

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8789 HOUSE STATE AFFAIRS

FISCAL NOTE

STATE OF ALASKA

BILL NO: HB 348

1996 LEGISLATIVE SESSION

Revision Date: January 22, 1996

Dept. Affected: Public Safety

ANALYSIS CONTINUED:

To have the ability to videotape the interviews as required under this bill the division would need 22 new video camera kits at about \$1000.00 each (\$22,000.00) and about 750 video tapes at 3.50 each (\$2,625.00). The video tapes would have to be purchased each year as new cases would be coming in and the used tapes would be in storage as evidence.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 348

Revision Date: _____ Dept. Affected: Department of Law
 Title: "...requiring that all official interviews with children
...alleged...abused or neglected be videotaped or audiotaped." BRU: Criminal Division
 Sponsor: Representative James Component: Criminal Division
 Requester: House State Affairs COMPONENT SERIAL NO. 2085

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	87.0	87.0	87.0	87.0	87.0	98.0
SUPPLIES	1.2	1.2	1.2	1.2	1.2	1.2
EQUIPMENT	19.0			4.8	4.8	4.8
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	107.2	88.2	88.2	93.0	93.0	93.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	107.2	88.2	88.2	93.0	93.0	93.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	107.2	88.2	88.2	93.0	93.0	93.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This bill amends AS 47.17 to provide that upon receiving a report that a child has been abused or neglected, that a government officer (including a school official) or an agent of the government may not interview the child concerning the alleged abuse or neglect unless the initial interview and each subsequent interview is videotaped. The bill also provides that if videotaping of the initial interview or a subsequent interview is impractical, the interview shall be audiotaped.

Department of Law prosecutors and the department's victim/witness paralegals routinely interview children in cases where child abuse and neglect have been alleged. About 360 of these cases are referred to the department annually, and about 200 cases are accepted for prosecution. Prosecutors conduct a prescreening interview with the children involved in about one-half of the cases that are referred to the department. This amounts to one hour each or approximately 180 hours of interview time.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Division Date: 1/22/96
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 1/22/96
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 348

ANALYSIS CONTINUATION:

Of the 200 cases that are accepted, prosecutors and paralegals spend about 2 hours in total interviewing the child victim in each case. This amounts to approximately 400 hours of interview time.

The Department of Law does not believe it is feasible to videotape children in child abuse and neglect cases for two reasons. First, the expense of videotaping is prohibitive. This includes video equipment and operators. Also, in many cases interviews are scheduled in the late afternoon, in early evening hours, or on weekends because of prosecutors' trial calendars, making scheduling and logistics very difficult.

Second, the use of videotaping is invasive to victims of any age, and particularly to victims of sexual or physical abuse. It is doubtful that any adult victim of these crimes would even consider participating in such a process, if it was ever required. Therefore, we are concerned that parents would not allow their child to participate in a process that requires the child to be repeatedly placed before a video camera to relate what to most people are horrifying, traumatic experiences. If interpreted to require repeated video taping of abused children, we believe the bill would have a dramatic chilling effect on the willingness and the ability of child victims to speak out against their abusers. Furthermore, the bill's requirement for the unlimited use of recording devices, and the invasiveness of such devices, also raises the issue of whether such unlimited use is lawful under Article I, Section 25 of Alaska's Constitution. Section 25 provides in part: "Crime victims...shall have the following rights...the right to be treated with dignity, respect, and fairness during all phases of the criminal and juvenile justice process..."

Conceivably, an elaborate system of two-way mirrored interview rooms could be established throughout the state so that a child is not aware that videotaping is occurring. However, the costs would be astronomical. The department considered this option, but abandoned the idea due to the high cost of renovating and staffing each of the state's 12 District Attorney's offices and where, in our two larger offices, multiple video interview rooms would be necessary.

We therefore believe that the only alternative is to audiotape interviews. Our prosecutors and paralegals would have to conduct approximately 580 hours of interviews at 12 different locations throughout the state each year. Due to the number of staff involved, the department will require 38 recording machines and 12 duplicating machines for this purpose. The department will also need 1,500 audio tapes annually. Last, the department will require outside court reporter services to transcribe audio tapes, because the recorded interviews will be discoverable by the defense. Normally, 40 pages of transcription is required for each hour of a recorded interview. The number and length of interviews to be conducted by the Department of Law will be relatively small compared to law enforcement officers and social workers, and their cost for interviews will be much higher than the department's. A summary of the Department of Law's costs is attached.

Finally, the bill needs to be amended to define the term impractical to include "lack of budget resources". Otherwise, courts may not permit the department to routinely use audiotaping in lieu of videotaping, if the department is ever challenged because it does not use videotaping.

HB 348 Fiscal Analysis

Contractual Services

580 hours audiotape interviews
 x40 pages of transcription per hour
= 23,200 pages
 x\$3.75 per page court reporter fee
=\$87,000

Supplies

1,500 90 minute audiotape
 x\$0.81 per tape
= \$1,215

Equipment

\$ 383 cassette recorder, each
 x 38 recorders
=\$14,554

\$ 372 tape duplicator, each
 x 12 duplicators
=\$ 4,464

Total Equipment \$19,018

HB

349

STATE OF OREGON
VOTE BY MAIL ELECTIONS

When an election is conducted by mail, each person who is registered to vote on the 21st day before the election is automatically mailed a ballot. You may return your voted ballot to the county elections office by mail or in person; however, regardless of the method of delivery your voted ballot must be received in the county elections office by 8:00 p.m. on election day. Postmarks are not considered.

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OFFICE OF THE GOVERNOR

Division of Elections
P.O. Box 110017
Juneau, Alaska 99811-0017
PHONE (907) 465-4611

SPONSOR STATEMENT FROM DIV. OF ELECTIONS ON HB 349

The proposed legislation addresses two important issues:

- **The need to adjust current state Elections Law to assure preclearance by the US Justice Department and to make further adjustments to meet the requirements of the National Voter Registration Act of 1993 (NVRA).**

The US Justice department's preclearance of the state's response to the NVRA is required and the Department has expressed concern in certain areas with prior legislation. The proposed legislation addresses those areas of concern. Specifically:

The perception that Alaska "purges" a voter too early. Section 7 of the proposed CS for HB 349/ SB 182 assures there is no change in voter status before the time set out in federal law for purging.

The perception that a voter must vote a counted ballot to avoid removal from the rolls. Section 7 amends current law to include "appears to vote." Current law suggests that a vote actually must be counted. This result is not allowed by the NVRA, which instead uses the "appears to vote" language. (We have suggested additional explanatory language to Legislative Legal Counsel Jack Chenoweth to indicate what "appears to vote" intends.)

The requirement for an oath on registration materials. Section 2 allows a person to attest to the truth of the information provided on registration materials, and to certify understanding of the penalty for false statements. Section 12 allows a similar declaration of voter qualification instead of requiring an oath from voter's voting a questioned ballot.

[Assistant Attorney General Kathleen Strasbaugh will try to be available to answer committee member's questions on the NVRA issues.]

- **The following recommendations by the many citizens and state and municipal elections officials participating in the Election Policy Transition Team.**

Expand voter registration opportunities. Section 1, Section 3, Section 5 allow registration, correction or updating of registration materials by increasingly available electronic methods, including FAX and the internet process.

Increase public trust in the election process. Section 10 clarifies the requirements for the Election Supervisors' conduct.

Correct statute language to reflect modern election practice. Several sections are "housekeeping" sections which better describe modern ballots, the protection of ballot secrecy, current ballot tabulation, and computer processing in elections.

Simplify the personal representative's role in helping an elderly or disabled person to vote. Section 20 reduces the number of trips that a personal representative must make to assist a voter.

Allow a pilot project for total by-mail elections where feasible. Section 40 allows this recommendation. The division would further recommend elimination of line 21 so that the project is NOT limited to rural areas having less than 200 voters, at least in the initial test program.

[Div. of Elections Diane Shriner will be available to answer committee members questions on the proposed legislation.]

Thank you very much for your consideration of this proposed legislation.

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 349
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

May 12, 1995

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that implements most of the proposals contained in my Administration's Election Policy Transition Team Report that require changes to existing law. In addition, the bill makes some changes to state law that are required by federal statutes and makes a number of "housekeeping" amendments that the division of elections has recommended.

It is apparent that the state needs to adjust elections policies and procedures in an effort to boost public confidence that Alaska elections are conducted fairly and efficiently. One of Lieutenant Governor Ulmer's first acts was to appoint a panel of respected Alaskans (the Election Policy Transition Team), most of whom have expertise in the area of elections, to look into state elections policies and to make recommendations for change. In deciding whether a change is warranted, the transition team was requested to ask the following questions about the change:

- Does it increase public trust?
- Does it provide better service to the public?
- Does it encourage participation in the electoral process?
- Does it reduce state spending?

On March 20, 1995, the lieutenant governor released the report of the panel to the public. The report is a thorough and thoughtful document, and contains many excellent suggestions for improving elections policy. Several important recommendations were

The Honorable Gail Phillips
May 12, 1995
Page 2

included in SB 5, which recently passed the legislature. I am pleased to be able to transmit this bill, which implements the rest of those suggestions.

Section 13 of the bill simplifies the process of absentee voting by personal representative for a voter with a disability, a process that is currently very burdensome for both the voter and the personal representative and that discourages this sort of absentee voting. A personal representative now must make several trips between the voter and election officials in order for a voter with a disability to use this method of voting. Section 13 would streamline the procedure, allowing the personal representative to accomplish in a single round trip all of the steps necessary to allow a voter with a disability to vote.

In addition, sec. 13 of the bill makes several changes required by federal law. It removes the current prohibition on a candidate acting as a personal representative, and it adds a provision prohibiting a voter's employer, an agent of the employer, or an officer or agent of the voter's union, from acting as the voter's personal representative. It also removes the current requirement that a voter's ballot application under this section be accompanied by a letter or statement regarding the voter's disability from a physician or from two qualified voters. Instead, the voter's personal representative will supply a statement regarding the voter's disability.

Sections 30 and 31 of the bill double the fees that must be paid by candidates and parties filing material for inclusion in the official election pamphlet. These fees have not been changed since 1980. Even with the doubled fees, the cost of producing the pamphlet will be approximately 10 times the amount collected in fees.

Section 32 repeals a provision (AS 15.05.040), enacted in 1960 and not changed since, regarding voter disqualification for unsound mind. That provision is inconsistent with the federal Americans with Disabilities Act and with state statutes on guardianship.

Section 33 of the bill authorizes a pilot program for voting by mail, in the 1996 primary and general elections, in small rural precincts (those with no more than 200 registered voters). Under current law, the elections director may conduct an election by mail only if the election is held at a time other than when a primary, general, or municipal election is held. Based on the experience of other states that have used mail balloting, the transition team believes that allowing voting by mail in rural precincts will increase turnout, save money, and eliminate operational problems. Section 33 of the bill authorizes the director to conduct this voluntary pilot program in the 1996 primary and general elections in no more than 10 precincts, to test the application of this program in Alaska.

The Honorable Gail Phillips

May 12, 1995

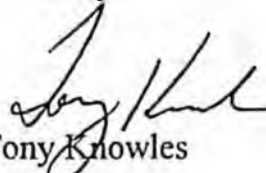
Page 3

The remaining sections of the bill, except for the effective date section, were recommended by the division of elections either to conform the elections statutes to current practices or to enable the division to conduct elections more efficiently and effectively.

Representatives of my Administration will be available as the bill makes its way through the legislative process to explain what the provisions of this bill would accomplish, how they change existing law, and why the changes are necessary.

I would appreciate your assistance in facilitating the consideration and passage of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles". The signature is written in a cursive style with a large initial "T".

Tony Knowles
Governor

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 349

Revision Date: 1/23/96 Dept. Affected: Office of the Governor
 Title: An Act relating to elections; relating to the BRU: Elective Operations
division of elections; ... Component: Elections
 Sponsor: House Rules by request
 Requester: Governor COMPONENT SERIAL NO. 21

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)
 HB 349 does not have a fiscal impact on the Division of Elections.

Sergeant

Prepared by: Dana LaTour *D.L. LaTour* Phone: 465-5347
 Division: Division of Elections Date: 1/23/96
 Approved by: _____ Date: _____
 Commissioner: Lt. Governor Fran Ulmer *Fran Ulmer*
 Agency: Office of the Lt. Governor

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hear

Diane
3051

February 5, 1996

The Honorable Jeannette A. James
House State Affairs Committee
State Capitol, Room 102
Juneau, Alaska 99811

RE: House Bill 349, relating to elections administration and voter registration

Dear Representative James:

HB 349 (and its companion bill SB 182) were introduced to make changes in the elections laws as recommended to the Election Policy Transition Team by Alaskan citizens. Among the important subjects addressed by this bill are voter registration, absentee voting, absentee voting by personal representative, and establishment of a pilot program for voting by mail in primary and general elections.

The bill also addresses concerns expressed by the United States Department of Justice regarding Alaska's compliance with the National Voter Registration Act of 1993 (NVRA), the so called "motor-voter" Act. HB 349 will eliminate the present requirement for an oath in voter registration and other specific voting procedures. Another important section would bring our purge procedures into compliance with those set forth in the NVRA.

Finally, HB 349 recommends changes to the Corrupt Practices Act making state law consistent with federal law concerning the validity of voter incentive programs. The provisions of HB 349 will help assure citizens vote as a means of participation in our democratic form of government, not because they will receive a direct pecuniary benefit.

The Honorable Jeanette A. James
February 5, 1996
Page 2

HB 349 is the product of extensive citizen and division review. I believe that it is a fair and needed response to the issue of improving both the perception and actual functioning of the electoral process. I ask that you and your committee give it your prompt attention. Thank you for your consideration.

Sincerely,

Sandra J. Stout, Director
Division of Elections

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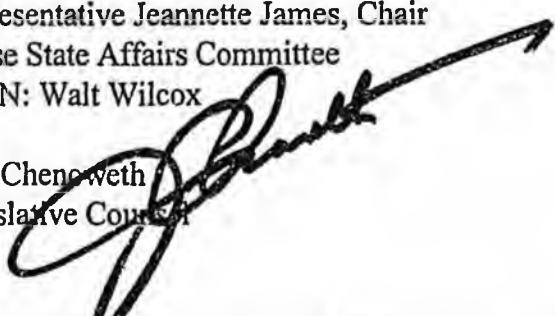
MEMORANDUM

March 20, 1996

SUBJECT: Draft CSHB 349 (STA) (Work Order No. 9-LS0051\C)

TO: Representative Jeannette James, Chair
House State Affairs Committee
ATTN: Walt Wilcox

FROM: Jack Chenoweth
Legislative Council



The draft incorporates into the bill additional material you furnished to me that had been prepared by the Department of Law.

Please note the following:

1. The material you furnished proposed repeal of AS 15.07.170 but does not take into account the effect of that repeal on AS 15.07.190. This draft addresses both statute sections.
2. In addition to the change requested in AS 15.07.130(b), I propose to amend the notice provision, AS 15.07.130(d), to make the notice track the requirement.
3. In my judgment, the committee would do well to find clear language to substitute for "appear[s] to vote" in the places where that phrase is inserted. I don't know what the department is intending when it makes reference to a voter who is to "appear to vote." By this language, is a voter being required to personally present him- or herself (that is, "appear personally") at a polling place in order to cast a vote? May that prospective voter not cast an absentee ballot? Suppose, in an election in which a voter is cautioned to "appear to vote," the voter's precinct is one in which the entire ballot is conducted by mail? Does the provision mean something other than "attempt to vote an election ballot" even if the ballot, for whatever reason, is not valid and consequently is not counted?

JBC:lmb
96-065.lmb

9-GH0051\C
Chenoweth
3/20/96

CS FOR HOUSE BILL NO. 349()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR
A BILL

FOR AN ACT ENTITLED

1 "An Act relating to elections, to the division of elections, and to voter
2 registration procedures; and providing for an effective date."

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

4 * Section 1. AS 15.07.050 is amended to read:

5 Sec. 15.07.050. MANNER OF REGISTRATION [IN PERSON OR BY
6 MAIL]. Registration may be made

7 (1) in person before a registration official or through a voter registration
8 agency;

9 (2) [, OR MAY BE MADE] by mail; or

10 (3) by facsimile transmission or another method of electronic
11 transmission that the director approves.

12 * Sec. 2. AS 15.07.060(a) is amended to read:

13 (a) Each applicant who requests registration or reregistration shall supply the
14 following information [UNDER OATH]:

- 1 (1) name and sex;
- 2 (2) address and other necessary information establishing residence,
3 including the term of residence in the state and in the district, if requested;
- 4 (3) whether the applicant has previously been registered to vote in
5 another jurisdiction, and, if so, the jurisdiction and the address of the previous
6 registration;
- 7 (4) a declaration that the registrant will be 18 years of age or older
8 within 90 days of the date of registration;
- 9 (5) a declaration that the registrant is a citizen of the United States;
- 10 (6) date of application;
- 11 (7) signature or mark;
- 12 (8) any former name under which the applicant was registered to
13 vote in the state;
- 14 (9) an attestation that the information provided by the applicant
15 in (1) - (8) of this subsection is true; and
- 16 (10) a certification that the applicant understands that a false
17 statement on the application may make the applicant subject to prosecution for
18 a misdemeanor under this title or AS 11.

19 * Sec. 3. AS 15.07.070(b) is amended to read:

20 (b) To register by mail or by facsimile or other electronic transmission
21 approved by the director under AS 15.07.050, the director, the area election
22 supervisor, or a voter registration agency shall furnish, at no cost to the voter, forms
23 prepared by the director on which the registration information required under
24 AS 15.07.060 shall be inserted by the voter, or by a person on behalf of the voter if
25 the voter is physically incapacitated. The director may require proof of identification
26 of the applicant as required by regulations adopted by the director under AS 44.62 (
27 [THE] Administrative Procedure Act) [(AS 44.62)]. Upon receipt and approval of the
28 completed registration forms the director or the election supervisor shall forward to the
29 voter an acknowledgment in the form of a registration card, and the voter's name shall
30 immediately be placed on the master register located in the office of the director and
31 on the district register located in the office of the election supervisor. If the

1 registration is denied, the voter shall immediately be informed in writing that
2 registration was denied and the reason for denial.

3 * Sec. 4. AS 15.07.070(c) is amended to read:

4 (c) The names of persons submitting completed registration forms by mail that
5 are postmarked at least 30 days before the next election, or submitting completed
6 registration forms by facsimile or other electronic transmission approved by the
7 director under AS 15.07.050 that are received at least 30 days before the next
8 election, shall be placed on the official registration list for that election. If a
9 registration form received by mail less than 30 days before an election does not have
10 a legible and dated postmark, the name of the person submitting the form shall be
11 placed on the official registration list for that election if the form was signed and dated
12 by the person at least 30 days before the election and if the form is received by the
13 director or election supervisor at least 25 days before the election. The name of a
14 person submitting a completed registration form by mail or by facsimile or other
15 electronic transmission that does not meet the applicable requirements of this
16 subsection may not be placed on the official registration list for that election but shall
17 be placed on the master register after that election.

18 * Sec. 5. AS 15.07.070(f) is amended to read:

19 (f) Incomplete or inaccurate registration forms may not be accepted. A person
20 who submitted an incomplete or inaccurate registration form may register by
21 reexecuting and resubmitting a registration form in person, [OR] by mail, or by
22 facsimile or other electronic transmission approved by the director under
23 AS 15.07.050. The requirements of (c) or (d) of this section apply to a registration
24 form resubmitted under this subsection.

25 * Sec. 6. AS 15.07.070(h) is amended to read:

26 (h) The director shall design the form of the voter's certificate appearing on
27 the [LARGE] envelope that is used for voting a questioned ballot so that all
28 information required for registration by AS 15.07.060(a) may be obtained from a voter
29 who votes a questioned ballot. If the voter voting a questioned ballot has completed
30 all information on the voter registration portion of the questioned ballot voter's
31 certificate, the director shall place the name of the voter on the official registration list.

1 * Sec. 7. AS 15.07.130(b) is amended to read:

2 (b) When a registered voter has not indicated in writing a desire to remain
3 registered within the preceding four [TWO] calendar years and has neither [NOT]
4 voted nor appeared to vote in the last two general elections [A LOCAL,
5 REGIONAL SCHOOL BOARD, PRIMARY, SPECIAL, OR GENERAL ELECTION
6 AT LEAST ONCE IN TWO CONSECUTIVE CALENDAR YEARS], the voter shall
7 be advised by a notice sent by forwardable mail to the voter's last known address that
8 registration will be inactivated unless the voter responds to the notice at least 30 days
9 before the date of the next primary election on a form furnished by the director. The
10 director shall maintain on the master register the name of a voter whose registration
11 is inactivated. The director shall cancel a voter's inactive registration after the second
12 general election that occurs after the registration becomes inactive if the voter does not
13 vote or appear to vote [EITHER A QUESTIONED BALLOT OR AN ABSENTEE
14 BALLOT THAT IS COUNTED UNDER AS 15.15.198(b) AT OR BEFORE THAT
15 ELECTION].

16 * Sec. 8. AS 15.07.130(d) is amended to read:

17 (d) The notice described in (b) of this section must include a postage prepaid
18 and pre-addressed return card on which the voter may state the voter's current address.
19 The notice must indicate

20 (1) that the voter should return the card not later than 30 days before
21 the next primary election if the voter did not change residence;

22 (2) that the voter may vote only a questioned or absentee ballot if the
23 voter does not return the card at least 30 days before the next primary election;

24 (3) that the voter's registration will be cancelled if the voter does not
25 vote or appear to vote in an election held during the period beginning on the date of
26 the notice and ending on the day after the date of the second general election that
27 occurs after the date of notice; and

28 (4) how the voter can continue to be eligible to vote if the voter has
29 changed residence.

30 * Sec. 9. AS 15.07.190 is amended to read:

1 Sec. 15.07.190. VIOLATIONS. A person who violates AS 15.07.180
2 [AS 15.07.170 OR 15.07.180] is guilty of a misdemeanor and upon conviction is
3 punishable by imprisonment for not more than one year, or by a fine of not more than
4 \$1,000, or by both.

5 * Sec. 10. AS 15.10.110 is amended to read:

6 Sec. 15.10.110. APPOINTMENT OF ELECTION SUPERVISORS. The
7 director shall appoint election supervisors, including one in each of the municipalities
8 of Juneau, Anchorage, Fairbanks, and Nome, to assist in the administration of elections
9 in the election districts designated by the director. The director may appoint as an
10 election supervisor a person who is a qualified voter in the area over which the person
11 has jurisdiction and who meets the applicable requirements of AS 15.10.105(b)
12 [DOES NOT HOLD AN OFFICE IN A POLITICAL PARTY]. An election supervisor
13 is entitled to receive compensation in an amount that is comparable to that received
14 for similar state employment as determined by the director.

15 * Sec. 11. AS 15.15.030(5) is amended to read:

16 (5) The state general election ballot shall be printed on white paper
17 with the names of the candidates and their party designations placed in separate
18 sections under the office designation to which they were nominated. The party
19 affiliation, if any, shall be designated after the name of the candidate. The lieutenant
20 governor and the governor shall be included under the same section. Provision shall
21 be made for voting for write-in and no-party candidates within each section. [THE
22 SQUARES APPEARING ON THE BALLOTS SHALL MEASURE 1/4 INCH ON
23 EACH SIDE.]

24 * Sec. 12. AS 15.15.140(a) is amended to read:

25 (a) If the election board receives an insufficient number of official [PAPER
26 BALLOTS, OFFICIAL PUNCH-CARD] ballots [,] or official election materials, it
27 shall provide and the voters may use unmarked substitute ballots or other election
28 materials to indicate the intent of the voter.

29 * Sec. 13. AS 15.15.198(b) is amended to read:

30 (b) A person whose registration is inactive under AS 15.07.130(b) and who
31 votes a questioned or absentee ballot shall have the ballot counted if

1 (1) the person was registered to vote for either of the two most recent
2 general elections;

3 (2) the person signs [UNDER OATH] a statement to that effect; and

4 (3) the earlier registration is verified by the director.

5 * Sec. 14. AS 15.15.210 is amended to read:

6 Sec. 15.15.210. QUESTIONING OF VOTERS OF SUSPECT
7 QUALIFICATION. Every election judge and election clerk shall question, and every
8 watcher and any other person qualified to vote in the precinct may question a person
9 attempting to vote if the questioner has good reason to suspect that the questioned
10 person is not qualified to vote. All questions regarding a person's qualifications to
11 vote shall be made in writing setting out the reason the person has been questioned.
12 A questioned person before voting shall subscribe to a declaration [AN OATH OR
13 AFFIRMATION] in a form provided by the director attesting to the fact that in each
14 particular the person meets all the qualifications of a voter, is not disqualified, and has
15 not voted at the same election, and certifying that the person understands that a
16 false statement on the declaration may subject the person to prosecution for a
17 misdemeanor under this title or AS 11. The questioned person shall also state the
18 place from which that person came immediately before living in the precinct where
19 offering to vote and the length of time of residence in the former place. After the
20 questioned person has executed the declaration [OATH OR AFFIRMATION], the
21 person may vote. If the questioned person refuses to execute the declaration [OATH
22 OR AFFIRMATION], the person may not vote.

23 * Sec. 15. AS 15.15.215(a) is amended to read:

24 (a) A voter who casts a questioned ballot shall vote the ballot in the same
25 manner as prescribed for other voters. The [AFTER THE ELECTION JUDGE
26 REMOVES THE NUMBERED STUB FROM THE BALLOT, THE] voter shall insert
27 the ballot into a secrecy sleeve, the election judge shall remove the numbered stub
28 from the ballot, and the voter shall [SMALL ENVELOPE AND] put the secrecy
29 sleeve [SMALL ENVELOPE] into an [A LARGER] envelope on which the statement
30 the voter previously signed is located. The envelope [THESE LARGER
31 ENVELOPES] shall be sealed and deposited in the ballot box. When the ballot box

1 is opened, the [THESE] envelopes shall be segregated, counted, compared to the
2 voting list, and delivered to the official or body supervising the election. The merits
3 of the question shall be determined by this official or body in accordance with the
4 procedure prescribed for questioned votes in AS 15.20.207.

5 * Sec. 16. AS 15.15.440 is amended to read:

6 Sec. 15.15.440. DATES FOR OPENING AND CLOSING STATE BALLOT
7 COUNTING REVIEW. The state ballot counting review shall begin no earlier
8 [LATER] than 11 days after an [THE] election and no later than 16 days after an
9 election, and shall be continued [DAILY] until completed. The director may designate
10 the hours each day during which the state ballot counting review board is to conduct
11 its ballot counting review. The director shall close the review when the director is
12 satisfied that no missing precinct certificate of election would, if received, change the
13 result of the election. If no election certificate has been received from a precinct, the
14 director may secure from the election supervisors and may count a certified copy of
15 the duplicate election certificate of the precinct. If no election materials have been
16 received, but election results have been received by telephone, telegram or radio, the
17 director shall count the election results so received. If the director has reason to
18 believe that a missing precinct certificate, if received, would affect the result of the
19 election, the director shall await the receipt of the certificate until the close of business
20 on the 15th day after the date of election. A certificate not actually delivered to the
21 director by the close of business on the 15th day after the election may not be counted
22 at the state ballot counting review.

23 * Sec. 17. AS 15.20.010 is repealed and reenacted to read:

24 Sec. 15.20.010. PERSONS WHO MAY VOTE ABSENTEE. At any election
25 a qualified voter may vote an absentee ballot for any reason.

26 * Sec. 18. AS 15.20.030 is amended to read:

27 Sec. 15.20.030. PREPARATION OF BALLOTS, ENVELOPES, AND OTHER
28 MATERIAL. The director shall provide ballots for use as absentee ballots in all
29 districts. The director shall provide a secrecy sleeve [SMALL ENVELOPE] in which
30 the voter shall initially place the marked ballot, and shall provide an [A LARGER]
31 envelope [,] with the prescribed voter's certificate on it [THE BACK], in which the

1 secrecy sleeve [SMALL ENVELOPE] with ballot enclosed shall be placed. The
2 director shall prescribe the form of and prepare the voter's certificate, envelopes, and
3 other material used in absentee voting. The voter's certificate shall include an oath,
4 for use when required, that the voter is a qualified voter in all respects, a blank for the
5 voter's signature, a certification that the affiant properly executed the marking of the
6 ballot and gave the voter's identity, blanks for the attesting official or witnesses, and
7 a place for recording the date the envelope was sealed and witnessed.

8 * Sec. 19. AS 15.20.061(c) is amended to read:

9 (c) On receipt of an absentee ballot in person, the voter shall proceed to mark
10 the ballot in secret, to place the ballot in the secrecy sleeve [SMALL ENVELOPE],
11 to place the secrecy sleeve [SMALL ENVELOPE] in the [LARGER] envelope
12 provided, and to sign the voter's certificate on the [BACK OF THE LARGER]
13 envelope in the presence of the election official who shall sign as attesting official and
14 date that signature. The election official shall then accept the ballot.

15 * Sec. 20. AS 15.20.071 is repealed and reenacted to read:

16 Sec. 15.20.071. ABSENTEE VOTING BY PERSONAL REPRESENTATIVE.

17 (a) A qualified voter with a disability who, because of that disability, is unable to go
18 to a polling place to vote may vote an absentee ballot through a personal
19 representative.

20 (b) A personal representative may apply in writing to the following election
21 officials, at the times specified, for an absentee ballot on behalf of a voter who is
22 eligible under (a) of this section:

23 (1) to an absentee voting official on or after the 15th day before an
24 election up to and including the day of the election;

25 (2) to an election supervisor

26 (A) after a date announced by the director under
27 AS 15.20.048(b); and

28 (B) on or after the 15th day before an election up to and
29 including the day of the election;

30 (3) to an absentee voting official at an absentee voting station
31 designated under AS 15.20.045(b) at a time when the absentee voting station is in

1 operation;

2 (4) to a member of a precinct election board on election day.

3 (c) The application by the personal representative shall be signed by the
4 personal representative and must include the following:

5 (1) the full name and full residence address of the personal
6 representative;

7 (2) the full name and full residence address of the voter on whose
8 behalf the personal representative is applying for an absentee ballot;

9 (3) a form of identification for the personal representative that meets
10 the requirements for identification established by the director under AS 15.20.081(f)
11 for absentee voting by mail; and

12 (4) a statement signed by the personal representative that the voter for
13 whom the personal representative is applying for an absentee ballot will be unable to
14 go to the polling place because of a disability.

15 (d) Upon receipt of a written application from a personal representative that
16 meets the requirements of (c) of this section, the election official shall issue the
17 absentee ballot and other absentee voting material to the personal representative.

18 (e) The personal representative shall deliver the absentee ballot and other
19 absentee voting materials to the voter as soon as practicable. The voter shall proceed
20 to mark the ballot in secret, to place the ballot in the secrecy sleeve, and to place the
21 secrecy sleeve in the envelope provided. On the voter's certificate portion of the
22 envelope, the voter shall state the name of the personal representative who applied for
23 the absentee ballot, shall state that because of a disability the voter is unable to go to
24 a polling place to vote, and shall sign the voter's certificate in the presence of the
25 personal representative and provide a form of identification for the voter that meets the
26 requirements for identification established by the director under AS 15.20.081(f) for
27 absentee voting by mail. The personal representative shall witness and date the
28 signature of the voter. The voter shall mark the ballot, and complete and sign the
29 voter's certificate, not later than election day. The voter shall return the absentee
30 ballot to the personal representative who shall deliver the ballot to the election official
31 who provided the ballot. The absentee ballot must be returned to the election official

1 not later than 8:00 p.m. on election day.

2 (f) Notwithstanding (e) of this section, if a qualified voter's disability
3 precludes the voter from performing any of the requirements of (e) of this section, the
4 personal representative may perform those requirements on the voter's behalf.

5 (g) An election official shall keep a record of the name and signature of each
6 personal representative requesting an absentee ballot and the name of the voter on
7 whose behalf the ballot is requested. The election official shall record the date that
8 the absentee ballot is provided and the date that the ballot is returned to the election
9 official.

10 (h) The voter's employer, an agent of the voter's employer, or an officer or
11 agent of the voter's union may not act as a personal representative for that voter.

12 * Sec. 21. AS 15.20.081(d) is amended to read:

13 (d) Upon receipt of an absentee ballot by mail, the voter, in the presence of
14 a notary public, commissioned officer of the armed forces including the National
15 Guard, district judge or magistrate, United States postal official, registration official,
16 or other person qualified to administer oaths, may proceed to mark the ballot in secret,
17 to place the ballot in the secrecy sleeve [SMALL ENVELOPE], to place the secrecy
18 sleeve [SMALL ENVELOPE] in the [LARGER] envelope provided, and to sign the
19 voter's certificate on the [BACK OF THE LARGER] envelope in the presence of an
20 official listed in this subsection who shall sign as attesting official and shall date the
21 signature. If none of the officials listed in this subsection is reasonably accessible, an
22 absentee voter shall sign the voter's certificate in the presence of two persons over the
23 age of 18 years, who shall sign as witnesses and attest to the date on which the voter
24 signed the certificate in their presence, and, in addition, the voter shall provide the
25 certification prescribed in AS 09.63.020.

26 * Sec. 22. AS 15.20.190(a) is amended to read:

27 (a) Thirty days before [PRIOR TO] the date of an election, the election
28 supervisors shall appoint, in the same manner provided for the appointment of election
29 judges prescribed in AS 15.10.150, district absentee ballot counting boards and district
30 questioned ballot counting boards, each composed of at least four members. At least
31 one member of each board must be a member of the same political party of which

1 the governor is a member, and at least one member of each board must be a
2 member of the political party whose candidate for governor received the second
3 largest number of votes in the preceding gubernatorial election [, TWO FROM
4 EACH POLITICAL PARTY]. The district boards shall assist the election supervisors
5 in counting the absentee and questioned ballots and shall receive the same
6 compensation paid election judges under AS 15.15.380.

7 * Sec. 23. AS 15.20.201(b) is amended to read:

8 (b) Counting of absentee ballots that [WHICH] have been reviewed shall
9 begin at 8:00 p.m., local time, on the day of the election at places designated by each
10 election supervisor and shall continue until all absentee ballots reviewed and eligible
11 for counting have been counted. The counting teams shall report the count of absentee
12 ballots to the district absentee ballot counting board. An election supervisor or an
13 election official may not count [REMOVE] absentee ballots [FROM THE SMALL,
14 INNER ENVELOPES] before 8:00 p.m., local time, on the day of the election.
15 Counting of the absentee ballots shall continue at times designated by the election
16 supervisor until all absentee ballots are counted.

17 * Sec. 24. AS 15.20.203(c) is amended to read:

18 (c) Any person present at the district absentee ballot counting review may
19 challenge the name of an absentee voter when read from the voter's certificate on the
20 [BACK OF THE LARGE] envelope if the person has good reason to suspect that the
21 challenged voter is not qualified to vote, is disqualified, or has voted at the same
22 election. The person making the challenge shall specify the basis of the challenge in
23 writing. The district absentee ballot counting board by majority vote may refuse to
24 accept and count the absentee ballot of a person properly challenged on grounds listed
25 in (b) of this section.

26 * Sec. 25. AS 15.20.203(e) is amended to read:

27 (e) If an absentee ballot is not rejected, the [LARGE] envelope shall be opened
28 and the secrecy sleeve [SMALL ENVELOPE] containing the absentee ballot shall be
29 placed in a container and mixed with other secrecy sleeves [SMALL ENVELOPES].

30 * Sec. 26. AS 15.20.203(f) is amended to read:

31 (f) The secrecy sleeves [SMALL ENVELOPES] shall be drawn from the

1 container, the absentee ballots shall be removed from the secrecy sleeves
2 [OPENED], and the absentee ballots counted at the times specified in AS 15.20.201
3 and according to the rules for determining properly marked ballots in AS 15.15.360.

4 * Sec. 27. AS 15.20.207(c) is amended to read:

5 (c) Any person present at the district questioned ballot review may challenge
6 the name of a questioned voter when read from the voter's certificate on the [BACK
7 OF THE LARGE] envelope if the person has good reason to suspect that the
8 questioned voter is not qualified to vote, is disqualified, or has voted at the same
9 election. The person making the challenge shall specify the basis of the challenge in
10 writing. The district questioned ballot counting board by majority vote may refuse to
11 accept and count the questioned ballot of a person properly challenged under grounds
12 listed in (b) of this section.

13 * Sec. 28. AS 15.20.207(e) is amended to read:

14 (e) If a questioned ballot is not rejected, the [LARGE] envelope shall be
15 opened and the secrecy sleeve [SMALL ENVELOPE] containing the questioned ballot
16 shall be placed in a container and mixed with other secrecy sleeves [SMALL
17 ENVELOPES] containing questioned ballots.

18 * Sec. 29. AS 15.20.207(f) is amended to read:

19 (f) The secrecy sleeves [SMALL ENVELOPES] shall be drawn from the
20 container, the questioned ballots shall be removed from the secrecy sleeves
21 [OPENED], and the questioned ballots counted at the times specified in AS 15.20.205
22 and according to the rules for determining properly marked ballots in AS 15.15.360.

23 * Sec. 30. AS 15.20.207(g) is amended to read:

24 (g) Upon completion of the questioned ballot review, the election supervisor
25 shall prepare an election certificate for execution by the district questioned ballot
26 counting board, and shall forward the original certificate and returns to the director as
27 soon as the count is completed but no later than the 11th [NINTH] day following the
28 election.

29 * Sec. 31. AS 15.20.620(c) is amended to read:

30 (c) As a security precaution, after the computer has been tested as prescribed
31 in (b)(2) and (4) of this section,

1 (1) the vote-counting task shall remain isolated from nonrelated
2 processing tasks;

3 (2) [PROCESSING NOT CONCERNED WITH VOTE COUNTING
4 SHALL BE LIMITED TO TASKS WHICH ARE CRITICAL TO THE COMPUTER
5 CENTER AND SHALL BE AGREED UPON IN ADVANCE BY THE MANAGER
6 OF THE COMPUTER CENTER AND THE DIRECTOR;

7 (3)] reasonable computer security controls shall be in effect to assure
8 the integrity of the vote-counting process; and

9 (3) [(4)] access to the computer counting area shall be controlled by the
10 data processing review board until the vote-counting process is terminated.

11 * Sec. 32. AS 15.20.620(f) is amended to read:

12 (f) At any time during the count, party representatives or members of the data
13 processing review board may request a listing of the parameter coding that
14 [PROGRAM SOURCE CODE WHICH] comprises the instructions to be executed by
15 the computer.

16 * Sec. 33. AS 15.20.640(a) is amended to read:

17 (a) Immediately after the polls have closed, the ballot box shall be opened by
18 election board members in full view of all persons present, and all ballots shall be
19 removed [FROM THE BALLOT ENVELOPES].

20 * Sec. 34. AS 15.20.700(c) is amended to read:

21 (c) The backup documentation for each counting session [BALLOT IMAGE
22 MAGNETIC TAPE WHICH CONTAINS AN EXACT IMAGE OF EACH COUNTED
23 BALLOT] shall be retained in a secure manner by the election supervisor until the
24 director determines that it is no longer needed.

25 * Sec. 35. AS 15.20.740 is amended to read:

26 Sec. 15.20.740. QUESTIONED PUNCH-CARD BALLOTS. The procedure
27 for reviewing and counting questioned punch-card ballots is the same procedure
28 established in AS 15.20.205 and 15.20.207 for hand-marked ballots except that
29 questioned punch-card ballots may be processed by the computer from the third
30 through the 10th [EIGHTH] day following the election. The data processing review
31 board shall supervise the count and shall follow the procedure established in

1 AS 15.20.680 and 15.20.685.

2 * Sec. 36. AS 15.20.800(d) is amended to read:

3 (d) The voter may cast the ballot under AS 15.20.081(d) - (f)
4 [AS 15.20.081(d) - (e)].

5 * Sec. 37. AS 15.58.060(a) is amended to read:

6 (a) Each general election candidate shall pay to the lieutenant governor at the
7 time of filing material under this chapter the following:

8 (1) President or Vice-President of the United States, United States
9 senator, United States representative, governor, lieutenant governor, supreme court
10 justice and court of appeals judge, \$300 [\$150] each;

11 (2) superior court judge and district court judge, \$150 [\$75] each;

12 (3) state senator and state representative, \$100 [\$50] each.

13 * Sec. 38. AS 15.58.060(b) is amended to read:

14 (b) The state chair [CHAIRMAN] or executive committee of a political party
15 shall pay to the lieutenant governor at the time of filing material under this chapter
16 \$600 [\$300] for each page purchased.

17 * Sec. 39. AS 15.05.040 and AS 15.07.170 are repealed.

18 * Sec. 40. PILOT PROGRAM FOR VOTING BY MAIL IN PRIMARY AND GENERAL
19 ELECTIONS. (a) Notwithstanding AS 15.20.800(a), the director of elections may permit
20 voting by mail for the 1996 primary and general elections in not more than 10 precincts that
21 are located in a rural area of the state and that have no more than 200 registered voters.
22 Voting by mail under this section is subject to the provisions of AS 15.20.800(b) - (e).

23 (b) The director of elections may not open a polling place in a precinct in which the
24 director conducts an election by mail under this section. However, the director shall assure
25 that in each precinct in which the director conducts an election by mail under this section at
26 least one absentee voting official is appointed. Along with each ballot that is mailed to a
27 voter in a precinct under this section, the director shall include a notice giving the name of
28 the absentee voting officials for the precinct and explaining that the voter may go to an
29 absentee voting official for assistance in casting the ballot.

30 (c) Before implementing this section, the director of elections shall consult with the
31 officials of a municipality, village, Native village, or other government or tribal entity to

1 ascertain whether the municipality, village, Native village, or other government or tribal entity
2 is interested in participating in the pilot program authorized by this section.

3 (d) The director may adopt regulations to implement and interpret this section.

4 * Sec. 41. This Act takes effect immediately under AS 01.10.070(c).

HB

354

3-5-96

VM

In response to HB 327



NEA-ALASKA

Affiliated with the National Education Association

NEA-ALASKA POSITION PAPER RETIREMENT INCENTIVE PROGRAM

NEA-Alaska supports utilization of a retirement incentive program (RIP) as a cost effective means to reduce the overall cost of school district operation. This cost saving measure is needed especially at a time when student population is increasing and inflation continues to chop away at the opportunities schools offer children. Additional funding is needed to correct the problem but, in the short term, the RIP provides an option for school districts to trim already tight budgets.

In January over 400 NEA-Alaska member delegates attending our annual Delegate Assembly approved the following legislative priority: Retirement Incentive Program: NEA-Alaska shall seek legislation to support the enactment of a retirement incentive program that is actuarially sound. Delegates also discussed the need to make the program available to all school employees in each school district.

If it is the intent of the Legislature and the Administration to reduce the cost of state and local governments, a retirement incentive program is an excellent opportunity to achieve that goal without harming employees at the upper or lower ends of the salary schedule. Absent a RIP, a school district attempting to cut operating costs through reduction in staff (RIP) would be forced to lay off less experienced employees. This option creates a hardship on younger employees and their families and disrupts initial career goals of these employees.

Previous RIPs provided certified and non-certified school employees the benefit of the retirement incentive. Lawmakers have a history that demonstrates the benefits of RIP to both the employee and employer.

NEA-Alaska represents nearly 10,000 members; 2,500 of which are non-certified Educational Support Personnel. Earlier bills extended the benefits of RIP to all school employees. We support the universal application of the RIP to all school employees.

A retirement incentive program offers school district administrators an opportunity to retire staff at the top end of the salary schedule. Those who retire can be replaced by

employees at a lower position on the salary schedule. If school administration carefully employs equally qualified but less experienced teachers and support employees, a school district will net a reduction in operating costs.

Previous RIPS offered experienced employees an early retirement option by providing them a credit of three additional years of service provided the employer and employee pay the actuarial cost of that service. Maintaining that option will not encourage large numbers of experienced school employees to retire since many would likely retire within three to five years anyway. Furthermore, it would maintain the strength of the retirement system for present and future generations of retirees.

We support a retirement incentive plan that is universal in nature. State and local governments, including school districts, can utilize a RIP to achieve cost savings in fair way to both the employer and employee. A RIP is a way to address the economic uncertainty many school districts face. The legislation presents an equitable and fair plan for the employees of Alaska's schools and state government to retire during periods of economic uncertainty.

9-LS0634\C.1
Cramer
2/27/96

#1

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 354

- 1 Page 2, line 14, after "plan":
- 2 Insert "with the commissioner of education. The commissioner shall review the plan
- 3 and certify it only if the plan as proposed by the school district will result in a savings for
- 4 the district. If certified by the commissioner, the participating school district shall file the
- 5 plan and the certification"

- 6 Page 2, line 15, after "if":
- 7 Insert "it is certified by the commissioner of education and if"

Alaska State Legislature

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REPRESENTATIVE
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House of Representatives

February 16, 1996

MEMORANDUM

To: Rep. James, Chair
State Affairs Committee

From: Rep. Mackie

A handwritten signature in cursive script, appearing to read "Jm", written over the name "Rep. Mackie".

Re: Scheduling of HB 354, Teacher Early Retirement.

I would appreciate your scheduling of HB 354 for a committee hearing at the earliest convenience.

HB 354 offers a method for school districts to save money and still maintain the quality of their education program. It allows the early retirement of teachers at the higher end of the pay scale and replacement by teachers that are younger and lower on the salary scale. It is an optional program.

I believe that any discussion of the long term funding needs of our education system in the face of the state's revenue shortfall must include proposals such as that contained in HB 354. Therefore, I feel it is most important that the State Affairs Committee have an opportunity to deliberate on the merits of HB 354.

Attached is a sponsor statement, bill sectional, and fiscal note.

Alaska State Legislature

REPRESENTATIVE
JERRY MACKIE



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House of Representatives

SPONSOR STATEMENT

HB 354, Establishing a Teacher Retirement Incentive Program

I introduced HB 354 in response to the desire of many Alaskan school districts to achieve operational cost savings through a retirement incentive program. The program allows school districts to offer early retirement to teachers at the higher end of the district's salary scale. The savings would result from the hiring of replacement teachers that are younger and lower on the pay range.

The proposed early retirement program is similar to programs established for all public employees beginning in 1986 and ending in 1990. A November 1991 legislative audit estimated that the 1989-90 retirement incentive program saved approximately \$23 million on the early retirement of 1,764 employees taking advantage of the program. In the 1986-87 program 2,327 employees participated achieving a savings of over \$73 million. It should be noted that retirement incentive programs are commonly used by business corporations to attain a more efficient and economic operation.

The program established in HB 354 offers three years of service credited to eligible public school employees facing retirement. The offer is an inducement to employees near or at retirement eligibility to terminate their services. The resulting vacancies allow employers to achieve savings by filling positions with persons of lower step and pay range, down classing positions, or keeping positions vacant. A key provision requires agencies to show on a case by case basis that a three year credited service award would result in a net personnel services cost savings. It should be stressed that participation in the program is completely optional for either the employer or any employee.

The three year credit must be applied in the following order:

1. To meet the age or service required for eligibility for normal retirement;
2. to meet the age required for early retirement;
3. to reduce the actuarial adjustment required for early retirement; and
4. as years of credited service for calculating retirement benefits.

An employee awarded the benefit is required to contribute to the retirement system the amount they would have paid had they continued working the additional three years. The employer's cost is the difference between the employee's contribution and the full actuarial cost of the three year incentive. Thus, the TRS or PERS retirement system is fully compensated for the effects of an individual's early termination of service.

The employer's additional contribution to the retirement system as well as sharing in other program administration costs are primary factors in calculating whether a potential early retirement will result in a net savings and hence qualify. The calculation is based on a five year time period.

House Bill 354 has a sunset clause that terminates the incentive program on July 1, 1998.

I believe this legislature has to make a serious effort to address the state's continuing revenue shortfall and the need for long term financial stability. If education is faced with reduced or frozen budget funding levels, then we have to give the school districts the tools to make the necessary adjustments. Otherwise, the education of Alaska's youth will directly suffer. HB 354 is one of the tools that can be used to mitigate budget shortfalls and preserve the excellence in our public school system.

Alaska State Legislature

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House of Representatives

HB 354, Establishing a Retirement Incentive Program

SECTIONAL ANALYSIS*

Section 1 states the legislative purpose in adopting a retirement incentive program for teachers and other public school employees.

Section 2 establishes the general requirements for a retirement incentive program. Subsection (a) permits employers to designate organizational units of employees eligible to participate. Subsection (b) sets out criteria for the organization units. Subsection (c) limits which employees are eligible to participate to those who will be qualified to retire after receipt of the retirement incentive.

Subsection (d) sets out requirements for the employer's plan and requires the employer to agree to reimburse the retirement system for the extra costs incurred by the system as a result of participation by the employer's employees.

Subsection (e) sets out the formula for computing how much each member of the Teachers' Retirement System (TRS) who participates in the plan owes in order to receive the three-year credit. It is based on the annual contribution rate of 8.65% for members of TRS set out in AS 14.25.050. Subsection (f) sets out the formula for computing how much each member of the Public Employees Retirement System (PERS) who participates in the plan owes in order to receive the three-year credit. It is based on the annual contribution rate of 6.75% for members of PERS set out in AS 39.35.160.

Subsection (g) provides that the retirement incentive is a credit of three years, to be used either to meet retirement eligibility requirements or, if those are met, to increase the amount of

credited service a participant is entitled to when computing benefits. Subsection (h) limits the kinds of credited service that employees retiring under the retirement incentive plan may use when determining whether they are eligible to retire. Note that the subsection does not limit the kinds of credited service that may be considered when computing the employee's benefits.

Subsection (i) permits employees to assume part of the employer's liability in order to become eligible to participate in a retirement incentive plan.

Section 3 authorizes school districts to adopt a retirement incentive plan for its employees to begin June 30, 1996 and ending December 31, 1996. Subsection (b) requires that participants be appointed to retirement on or before August 1, 1997.

Section 4 permits the Department of Administration to take certain actions if school districts who are participating in the retirement incentive program become delinquent in the payments they owe the system for the increased benefits paid to their retirees under the program.

Section 5 establishes an indebtedness owed by participants in the retirement incentive program who, after retirement, are reemployed in a position that is covered by PERS, TRS, or JRS.

Subsection (b) prohibits participants from working for a state department or agency for three years after the participant retired. There is an exception for work for the University of Alaska and for employment with the legislature during the session if the employment is on an hourly basis and if the employee is not entitled to retirement, health, or leave benefits. Subsection (c) permits the commissioner of administration to allow employers to enter into personal services contracts with participants during the three-year waiting period if the employer establishes that there is a compelling reason for hiring the participant because of the participant's specialized or extensive experience. Note that while subsections (b) and (c) permit state agencies and school districts to hire certain participants, neither subsection excuses the participant from paying the penalty established under subsection (a).

Section 6 states that employees do not have a vested or contractual right to benefits under a retirement incentive program

until an agreement is executed with the administrator of the retirement system. The legislature reserves the right to make changes to the program.

Section 7 makes the definitions in TRS and PERS, as appropriate, applicable to the bill.

Section 8 repeals sections 2-3 of the Act, which establish and authorize the retirement incentive program, on July 1, 1998.

Section 9 is an immediate effective date.

*This analysis was copied in large part from a 1993 analysis by legislative attorney T. Cramer on bill draft 8-LS0182\A

FISCAL NOTE

STATE OF ALASKA
996 LEGISLATIVE SESSION

BILL NO. HB 354

Revision Date: _____
 Title: An Act to retirement incentive programs for certain
employees of school districts under the teachers' retirement...
 Sponsor: Representative Mackie
 Requestor: _____

Department Affected: Administration
 BRU: Retirement & Benefits
 Component: Retirement & Benefits
 COMPONENT SERIAL NO. 64

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	229.8	229.8	52.8	52.8	52.8	52.8
TRAVEL	3.0	3.0	0.0	0.0	0.0	0.0
CONTRACTUAL	12.9	11.4	2.8	2.8	2.8	2.8
SUPPLIES	6.0	1.5	.3	.3	.3	.3
EQUIPMENT	64.4	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	316.1	245.7	55.9	55.9	55.9	55.9

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	316.1	245.7	55.9	55.9	55.9	55.9
TOTAL	316.1	245.7	55.9	55.9	55.9	55.9

Estimate of any current year (FY 96) cost: \$ zero

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	5	5	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

The actuarial costs to participating employers due to this program are to be paid up front and no additional costs to the systems are anticipated. An administrative charge for participating employers will cover the increased costs of administering the retirement incentive program.

Prepared by: Robert F. Stalnaker *R. F. Stalnaker*
 Division: Retirement & Benefits

Phone: 465-4470
 Date: _____

Approved by Commissioner: Mark Boyer *Mark Boyer*
 Agency: Department of Administration

Date: 1/16/96

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 354

ANALYSIS: (continued)

This bill creates a retirement incentive program for the Public Employees' (PERS) and Teachers' (TRS) Retirement System employees of school districts. Active school district employees could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a teacher or with 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction from their lifetime benefit for the indebtedness amount.

We estimate that one permanent full-time employee will be needed to manage the operations of the program and increased service demands into the future. Five long-term non-permanent employees will also be needed over the next two fiscal years. Personnel will handle increased counseling, address and beneficiary changes, account maintenance, and other services. Subsequent increases in the number of retirees will necessitate increased permanent employees to handle the increased demand for information and services.

We estimate that we will need to increase our normal number of counseling trips by two trips over the next two fiscal years to assure that members understand the options and requirements of the program.

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

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
PERSONAL SERVICES			
<u>FY 1997</u>			
1 Retirement & Benefits Specialist I	\$ 52.8		
3 Retirement & Benefits Tech I/II (NP)	113.4		
1 Accounting Clerk III (NP)	34.1		
1 Admin Clerk I (NP)	<u>29.5</u>		
TOTAL FY 1997 COSTS	\$229.8		
 <u>FY 1998</u>			
1 Retirement & Benefits Specialist I	\$ 52.8		
3 Retirement & Benefits Tech I/II (NP)	113.4		
1 Accounting Clerk III (NP)	34.1		
1 Admin Clerk I (NP)	<u>29.5</u>		
TOTAL FY 1998 COSTS		\$229.8	
 <u>FY 1999</u>			
1 Retirement & Benefits Specialist I	\$ 52.8		
TOTAL FY 1999 COSTS			\$52.8

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 354

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
TRAVEL			
Traveling to various locations throughout the state to counsel prospective retirees and give seminars.	3.0	3.0	0.0
CONTRACTUAL			
Communication (Telephone, Postage)	6.6	6.6	1.6
Mainframe Computer Time	4.4	4.4	.8
Software Maintenance	1.5		
Training/Risk Management	<u>.4</u>	<u>.4</u>	<u>.4</u>
Total Contractual	12.9	11.4	2.8
SUPPLIES			
Office Supplies, Calculators, software	6.0	1.5	.3
EQUIPMENT			
Computer Workstations	20.0	0.0	0.0
File Cabinets (1)	.4	0.0	0.0
Office Chairs (5)	2.5	0.0	0.0
Microfiche Viewers (5)	1.5	0.0	0.0
Office Workstations	5.0	0.0	0.0
Computer/Network Printers	12.0	0.0	0.0
Computer Network Upgrades	20.0	0.0	0.0
Telephone Unit (5)	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>
Total Equipment	<u>64.4</u>	<u>0.0</u>	<u>0.0</u>
TOTAL OPERATIONS COST	\$316.1	\$245.7	\$55.9

The retirement technicians, retirement specialists, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers, or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's local area network.

We are also proposing the purchase of two additional computer printers. The previous RIPs put a great demand on our existing printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our existing printers. After comparing the cost of leasing printers for two years, coupled with our existing needs, purchasing new printers would be more cost effective.

All administrative costs of the program will be paid in advance by participating employers as required by the bill.

Funding Source Breakdown for FY 1997:

1029	PERS	\$126.4
1034	TRS	<u>189.7</u>
		\$316.1

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510
(907) 586-1083 • Fax (907) 586-2995

POSITION PAPER

RETIREMENT INCENTIVE PROGRAM

The Association of Alaska School Boards supports passage of a retirement incentive program with the local option for school districts to determine if participation in the program is desirable and beneficial.

The ability of a school district to weigh the short term benefit of a retirement incentive program against its long term goal is critical when addressing the program needs of students and the fiscal uncertainties that all Alaska school districts face.

A retirement incentive program with the local option to participate, will provide school districts the opportunity to review its present personnel cost and determine if economies will create a positive financial and programmatic impact.

AASA HB 354 Survey

How many certified teachers in your district would be eligible to participate in a RIP Program?				
They must have a minimum of 17 years of experience. Please answer regardless of whether your district would participate.				
District Name	Number eligible	Yes	No	Comment
Adak				
Alaska Gateway				
Aleutian Region Schools	2	X		
Aleutians East Borough	7	X		
Anchorage Schools				
Annette Island	2	X		
Bering Strait Schools	7	X		
Bristol Bay Borough				
Chatham Schools	6	X		
Chugach Schools	3	X		
Copper River Schools	10	Questionable -- our cost would be		\$150,000 if all participated
Cordova City Schools	16	I believe so.		
Craig City Schools	0			
Delta/Greely Schools	21	X		
Denali Borough	10		90% unlikely	
Dillingham City Schools	12	X		
Fairbanks Schools				
Galena City Schools				
Haines Borough Schools	13	X		
Hoonah City Schools	12	X		
Hydaburg City Schools	4		probably not	
Iditarod Area Schools				
Juneau Borough	60	X		
Kake City Schools				
Kashunamiut Schools				
Kenai Peninsula	175 to 200	X		
Ketchikan	39	X		Board would decide, but leaning that way.
Klawock City Schools	2	X		
Kodiak Island Borough	28	X		
Kuspuk Schools	13 out of 54 on staff	X		We desperately need a RIP!!
Lake & Pen Borough	9		X	Not sure
Lower Kuskokwim				
Lower Yukon Schools				
Mat-Su Borough	130	X		Dependent on board approval
Nenana City Schools				

AASA HB 354 Survey

District	Number eligible	Yes	No	Comments
Nome City Schools	14		X	
North Slope Borough	20+	X		
Northwest Arctic Boro	31			This is yet to be determined .
Pelican City Schools	1	X		
Petersburg City School	11			Don't know yet.
Probilof Island Schools	2		X	
St. Mary's Schools	4	X		
Sitka Borough Schools	34			Don't know yet.
Skagway City Schools	5	X		
Southeast Island				
Southwest Region	15			Undecided
Tanana Schools				
Unalaska City Schools	1	X		
Valdez City Schools	30	X		We would like to have the option .
Wrangell city Schools	13	X		
Yakutat City Schools				
Yukon Flats Schools	3	X		
Yukon/Koyukuk	9	X		
Yupit Schools				
Alyeska Central Corrsp.				
Total Number eligible	774	27	6	4 UNDECIDED
37/55 districts	67%			
2/28/96				

Division of Legislative
Audit

Report No. 02-4404-91

Nov. 22, 1991

Schedule 1 - Estimated Savings or (Costs) by Employer (Notes to Schedule on page 25 of report)

<u>Employer</u>	<u>Number of Retirees</u>	<u>Estimated Savings or (Costs) (Note 1)</u>	<u>Employer</u>	<u>Number of Retirees</u>	<u>Estimated Savings or (Costs)</u>
State of Alaska (Note 2)	739	\$ 6,033,100	Yukon/Koschikuk Schools	2	\$ 53,000
University of Alaska (Note 3)	145	4,317,300	Fairbanks North Star Borough (Note 16)	2	49,700
Anchorage School District (Note 4)	306	2,684,900	City of Palmer	3	46,600
Kenai Peninsula Borough Schools (Note 5)	72	1,988,800	Cordova City Schools	2	45,400
Fairbanks North Star Borough Schools (Note 6)	85	1,554,100	Kodiak Island Borough Schools	4	43,700
City of Fairbanks (Note 7)	22	776,700	Alaska State Housing Authority	4	42,700
North Slope Borough School District (Note 8)	42	517,500	Lower Yukon School District	5	38,600
Matanuska-Susitna Borough Schools (Note 9)	42	487,300	Unalaska City School District (Note 11)	3	37,500
North Slope Borough (Note 10)	12	469,600	Iditarod Area Schools (Note 11)	5	34,000
Ketchikan Gateway Borough Schools	23	443,000	Cordova Community Hospital	3	31,400
Lower Kuskokwim Schools (Note 11)	25	324,000	Alaska Gateway Schools	2	27,900
Matanuska-Susitna Borough (Note 12)	9	310,900	City of Kenai	3	27,700
Sitka School District	17	229,700	National Education Association	1	21,600
Kenai Peninsula Borough (Note 13)	6	224,900	City of Haines	1	17,300
Juneau Borough Schools	28	217,700	Bartlett Memorial Hospital	2	16,300
Hillingham City Schools	3	213,600	Nenana City Schools (Note 11)	1	15,400
City and Borough of Juneau	19	199,600	Skagway City School (Note 11)	1	15,400
Hoonah City Schools	2	151,200	Bristol Bay Borough Schools (Note 17)	1	14,600
Haines Borough School District	2	150,700	Nome City Schools	5	12,900
Bering Strait Schools (Note 11)	17	149,800	Southeast Regional Resource Center	2	12,300
Wrangell City Schools	9	124,500	Ketchikan Gateway Borough	1	11,300
City of Hoonah (Note 14)	2	118,000	City of Ketchikan (Note 18)	1	5,400
Southwest Region Schools (Note 11)	9	112,500	City of Kotzebue	1	3,000
Delta/Creely Schools (Note 11)	7	107,500	City of Valdez	2	2,600
City of Homer	5	102,100	City of Seward	2	800
Valdez City Schools	3	84,100	Craig City Schools	1	(12,300)
City of Kodiak (Note 15)	6	77,500	Bristol Bay Borough	1	(14,400)
Kaspok Schools (Note 11)	7	64,700	Yakutat City School District	1	(16,900)
Chatham Schools	6	64,600	Kake City Schools	1	(29,700)
Southeast Island Schools	4	63,000	Yupitit School District	2	(30,600)
Sitka Community Hospital	3	60,100	City and Borough of Sitka	7	(31,300)
City of Wrangell	9	58,900	Seward General Hospital	2	(44,800)
Kodiak Island Borough	4	55,300	Total	1,764	\$22,984,800

Schedule 2 - Savings/Costs by Department

Department	Number of Retirees	Estimated Savings/Cost
Transportation and Public Facilities	197	1,616,200
Health and Social Services	77	561,600
Fish and Game	56	502,000
Education	41	467,500
Public Safety	54	422,800
Labor	51	393,700
Corrections	62	334,000
Commerce and Economic Development	21	332,500
Legislature	6	282,000
Administration	51	214,900
Natural Resources	31	206,000
Alaska Court System	19	190,300
Office of the Governor	15	159,800
Revenue	15	103,300
Environmental Conservation	16	87,700
Law	13	79,200
Military and Veterans Affairs	9	47,700
Community and Regional Affairs	5	31,900
Total	739	\$6,033,100

	TRS			PERS			TOTAL		
	Number of Retirees	Estimated Savings/Cost	Average Savings Per Participant	Number of Retirees	Estimated Savings/Cost	Average Savings Per Participant	Number of Retirees	Estimated Savings/Cost	Average Savings Per Participant
State of Alaska	18	\$ 276,900	\$15,383	721	\$5,756,200	\$7,984	739	\$ 6,033,100	\$ 8,164
University of Alaska	72	2,577,100	35,793	73	1,740,700	23,845	145	4,317,800	29,778
Anchorage School District	204	2,894,500	14,189	102	(209,600)	(2,055)	306	2,684,900	8,774
Kenai Peninsula Borough Schools	58	1,810,500	31,216	14	178,300	12,736	72	1,988,800	27,622
Fairbanks North Star Borough Schools	58	734,400	12,662	27	319,700	30,359	85	1,554,100	18,284
North Slope Borough School District	24	308,600	12,858	18	208,900	11,606	42	517,500	12,321
Matanuska-Susitna Borough Schools	26	287,700	11,065	16	200,100	12,506	42	487,800	11,614
Ketchikan Gateway Borough Schools	19	427,000	22,474	4	16,000	4,000	23	443,000	19,261
Lower Kuskokwim Schools	18	276,500	15,361	7	47,600	6,800	25	324,100	12,964
Juneau Borough Schools	27	196,700	7,285	1	21,000	21,000	28	217,700	7,775
Bering Strait Schools	4	61,400	15,350	13	88,400	6,800	17	149,800	8,812
Wrangell City Schools	5	35,600	7,120	4	88,900	22,225	9	124,500	13,833
Southwest Region Schools	6	92,200	15,367	3	20,400	6,800	9	112,600	12,511
Kuspuk Schools	2	30,700	15,350	5	34,000	6,800	7	64,700	9,243
Chatham Schools	5	64,700	12,940	1	(100)	(100)	6	64,600	10,767
Southeast Island Schools	3	49,600	16,533	1	13,300	13,300	4	62,900	15,725
Kodiak Island Borough Schools	2	39,900	19,950	2	3,800	1,900	4	43,700	10,925
Lower Yukon School District	3	66,400	22,133	2	(27,700)	(13,850)	5	38,700	7,740
Alaska City School District	2	30,700	15,350	1	6,800	6,800	3	37,500	12,500
Total	556	\$10,261,100	\$18,455	1,015	\$9,006,700	\$8,874	1,571	\$19,267,800	\$12,265

Schedule 3 - Savings for Employers with Both TRS and PERS Retirees



Lawrence A. Wiget, Ed.D.
Director, Government Relations/Legislative Liaison
Anchorage School District
4500 Debarr Road
Anchorage, Alaska 99519-6614
(W) 907 269-2255 (FAX) 907 269-2340

TO: REPRESENTATIVE JERRY MACKIE
(W) 465-4925 (FAX) 465-3517

SUBJECT: RETIREMENT INCENTIVE PROGRAM

DATE: FEBRUARY 27, 1996

The Anchorage School District supports having an option to offer its employees a retirement incentive program if the savings to the District in personal services costs for the employee's position exceed the costs to us for that position within five years after the employee retires. Following an analysis to see if the program is helpful to us overall, the administration will make a recommendation to the School Board on whether to participate in the program or not.

Last year, the District had at least 600 teachers that would have been eligible for early retirement under HB 217.



January 22, 1996

KETCHIKAN
KETCHIKAN GATEWAY BOROUGH
SCHOOL DISTRICT

January 22, 1996

Memo To: Keith Tolzin, Superintendent

From: David Means, Business Manager

A handwritten signature in dark ink, appearing to read "D. Means", is written over the name "David Means" in the "From:" line.

Subject: Retirement Incentive Program Analysis

As requested, I counted the eligible teachers if the retirement incentive program were to pass requiring a minimum of 17.0 years of credited retirement service.

There are 33 teachers eligible for retirement under this option. They make a minimum of \$54,976 per year to a maximum of \$58,030. They average \$57,336 per year.

If the District were to replace these teachers with a newly hired teacher, I estimate an average difference in salary per position of \$19,157 (or \$20,902 after factoring in TRS' and social security.) If the District were to replace these teachers with teachers at the B-0 step, then the average difference in salary would become \$26,792 (or \$29,564 after factoring TRS' and social security).



JUNEAU SCHOOL DISTRICT

CITY AND BOROUGH OF JUNEAU
OFFICE OF THE SUPERINTENDENT

10014 CRAZY HORSE DRIVE • JUNEAU, ALASKA 99801-8529 • (907) 463-1700 • FACSIMILE (907) 463-1712

January 22, 1996

Representative Jerry Mackie
Alaska State Legislature
State Capitol
Juneau, AK 99811

Dear Representative Mackie:

In response to your inquiry regarding the potential savings from an early retirement incentive, the Juneau School District estimates a savings of \$100,000 per teacher over a five year period.

With a conservative estimate of 30 teachers participating, the savings would be three million dollars. Thank you for your work on this legislation.

Sincerely,

Mary Rubadeau
Superintendent

Hoonah City Schools

Estimated Cost Savings from HB 98

I. Salary Costs for Current Employee Eligible for RIP in School Year 1992-93:

Teacher A	52,796
" B	53,386
" C	52,796
" D	52,796
" E	52,796
" F	56,631
" G	52,796
" H	<u>56,631</u>

TOTAL Employee Salary Costs 430,528

II. Total costs for eight new teachers at the beginning salary step of \$29,203: \$233,624.

III. Estimated RIP costs for teachers listed above \$ 232,539 paid out over a three-year period: \$77,513 per year.

IV. Cost Savings Per Year:

First Year Savings	\$ 119,487
*Second Year Savings	113,510
*Third Year Savings	<u>107,835</u>

TOTAL three Years Savings.....\$ 340,832

*NOTE: Estimated 5% increase in salaries for new employees in the second and third year.

Hoonah Public Schools

P.O. Box-157

(907)-945-3611

Hoonah, Alaska 99829

January 27, 1993

The Honorable Jerry Mackie
Alaska House of Representatives
Capital, Room 110
P. O. Box V
Juneau, AK 99811

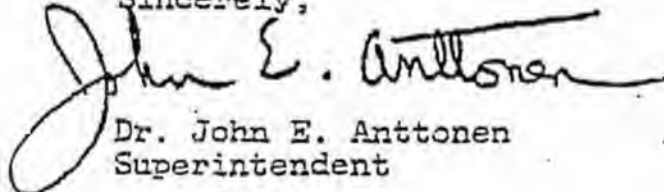
Dear Representative Mackie:

The purpose of this letter is to support the retirement incentive provisions contained in HB 36. The current version of this bill would provide Hoonah School District with a total possible certified employee savings of \$340,832 over a three year period. (See attached cost estimate.)

Our estimate is based on eight teachers who are presently eligible for early retirement and hiring new teachers at the lower end of our current salary schedule. We have computed into this cost estimate the amount that the district would need to pay the retirement system for RIP participation.

Our district views HB 36 as a significant management tool capable of providing us with flexibility in controlling certificated employee costs. Declining State revenue in education demands that management have all opportunities to control employee costs. We see HB 36 as such an opportunity and wholeheartedly endorse its passage.

Sincerely,


Dr. John E. Anttonen
Superintendent

JEA/db

H B 354

FAX TRANSMISSION

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 FIFTH AVENUE
FAIRBANKS, ALASKA 99701
(907) 452-2000 Ext. 401
FAX: (907) 451-0541

To: Representative Jeanette James, House State Affairs Committee Chairperson **Date:** February 20, 1996

cc: Representative Joe Green

Fax #: c/o Fbks LIO 456-3346 **Pages:** 1, Including this cover sheet.

From: P. Houts
Superintendent of Schools

Subject: H.B. 354

COMMENTS:

To Representative James:

This P.O.M. is to offer support for H. B. 354 and encourage its movement to hearing. This piece of legislation is seen by us as a tool that could possibly be used in making decisions to help us reach our hiring goals and budget goals.

FAXED
2/20/96

2-22-96

Dear Representative James,

I am writing you, as you are the Chairman of State Affairs, to please bring up for vote HB 354 and not let it die in your committee. The bill passed unanimously in the HFSS committee and still has a way to go I know but it needs to be heard.

This is an important bill for many teachers. It will also help with the economy for many Alaska boroughs. Please do what you can to get this bill, HB 354 heard and passed immediately.

Thank you,
Margaret V. Mello
PO Box 876218
Wasilla, Alaska 99687
907-373-6198
Fax # 907-745-7720

cc:Mail for: REPRESENTATIVE JEANNETTE JAMES

Subject: HB 354

From: rossomt@alaska.net at CC2MHS1 02/23/1996 4:36 PM

To: Representative Jeannette James at ANC_LEGIS

Chair JJames:

Please support HB 354. It is time to offer a tool for cost reduction to school districts instead of more state and local money given out. Also there are many young UAA/AAF graduates trying to become teachers. Currently they wait 5 years on average through substitute teaching and part time jobs before they get a teacher position. You can reduce school districts' expenses and help Alaskan economy by getting higher priced teachers out. Many retirees will stay and spend money here. PLUS several thousand new jobs statewide will open up. The new hires also will spend money here and finally have a job that they trained for. This is a good plan--please support it! In Anchorage, we really do need some more money for the new schools and computers, but not by bonds or the local taxpayers--let's give them some money this way instead! And thank you for HB 354 being scheduled for a public hearing! I have to work at that time, so I appreciate you hearing my views this way. Please give your support to it.

Sincerely,

Theresa Rosso

HB

359

Alaska State Legislature

Representative Brian S. Porter

CHAIRMAN
HOUSE JUDICIARY COMMITTEE

MEMBER
HOUSE LABOR & COMMERCE COMMITTEE
HOUSE STATE AFFAIRS COMMITTEE
INTERNATIONAL TRADE & TOURISM
COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
DEPARTMENT OF LAW
DEPARTMENT OF EDUCATION
COURTS



DISTRICT 20

SESSION:
STATE CAPITOL, ROOM 118
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PHONE: (907) 463-4930
FAX: (907) 463-3834

INTERIM:
716 W. 4TH AVE., SUITE 640
ANCHORAGE, AK 99501 2133
PHONE: (907) 258-8197
FAX: (907) 258-5510

SPONSOR STATEMENT

Lamenting the appointment process for Boards and Commissions the Governor and legislature endured last year, HB 359 is designed to take the politics out of the presentment and appointment process.

Simply stated the Governor would present to the legislature within 30 days of convening the names of persons appointed who have not previously been confirmed and the names of persons to be appointed. An appointment made after 30 days of the session, but while session is still in progress, must be presented within 5 calendar days. Concurrently, the duration of an appointment made during the interim ends when a new regular session convenes, but can be reappointed and presented for confirmation during that session. For example, when governors change this feature allows the new governor to appoint new people or reappoint the interim appointees selected by the previous governor.

9-LS1242V
Lauterbach
2/22/96

3/8/96

CS FOR HOUSE BILL NO. 359()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE PORTER

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the appointment and confirmation process for members of
2 certain boards, commissions, and similar bodies; relating to terms of certain
3 appointees; and providing for an effective date."

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

5 * Section 1. AS 08.01.035 is amended to read:

6 Sec. 08.01.035. APPOINTMENTS AND TERMS. Members of boards subject
7 to this chapter are appointed for staggered terms of four years. Except as provided in
8 AS 39.05.080(4), a [A] member of a board serves until a successor is appointed. Except
9 as provided in AS 39.05.080(4), an [AN] appointment to fill a vacancy on a board is
10 for the remainder of the unexpired term. A member who has served all or part of two
11 successive terms on a board may not be reappointed to that board unless four years have
12 elapsed since the person has last served on the board.

13 * Sec. 2. AS 08.04.040 is amended to read:

14 Sec. 08.04.040. VACANCY ON BOARD. A vacancy shall be filled by

1 appointment for the unexpired term, except as provided in AS 39.05.080(4), and all
2 vacancies shall be filled within 60 days. Except as provided in AS 39.05.080(4), after
3 [AFTER] the expiration of a member's term of office a member continues to serve until
4 a successor is appointed and qualifies, formally advises the board of acceptance of the
5 appointment, and appears at the next meeting of the board.

6 * Sec. 3. AS 08.65.010(b) is amended to read:

7 (b) The board consists of five members appointed by the governor subject to
8 confirmation by the legislature in joint session. Members serve for staggered terms of
9 four years and, except as provided in AS 39.05.080(4), each member serves until a
10 successor is appointed and qualified. The board consists of two members who are
11 certified in this state as direct-entry midwives, one physician licensed by the State
12 ~~Medical Board~~ Medical Board in this state who has an obstetrical practice or has specialized training in
13 obstetrics, one certified nurse midwife licensed by the Board of Nursing in this state, and
14 one public member.

15 * Sec. 4. AS 14.07.095 is amended to read:

16 Sec. 14.07.095. TERM OF OFFICE. The members of the board shall be
17 appointed for overlapping five-year terms commencing on the March 1 following the
18 date of the member's [FEBRUARY 1 OF THE YEAR OF] appointment. Except as
19 provided in AS 39.05.080(4), a [A] member appointed to fill a vacancy serves for the
20 unexpired term of the member whose vacancy is filled. A vacancy occurring during a
21 term of office is filled in the same manner as the original appointment.

22 * Sec. 5. AS 14.20.420(a) is amended to read:

23 (a) The term of office for each member of the commission is three years and,
24 except as provided in AS 39.05.080(4), each member serves until a successor is
25 appointed.

26 * Sec. 6. AS 14.20.420(b) is amended to read:

27 (b) Vacancies shall be filled by appointment by the governor and, except as
28 provided in AS 39.05.080(4), an appointment to fill a vacancy is for the unexpired
29 term.

30 * Sec. 7. AS 15.13.020(h) is amended to read:

31 (h) A vacancy on the commission shall be filled through the appropriate
32 appointing method for the position within 30 days after the occurrence of the vacancy.

1 Except as provided in AS 39.05.080(4), the [THE] appointee shall serve for the
2 remaining term of the appointee's predecessor.

3 * Sec. 8. AS 16.05.221(c) is amended to read:

4 (c) Members of the Board of Fisheries or Board of Game serve staggered terms
5 of three years and, except as provided in AS 39.05.080(4), each member serves until
6 a successor is appointed. An appointment to fill a vacancy in the membership of the
7 Board of Fisheries or Board of Game shall be made in the same manner as the original
8 appointment and, except as provided in AS 39.05.080(4), an appointment to fill a
9 vacancy is for the balance of the unexpired term.

10 * Sec. 9. AS 16.43.030(b) is amended to read:

11 (b) A vacancy on the commission shall be filled by appointment by the governor
12 and the appointment shall be confirmed by the legislature in joint session. Except as
13 provided in AS 39.05.080(4), a [A] member selected to fill a vacancy shall hold office
14 for the balance of the full term for which the member's predecessor on the commission
15 was appointed.

16 * Sec. 10. AS 31.05.007(b) is amended to read:

17 (b) A vacancy arising in the office of a commissioner shall be filled by
18 appointment by the governor and confirmed by the legislature in joint session, and,
19 except as provided in AS 39.05.080(4), an appointee selected to fill a vacancy shall
20 hold office for the balance of the full term for which the predecessor on the commission
21 was appointed.

22 * Sec. 11. AS 38.06.025(e) is amended to read:

23 (e) Vacancies in public membership shall be filled in the same manner as
24 original appointment. Except as provided in AS 39.05.080(4), an [AN] appointee to
25 fill a vacancy shall hold office for the balance of the term for which the predecessor on
26 the board was appointed. A vacancy in board membership does not impair the authority
27 of a quorum of the board members to exercise all the powers and duties of the board.

28 * Sec. 12. AS 39.05 is amended by adding a new section to read:

29 Sec. 39.05.053. TERMS OF OFFICE. The term of office of a position or
30 membership ends on March 1 of the year when the position's or membership's term
31 expires except as otherwise provided in a law relating to positions or memberships on
32 a specific board or commission.

1 * Sec. 13. AS 39.05.060(d) is amended to read:

2 (d) A vacancy occurring during a term of office is filled in the same manner as
3 the original appointment is made and, except as provided in AS 39.05.080(4), is filled
4 for the balance of the unexpired term. Except as otherwise provided by law, each
5 [EACH] member holds office at the pleasure of the governor notwithstanding the
6 member's term.

7 * Sec. 14. AS 39.05.080 is amended to read:

8 Sec. 39.05.080. PROCEDURE FOR ALL APPOINTMENTS. Except as
9 otherwise provided in a law relating to the positions or memberships on a specific
10 board or commission, appointment to a position or membership [APPOINTMENTS]
11 shall be made in the following manner:

12 (1) The governor [APPOINTING AUTHORITY] shall, within the first
13 30 days after [OF THE CONVENING OF] the legislature convenes in regular session,
14 present to the legislature for confirmation the names of the following persons: (A)
15 persons appointed to a position or membership who have not previously been confirmed
16 by the legislature, and (B) [OR EITHER HOUSE OF IT; (B) PERSONS APPOINTED
17 SUBJECT TO CONFIRMATION TO FILL AN EXISTING POSITION OR
18 MEMBERSHIP VACANCY; (C)] persons to be appointed [SUBJECT TO
19 CONFIRMATION] to fill a position or membership the term of which will [SHALL]
20 expire March 1 during that [BEFORE JULY 2, FOLLOWING THE] session of the
21 legislature. If an appointment is made after the first 30 days of the convening of the
22 regular session [DEADLINE] but while the legislature is in regular session, the
23 governor [APPOINTING AUTHORITY] shall, within five calendar days after the
24 appointment is made, present to the legislature for confirmation the name of the person
25 appointed. The deadline may be extended by the legislature by the approval of a
26 concurrent resolution.

27 (2) When appointments are presented to the legislature for confirmation,

28 (A) the presiding officer of each house shall assign the name of
29 each appointee to a standing committee of that house for a hearing, report, and
30 recommendation; standing committees of the two houses assigned the same
31 person's name for consideration may meet jointly to consider the qualifications
32 of the person appointed and may issue either a separate or a joint report and

1 recommendation concerning that person; then

2 (B) the legislature shall, before the end of the session in which
3 the appointments are presented, in joint session assembled, act on the
4 appointments by confirming or declining to confirm by a majority vote of all of
5 the members the appointments presented.

6 (3) When the legislature declines to confirm an appointment, the
7 legislature shall notify the governor [APPOINTING AUTHORITY] of its action and a
8 vacancy in the position or membership exists which the governor [APPOINTING
9 AUTHORITY] shall fill by making a new appointment. The new appointment shall be
10 presented for confirmation to the legislature within 20 calendar days following receipt
11 by the governor [APPOINTING AUTHORITY] of the legislature's notification of its
12 refusal to confirm the prior appointment. The governor [IF THE NAME OF A
13 PERSON IS SUBMITTED AND IS NOT CONFIRMED, THE APPOINTING
14 AUTHORITY] may not appoint [, UPON RESUBMISSION OF APPOINTMENTS,
15 SUBMIT] again the same [NAME OF THE] person whose confirmation was refused for

16 the same position or membership during the session of the legislature at which
17 confirmation was refused. The person whose name is refused for appointment by the
18 legislature may not thereafter be appointed to the same position or membership during
19 the interim between legislative sessions. Failure of the legislature to act to confirm or
20 decline to confirm an appointment during the session in which the appointment was
21 presented is tantamount to a declination of confirmation on the day the session adjourns.

22 (4) Pending confirmation or rejection of appointment by the legislature,
23 persons appointed shall exercise the functions, [AND] have the powers, and be charged
24 with the duties prescribed by law for the appointive positions or membership. However,
25 the duration of an appointment made during the time period between regular
26 sessions of the legislature ends on the first day of the next regular session. An
27 appointee whose appointment ends on the first day of the next regular session under
28 this paragraph does not serve until a successor is appointed but may be
29 reappointed. The duration of an appointment made during a regular session of the
30 legislature and not presented to the legislature by the governor during that session
31 ends on the last day of that session. The governor may not again appoint the same
32 person to the same position or membership if the person's appointment ends

1 because of the governor's failure to present the person's name for confirmation.

2 * Sec. 15. AS 39.23.200(a) is amended to read:

3 (a) The State Officers' Compensation Commission is established. The
4 commission is composed of seven members appointed by the governor subject to
5 confirmation by a majority of the legislature in joint session. Members serve for
6 staggered terms of four years. Commission membership shall include at least one
7 business executive, one representative of a nonpartisan voters' organization, one person
8 with experience in public administration, and one representative of a labor organization.
9 Except as provided in AS 39.05.080(4), a [A] vacancy shall be filled for the balance
10 of the unexpired term. A commission member may serve no more than two complete
11 consecutive terms.

12 * Sec. 16. AS 41.35.330 is amended to read:

13 Sec. 41.35.330. TERM OF OFFICE. The term of office for a member of the
14 commission is three years, except for those who are members by virtue of their positions
15 with the state, who serve for as long as they remain in the position by virtue of which
16 they are members of the commission. Except as provided in AS 39.05.080(4), a [A]
17 member appointed to fill a vacancy serves for the unexpired term of the member
18 succeeded.

19 * Sec. 17. AS 42.05.030(b) is amended to read:

20 (b) A vacancy arising in the office of commissioner shall be filled by
21 appointment by the governor and confirmed by the legislature in joint session. Except
22 as provided in AS 39.05.080(4), an [AN] appointee selected to fill a vacancy shall hold
23 office for the balance of the full term for which the appointee's predecessor on the
24 commission was appointed.

25 * Sec. 18. AS 42.40.040(a) is amended to read:

26 (a) Except for the commissioner of commerce and economic development and
27 the commissioner of transportation and public facilities, a vacancy on the board is filled
28 by appointment by the governor, and the appointment must be confirmed by the members
29 of the legislature in joint session. Except as provided in AS 39.05.080(4), a [A]
30 member appointed to fill a vacancy holds office for the balance of the term for which
31 the member's predecessor was appointed.

32 * Sec. 19. AS 46.15.200 is amended to read:

1 Sec. 46.15.200. TERM OF OFFICE. The term of office for members of the
2 board is four years. If a vacancy occurs, the governor shall fill it by appointment for the
3 unexpired term, subject to AS 39.05.080(4). The appointment shall be submitted to the
4 legislature for confirmation at the next regular [OR SPECIAL] session.

5 * Sec. 20. AS 08.36.020; AS 08.80.020; and AS 08.88.026 are repealed.

6 * Sec. 21. TRANSITIONAL PROVISIONS. In order to implement the changes made in this
7 Act, and notwithstanding other provisions of law that may limit the years or terms of positions
8 or memberships, the terms of office of positions or memberships, as defined in AS 39.05.200,
9 that exist on the effective date of this Act are extended to the March 1 next following the date
10 that the term would have expired without the changes made in this Act. This section does not
11 apply to terms of office that would have expired on March 1 even if this Act had not taken
12 effect.

13 * Sec. 22. This Act takes effect January 1, 1997.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

February 19, 1996

SUBJECT: Sectional Summary of CSHB 359().
(Confirmation of Board Members)

TO: Representative Brian Porter
Attn: Patrick Lounsbury

FROM: Terri Lauterbach
Legislative Counsel

TLauterbach

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Sections 1 - 6 and 10 - 14 make technical changes in existing laws in order to conform to the changes made in AS 39.05 in secs. 7 - 9 of the bill. Under the changes in AS 39.05.080(4), members would not necessarily serve until replaced and vacancies would not be filled for the unexpired term because interim appointees would lose office when a new legislative session begins.

Section 7 adds a new section that specifies that the term of office of each member of a board or commission for which confirmation is required ends on March 1 of the year when the term expires. Allows an exception for when the legislature wants to provide a different termination date for a specific board or commission.

Section 8 modifies the general law on vacancies in AS 39.05.060 so that it conforms to the changes made in sec. 9 of the bill. Also clarifies that, in general, confirmed members of boards and commissions serve at the pleasure of the governor even though terms are set by law, but allows the legislature to provide for a different result, such as removal only for cause, for specific boards and commissions.

Section 9 makes a number of changes to the basic law governing the presentment and confirmation process for members of boards and commissions. These changes do not affect other positions for which confirmation may be required (department heads).

Sec. 39.05.080 (lead-in language): Provides that any aspect of the general procedure may be modified by the legislature (by law) for any specific board or commission.

Sec. 39.05.080(1): Requires the governor to present to the legislature within 30 days of its convening the names of persons appointed who have not previously been confirmed and the names of persons to be appointed to fill a position that will expire March 1 of that session. An appointment made after 30 days of the session, but while session is still in progress, must be presented within 5 calendar days.

Sec. 39.05.080(2) and (3): No change from current law except to clarify that the governor is the "appointing authority." Use of the term "appointing authority" has been obsolete for some time. This is just a technical change.

Sec. 39.05.080(4). The first new sentence in this paragraph provides that the duration of an appointment made during the legislature's interim ends when a new regular session convenes, but, under the second new sentence, the appointee can be reappointed and presented for confirmation during that session. When governors change, this feature allows the new governor to appoint new people or reappoint the interim appointees selected by the previous governor. When governors don't change, the governor can simply reappoint the interim appointee (or change the appointee, just as if a new governor were taking office).

The third new sentence provides that an unrepresented appointment expires at the end of the legislative session during which it should have been presented. The fourth sentence prohibits the governor from reappointing an unrepresented appointee after session adjourns.

Section 15 repeals laws that conflict with the changes made by this bill.

Section 16 sets up the March 1 cycle of terms of office by extending current terms to March 1 following when they otherwise would have expired.

Section 17 gives the bill a January 1, 1997, effective date.

HB

361

OK

Alaska State Legislature

ALASKA STATE CAPITOL
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(907) 465-4925

P.O. BOX 795
CRAIG, ALASKA 99921
(907) 926-3008 OFFICE
(907) 826-2930 HOME

REPRESENTATIVE
JERRY MACKIE

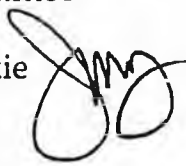
House of Representatives

MEMORANDUM

STATE OF ALASKA ALASKA STATE LEGISLATURE

Date: January 22, 1996

TO: Representative Jeannette James, Chair
House State Affairs Committee

FROM: Representative Jerry Mackie 
House Of Representatives

Re: HB 361 - "An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date." By Rep. Mackie

I would appreciate your consideration in scheduling HB 361 for a hearing in the State Affairs Committee.

I have attached my sponsor statement and other pertinent information.

Please call me if you have further questions.

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

Mary Pagenkopf

House C+RA
1-18-96 1:05 pm
HB361

Alaska State Legislature

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REPRESENTATIVE
JERRY MACKIE

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House of Representatives

SPONSOR STATEMENT

HB 361 - "An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."

I introduced this legislation at the request of the Metlakatla Indian Community when their FY 96 Municipal Assistance Matching Grant Program appropriation was eliminated from last year's budget. Metlakatla qualified for this program under the Department of Administration regulations definition for "municipality". However, legal analysis found that the statute definition was not written specific enough to include the Metlakatla Indian Community in this program. Since the statute definition supersedes the regulatory definition the appropriation was eliminated.

HB 361 AMENDS AS 37.06 (Capital Project Matching Grants Programs) by adding a new section that includes a municipality organized under federal law as an Indian reserve. This bill has been drafted to specifically include the Metlakatla Indian Community within the Municipal Assistance Matching Grant Program. This legislation also provides that Metlakatla may not receive a grant under the Unincorporated Community Capital Project Matching Grant Program.

The community of Metlakatla is definitely more reflective of a municipal government and fits more appropriately into the Municipal Capital Matching Grant Program. The community has a mayor, city council, school board, constitution, law and order codes, police department, court system, etc..

There are two zero fiscal notes accompanying this legislation from the Department of Community and Regional Affairs and the Department of Administration.

Alaska State Legislature

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House of Representatives

HB 361 - "An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."

***SECTIONAL ANALYSIS**

***Section 1.**

amends AS 37.06(Capital Project Matching Grants Program) by adding a new section that includes a municipality organized under federal law as an Indian reserve.

lines 9 - 10, eliminates Metlakatla from the Unincorporated Capital Project Matching Grants Program under AS 37.06.020.

requires the community to form a community development corporation with authority to determine how the grant money will be used, and that the governing board of the corporation shall be elected at an annual election open to all registered and qualified voting residents of the municipality.

the Department of Administration may distribute money for the municipality only after the corporation has delivered a waiver of sovereign immunity from legal action by the state to recover all or a portion of the money distributed under AS 37.06.010.

***Section 2.**

provides transition language to provide that the balance of funds in the Unincorporated Capital Matching Grant Program be transferred to the Department of Administration.

***Section 3.**

provides that HB 361 becomes effective July 1, 1996.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 361

Revision Date: _____
 Title: "An Act relating to capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date." _____
 Sponsor: Mackie _____
 Requestor: _____

Department Affected: Administration _____
 BRU: Administrative Services _____
 Component: Administrative Services _____

COMPONENT SERIAL NO. 46

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
-----------------------------	----------	----------	----------	----------	----------	----------

CHANGE IN REVENUES ()	0	0	0	0	0	0
-------------------------------	----------	----------	----------	----------	----------	----------

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The administrative impact on DOA would be very small.

Prepared by: Marion Barton
 Division: Administrative Services

Phone: 465-2277
 Date: 1/8/96

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 1/11/96

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FISCAL NOTE

Revision Date: January 9, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal capital project matching grants for a municipality organized BRU: none
 Component: none
 Sponsor: Rep. Mackie
 Requestor: Rep. Mackie COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE: _____

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)
 This legislation clearly establishes the community of Metlakatla as a municipality for the purposes of the Municipal Capital Project Match Program, AS 37.06.010-090, removing an ambiguity under which the community has in the past received capital match program funds for both unincorporated and municipal elements of the program. This legislation would have no direct fiscal impact on the department. Funds currently maintained by DCRA for Metlakatla under the unincorporated capital match program would be transferred to the Municipal Capital Match Program Metlakatla account administered by the Department of Administration.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Division of Administrative Services Date: 1/09/96
 Approved by Commissioner: *Nike Turner* Date: 1/09/96
 Agency: Community & Regional Affairs

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STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF ADMINISTRATIVE SERVICES

TONY KNOWLES, GOVERNOR

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333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500
FAX: (907) 269-4520

January 18, 1996

The Honorable Jerry Mackie
House of Representatives
State Capitol, Room 404
Juneau, AK 99801-1182

Dear Representative Mackie:

Re: Metlakatla - Unincorporated Matching Grant

The following is a brief description of the impact to this Department should Metlakatla be identified as an eligible entity in the Municipal section of the Capital Matching Grant Program rather than the Incorporated section of that same program.

Since the inception of this program, Metlakatla has requested projects each fiscal year in the full amount of funds available with the exception of FY 94. The remaining balance that year in addition to a small amount of interest earned totals \$1,357.84 that would need to be transferred from Metlakatla's Community Account in this Department to the Department of Administration along with their FY 97 project request file. Metlakatla is aware of the available remaining funds and has incorporated them into their FY 97 project request.

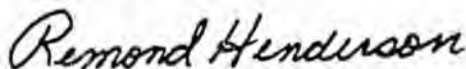
All of Metlakatla's previously requested projects are currently under agreement and active with all funds encumbered. These projects should remain with this office until they are complete and closed-out. Below is a detailed listing of their projects to date.

<u>FY</u>	<u>PROJECT</u>	<u>AWARD</u>	<u>EXPENDED TO DATE</u>
94	Lift Station	\$23,775.00	\$ 6,222.00
95	Hatchery Site Preparation	25,000.00	20,640.00
96	Cold Storage Facility Repairs	18,000.00	18,000.00 (Closed)
	Replace Cannery Building Wall	7,000.00	1,750.00

97 Proposed Smoked Salmon Dev. Proj. 26,358.00

If you have any further questions or concerns please feel free to contact the Grants Administrator for these projects, Tena Bavard, at 465-4731.

Sincerely,



Remond Henderson
Director

COUNCIL ANNETTE ISLANDS RESERVE

METLAKATLA INDIAN COMMUNITY

JACK L. BOOTH, SR., MAYOR
 JUDITH A. LAUTH, SECRETARY
 BARBARA J. FAWCETT, TREASURER
 January 15, 1996

ESTABLISHED 1987

POST OFFICE BOX 8
 METLAKATLA, ALASKA 99926
 PHONE (907) 886-4441
 FAX (907) 886-3336
 FAX (907) 886-7997

Representative Jerry Mackie
 House of Representatives
 State Capitol
 Juneau, Alaska 99801-1182

Re: HB361- 'An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date.'

Dear Representative Mackie:

We appreciate the work you have put into this issue during the interim and your sponsoring HB 361 this legislative session.

We received Capital Project Matching Grants funding in FY94 in the amount of \$60,619.00 which went to the fire hall project. In FY95 we received \$58,909.00 which is being allocated to the police department project.

For FY96, we were allocated \$59,421, however, it was then determined that although the matching grant regulations explicitly allow Metlakatla to receive funding, the statute that defines municipalities does not include Metlakatla. We did not receive this appropriation due to this legal technicality.

We never questioned receiving for the Municipal Capital Matching Grant Program and the Unincorporated Capital Matching Grant Program since we weren't familiar with allocations to other communities and this had never been brought to our attention by the administration or the legislature previously.

We appreciate your active support for passage of this legislation which removes us from the Unincorporated Capital Matching Grant Program completely and specifically includes Metlakatla in the statute provisions for the Municipal Capital Matching Grant Program.

Sincerely,

METLAKATLA INDIAN COMMUNITY

Jack L. Booth, Sr.
 Jack L. Booth, Sr., Mayor

cc: Metlakatla Indian Community Council Members
 Rep. Ivan Ivan CO-chair, House C & RA
 Rep. Alan Austerman, CO-Chair House C & RA Committee
 C & RA Committee Members: Rep. Pete Kott, Al Vezey, Rep.
 Bettye Davis, Rep. Kim Elton, Rep. Irene Nicholai, Rep. Mackie

MEMORANDUM

January 8, 1996

To: Alan Austerman, Co-Chair
Ivan Ivan, Co-Chair
Community and Regional Affairs Committee

From: Representative Jerry Mackie
Alaska State Legislature



Subject: Committee Schedule request - HB 361 - "An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve; and providing for an effective date."

By Representative Mackie

I would appreciate your consideration in scheduling HB 361 for a hearing in the Community and Regional Affairs Committee.

Funding Metlakatla as a municipality was a policy choice made in 1993 by the prior administration. The matching grant regulations were written explicitly to allow this;¹ Funding them additionally as an unincorporated community resulted from the fact that they met the matching grant program eligibility criteria for an unincorporated community.²

Legal Services Director, Tam Cook informed the municipality of Metlakatla that under current law, Metlakatla cannot legally receive matching grant funds as a municipality. Although the matching grant program regulatory definition of "municipality" includes Metlakatla, it is invalid because it conflicts with another statute that defines municipalities, but does not include Metlakatla.

The Department of Law and Legislative Legal Services have both determined that AS 01.01.060(4) supersedes the matching grant regulatory definition.

Your consideration in scheduling this legislation for a hearing would be greatly appreciated.

¹2AAC 47.170(5) for DOA defines "municipality" as "any incorporated city or borough, or any entity that is eligible to receive municipal assistance under AS 29.50.365...(Emphasis added). Metlakatla receives municipal assistance as a municipality under AS 29.60.365; it also receives forest receipts as a municipality.

²19 AAC 55.160(6) for DCRA defines "unincorporated community" as "any community that is eligible to receive state aid under AS 29.60.140. Metlakatla receives revenue sharing (state aid) as an unincorporated community under 29.60.365.

Sec. 29.60.310. Time of payment. The department shall make payments under AS 29.60.010 — 29.60.300 no later than July 31, based upon the entitlement calculations made during the preceding fiscal year. (§ 6 ch 10 SLA 1987)

Article 4. Municipal Assistance.

Section	Section
350. Municipal assistance fund	370. Increased assistance
360. Base amount of assistance	375. Definition
365. Municipalities organized under federal law	

Sec. 29.60.350. Municipal assistance fund. (a) There is established in the department the municipal assistance fund. The legislature may appropriate to the municipal assistance fund during each fiscal year an amount equal to or greater than 30 percent of the income tax revenue received by the state under AS 43.20.011(e) for the previous fiscal year.

(b) The department shall distribute money from the municipal assistance fund to each municipality on an annual basis as provided in AS 29.60.360 and 29.60.370. A municipality may not receive payment until it submits to the department a resolution approved by the governing body of the municipality that requests the money. Distribution of money from the municipal assistance fund to all municipalities must be made on February 1 of the state fiscal year for which the appropriation to the fund is made. A municipality that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year. (§ 16 ch 74 SLA 1985; am § 7 ch 10 SLA 1987)

Sec. 29.60.360. Base amount of assistance. (a) The base amount to be distributed from the municipal assistance fund to each municipality for the fiscal year shall be the amount received by the municipality during fiscal year 1978 under AS 43.70.080 as that section provided before the 1978 amendment. A city incorporated within a borough after June 30, 1977, shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside a borough after June 30, 1977, shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977, shall receive as a base amount the amount received by the borough in the state most clearly approximating it in population at the time of its incorporation. The base amount to be distributed to each municipality organized

NOTES TO DECISIONS

For case interpreting the former revenue sharing scheme for hospitals and health care facilities, see *Municipality of Anchorage v. Sisters of Providence in Wash., Inc.*, 628 P.2d 22 (Alaska 1981).

Sec. 29.60.130. State aid to volunteer fire departments not in organized municipality. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized municipality a sum for protection purposes equal to \$10 per capita for the population served by the fire department, as determined by the state fire marshal.

b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized municipality, upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal. (§ 16 ch 74 SLA 1985)

Sec. 29.60.140. State aid to unincorporated communities. (a) The department shall pay to each unincorporated community an entitlement each fiscal year to be used for a public purpose. The department with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the department shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The department may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council. If at least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 — 29.60.310 for a fiscal year, the entitlement for each unincorporated community under this subsection for that year equals \$40,000. Otherwise, the entitlement equals \$25,000.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit. (§ 16 ch 74 SLA 1985; am § 2 ch 122 SLA 1990)

HOUSE BILL NO. 449
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES MOSES, Finkelstein

Introduced: 1/24/96

Referred: State Affairs, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the taxation of income."

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

3 * Section 1. AS 43.20.011 is amended by adding new subsections to read:

4 (g) For each taxable year or fractional part of a taxable year after
5 December 31, 1996, there is imposed a tax upon the taxable income of every resident,
6 nonresident, and part-year resident individual and fiduciary of the state. The tax
7 imposed by this subsection is determined as a percentage of the taxpayer's entire
8 federal income tax liability, except that the tax on a nonresident or part-year resident
9 individual or fiduciary is the tax determined as a percentage of the taxpayer's entire
10 federal income tax liability multiplied by a fraction the numerator of which is the
11 taxpayer's taxable income from sources in the state and the denominator of which is
12 the taxpayer's taxable income from all sources. The tax is determined as follows:

13 (1) for the taxable year after December 31, 1996, and through
14 December 31, 1997,

15 if the taxpayer's entire federal then the tax, as a percentage

1 income tax liability is: of the taxpayer's entire federal
2 income tax liability, is:
3 not more than \$20,000 5 percent
4 over \$20,000 10 percent;
5 (2) for the taxable year after December 31, 1997, and through
6 December 31, 1998,

7 if the taxpayer's entire federal then the tax, as a percentage
8 income tax liability is: of the taxpayer's entire federal
9 income tax liability, is:
10 not more than \$20,000 10 percent
11 over \$20,000 15 percent; and

12 (3) for each taxable year beginning after December 31, 1998,
13 if the taxpayer's entire federal then the tax, as a percentage
14 income tax liability is: of the taxpayer's entire federal
15 income tax liability, is:
16 not more than \$20,000 15 percent
17 over \$20,000 20 percent.

18 (h) An individual shall determine the tax under this section using the same
19 filing status as used on the individual's federal return.

20 * Sec. 2. AS 43.20.030(a) is amended to read:

21 (a) An individual, fiduciary, [IF A] corporation, or [A] partnership that has
22 a corporation as a partner that is required to make a return under the provisions of the
23 Internal Revenue Code [, IT] shall file with the department [, WITHIN 30 DAYS
24 AFTER THE FEDERAL RETURN IS REQUIRED TO BE FILED.] a return setting
25 out

26 (1) the amount of tax due under this chapter, less allowable credits and
27 payments claimed against the tax; and

28 (2) other information for the purpose of carrying out the provisions of
29 this chapter that the department requires.

30 * Sec. 3. AS 43.20.030(c) is amended to read:

31 (c) The [NOTWITHSTANDING (a) OF THIS SECTION, THE] total amount

1 of tax imposed by this chapter is due and payable to the department at the same time
2 and in the same manner as the tax payable to the United States Internal Revenue
3 Service.

4 * Sec. 4. AS 43.20.030(d) is amended to read:

5 (d) A taxpayer [, UPON REQUEST BY THE DEPARTMENT,] shall file with
6 the return [FURNISH TO THE DEPARTMENT] a [TRUE AND] correct copy of the
7 taxpayer's tax return [WHICH THE TAXPAYER HAS] filed with the United States
8 Internal Revenue Service for the taxable year. Every taxpayer shall file an amended
9 return with the department, and remit any additional tax and interest due
10 [NOTIFY THE DEPARTMENT IN WRITING OF ANY ALTERATION IN, OR
11 MODIFICATION OF, THE TAXPAYER'S FEDERAL INCOME TAX RETURN
12 AND OF A RECOMPUTATION OF TAX OR DETERMINATION OF DEFICIENCY
13 (WHETHER WITH OR WITHOUT ASSESSMENT). A FULL STATEMENT OF
14 THE FACTS SHALL ACCOMPANY THIS NOTICE. THE NOTICE SHALL BE
15 FILED] within 60 days after the final determination of the taxpayer's federal tax
16 liability [MODIFICATION, RECOMPUTATION OR DEFICIENCY, AND THE
17 TAXPAYER SHALL PAY THE ADDITIONAL TAX OR PENALTY UNDER THIS
18 CHAPTER]. For purposes of this section, a final determination means [SHALL
19 MEAN] the time that an amended federal return is filed or the date a federal [A
20 NOTICE OF DEFICIENCY OR AN] assessment is made [MAILED TO THE
21 TAXPAYER BY THE INTERNAL REVENUE SERVICE, EXCEPT THAT IN NO
22 EVENT WILL THERE BE A FINAL DETERMINATION FOR PURPOSES OF THIS
23 SECTION UNTIL THE TAXPAYER HAS EXHAUSTED RIGHTS OF APPEAL
24 UNDER FEDERAL LAW].

25 * Sec. 5. AS 43.20 is amended by adding a new section to read:

26 Sec. 43.20.032. TAX CALCULATION FOR NONRESIDENTS AND PART-
27 YEAR RESIDENTS AND FIDUCIARIES. (a) In computing the tax under
28 AS 43.20.011(g) of a nonresident or a part-year resident individual, or a fiduciary, the
29 part of the taxpayer's taxable income attributable to sources in the state is determined
30 under AS 43.20.040.

31 (b) In computing the taxpayer's taxable income attributable to sources in the

1 state for a nonresident or a part-year resident individual, or a fiduciary, deductions and
2 adjustments are allowed only to the extent that they are connected with income that
3 arises from sources in the state or property having a situs for taxation in the state.

4 * Sec. 6. AS 43.20.040(b) is amended to read:

5 (b) In this section, income is from a source having a taxable or business situs
6 in the state if it is derived from

7 (1) owning or operating business facilities or property in the state;

8 (2) conducting business, farming, or fishing operations in the state;

9 (3) [REPEALED

10 (4)] a partnership that [WHICH] transacts business in the state;

11 (4) [(5)] a corporation that [WHICH] transacts business in the state

12 and that [WHICH] has elected to file federal returns under 26 U.S.C. 1361 - 1379

13 (Subtitle A, Ch. 1S, Internal Revenue Code) [SUBCHAPTER S OF THE

14 INTERNAL REVENUE CODE];

15 (5) [(6) REPEALED

16 (7)] engaging in any other activity from which income is received,
17 realized, or derived in the state;

18 (6) working for salary or wages in the state;

19 (7) an estate or trust deriving income from sources in the state.

20 * Sec. 7. AS 43.20.040 is amended by adding a new subsection to read:

21 (d) With regard to the tax under AS 43.20.011(g), if a business, trade, or
22 profession, other than the rendering of purely personal services, is carried on partly
23 inside and partly outside the state, the income from sources in the state is determined
24 under AS 43.19 (Multistate Tax Compact).

25 * Sec. 8. AS 43.20 is amended by adding a new section to read:

26 Sec. 43.20.062. CREDITS AGAINST TAX. (a) The amounts deducted and
27 withheld as taxes under this chapter during a calendar year are allowed as credits to
28 the taxpayer against the tax imposed by this chapter.

29 (b) A resident or part-year resident is allowed as a credit against the tax
30 otherwise due under this chapter the amount of income tax imposed on the taxpayer
31 for the taxable year by another state or territory of the United States on income derived

1 from sources in the other state or territory that is also subject to tax under this chapter.
2 However, the credit allowed in this subsection is limited to that proportion of the tax
3 computed under this chapter that the taxable income from the other state or territory
4 bears to total taxable income, and the credit may not exceed the actual tax paid to the
5 other state or territory.

6 (c) An individual or fiduciary is allowed as a credit against the tax otherwise
7 due under this chapter the amount of any real and personal property taxes paid by the
8 individual or the fiduciary to a municipality in this state under AS 29.45.

9 * Sec. 9. AS 43.20.065 is amended to read:

10 Sec. 43.20.065. ALLOCATION AND APPORTIONMENT. A corporate
11 taxpayer who has income from business activity that [WHICH] is taxable both inside
12 and outside the state or income from other sources both inside and outside the state
13 shall allocate and apportion net income under AS 43.19 (Multistate Tax Compact), or
14 as provided by this chapter.

15 * Sec. 10. AS 43.20 is amended by adding a new section to read:

16 Sec. 43.20.171. COLLECTION OF INCOME AT SOURCE. (a) Every
17 employer making payment of wages or salaries after December 31, 1996, shall deduct
18 and withhold an amount of tax computed in a manner to approximate the amount of
19 tax due on those wages under this chapter for that year. The employer shall remit
20 withheld taxes to the department, together with a return or report prescribed by the
21 department, at the time or times required by the department by regulation. The
22 department shall publish the rate of withholding required by this section. Every
23 employer making a deduction and a withholding shall furnish to the employee no later
24 than January 31 of the succeeding year, or within 30 days after termination of
25 employment, whichever is earlier, a written statement on a form prescribed by the
26 department showing

- 27 (1) the name and taxpayer identification number of the employer;
28 (2) the name and social security number of the employee;
29 (3) the total amount of wages and other compensation; and
30 (4) the total amount deducted and withheld as tax.

31 (b) Every employer making payments of wages or salaries earned in the state,

1 regardless of the place where the payment is made,

2 (1) is liable for the payment of the tax required to be deducted and
3 withheld under this section and is not liable to an individual for the amount of the
4 payment; and

5 (2) shall make return of and pay to the department the amount of tax
6 levied that the employer is required to deduct and withhold under this chapter.

7 (c) An employer who fails to comply with this section is subject to the
8 penalties set out in AS 43.05.220(d).

9 (d) If the employer is the United States or the state or a political subdivision
10 of the state, or an agency or instrumentality of one or more of those entities, the return
11 of the amount deducted and withheld on wages or salaries may be made by an officer
12 of the employer having control of the payment of the wages or salaries or who is
13 appropriately designated for that purpose.

14 (e) In this section, "employee," "employer," and "wages" have the meanings
15 given to them under 26 U.S.C. (Internal Revenue Code).

16 * Sec. 11. AS 43.20.340 is amended to read:

17 Sec. 43.20.340. DEFINITIONS. In this chapter,

18 (1) "bank" means a financial institution, including a national banking
19 association;

20 (2) "corporation" includes an association, joint-stock company, and an
21 insurance company;

22 (3) "fiduciary" means an estate, a trust, a guardian, trustee,
23 executor, administrator, receiver, conservator, or a person acting in a fiduciary
24 capacity for another or for the estate of a deceased person; [REPEALED,]

25 (4) "fiscal year" means an accounting period of 12 months ending on
26 the last day of a month other than December;

27 (5) "individual" means a natural person, married or unmarried,
28 adult or minor, who is subject to the obligation to pay an income tax under 26
29 U.S.C. (Internal Revenue Code) ["INCLUDES" AND "INCLUDING" WHEN USED
30 IN A DEFINITION DO NOT EXCLUDE OTHER THINGS OTHERWISE WITHIN
31 THE MEANING OF THE WORD DEFINED];