aspects which will enhance the role and position of the CPO and which will be beneficial to the overall procurement function. However, the bill needs more work before passage to avert potential misinterpretation.

Comments and suggestions as a result of in-depth review of SB 129 are attached for your review and consideration. Also attached is brief resume of the undersigned consultant, to attest expert qualifications in the field of public procurement.

XPRT Consultants is an independent non-partisan firm established in 1982 for consultation, expert services, and representation in procurement and contracting matters.

In your deliberations, please give weight to the attached recommendations and suggestions regarding SB 129.

If I can be of any further assistance, please call (907) 346-3416.

Sincerely,



PEGGY R. THOMAS, C.P.M.

Chief Executive Officer

Attachment

cc: Senate Finance Committee

SB 129 - CHIEF PROCUREMENT OFFICER AUTHORITY - COMMENTS AND SUGGESTIONS

1  
2 Although certain past procurement transactions may have  
3 demonstrated problems regarding statutory approval, there could  
4 really be some confusion created if subject bill is enacted as  
5 proposed. Based on in-depth review, and for consistency with the  
6 existing law, the following changes should be incorporated in SB  
7 129 (SB0129a).

8  
9 Abuse of authority by ANY procurement officer, including the CPO,  
10 should be handled by appropriate discipline and/cr enforcement of  
11 existing law.

12  
13 - Sec. 2.

14  
15 AS PROPOSED:

16  
17 "AS 36.30.010 is amended by adding new subsections to read:

18 (c) The chief procurement officer may not delegate the duties  
19 of the chief procurement officer established under this chapter."

20 (d) While a person performs the duties of the chief  
21 procurement officer under this chapter, the person may not be  
22 employed in or appointed to another position with the state.

23 (e) The annual salary of the chief procurement officer is  
24 range 26, step C, of the salary schedule established in AS  
25 39.27.011."

26  
27 **RECOMMENDATION: Regarding Sec. 2. (c)**

28  
29 Suggest deletion of that portion of Sec. 2., which adds new  
30 subsection (c) to AS 36.30.010, and which prohibits CPO delegation  
31 of AS 36.30 established duties.

32  
33 **RATIONALE:**

34  
35 AS 36.30.010 sets forth (and in fact prescribes) "duties" of the  
36 chief procurement officer (CPO). This proposed amendment, would  
37 preclude the CPO's delegating authority to "procure or supervise  
38 the procurement of" supplies, services, etc. In other words, all  
39 procurement would have to be done by or under the supervision of  
40 the CPO.

41  
42 As worded, the proposed new AS 36.30.010 (c) will forbid any  
43 delegation by the CPO of procurement authority to others. AS  
44 36.30.010 (in subsection (b)) among other duties enumerated,  
45 already states:

46  
47 "Except as otherwise specifically provided in this chapter, the  
48 chief procurement officer shall (1) procure or supervise the  
49 procurement of all supplies, services, and professional services  
50 needed . . ."

SB 129 - CHIEF PROCUREMENT OFFICER AUTHORITY - COMMENTS AND SUGGESTIONS

1 It should be noted that if the wording in the presently proposed  
2 amendment (Sec. 2., adding (c) to AS 36.30.010) is retained, it  
3 will impose several undesirable supervisory and organizational  
4 relationship changes.

5  
6 Also, as drafted, Sec. 2 apparently conflicts with the concept of  
7 delegation of authority by the "commissioner" to agencies set forth  
8 in AS 36.30.015 (a) and (b). If the CPO is required by AS  
9 36.30.010 (c) to either do or to supervise all procurement, AND if  
10 the CPO is forbidden to delegate the duty of "procurement" or  
11 "supervision of procurement" to others, then all State procurement  
12 would have to be done by the CPO or under CPO supervision. This  
13 means that no other agency may do State procurement, and conflicts  
14 with the statutory provision for delegation by "commissioner" to  
15 agencies expressed in AS 36.30.015(a). Thus, in essence, the  
16 proposed amendment precludes ANY decentralization of the  
17 procurement function.

18  
19 The State Procurement Code already forbids the CPO to delegate in  
20 excess of the small purchases limitation (presently \$25,000) for  
21 the following:

- 22  
23 - sole source approval (AS 36.30.300(a)) and  
24 - limited competition approval (AS 36.30.305(a)).

25  
26 For consistency, if intent is to prohibit delegation for other  
27 specific sections of AS 36.30, the limitations should be inserted  
28 at the point in the chapter where the limit is imposed, as it is in  
29 AS 36.30.300 and 305. On the other hand, although not as  
30 consistent, and perhaps harder to read and apply, to further limit  
31 CPO's power of redelegation, a more specific statement of the  
32 limitations should be given in the proposed amendment, i.e.,

33  
34 "(c) The chief procurement officer may not delegate the duties of  
35 the chief procurement officer established under AS 36.30.010 xx,  
36 xx, xx, or AS 36.30.xxx, xxx, xxx."

37  
38 (Insert at the "xx" or "xxx" the specific subparagraphs of the  
39 section(s) for which it is intended to forbid delegation.)

40  
41 AS 36.30.560 -- 625, identify the procurement officer of the  
42 contracting agency as the person who issues appealable decisions in  
43 bid protests and/or contract disputes. If delegation by the CPO is  
44 not permitted, these references would also need to be further  
45 clarified or changed.

46  
47 The CPO should never serve in a dual capacity as both defendant and  
48 deciding official in cases of bid protest or contract controversy  
49 at the appellate level. The CPO must be allowed to delegate  
50 procurement authority to the agency level or to other procurement

SB 129 - CHIEF PROCUREMENT OFFICER AUTHORITY - COMMENTS AND SUGGESTIONS

1 officers who actually perform the procurement process. The  
2 University of Alaska Board of Regents through adopted procurement  
3 regulations and the President has designated the CPO as the  
4 appellate level for purposes of deciding bid protests and contract  
5 controversies. If the Code is amended to preclude the CPO's  
6 delegation of procurement authority, the University will of  
7 necessity have to reorganize its procurement function to eliminate  
8 creation of a conflict of interest.  
9

10 The University CPO cannot legitimately be involved in actually  
11 doing procurement transactions because the CPO is required to make  
12 appellate decisions in protests and disputes which are brought  
13 against the University and which are initially made and must be  
14 defended by the responsible procurement officer, i.e., someone  
15 other than the CPO. For the CPO to sit in judgement on appeals of  
16 his/her own decisions would be a grave conflict of interest. Thus,  
17 it is essential that the CPO may delegate procurement authority to  
18 others for conformity with the protest and conflict resolution  
19 procedures established in University regulations implementing AS  
20 36.30.  
21

22 If the CPO is constrained from delegating procurement authority to  
23 others, it will require new organization structures in both the  
24 State's purchasing department(s) and the University's.  
25

26 The executive department's autonomy to determine structure within  
27 its administrative functions would be undermined if it cannot  
28 exercise its own choice as to procurement organization structure.  
29 There should be no statutory requirement to have either a  
30 centralized or decentralized procurement office per se, leaving  
31 maximum discretion to the department(s) for delegation outside the  
32 central environment. All delegations by the CPO to others should  
33 be worded in such a way as to exclude what is forbidden by statute  
34 to be delegated, thereby assuring legal conformity.  
35

36 An appointed CPO has statutory procurement authority per AS  
37 36.30.010.  
38

39 Certain "commissioners" have statutory procurement authority per AS  
40 36.30.015(a). For the University of Alaska, which has no  
41 commissioner, special definition of terms is provided by statute in  
42 AS 36.30.005(c). The President of the University equates to  
43 "commissioner" and has delegated the entire statutory authority of  
44 AS 36.30 to the University CPO.  
45

46 The State has a commissioner who functions separately from the CPO,  
47 a CPO, and in addition, a Director of General Services and Supply  
48 (GS&S). The GS&S is a centralized state procurement office where  
49 the actual procurement is done for items and services (except  
50 construction) which exceed various agencies' delegated authority.