

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11265 SENATE LABOR & COMMERCE ( )

Hon. Lesil McGuire  
February 28, 2003  
Page 5 of 5

My sincere thanks to you, the sponsors of this bill, and the members of the House Judiciary Committee for taking the time to consider this important bill that if enacted with help provide Alaskans with even better alternatives for resolving disputes promptly, efficiently, and economically.

Sincerely,



W. Grant Callow

cc: Hon. Ethan Berkowitz  
Hon. Bruce Weyhrauch  
Hon. Carl Moses  
Asst. Alaska Attorney General Deborah Behr  
Tamara B. Cook, Director,  
Alaska Legislative Affairs Agency  
L.S. Kurtz, Jr., Attorney at Law  
Arthur H Peterson, Attorney at Law

**Subject: HB 83 (Revised Uniform Arbitration Act)**

**Date:** Thu, 08 May 2003 10:31:01 -0800

**From:** "Robert W. Landau" <rlandau@gci.net>

**To:** Senator\_Con\_Bunde@legis.state.ak.us

**CC:** Grant Callow <>wgc@customcpu.com>, Lisa Weissler <Lisa\_Weissler@Legis.state.ak.us>, Deborah Behr <Deborah\_Behr@law.state.ak.us>

Dear Sen. Bunde and members of the Senate Labor & Commerce Committee:

Since I will be unavailable to testify in support of HB 83 when it comes before your committee on May 13, I would like to offer the following written comments for the committee's consideration.

I am an attorney in private practice in Anchorage. For the past 15 years I have specialized as a full-time arbitrator, mediator and administrative hearing officer, primarily in the area of labor and employment issues. As you may know, Alaska has long had a strong public policy favoring arbitration as a means of resolving disputes. See, e.g., *Ahtna, Inc. v. Ebasco Constructors, Inc.*, 894 P.2d 657 (Alaska 1995); *Arctic Contractors v. State*, 564 P.2d 30 (Alaska 1977); *Modern Construction v. Barce, Inc.*, 556 P.2d 528 (Alaska 1976).

The original Uniform Arbitration Act (UAA) was developed in 1955 and was adopted in Alaska in 1968. The original UAA was adopted by 35 jurisdictions and in substantially similar form by 14 more. Similar to the Federal Arbitration Act which was enacted in 1925, the original UAA was enacted to allow states to ensure the enforceability of pre-dispute arbitration agreements. The UAA is a "bare-bones" statute: it deals only with basic matters such as enforcement of arbitration agreements, appointment of arbitrators, compelling attendance of witnesses and review of arbitration awards. The UAA does not address many substantive and procedural matters in arbitration, which have been left up to the courts, the parties, and rules adopted by arbitration organizations such as the American Arbitration Association. The UAA is in dire need of updating to make arbitration a more efficient and cost-effective alternative to court litigation.

The Revised Uniform Arbitration Act (RUAA) was developed to codify 45 years of case law since the enactment of the UAA, resolve ambiguities, fill gaps, and generally update the UAA for contemporary use. The RUAA is more detailed and comprehensive than the existing UAA and addresses a number of new issues:

- whether courts or arbitrators determine the arbitrability of disputes;
- provisional remedies;
- consolidation of proceedings;
- arbitrator disclosure of interests and relationships;
- arbitrator immunity;
- discovery and subpoenas;
- prehearing conferences and dispositive motions;
- punitive damages in accordance with state law; and
- attorney's fees under state law or court rules.

The goal of the RUAA is to make arbitration a fair, efficient and cost-effective alternative to litigation in court. The development of the RUAA was the result of much study and hard work, beginning with a draft report in 1995 and culminating with adoption of the final RUAA by the National Conference of Uniform Law Commissioners in July 2000. There were 50 votes in favor (out of 50 states, Puerto Rico, the Virgin Islands and the District of Columbia), one abstention, two not present and no negative votes. The RUAA has been endorsed by such national organizations as the American Arbitration Association; the National Academy of Arbitrators; and the American Bar Association. Thus far at least three states have adopted the RUAA -- New Mexico, Hawaii and Nevada -- and it has been introduced in many other states.

I strongly urge the Committee to support enactment of the Revised Uniform Arbitration Act in Alaska. Thank you.

Sincerely,

Robert W. Landau  
Attorney, Arbitrator & Mediator  
2525 Blueberry Rd., Suite 103  
Anchorage, AK 99503

• HB 83 (Revised Uniform Arbitration Act)

• Phone: (907) 272-2266  
E-mail: [rlandau@gci.net](mailto:rlandau@gci.net)

**Subject: HB 83**

**Date:** Fri, 18 Apr 2003 16:59:54 -0800

**From:** "Robert W. Landau" <rlandau@gci.net>

**To:** Senator\_Con\_Bunde@legis.state.ak.us

**CC:** Deborah Behr <Deborah\_Behr@law.state.ak.us>

Dear Sen. Bunde,

I am writing to urge you to schedule a hearing in the Labor & Commerce Committee on HB 83 (Revised Uniform Arbitration Act) which was recently passed by the House.

I am an arbitrator and mediator based in Anchorage. The Uniform Arbitration Act was enacted a long time ago and is in dire need of updating to make arbitration a more efficient and cost-effective alternative to court litigation. The revised act is non-controversial and provides a lot of useful structure for the arbitration process.

Thank you for your assistance and please let me know if you have any questions.

Robert W. Landau  
Attorney, Arbitrator & Mediator  
2525 Blueberry Rd., Suite 103  
Anchorage, AK 99503  
Phone: (907) 272-2266  
E-mail: [rlandau@gci.net](mailto:rlandau@gci.net)

HB

91

# SENATE COMMITTEE REPORT

DATE: 04/02/04

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 91(FIN)

## HB 91 RETIRED PEACE OFFICER'S MEDICAL BENEFITS

"An Act relating to medical benefits for retired peace officers after 20 years of credited service."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- Same Title
- New Title

**House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Betty Davis</i>			X	
<i>Joseph Decker</i>				
<i>[Signature]</i>			X	
CHAIR: <i>D. Bunde</i>				

*before Finance*

*Changed - mistakenly checked wrong box.*

# SENATE COMMITTEE REPORT

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FURTHER: Finance

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APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Betty Davis</i>			X	
<i>Joseph Stecki</i>			✓	
<i>[Signature]</i>			X	
CHAIR: <i>D. Brucke</i>	✓			

5-18-04  
4-16-04

SENATE FINANCE  
LABOR & COMMERCE

Charlie Hansen  
HB 91

LABOR & COMMERCE

~~Mr. Chairman, Mr. Vice-Chairman, and members of the Finance~~

Committee:

My name is Charlie Hansen. I am a Correctional Officer at Lemon Creek Correctional Center here in Juneau, ~~Alaska~~. I have an undergraduate degree in Human Development and a masters in Human Services..

I am here this afternoon to represent myself and my fellow correctional officers from D.O.C. in Alaska.

I am a Tier I employee, and have been on the job nineteen years and nine months.

I can tell prison stories riddled with violence, suicides, verbal abuse and sick, bizarre behaviors. The list of stressors that bombard the CO's on the job goes on ad infinitum.

The number of our prisoners who are HIV positive, or have hepatitis A, B or C is far higher than the public population because our inmates are often involved in high risk activities prior to entering the system. This, in turn, puts the CO's at higher risk on the job than ordinary citizens, resulting ~~in~~ a potential need for long term health care benefits.

However, I am not here to entertain you with stories about my daily occupational hazards.

(2) (Limit 2 minutes) ~~STEWART~~ ~~FLORIAN~~ ~~CO~~ ~~TO~~ ~~...~~  
~~...~~ ~~...~~ ~~...~~ ~~...~~ ~~...~~  
BETZ Run 2nd Floor

I am bringing you a message today sent from the hearts of your correctional officers throughout the system.

Correctional officers rarely make the present twenty year retirement goal. I have watched over 250 floor staff come and go without reaching that magic time of service. AT LEMON GREEN CORRECTIONAL CENTER ALONE!

One day, a short time ago, I asked my superintendent, Dan Carothers, "In your twenty-seven year career in Corrections, how many floor officers (non-management staff) have you known to complete twenty years with the Department of Corrections?"

He replied, "Four."

More recently a co-worker made it to twenty, so that is a total of five making it to retirement, that Mr. Carothers knows. The likelihood that COs will reach the twenty year mark for full retirement is bad enough, pushing the mark to twenty-five years for full medical benefits is next to impossible and demeaning to us when we are all at risk of serious, long term illness because of our jobs. HB91 will ensure an appropriate retirement package for those of us who make it that far.

It is not cost effective to continually pay to train new people in order to replace those who see the twenty five year goal as unattainable and so quit early, and yet, that is exactly what is happening now! <sup>THEY</sup>

(3)

Please pass HB 91. You will encourage the CO's of the present to persevere through the adversity they face every day, and to work with more enthusiasm in anticipation that at the end of our journey behind the wall of the prisons, we will be rewarded with a healthy, well-deserved, retirement

package. So, the fundamental idea of life, that something is waiting for us at the end of 20 years, does the question: how responsible are we for our actions?  
Our CO's thank you for listening to this message from all of us across

this great state.

C. Huck Hansen

2806 W. ALASKA AVE

Juneau, AK 99801

907 789 2625

Hope

Paul Camolli HB 91

I would like to testify to the fairness aspect of this Bill, and hopefully make it a little easier for you to understand the core of this issue.

To get started I would like each of you to take a moment and try to remember your last Christmas. Where were you? What were you doing? Visiting with friends and family? On a vacation in Hawaii? Did you have kids at home? Were they home from college? Did you have grandkids running around eating cookies and playing with their new toys? Did you attend a church service? Open presents? Eat a special meal? All of the above? Was it a special day?

I hope so. I hope you shared a special day with the people you love. I hope you grow old and look back on a lifetime of Christmases full of Joy and Love.

Now I want you to ask yourself something. Can you remember the news in the headlines on the day after Christmas last year?

I can.

On Thursday, December 25<sup>th</sup>, 2003, at approximately 8:18 pm, Kenai Police Officer John Watson, was killed in the line of duty, while responding to a welfare check of a citizen.

John is the most recent of our brothers to be killed. He was searching for a person who reportedly needed help. He was doing his job on Christmas, trying to keep you safe, just like we all do every shift, every day, every night.

Just imagine what Christmas will mean to his wife, his children, his family and friends for the rest of their lives.

If John had survived 2 more years on the job he would have been eligible for normal retirement. Far less than half of us make it to 20 years, and John only had 2 more to go. He almost beat the odds.

Now that we all have this picture in our minds let's talk about the current policy. The current policy is ill conceived, unfair, and blatantly prejudicial against Peace Officers. The policy is ....If a Peace Officer makes it to normal retirement he's special. He beat the odds. Let's try to squeeze 5 more years out of him. And. The way we do it is by withholding his medical insurance unless he works 5 more years.

This Bill does nothing more than re-establish parity among all PERS members. Fairness. We do not see that as too much to ask. Thank you for listening to me.

And next Christmas, when you are sitting around the table with your loved ones, join me in a prayer of thanks for John, and all my other brothers and sisters who have died while standing between US and harms way.

THE  
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# State of Alaska

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## Public Employees' Retirement Board Teachers' Retirement Board

PO Box 110203  
Juneau, AK. 99811-0203  
Phone: (907) 465-4471

### Retirement Boards

#### PERB

George M. Sullivan, Chair  
Alyce Hanley, Vice Chair  
Pat Wellington  
Frank Narusch

#### TRB

Charlie Artesaga, Chair  
Crayle W. Harbo, Vice Chair  
Robert G. Boko  
Richard J. Solic, Sr.  
Dick Shultz

#### Board Attorney

Robert M. Johnson

#### Administrator and Board Secretary

Melanie Millhorn

#### Internet

[www.state.ak.us/drb](http://www.state.ak.us/drb)

#### E-Mail

[retirementsection@admin.state.ak.us](mailto:retirementsection@admin.state.ak.us)

March 26, 2004

The Honorable Gene Therriault

Senate President

Alaska State Legislature

State Capitol, Room 111

Juneau, AK 99801-1182

The Honorable Pete Kott

Speaker of the House

Alaska State Legislature

State Capitol, Room 208

Juneau, AK 99801-1182

Re: Pending House and Senate Legislation Impacting the Retirement Systems

Dear Senator Therriault and Representative Kott:

The Public Employees' Retirement Board and the Teachers' Retirement Board each considered the impact of pending house and senate legislation to the retirement systems at their joint meeting of March 24, 2004. They unanimously approved motions recommending that all pending legislation creating new retirement incentive programs or providing enhancements to the retirement systems (including, for example, HB 329 and HB 91) be held in abeyance until such time that the fiscal shortfalls in the systems are addressed.

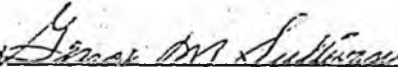
The boards have been requested to recommend alternative tier design solutions to maintain the solvency of the present retirement systems and are actively working on this project through the PERS/TRS Tier Subcommittee. The boards believe that consideration of new retirement incentive programs and enhancements to the retirement systems on one hand are inconsistent with the consideration of alternative tier designs on the other hand.

Our foremost concern is to maintain the solvency of the present retirement systems to meet the best interests and needs of current and future members. However, it will be difficult to develop and measure the impact of any new tier systems we might propose if such pending legislation is passed which adds substantial retirement enhancements to the existing tiers.

The Honorable Gene Therriault  
The Honorable Pete Kott  
Re: Pending House and Senate Legislation Impacting the Retirement Systems  
March 26, 2004  
Page 2

The boards have taken this position after careful consideration of these matters. We sincerely believe that maintaining the solvency of the present systems should be the highest priority before considering any such enhancements.

PUBLIC EMPLOYEES' RETIREMENT BOARD

By   
George M. Sullivan, Chair

TEACHERS' RETIREMENT SYSTEM

By   
Charlie Arteaga, Chair

cc: The Honorable Gary Stevens  
The Honorable Gary Wilken  
The Honorable Lyda Green  
The Honorable John Harris  
The Honorable Bill Williams

FISCAL NOTE

Draft

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 4  
Bill Version: SCS CSHB 91  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Various  
Title An Act relating to medical benefits for retired peace officers RDU Various  
Component Various  
Sponsor Rep. Anderson, et. Al  
Requester House Finance Component No. \_\_\_\_\_

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	1,730.0	1,781.9	1,835.4	1,890.4	1,947.1	2,005.5
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>1,730.0</b>	<b>1,781.9</b>	<b>1,835.4</b>	<b>1,890.4</b>	<b>1,947.1</b>	<b>2,005.5</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,730.0	1,781.9	1,835.4	1,890.4	1,947.1	2,005.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>1,730.0</b>	<b>1,781.9</b>	<b>1,835.4</b>	<b>1,890.4</b>	<b>1,947.1</b>	<b>2,005.5</b>

Estimate of any current year (FY2004) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

This bill would provide system paid medical coverage for all peace officers and firefighters who first entered the PERS after June 30, 1986 and who have at least 20 years of qualifying service at retirement.

Per Mercer Human Resources Consulting, PERS system actuary, using the current Valuation Assumptions, this legislation will increase the PERS accrued liability by \$8.0 million. The estimated increase in the average PERS calculated contribution rate would be 0.11% as a percent of total System payroll (or 0.97% as a percent of Police/Fire Payroll for those who have a separate P/F rate). The cost increase annually for all PERS employees is as shown above; separate detail by the State of Alaska and all other employers are shown on the next page. The number of tier II and tier III members as of June 30, 2002 was 1,961 and Mercer projects 411 employees would be affected by this bill.

Prepared by: Melanie Millhorn, Director Phone 465-4408  
Division Retirement and Benefits Date/Time 3/31/04 01:00 p. m.  
Approved by: Mike Miller, Commissioner Date 4/1/2004  
Agency Administration

FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL NO. HB 91 - SCS CSHB 91

ANALYSIS CONTINUATION

Based on Total System Salary updated information as of June 30, 2003 (Presented 3/24/04).  
Actual total PERS system payroll increased by 4.05% from FY 02 to FY 03.  
Indexed FY 02-03 to FY 05 using 4.05% per year increase in payroll.  
Change in Employer Contribution Rate due to HB 91 - 0.11% as a percent of total system payroll  
Indexed FY 2006 through FY 2010 up by 3% rate each year. .  
Percent of Members to be affected = 21%, using current history assumptions

Using Current Valuation Assumptions:	State of	All Other		
Unfunded Liability Start \$8,000,000	Alaska	PoliSub	TOTAL	
	(\$ in 000's)	(\$ in 000's)	(\$ in 000's)	
	FY 2005	865.4	864.6	1,730.0
	FY 2006	891.4	890.5	1,781.9
	FY 2007	918.1	917.3	1,835.4
	FY 2008	945.6	944.8	1,890.4
	FY 2009	974.0	973.1	1,947.1
	FY 2010	1,003.2	1,002.3	2,005.5

State of Alaska - FY 2005 - Approx. Breakdown by State Department:

H & SS	4.46%	38.6
Military Affairs	0.73%	6.3
Natural Resources	0.37%	3.2
Fish and Game	10.46%	90.5
Public Safety	24.46%	211.7
Corrections	54.44%	471.1
D O T	5.08%	44.0
	<u>100.00%</u>	<u>865.4</u>

Alternate Assumptions:

Each employer is not affected equally. Some employers have a higher percentage of peace officers and firefighters than the system average and therefore would be required to pay a greater percentage of payroll. Following is a display how using a higher retirement rate assumption would affect the Unfunded Liability and the corresponding employer rates.

	% Members Affected	% of Total Payroll	% of P/F Payroll	Increase in Unfunded Liability (in Dollars)
Current Assumption	21%	0.11%	0.97%	\$8,000,000
50% Retirement	40%	0.19%	1.68%	\$11,400,000
75% Retirement	60%	0.27%	2.39%	\$14,800,000
100% Retirement	79%	0.35%	3.11%	\$18,200,000

AS 24.08.036 FISCAL NOTES ON BILLS AFFECTING STATE RETIREMENT SYSTEMS, requires an additional analysis of the long term and short term costs to the state if a bill is adopted, as well as the impact of the bill on the actuarial soundness of the funds.

The estimated increase in the average PERS calculated contribution rate would be 0.11% as a percent of total System payroll (or 0.97% as a percent of Police/Fire Payroll for those who have a separate P/F rate).

The annual cost is as indicated above. This change would also decrease the PERS funded ratio by .1%. The funding ratio of the PERS as of June 30, 2003 was 72.8%. Please note alternate scenarios presented that would further raise costs.

# MERCER

Human Resource Consulting

One Union Square  
600 University Street, Suite 3200  
Seattle, WA 98101-3137  
206 808 8926 Fax 206 382 0627  
chris.byrnes@mercer.com  
www.mercerHR.com

March 30, 2004

Ms. Melanie Millhorn  
Director of Retirement Benefits  
State of Alaska  
Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, AK 99811-0203

Subject:  
**Revised HB 91**

Dear Melanie:

This letter provides additional information regarding our estimates of the cost of proposed changes to the Public Employees' Retirement System (PERS) under HB 91. Previous correspondence from Mercer on the cost of HB 91 can be found in our letter dated February 27, 2004. Current statute allows Tier 2 and Tier 3 peace officers and fire fighters retiring with at least 25 years of service to not pay for any retiree medical coverage. Those with less than 25 years of service must pay for retiree medical coverage until age 60. This letter describes the costs associated with changing this service requirement to at least 20 years of service instead of 25.

In previous correspondence regarding HB 91, all actuarial assumptions associated with developing costs were consistent with the June 30, 2002 actuarial valuation. Using these valuation assumptions resulted in 411 out of 1,961 (21%) of Tier 2 and Tier 3 members ultimately taking advantage of this increased benefit. As we have discussed, our assumptions are based on past analyses of actual System experience. However, System benefit changes such as those proposed under HB 91 may result in future experience that is different than what we've seen in the past. In particular, members might retire immediately upon completion of 20 years of service. At your request, we have revised our estimates to include scenarios where the percentage of members who retire immediately to take advantage of the enhanced benefits is greater than the current valuation assumption. Below we have shown additional costs assuming 50%, 75%, and 100% of members with 20 or more years of service retire immediately. As you can see, the 100% scenario does not assume that all Tier 2 and Tier 3 members will ultimately be affected. This is mainly because there are some members who will not accrue 20 years of service prior to attaining age 60.

# MERCER

Human Resource Consulting

Page 2

March 30, 2004

Ms. Melanie Millhorn

State of Alaska

A summary of pertinent costs under HB 91 are as follows:

	<b>Current Valuation Assumptions</b>	<b>50% Retirement Assumption</b>	<b>75% Retirement Assumption</b>	<b>100% Retirement Assumption</b>
Change in Employer Contribution Rate Due to HB 91				
- As a percent of Police/Fire payroll	0.97%	1.68%	2.39%	3.11%
- As a percent of total System payroll	0.11%	0.19%	0.27%	0.35%
Change in Unfunded Accrued Liability	\$8,000,000	\$11,400,000	\$14,800,000	\$18,200,000
Change in PERS Funded Ratio	(0.1%)	(0.1%)	(0.1%)	(0.1%)
Number of Police/Fire Active Members as of June 30, 2002	2,695	2,695	2,695	2,695
Number of Tier 2 and Tier 3 Members as of June 30, 2002	1,961	1,961	1,961	1,961
Number of Members Projected to be Affected	411	792	1,174	1,555
Percent of Members Projected to be Affected	21%	40%	60%	79%

We have expressed the costs associated with HB 91 in this letter as a percentage of total System payroll and as a percentage of peace officer and firefighter payroll. However, each employer will not be affected equally. For example, some employers may have a higher percentage of peace officers and firefighters than the System average and therefore would be required to pay a greater percentage of their payroll.

In estimating the cost of HB 91 we used the same methods and provisions as were used in the June 30, 2002 actuarial valuation reports, with the exception of the eligibility for retiree medical coverage and the retirement assumption described above. In order to effectively cost the 100% affected member percentage, we assumed no decrements prior to attaining 20 years of service. That is we assumed no mortality, turnover, disability, or retirement.

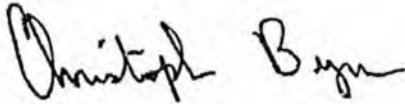
# MERCER

Human Resource Consulting

Page 3  
March 30, 2004  
Ms. Melanie Millhorn  
State of Alaska

Please let us know if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Christopher Byrnes".

Christopher Byrnes, EA

CMB/MAG/RMR/kmp

Copy:  
Bob Reynolds  
Anselm Staack  
Kathy Lea

April 12, 2004

## City of Kenai

Update on HB 91 – adding health benefits for public safety personnel retirement package after 20 years of service.

Here are some points that need to be considered:

1. The PERS system is deeply underfunded - currently 73% and headed south. HB 91 will increase the deficit.
2. Municipalities are struggling under the load of paying for the PERS deficit at a rate increase of 5% of payroll per year - rates are to be over 30% of payroll, which is over 4 times the current rate of 6.77%.
3. HB 91 will increase PERS costs forever to pay for the past service liabilities as well as the future cost of the new benefits.
4. The current Tier 2 and 3 benefits packages were put in place to save money. Benefits were greatly enhanced for Police/Fire in 2001 (HB 242). This is not a good time to again add costly benefits.
5. The PERS Board has asked the legislature not to pass legislation that affects PERS while the Board is working on a new tier with reduced benefits to save costs.
6. The fiscal note assumes only 21% of eligible members will take advantage of the new benefits. This is an unreasonable assumption resulting in gross understatement of the actual cost that will be incurred if HB 91 passes.
7. The Division of Retirement and Benefits has provided additional cost information that shows that if 79% of eligible members actually retire, which is a reasonable assumption, annual costs will increase by 3.11% of Police/Fire payroll - more than triple the rate used in the fiscal note.
8. The fiscal note should be amended to reflect the 79% level. This would result in FY 2005 cost to the State of \$5.5 million - not \$1.7 million.
9. The cost to Kenai would be at least \$86,000 per year if we have to pay for it.
10. It may be difficult to calculate the cost allocation of HB 91 if the State agrees to pay for it. Assumptions would have to be made - would a member have retired at 20 years, or would he/she have worked 25 years? There is a big difference in the cost of these two scenarios.
11. If changes to police and fire benefits must be made, a compromise position could be that health benefits be included in the benefit package only if the member has 20 years of service and is at least 50 years old. The cost of this compromise needs to be determined by the PERS actuary so that consideration can be given to it.

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SCS CSHB 91  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Various  
 Title An Act relating to medical benefits for retired peace officers RDU Various  
 Component Various  
 Sponsor Rep. Anderson, et. Al  
 Requester House Finance Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	1,730.0	1,781.9	1,835.4	1,890.4	1,947.1	2,005.5
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>1,730.0</b>	<b>1,781.9</b>	<b>1,835.4</b>	<b>1,890.4</b>	<b>1,947.1</b>	<b>2,005.5</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF	1,730.0	1,781.9	1,835.4	1,890.4	1,947.1	2,005.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>1,730.0</b>	<b>1,781.9</b>	<b>1,835.4</b>	<b>1,890.4</b>	<b>1,947.1</b>	<b>2,005.5</b>

Estimate of any current year (FY2004) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

POSITIONS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

This bill would provide system paid medical coverage for all peace officers and firefighters who first entered the PERS after June 30, 1986 and who have at least 20 years of qualifying service at retirement.

Per Mercer Human Resources Consulting, PERS system actuary, using the current Valuation Assumptions, this legislation will increase the PERS accrued liability by \$8.0 million. The estimated increase in the average PERS calculated contribution rate would be 0.11% as a percent of total System payroll (or 0.97% as a percent of Police/Fire Payroll for those who have a separate P/F rate). The cost increase annually for all PERS employers is as shown above; separate detail by the State of Alaska and all other employers are shown on the next page. The number of tier II and tier III members as of June 30, 2002 was 1,961 and Mercer projects 411 employees would be affected by this bill

Prepared by: Melanie Millhorn, Director Phone 465-4408  
 Division Retirement and Benefits Date/Time 3/31/04 01:00 p.m.  
 Approved by: Mike Miller, Commissioner Date 4/1/2004  
 Agency Administration

**FISCAL NOTE**

**STATE OF ALASKA  
2004 LEGISLATIVE SESSION**

**BILL NO. HB 91 - SCS CSHB 91**

**ANALYSIS CONTINUATION**

Based on Total System Salary updated information as of June 30, 2003 (Presented 3/24/04).  
Actual total PERS system payroll increased by 4.05% from FY 02 to FY 03.  
Indexed FY 02-03 to FY 05 using 4.05% per year increase in payroll.  
Change in Employer Contribution Rate due to HB 91 - 0.11% as a percent of total system payroll  
Indexed FY 2006 through FY 2010 up by 3% rate each year.  
Percent of Members to be affected = 21%, using current history assumptions

<b>Using Current Valuation Assumptions:</b>	State of	All Other		
<b>Unfunded Liability Start \$8,000,000</b>	Alaska	PoliSub	<b>TOTAL</b>	
	(\$ in 000's)	(\$ in 000's)	(\$ in 000's)	
	FY 2005	865.4	864.6	1,730.0
	FY 2006	891.4	890.5	1,781.9
	FY 2007	918.1	917.3	1,835.4
	FY 2008	945.6	944.8	1,890.4
	FY 2009	974.0	973.1	1,947.1
	FY 2010	1,003.2	1,002.3	2,005.5

**State of Alaska - FY 2005 - Approx. Breakdown by State Department:**

H & SS	4.46%	38.6
Military Affairs	0.73%	6.3
Natural Resources	0.37%	3.2
Fish and Game	10.46%	90.5
Public Safety	24.46%	211.7
Corrections	54.44%	471.1
D O T	5.08%	44.0
	100.00%	865.4

**Alternate Assumptions:**

Each employer is not affected equally. Some employers have a higher percentage of peace officers and firefighters than the system average and therefore would be required to pay a greater percentage of payroll. Following is a display how using a higher retirement rate assumption would affect the Unfunded Liability and the corresponding employer rates.

	% Members Affected	% of Total Payroll	% of P/F Payroll	Increase in Unfunded Liability (in Dollars)
Current Assumption	21%	0.11%	0.97%	\$8,000,000
50% Retirement	40%	0.19%	1.68%	\$11,400,000
75% Retirement	60%	0.27%	2.39%	\$14,800,000
100% Retirement	79%	0.35%	3.11%	\$18,200,000

AS 24.08.036 FISCAL NOTES ON BILLS AFFECTING STATE RETIREMENT SYSTEMS, requires an additional analysis of the long term and short term costs to the state if a bill is adopted, as well as the impact of the bill on the actuarial soundness of the funds.

The estimated increase in the average PERS calculated contribution rate would be 0.11% as a percent of total System payroll (or 0.97% as a percent of Police/Fire Payroll for those who have a separate P/F rate).

The annual cost is as indicated above. This change would also decrease the PERS funded ratio by .1%. The funding ratio of the PERS as of June 30, 2003 was 72.8%. Please note alternate scenarios presented that would further raise costs.

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 91  
(H) Publish Date: 2/24/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title An Act relating to COLA and medical BRU Centralized Admin Services  
benefits for retired peace officers..... Component Retirement & Benefits  
Sponsor Rep Anderson  
Requester House Labor and Commerce Component No. 64

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2003) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill would improve the Alaska Cost of Living Allowance (COLA) retirement benefit and retirement system paid medical coverage for all peace officers who first entered the PERS after June 30, 1986, and who have at least 20 years of credited service at retirement.

Our actuarial consultant has computed this legislation to increase the PERS accrued liability by approximately \$13.45 million. The estimated increase in the average PERS calculated contribution rate would be 0.18% of payroll. Based on a state PERS payroll of approximately \$680 million, the annual cost increase to the State of Alaska would be \$1,224.0 and would be paid from all state agency personal services line items.

Prepared by: Guy Bell Phone \_\_\_\_\_  
Division Retirement & Benefits Date/Time February 20, 2003  
Approved by: Mike Miller Date February 20, 2003  
Agency Department of Administration

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 91(FIN)  
(H) Publish Date: 2/23/2004

Revision Date/Time (Note if correction): 2/12/2004 Dept. Affected: Administration  
Title: An Act relating to medical benefits for retired peace officers RDU: All  
Component: All  
Sponsor: Rep. Anderson, et. Al  
Requester: House Finance Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	856.9	882.6	909.1	936.4	964.4	993.4
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>856.9</b>	<b>882.6</b>	<b>909.1</b>	<b>936.4</b>	<b>964.4</b>	<b>993.4</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>856.9</b>	<b>882.6</b>	<b>909.1</b>	<b>936.4</b>	<b>964.4</b>	<b>993.4</b>

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

This bill would provide system paid medical coverage for all peace officers and firefighters who first entered the PERS after June 30, 1986 and who have at least 20 years of qualifying service at retirement.

Our actuarial consultant has computed this legislation to increase the PERS accrued liability by approximately \$8.0 million. The estimated increase in the average PERS calculated contribution rate would be .97% of peace officer/firefighter payroll. Based on a state PERS peace officer/firefighter payroll of approximately \$88.3 million, the annual cost increase to the State of Alaska would be \$856.9 thousand.

Prepared by: Melanie Millhorn Phone: \_\_\_\_\_  
Division: Retirement and Benefits Date/Time: 2/12/04 1:25 p.m.  
Approved by: Mike Miller, Commissioner Date: \_\_\_\_\_  
Agency: Administration

FISCAL NOTE #2

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL NO. CSHB 91(FIN)

ANALYSIS CONTINUATION

Examples of impact on the five major PERS employers based on peace officer/firefighter salaries are as follows:

PERS	P/F Salaries (in 000's)	Rate increase%	Annual cost (in 000's)
State of Alaska	88,343.3	0.97%	856.9
Juneau Borough	5,444.1	0.97%	52.8
Anchorage Municipality	25,359.1	0.97%	246.0
Fairbanks Borough	302.3	0.97%	2.9
North Slope Borough	4,875.0	0.97%	47.3

AS 24.08.036 FISCAL NOTES ON BILLS AFFECTING STATE RETIREMENT SYSTEMS, requires an additional analysis of the long term and short term costs to the state if a bill is adopted, as well as the impact of the bill on the actuarial soundness of the funds. This bill would increase the PERS contribution rate by .97% of PERS peace officer/firefighter payroll. For FY 05 this would be an added cost to the state of \$856.9 thousand. This change would also decrease the PERS funded ratio by .1%. The funding ratio of the PERS as of June 30, 2002 was 75.2%. Passage of this bill would decrease the funding ratio to 75.1%.

**Public Safety Employees Association, Inc.**  
*"Representing Alaska's Finest"*

**HB 91 – Retired Peace Officer Medical Benefits**

**A bill that removes the disincentive for Peace Officers to take normal retirement.**

⇒ HB 91 is a tool that could be used to cut the budgets of the Departments of Corrections and Public Safety.

⇒ Currently there is a disincentive for Peace Officers to take normal retirement.

⇒ The disincentive attempts to defer the retirement of Peace Officers to 5 years beyond normal retirement.

⇒ HB91 removes the disincentive for Peace Officers to take normal retirement and re-establishes parity among all PERS members.

Juneau PSEA contact – Mike Fox, 790-4970 or 223-0605 cell

4300 Boniface Parkway, Suite 116, Anchorage, Alaska 99504  
Phone (907) 337-1979 FAX (907) 337-1753 E-Mail psea@psea.net

### HB 91 Introduction

Peace Officer PERS members may take normal retirement after 20 years of service. However, tier II and III Peace Officers, who are less than 60 years of age, must work 5 years beyond normal retirement to receive their medical benefit. HB 91 eliminates the additional 5 years of service requirement.

All non peace officer PERS members may take normal retirement after 30 years of service. They receive their medical benefit at normal retirement.

*Note: Peace Officers pay a higher employee contribution to PERS to compensate for their shorter period of required service to achieve normal retirement.*

Thus, under the age or years of service provisions, PERS members who are not peace officers receive the medical benefit at normal retirement. By contrast; Peace Officers taking normal retirement (under the years of service provision) are denied the benefit unless they work an extra 5 years.

### HB 91 Background

Since its inception in 1961 PERS has considered normal retirement as the uniform point for receipt of full retirement benefits for Tier I members. In 2001 HB 242 reestablished normal retirement as the uniform point for receipt of full retirement benefits for all non-peace officer tier II and III members. This concept affirms normal retirement by age or years of service as public policy, presumably beneficial for all concerned, and provides a clear and consistent set of objectives to members considering retirement.

However, previous administration concerns about losing peace officers to retirement led to a requirement in HB 242 that, to receive the medical benefit under the "years of service" provision, peace officers must defer retirement for five years. Thus, the 25 years of service requirement to receive the medical benefit is at odds with the 20 years required for a normal retirement pension. The pension and medical benefits provide conflicting incentives for the point at which Tier II and III peace officers should retire.

### HB 91 Fiscal Note

A fiscal note was produced by Mercer Human Resource Consulting and Mr. Guy Bell, the former director of the Division of Retirement and Benefits. Mr. Bell's analysis estimated the medical benefit change in HB 91 would increase costs to the state by \$816,000 (\$408 GF) annually, a 0.12% increase in employer contributions to PERS. For example: The state's employer contribution for a PERS member earning \$60,000/ year would increase by \$72 a year.

Mercer estimated the cost by plugging the proposed benefit change into their PERS model. They did not consider any savings that HB 91 would generate in operational costs, such as, payroll savings from the replacement of higher paid employees, or savings associated with improved recruitment, retention, and reduced training costs.

*Note: The fiscal note is under further review by DOA, 02/20/04.*

HB 91 will cut costs by removing the disincentive for Peace Officers to take normal retirement.

There is an \$18,252 savings in base pay and leave during the first year after a 20 year Corrections Officer 2 takes normal retirement.

There is a \$23,105 savings in base pay and leave during the first year after a 20 year Corrections Officer 3 takes normal retirement.

There is a \$26,644 savings in base pay and leave during the first year after a 20 year Trooper takes normal retirement.

There is a \$32,508 savings in base pay and leave during the first year after a 20 year Trooper Sergeant takes normal retirement.

There are further savings associated with overtime, sea pay, geographical differential, and employer contributions.

Leave usage, health, physical agility, morale and stress issues frequently become problematic with peace officers pressured to work too long. HB 91 removes the disincentive to take normal retirement, but; in no way prevents peace officers who still feel fit for duty to remain beyond normal retirement.

HB 91 will also improve retention of younger Peace Officers by reinstating a true 20 year retirement goal. There were 40 Troopers commissioned in 2003. For each one, that HB 91 influences to continue to normal retirement that otherwise would separate, the State saves approximately \$104.8k in training costs.

These savings would compensate for the very modest increase of 0.12% in PERS employer contribution. For an employee earning \$60,000/year the cost increase would be only \$72/year.

HB 91 represents very little risk. If a Peace Officer completes 20 years of service and takes normal retirement the State enjoys the above savings. If 20 years is not completed, there is no benefit and the State incurs no new costs.

HB 91 is good for the State, and it is good for "Peace Officers".

Appendix

**Trooper**

Savings (in base pay and leave) after a 20 year Trooper takes normal retirement

Cost for a 20 year Trooper -----	\$83,418
Cost for a 1 year Trooper -----	\$56,774
Savings during <b>the first year</b> after retirement-----	<b>\$26,644</b>
Savings during the second year-----	\$24,515
Savings during the third year-----	\$22,306
Savings during the fourth year-----	\$20,014
Savings during the fifth year-----	\$17,636
Total savings from a <b>20 vs 25 year retirement</b> -----	<b>\$111,115</b>

There are 250 Troopers effected by HB 91. If half of them (125) make it to normal retirement and retire with 20 years service instead of 25, the State would save **\$13,889,375**.

**Trooper Sergeant**

Savings in (base pay and leave) during **the first year** after a 20 year Trooper Sgt. takes normal retirement. (on average, Sergeants have 8 years of service at the time of their promotion)

Cost for a 20 year Trooper Sgt. -----	\$92,026
Cost for an 8 year Trooper Sgt. is-----	\$75,032
Savings -----	<u>\$16,994</u>

Cost for an 8 year Trooper is-----	\$72,288
Cost for a 1 year Trooper is-----	\$56,774
Savings-----	<u>\$15,514</u>

Total savings during **the first year** after retirement----- **\$32,508**

Note: There are 37 Sergeants effected by HB91. They represent the potential for **\$1,202,796 in savings** when considering just **the first year** following their retirement.

**Correctional Officer 2**

Savings (in base pay and leave) during **the first year** after a 20 year Correctional Officer 2 takes normal retirement

Cost for a 20 year CO2 -----	\$60,853
Cost for a 1 year CO2 -----	\$42,601
Total savings during <b>the first year</b> after retirement-----	<b>\$18,252</b>

**Correctional Officer 3**

Savings (in base pay and leave) during the first year after a 20 year Correctional Officer 3 takes normal retirement. (average years of service when CO3s are promoted is unknown; 8 years was used)

Cost for a 20 year CO3 -----	\$67,442
Cost for an 8 year CO3 -----	\$55,381
Savings -----	<u>\$12,061</u>
Cost for an 8 year CO2 -----	\$53,645
Cost for a 1 year CO2 -----	\$42,601
Savings-----	<u>\$11,044</u>
Total savings during <b>the first year</b> after retirement-----	<b><u>\$23,105</u></b>

Training Cost Discussion

Estimated costs to hire and train a new Correctional Officer, \$18,273 during 6 weeks, Trooper \$91,463 during 33 weeks. Some applicants are APSC certified and require less or no training. Example; HB242 hires.

It is not valid to consider hiring and training as new costs when associated with normal retirement. That investment is returned over time, during the 20 years of service required to earn a normal retirement.

Public Safety has been unable to determine the average length of a Trooper's career, however; seniority lists indicate that less than half complete 20 years of service. On average, DPS may reasonably expect to receive approximately 10 years of service from their investment in hiring and training. DOC estimates an annual CO turnover rate of approximately 10%.

The argument that deferring retirement from 20 to 25 years saves training costs is flawed. The operating budget savings are greater than the costs to hire and train new officers. Example; It costs more to defer a Correctional Officers retirement for one year than it does to hire and train a new officer.

References: DPS and DOC 2003 seniority lists and wage schedules.

**Public Safety Employees Association, Inc.**  
*"Representing Alaska's Finest"*

HB 91 will cut costs by removing the disincentive for Peace Officers to take normal retirement.

There is a \$26,644 savings in base pay and leave during the first year after a 20 year Trooper takes normal retirement.

There is a \$32,508 savings in base pay and leave during the first year after a 20 year Trooper Sergeant takes normal retirement.

There is an \$18,252 savings in base pay and leave during the first year after a 20 year Corrections Officer 2 takes normal retirement.

There is a \$23,105 savings in base pay and leave during the first year after a 20 year Corrections Officer 3 takes normal retirement.

There are further savings associated with overtime, sea pay, geographical differential, and employer contributions.

Leave usage, health, physical agility, morale and stress issues frequently become problematic with peace officers pressured to work too long. HB 91 removes the disincentive to take normal retirement, but; in no way prevents peace officers who still feel fit for duty to remain beyond normal retirement.

HB 91 will also improve retention of younger Peace Officers by reinstating a true 20 year retirement goal. There were 40 Troopers commissioned in 2003. For each one that HB 91 influences to continue to normal retirement, that otherwise would separate, the State saves approximately \$104.8k in training costs.

These savings would compensate for the very modest increase of 0.12% in PERS employer contribution. For an employee earning \$60,000/year the cost increase would be only \$72/year.

HB 91 represents very little risk. If a Peace Officer completes 20 years of service and takes normal retirement the State enjoys the above savings. If 20 years is not completed, there is no benefit and the State incurs no new costs.

HB 91 is good for the State, and it is good for "Peace Officers".

**Public Safety Employees Association, Inc.**  
*"Representing Alaska's Finest"*

Reference HB 91:

At the end of the first hearing in finance it was suggested that we explore the idea that Peace Officers pay the cost identified on the fiscal note.

We have discussed this idea with our members and the administration (PERS) and concluded that it is not reasonable.

1. The administration (PERS) advised it would be very difficult, if not impossible, to administer such a plan in an equitable manner. It would certainly not be cost effective.
2. It would not be reasonable for the State to pass the cost on to Peace Officer members without also passing on the savings. The fiscal note did not consider any savings that would be enjoyed by the Departments of Corrections and Public Safety. When a Peace Officer defers retirement it costs the state big money. For example: When a Trooper Sgt. retires at 20 years of service the State saves over \$32,000 during just the first year he is retired.
3. PERS is managed on the basis of equality among members. Because Peace Officers qualify for retirement after 20 years of service they are required to pay a higher contribution into PERS. That increase maintains equality with other members who work 30 years, but contribute less. When the previous administration decided to withhold the medical benefit from Peace Officers at normal retirement, to influence them to defer retirement, no reduction was applied to their contribution. They have been paying for the same benefits as all other PERS members since day one, yet they are denied the benefit.

We believe that any one of these 3 points is sufficient to support our position.

Mike Fox, PSEA, Juneau, 790-4970.

**HB 91 – An Act relating to a cost-of-living allowance and medical benefits  
for retired peace officers after 20 years of credited service**

**Subject:** Affords all “peace officers,” defined by Alaska Statute, medical benefits at normal retirement (20 years of service). Tier II and III peace officers, less than 60 years of age, must work five years beyond normal retirement to receive their medical benefit. HB 91 eliminates the additional five-year requirement. Peace officers pay a higher employee contribution to PERS to compensate for their shorter period of required service to achieve normal retirement.

**Fiscal Note:**

\$867,000 annual

\*\*\* In negotiation with Retirement & Benefits to lower the total figure due to savings from reduced recruitment costs and due to increased retention of experienced officers. Could be reduced by as much as one-half.

**Co-Sponsors:**

**Majority:** Dahlstrom, Lynn, Heinze, Holm, McGuire, Fate, Kott, Ogg, Weyhrauch, Meyer, Stepovich, Harris, Wilson

**Minority:** Gara, Crawford, Guttenberg, Gruenberg, Kerttula, Croft, Berkowitz, Kapsner

**Committees**

**Passed:**

House Labor & Commerce

House Finance

HB 91 is good for the State, and it is good for peace officers.

I urge your support of this important piece of legislation.

CS HB 91 positively affects peace officers in the following areas:

BRISTOL BAY BOROUGH  
CITY AND BOROUGH OF JUNEAU  
CITY AND BOROUGH OF SITKA  
CITY AND BOROUGH OF YAKUTAT  
CITY OF ANGOON  
CITY OF BETHEL  
CITY OF CORDOVA  
CITY OF CRAIG  
CITY OF DILLINGHAM  
CITY OF FAIRBANKS  
CITY OF FORT YUKON  
CITY OF GALENA  
CITY OF HOMER  
CITY OF HOONAH  
CITY OF KAKE  
CITY OF KENAI  
CITY OF KETCHIKAN  
CITY OF KING COVE  
CITY OF KLAWOCK  
CITY OF KODIAK  
CITY OF KOTZEBUE  
CITY OF NENANA  
CITY OF NOME  
CITY OF NORTH POLE  
CITY OF PALMER  
CITY OF PETERSBURG  
CITY OF SAINT MARY'S  
CITY OF SAINT PAUL  
CITY OF SAND POINT  
CITY OF SEWARD  
CITY OF SKAGWAY  
CITY OF SOLDOTNA  
CITY OF TANANA  
CITY OF UNALAKLEET  
CITY OF UNALASKA  
CITY OF VALDEZ  
CITY OF WASILLA  
CITY OF WHITTIER  
CITY OF WRANGELL  
FAIRBANKS NORTH STAR BOROUGH  
HAINES BOROUGH  
KENAI PENINSULA BOROUGH  
KETCHIKAN GATEWAY BOROUGH  
KODIAK ISLAND BOROUGH  
MATANUSKA-SUSITNA BOROUGH  
MUNICIPALITY OF ANCHORAGE  
NORTH SLOPE BOROUGH  
STATE OF ALASKA  
UNIVERSITY OF ALASKA

Employer Contributions to PERS -- FY 90 through FY 05

fiscal yr.	%	change	
90	12.53		
91	14.51	2.01+	
92	16.97	2.40+	
93	15.45	1.52-	
94	17.22	1.77+	high
95	16.8	0.42-	
96	15.11	1.69-	
97	14.27	0.84-	
98	10.01	4.26-	
99	8.44	1.57-	
0	8.11	0.33-	
1	7.69	0.42-	
2	7.1	0.59-	low
3	7.1	0	low
4	8.42	1.32+	
5	13.42	5.00+	
<i>average</i>	<i>12.07</i>	<i>1.61</i>	

HB91 fiscal note 0.12+



# Municipality of Anchorage

P.O. Box 106050 • Anchorage, Alaska 99510-6050 • Telephone: (907) 343-4331 • Fax: (907) 343-4330 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

March 1, 2004

Representative Tom Anderson  
Alaska House of Representatives  
Juneau, AK 99811

Dear Representative Anderson:

It has come to my attention that concerns have been raised regarding the impact of HB 91 on the Municipality of Anchorage.

Based on the review of this legislation by our public safety and employee benefits staffs, I believe HB 91 will not adversely affect our employees, our finances or our ability to provide excellent public safety services to our community.

Please let me know if you need more information from the Municipality on this legislation.

Sincerely,

Mark Begich  
Mayor

*Community, Security, Prosperity*

**Public Safety Employees Association, Inc.**  
*"Representing Alaska's Finest"*

February 14, 2003

Representative Tom Anderson  
House District 19  
State Capitol, Rm. 432  
Juneau, AK 99801

Ref: House Bill 91

Dear Representative Anderson,

I wanted to take this opportunity to personally thank you for introducing House Bill 91, regarding the Peace Officer's Retirement System. The Public Safety Employees Association is a statewide organization representing over 1,300 Police Officers, Court Service Officers, Correctional Officers, State Troopers, Fish and Wildlife troopers, Fire Marshals, and other law enforcement professionals. This bill is especially important to our members as it would affect the vast majority of them.

If enacted into law, this legislation would assist state and municipal agencies with recruitment and retention of qualified personnel for peace officer positions. Staffing these agencies with top-quality professionals is a "must do" for state and local Governments. In addition, by having a medical insurance benefit available at "normal" retirement age, those who may otherwise choose to pursue a new career will be more likely to remain in public service as "Peace Officers". This will help reduce turnover and hold recruitment and training costs down.

Thank you again for your support of our State's peace officers. Please feel free to contact me with any questions.

Sincerely,

  
Joe D'Amico  
Business Manager



State of Alaska  
**Public Employees' Retirement Board**

PO Box 110203  
Juneau, AK 99811-0203  
Phone: (907) 465-4471  
Fax: (907) 465-3086

**Retirement Board**

Pat Wellington, Chair  
Charles Borg, Vice Chair  
Frank Narusch  
Don Hoover  
Bette Reed

**Board Attorney**

Robert M. Johnson

**PERS Administrator  
and Board Secretary**

Guy Bell

**Internet**

[www.state.ak.us/drj](http://www.state.ak.us/drj)

**E-Mail**

[PERS\\_Board@admin.state.ak.us](mailto:PERS_Board@admin.state.ak.us)

February 26, 2003

Joe D'Amico  
Business Manager  
Public Safety Employees' Association  
4300 Boniface Parkway, Ste 116  
Anchorage, AK 99504

RE: HB 91 (peace officer legislation)

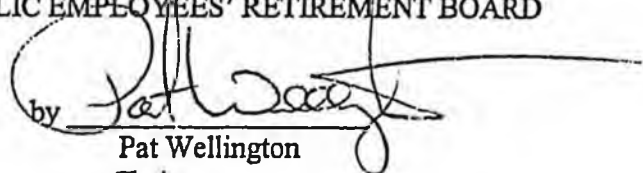
Dear Mr. D'Amico:

In its meeting on February 25, 2003, the Public Employees' Retirement Board considered, as I had previously told you it would, HB 91 legislation relating to benefits for retired police officers. I assume you have seen the fiscal note attached to the proposed legislation.

By a majority vote (Vice Chair Borg, member Hoover, and myself), the Board resolved to support the bill. In these troubled times, measures which encourage retention of senior peace officers are very desirable, particularly to undertake the ever-increasing responsibilities required for Homeland security. HB 91 is an excellent effort in this regard and the cost to the system over time is not excessive.

By copy of this letter to sponsoring Representative Anderson and the administration, the Board urges passage of this bill.

PUBLIC EMPLOYEES' RETIREMENT BOARD

by   
Pat Wellington  
Chair

cc: Mike Miller, Commissioner  
Department of Administration

Guy Bell, Director  
Division of Retirement and Benefits

✓ Representative Tom Anderson  
Alaska State Legislature



Anchorage  
Police  
Department  
Employees  
Association

Phone (907) 561-7500  
P.O. Box 230330  
Anchorage, Alaska 99523  
500 West International Airport Road  
Anchorage, Alaska

Representative Tom Anderson  
State Capital Building  
Juneau, Alaska 99801

April 3, 2003

Dear Representative Anderson:

On behalf of the men and women of the Anchorage Police Department Employees Association, please consider this as a strong endorsement of HB 91. HB 91 is designed to bring the retirement benefits accorded Alaska's public safety officers in line with the benefits existing in the public safety retirement plans of other states.

Alaska's public safety agencies are approaching crisis mode in terms of recruitment and retention. Increasingly, qualified applicants are either simply not applying to work in Alaska or, if they apply, are removing themselves from eligibility lists before they are hired. The refrain from these individuals has become all too familiar - the wages, and particularly the retirement benefits, available elsewhere are too attractive to turn down. With a large number of California police agencies now offering a "3.0% at 50" retirement plan, the problem is only likely to get worse.

As daunting as the problem of recruitment is, public agencies are facing just as serious a problem in retaining experienced employees. Only a short time ago, law enforcement and fire protection were treated as careers by employees. It was extraordinary to see an individual become a police officer or firefighter with one agency and not retire from that agency. Without question, this is no longer the case. In Anchorage, for example, we have in the last few years seen many police employees voluntarily leaving employment before retirement, often to take law enforcement jobs in the lower 48.

It is clear we need greater financial incentives to attract and retain the most qualified individuals as public safety employees. HB 91 is a significant step in that direction.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Heun".

SGT Rob Heun  
President  
APDEA

# ANCHORAGE FIRE FIGHTERS UNION



LOCAL 1264  
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS  
AFL-CIO

1200 E. 76TH #1227  
ANCHORAGE, ALASKA 99518



February 18, 2003

The Anchorage Firefighters Union, IAFF Local 1264, would like to endorse House Bill 91 that was introduced on February 12, 2003, by Representatives Anderson and Gara.

Our Local Union represents the nearly 400 Firefighters, Dispatchers, and Support staff that make up the body of the Anchorage Fire Department. Our Department provides Fire Protection, Emergency Medical Care, and multiple types of Technical Rescue to the entire Municipality of Anchorage. The members of our Union not only work to protect our city, we raise our families and establish foundations here for years to come. Our members are able to retire after 20 years of service in this challenging line of work that requires a tremendous amount of dedication both physically and mentally. Many members retire with chronic medical problems that plague them for the rest of their lives. Nonetheless, the Firefighters who perform these jobs choose to do the work for the benefit of others. To require these public servants to wait until they are 60 years of age to collect PER'S medical benefits is not right. The Police and Fire service is facing a serious employee retention problem. We need medical benefits to be available to the members at the time of retirement.

Please give your full support of House Bill 91 and show the men and women protecting your communities how much they are valued and represented in Juneau. Thank you for your continued support and consideration and we look forward to returning to Juneau soon to meet with the Legislature on this matter.

Sincerely,

Brian Reed, President



**Kodiak Police Department  
Office of the Chief of Police  
217 Lower Mill Bay Road  
Kodiak, Alaska 99615  
(907) 486-8000  
(907) 486-8026 Fax**

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February 20, 2003

The Honorable Tom Anderson, Chairman  
House Labor & Commerce Committee  
State Capitol, Room 432  
Juneau, Alaska 99801-1182

Dear Representative Anderson:

I am writing to you in support of House Bill No. 91, an act relating to a cost-of-living allowance and medical benefits for retired peace officers after 20 years of credited service.

The passage of this Bill will provide an incentive that I and many other Chiefs might be able to use to attract qualified applicants to fill the overwhelming number of vacancies in law enforcement agencies throughout our great State. If passed, this legislation will also aide our efforts to retain those officers who are considering leaving our departments to pursue employment elsewhere.

Your strong support and passing of HB No. 91 will serve as an affirmation to the men and women of the Alaskan Law Enforcement Community that you recognize our service and commitment to protect our great State.

Respectfully,

  
Charles T. Kaimai,  
Chief of Police

[Fwd: "HB91 would save money"]

**Subject:** [Fwd: "HB91 would save money"]

**Date:** Tue, 13 Apr 2004 08:48:28 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "HB91 would save money"

**Date:** Sun, 11 Apr 2004 09:19:10 -0800

**From:** 'Donald RIDGE<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

Alaska's current policy of withholding retirement medical benefits in order to influence peace officers and firefighters to defer their retirement results in higher payroll costs. You can avoid these costs by passing HB91. It would cost less to give public safety employees their medical benefits when they take a normal retirement than to pay their full salaries for the extra five years that they now have to work to get their medical benefits.

Sincerely,  
Donald RIDGE  
donr@cityofsitka.com

[Fwd: "Vote yes on HB91"]

**Subject:** [Fwd: "Vote yes on HB91"]

**Date:** Tue, 13 Apr 2004 08:54:04 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "Vote yes on HB91"

**Date:** Sat, 10 Apr 2004 05:17:52 -0800

**From:** 'David Johnson<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

In my five years of service, I have also noticed that many of the officers that stay on the job for 25 years are less productive and just show up to collect a paycheck. Not only is this unfair to the other officers working alongside these senior officers, but it is unfair to the communities they serve. These officers are filling a slot for five years to get their medical benefits when a new, motivated officer could be filling that position and making a difference in their community.

I ask that you think long and hard about this decision, as it not only affects police officer and firefighters. It also affects the communities they serve and protect.

Sincerely,  
David Johnson  
dtj800@hotmail.com  
PO Box 1806  
Sitka AK 99835

[Fwd: "HB91 would save money"]

**Subject:** [Fwd: "HB91 would save money"]

**Date:** Tue, 13 Apr 2004 08:53:33 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "HB91 would save money"

**Date:** Sat, 10 Apr 2004 10:12:27 -0800

**From:** 'Keith F Walker<psea@alask:anet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

Alaska's current policy of withholding retirement medical benefits in order to influence peace officers and firefighters to defer their retirement results in higher payroll costs. You can avoid these costs by passing HB91. It would cost less to give public safety employees their medical benefits when they take a normal retirement than to pay their full salaries for the extra five years that they now have to work to get their medical benefits.

Sincerely,  
Keith F Walker  
keith.walker@acsalaska.net  
PO Box 35886  
Juneau AK 99803

[Fwd: "HB91 restores equality among PERS members"]

**Subject:** [Fwd: "HB91 restores equality among PERS members"]

**Date:** Tue, 13 Apr 2004 08:47:56 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "HB91 restores equality among PERS members"

**Date:** Sun, 11 Apr 2004 14:28:11 -0800

**From:** 'Dave Boddy<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

HB 91 would correct current policy, which is unfair, ill conceived and blatantly prejudicial against peace officers and firefighters.

Alaska's public safety employees are required to pay a higher contribution than all other PERS members because they qualify for normal retirement after 20 years of service instead of 30. This higher contribution is intended to maintain equality among all PERS members. However, current policy intends to influence firefighters and peace officers to defer retirement by withholding their medical benefits unless they work five extra years. Public safety employees have been paying for the same benefits as all other PERS members since day one, yet they are unfairly denied the same benefits. Please reestablish equality among all PERS members by passing HB91.

Sincerely,  
Dave Boddy  
owlkb@gci.net

**Subject:** [Fwd: "HB91 is fair to firefighters and peace officers"]  
**Date:** Tue, 13 Apr 2004 08:47:01 -0800  
**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>  
**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "HB91 is fair to firefighters and peace officers"  
**Date:** Sun, 11 Apr 2004 22:44:59 -0800  
**From:** 'Brent W. Johnson<psea@alaskanet.com>'  
**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing in support of HB91, to rectify the problem of public safety employee's not getting their medical insurance unless they work 5 years beyond normal retirement. The names on Alaska's peace officer and firefighter memorials remind us all that these individuals work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their commendable service and for facing the dangers that they accept every day. Alaska shouldn't require its peace officers and firefighters to take on an extra five years of risk to get their medical insurance. It's not fair to them or their families.

Sincerely,  
Brent W. Johnson  
johnson\_brentw@yahoo.com  
P.O. Box 3663  
Soldotna AK 99669

[Fwd: "Please support HB91"]

**Subject:** [Fwd: "Please support HB91"]

**Date:** Tue, 13 Apr 2004 09:40:50 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "Please support HB91"

**Date:** Thu, 08 Apr 2004 10:00:51 -0800

**From:** 'Matthew M. Betzen<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

Sincerely,  
Matthew M. Betzen  
essentials@arctic.net  
P.O. Box 203  
Unalaska Alaska 99685

[Fwd: "Vote yes on HB91"]

**Subject:** [Fwd: "Vote yes on HB91"]  
**Date:** Tue, 13 Apr 2004 09:37:34 -0800  
**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>  
**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Vote yes on HB91"  
**Date:** Thu, 08 Apr 2004 13:20:09 -0800  
**From:** 'Natalie Burnette<psea@alaskanet.com>'  
**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator, I am currently a peace officer for Ketchikan and have begun my career two years ago. I would like to express the importance of HB91 especially for us that have just started this career and would like to retire in 20 years. As you know this career is not a safe environment to work in day in and day out ; nor is it an easy stress free environment. Please help support us that work and love this line of work instead of us looking elsewhere and the people of Alaska missing out on the great peace officers that currently work for law enforcement. I would like to continue in this career and would like your support in doing so. Thank you for your time and for your support with HB91.

Sincerely,  
Natalie Burnette  
natburnette@msn.com  
PO BOX 6692  
Ketchikan AK 99901

[Fwd: "Vote yes on HB91"]

**Subject:** [Fwd: "Vote yes on HB91"]

**Date:** Tue, 13 Apr 2004 09:34:30 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

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**Subject:** "Vote yes on HB91"

**Date:** Thu, 08 Apr 2004 16:32:48 -0800

**From:** 'Randy Coffey<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

I have been a police officer for 23 years. I currently work as a detective and part of my job is to do background investigations to hire the very best for our department. Our applications have dwindled over the past several years and we find it hard to find not only qualified people but ones that want to stay more than 20 years. HB91 would help not only with allowing police and fire personell to retire after 20 years but to find qualified applicants that want to stay that long. Also the basic savings between a 25 year Vs and 20 year employee is significant just in basic hourly wages not to mention longevity. Please support the passage of HB 91. Its the right thing to do. If you have any questions for me please feel free to contact me at the email below. Thank You . Randy Coffey

Sincerely,  
Randy Coffey  
rdcoffey@ci.fairbanks.ak.us  
911 Cushman St.  
Fairbanks Alaska 99701

[Fwd: "Please support HB91"]

**Subject:** [Fwd: "Please support HB91"]

**Date:** Tue, 13 Apr 2004 09:31:41 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Please support HB91"

**Date:** Thu, 08 Apr 2004 20:24:17 -0800

**From:** 'Caroline L. Nelson<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

Sincerely,  
Caroline L. Nelson  
caroline.l.nelson@att.net  
20139 Cohen Drive  
Juneau AK 99801

[Fwd: "Please support HB91"]

**Subject:** [Fwd: "Please support HB91"]

**Date:** Tue, 13 Apr 2004 09:28:53 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Please support HB91"

**Date:** Fri, 09 Apr 2004 08:43:24 -0800

**From:** 'Lance Lawhorne<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

Sincerely,  
Lance Lawhorne  
lawhorne@acsalaska.net

[Fwd: "Yes on HB91 to make PERS fair"]

**Subject:** [Fwd: "Yes on HB91 to make PERS fair"]

**Date:** Tue, 13 Apr 2004 09:17:32 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Yes on HB91 to make PERS fair"

**Date:** Fri, 09 Apr 2004 09:18:58 -0800

**From:** 'Jennifer L. Shockley<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I support HB91.

Passing HB91 is the right thing to do. Alaska's peace officers and firefighters serve with great distinction and they deserve a fair retirement package. Public safety employees are required to spend a great deal of time away from their families and in harms way. I believe they should be afforded the same benefits at normal retirement as all other PERS members.

Sincerely,  
Jennifer L. Shockley  
enigma@arctic.net  
PO Box 921246  
Dutch Harbor Alaska 99692

[Fwd: "Yes on HB91 to make PERS fair"]

**Subject:** [Fwd: "Yes on HB91 to make PERS fair"]

**Date:** Tue, 13 Apr 2004 09:17:25 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Yes on HB91 to make PERS fair"

**Date:** Fri, 09 Apr 2004 09:28:51 -0800

**From:** 'John and Tara Tippett<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I support HB91.

Passing HB91 is the right thing to do. Alaska's peace officers and firefighters serve with great distinction and they deserve a fair retirement package. Public safety employees are required to spend a great deal of time away from their families and in harms way. I believe they should be afforded the same benefits at normal retirement as all other PERS members.

Sincerely,

John and Tara Tippett  
tarabull@acsalaska.net  
PO Box 71588  
Fairbanks Alaska 99707

**Subject:** [Fwd: "Vote yes on HB91"]

**Date:** Tue, 13 Apr 2004 09:16:51 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Vote yes on HB91"

**Date:** Fri, 09 Apr 2004 09:43:06 -0800

**From:** 'Trooper Karl R. Main<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

Soon, you will be meeting to discuss and vote on HB91. I can say that as an Alaska State Trooper who has had the privilege of being born and raised in Alaska there is no other career I would rather have. The price we pay however is often rested on our families. HB91 would allow us to retire with medical benefits at the 20 year mark. I truly beleive that this would be an outstanding message from our legislature to our public servants saying, "thank you for the dedication and sacrifices you have made while serving this State". While money must be considered, having a 23 year Trooper serving in Bush Alaska would be more expensive than the benefits being paid by the same Trooper who retired. I feel that if we ignore HB91, we are doing a great injustice to those that serve this great State. I have spent the majority of my law enforcement career serving rural Alaska and I would like to think that the sacrifices both my family and I have made was worth the end result. Please vote yes on HB91 and by doing so having assurance that you're putting the best interest of those that serve you and this State first.

Sincerely,  
Trooper Karl R. Main  
karl\_main@dps.state.ak.us  
P.O. Box 108  
St. Mary's AK 99658

[Fwd: "HB91 is fair to firefighters and peace officers"]

**Subject:** [Fwd: "HB91 is fair to firefighters and peace officers"]

**Date:** Tue, 13 Apr 2004 09:16:28 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "HB91 is fair to firefighters and peace officers"

**Date:** Fri, 09 Apr 2004 10:23:06 -0800

**From:** 'Michael Sheffield, Firefighter/EMT<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing in support of HB91, to rectify the problem of public safety employee's not getting their medical insurance unless they work 5 years beyond normal retirement. The names on Alaska's peace officer and firefighter memorials remind us all that these individuals work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their commendable service and for facing the dangers that they accept every day. Alaska shouldn't require its peace officers and firefighters to take on an extra five years of risk to get their medical insurance. It's not fair to them or their families.

Sincerely,  
Michael Sheffield, Firefighter/EMT  
ems@patriotspride.com  
P.O. Box 424  
Unalaska AK 99685

[Fwd: "HB91 fixes unfair policy"]

**Subject:** [Fwd: "HB91 fixes unfair policy"]

**Date:** Tue, 13 Apr 2004 09:01:18 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "HB91 fixes unfair policy"

**Date:** Fri, 09 Apr 2004 20:52:33 -0800

**From:** 'Marc T. Ormsby<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

PERS is managed on the basis of equality among all of its members; however, it is neither equal nor fair. Alaska's current law intends to influence firefighters and peace officers to defer retirement by withholding their medical benefits until they work five years beyond normal retirement. HB91 would correct this policy, which is unfair, ill conceived and blatantly prejudicial against public safety employees. Please support HB91.

Sincerely,  
Marc T. Ormsby  
hogbrat@gci.net  
PO Box 20922  
Juneau AK 99802

[Fwd: "Please support HB91"]

**Subject:** [Fwd: "Please support HB91"]

**Date:** Tue, 13 Apr 2004 09:01:08 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Please support HB91"

**Date:** Fri, 09 Apr 2004 21:15:23 -0800

**From:** 'Christi Daniels<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

Sincerely,  
Christi Daniels  
mdaniels@arctic.net  
PO Box 467  
Unalaska AK 99685

[Fwd: "Please support HB91"]

**Subject:** [Fwd: "Please support HB91"]

**Date:** Tue, 13 Apr 2004 09:00:43 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Please support HB91"

**Date:** Fri, 09 Apr 2004 22:37:51 -0800

**From:** 'Larry w. Dirks Jr. <psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

Sincerely,  
Larry w. Dirks Jr.  
ldirks@ci.unalaska.ak.ci  
PO Box 17  
Unalaska Alaska 99685

[Fwd: "Please support HB91"]

**Subject:** [Fwd: "Please support HB91"]

**Date:** Tue, 13 Apr 2004 09:00:54 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** "Please support HB91"

**Date:** Fri, 09 Apr 2004 21:26:12 -0800

**From:** 'Johnny R. Whitehead<psea@alaskanet.com>'

**To:** Senator\_Con\_Bunde@legis.state.ak.us

Dear Senator,

I am writing to express my support of HB91. This Bill would correct the denial of peace officer's and firefighter's medical insurance, unless they work 5 years beyond normal retirement. We all know Alaska's public safety employees work in exceptionally difficult and dangerous conditions. I believe they should be compensated for their exemplary service and the risk they accept every day. Asking peace officers and firefighters to stay on the job an extra five years is asking them to accept an unfair risk to themselves and their families.

Sincerely,

Johnny R. Whitehead  
jwhitehead@acsalaska.net  
318 W. Katmai Ave  
Soldotna AK 99669

**Subject:** [Fwd: HB 91,]

**Date:** Tue, 13 Apr 2004 09:41:01 -0800

**From:** Senator Con Bunde <senator\_con\_bunde@legis.state.ak.us>

**To:** Jane Alberts <Jane\_Alberts@Legis.state.ak.us>

---

**Subject:** HB 91,

**Date:** Wed, 07 Apr 2004 13:53:50 -0800

**From:** Tamara Sheffield <sheffieldfam@gci.net>

**To:** Senator Con Bunde <Senator\_Con\_Bunde@legis.state.ak.us>

Dear Senator or L&C staff

I noticed that HB 91, Retired Peace Officer's Medical Benefits has been referred to (S)Labor & Commerce. Could you tell me when the next meeting of that committee is or when HB 91 might be brought up.

Thanks so much,

Tamara Sheffield

Anchorage, Alaska

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### SPONSOR STATEMENT FOR CSHB 91 (FIN) BY: Representative Tom Anderson

**TITLE:** An Act relating to medical benefits for retired peace officers after 20 years of credited service.

The state troopers, firefighters, correctional officers, and others known as "peace officers," employed by the State of Alaska and other local governments are an invaluable resource. These employees risk their health and safety in their service to the citizens of Alaska.

Until 1986, all PERS benefit recipients were eligible to receive major medical insurance benefits after becoming vested in the retirement system. In 1986, the requirements for medical benefits were modified to reduce the number of benefit recipients eligible to receive these benefits. Currently, most PERS participants may receive medical insurance benefits upon "normal retirement," or 30 years of service. Normal retirement for peace officers is 20 years of service, however statute requires them to work an additional five years to receive their medical benefits. This additional five years undermines the intent of normal retirement and creates a burdensome situation for those employees who work under the most stressful of situations daily maintaining the public's safety.

CSHB 91(FIN) corrects the existing benefit delay by allowing peace officers to receive their medical benefit at their normal retirement of 20 years. This legislation will end the additional five-year requirement beyond normal retirement.

I urge your support for this important and timely legislation.

## Changes from HB 91 to CS HB 91

The committee substitute removes the previous change to the Cost of Living (or COLA) section of the statute. The old language read:

\* **Section 1.** AS 39.35.480(a) is amended to read:

(a) While residing in the state, a person receiving a benefit under this chapter who is 65 years of age or older, [OR WHO] is receiving a disability benefit, or has at least 20 years of credited service as a peace officer under AS 39.35.360 and 39.35.370 is entitled to receive a monthly cost-of-living allowance in addition to the basic benefit. The amount of this allowance shall be \$50 or 10 percent of the basic benefit, whichever is greater.

CS HB 91 removes Section 1 and the change located therein.  
The result of this change is a lower fiscal impact.

Alice I. Fairchild  
P.O. Box 302  
Kasilof, Alaska 99610

Senate Finance Committee / *SENATE LABOR & COMMERCE*

I am requesting that you pass on House Bill 91 for the following reasons.

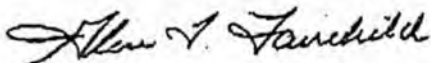
This bill would save the State money in the area of recruitment, hiring and training new officers to take over for the old officers that take retirement. When you factor in the costs of all of the above you will be able to see just how much it is running and when you are all finished with that you have a new officer who will have to spend several years of self on the job training.

If this bill was passed you would have highly trained officers that would stay for their full 20 year period just to get the medical benefits. This would give you more security in the correction system and a continuing force that would be able to assist the new officers as they come on line.

This bill would cut down significantly on the great number of Correction Officers who are leaving the job in large numbers to take an early retirement.

Please consider these points as you debate the Bill.

Thank You for your Attention



Alice I. Fairchild  
(907) 262-3738  
akcherokee@hotmail.com

07Apr 04

To: Senate Finance Committee / *SENATE LABOR & COMMERCE*

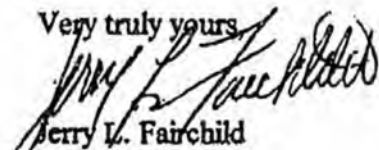
I am requesting that you send on House Bill 91.

I have been a Corrections Officer in Wildwood Correctional Facility for 17 years and was hired in 1986 so I do not fall under the Tier 1 program that allowed for medical benefits. I fall under the Tier 2 program. When I retire all I can look forward to is the ability to purchase health insurance for my wife. As a Cherokee Indian I do not need the health insurance but will have to purchase it for both of us in order to have her insured.

I believe that knowing the problems with understaffing at all the Correctional facilities in the State that the Officers that continue to serve should be given a chance to have a COL and medical insurance if they serve their 20 years. My job and every other Correctional Officer is a difficult one. Not only handling the inmates but also the shift in our hours from nights to days which does not allow us to have any sleep schedule that would be the normal thing for any other job.

Good Correctional Officers are difficult to find as I have seen being with the system as long as I have. I would advise the State to do anything they possibly can to retain the seasoned Officers so that so many are not lost to early retirement. The only time we are even noticed by anyone is if someone escapes or an inmate is hurt or injures himself. When there is a death of an inmate there is always an investigation. Now I am asking you to investigate the job of the Correctional Officer all over the State and give him something to look forward to when he retires.

Very truly yours,



Jerry L. Fairchild

P.O. Box 302

Kasilof, Alaska 99610



State Of Alaska  
Legislative Affairs Agency  
Kenai LIO  
145 Main St Lp, Ste 217  
Kenai, AK 99611  
907-283-2030

Date: \_\_\_\_\_ 4 -08-04 \_\_\_\_\_

Please accept the enclosed original(s) of written testimony for the \_\_\_Senate Labor & Commerce\_\_\_\_\_ teleconference hearing that was scheduled on \_\_\_\_\_.

A copy of this testimony was transmitted to your committee via fax on 4-08-04\_\_\_\_\_.

Thank You,

\_\_\_\_\_Kenai LIO\_\_\_\_\_

**Subject: Hb91**

**Date:** Fri, 23 Apr 2004 23:07:18 -0700 (PDT)

**From:** Brent Johnson <johnson\_brentw@yahoo.com>

**To:** Senator\_Con\_Bunde@legis.state.ak.us, Senator\_John\_Cowdery@legis.state.ak.us, Senator\_Bettye\_Davis@legis.state.ak.us, Senator\_Fred\_Dyson@legis.state.ak.us, Senator\_Johnny\_Ellis@legis.state.ak.us, Senator\_Kim\_Elton@legis.state.ak.us, Senator\_Hollis\_French@legis.state.ak.us, Senator\_Lyda\_Green@legis.state.ak.us, Senator\_Gretchen\_Guess@legis.state.ak.us, Senator\_Lyman\_Hoffman@legis.state.ak.us, Senator\_Georgianna\_Lincoln@legis.state.ak.us, Senator\_Scott\_Ogan@legis.state.ak.us, Senator\_Donny\_Olson@legis.state.ak.us, Senator\_Ralph\_Seckins@legis.state.ak.us, Senator\_Bert\_Stedman@legis.state.ak.us, Senator\_Ben\_Stevens@legis.state.ak.us, Senator\_Gary\_Stevens@legis.state.ak.us, Senator\_Gene\_Therriault@legis.state.ak.us, Senator\_Thomas\_Wagoner@legis.state.ak.us, Senator\_Gary\_Wilken@legis.state.ak.us

Dear Senators

As an Alaskan Peace Officer, I wanted to take a moment to remind legislators that HB91 would save the state more money than it would increase PERS costs. Giving peace officers their full retirement after 20 years would increase retention and reduce recruitment and training costs. It would also reduce payroll expenses associated with the premium salaries that are currently paid to senior officers who must work an "extra" five years at the ends of their careers to qualify for full retirement. Please put your support behind hard working Alaskans like me and support HB91.

Thank you

Brent Johnson  
Soldotna, Alaska  
907-260-3811

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**Subject: HB 91**

**Date:** Tue, 20 Apr 2004 10:32:08 -0800

**From:** Sherry Ridling <lokee@mtaonline.net>

**To:** Senator\_Con\_Bunde@legis.state.ak.us, Senator\_John\_Cowdery@legis.state.ak.us,  
Senator\_Bettye\_Davis@legis.state.ak.us, Senator\_Fred\_Dyson@legis.state.ak.us,  
Senator\_Johnny\_Ellis@legis.state.ak.us, Senator\_Kim\_Elton@legis.state.ak.us,  
Senator\_Hollis\_French@legis.state.ak.us, Senator\_Ralph\_Seekins@legis.state.ak.us

Dear Senator,

This note is to let you know how important House Bill 91 is to my family and myself. I have been employed as a Peace Officer in the State of Alaska for 14 years and have been paying higher PERS contributions than other PERS members who were hired prior to me and they will receive full medical benefits upon retirement after 20 years of service. I will be required to pay over \$780 per month to continue my medical benefits. This amount simply would not allow me to afford medical benefits at retirement. The anticipation of a 20 year retirement was one of the incentives for me to select a career in law enforcement.

The current policy is unfair and prejudicial against current and newly hired Peace Officers and Firefighters. HB 91 would save the State more money than it would cost in PERS increases. It would also serve to increase retention and reduce recruitment and training costs. Another money saving benefit of HB 91 would be the reduction of payroll expenses associated with higher salaries that are presently being paid to senior officers who must work an extra 5 years in order to receive full retirement benefits.

Please support House Bill 91. It would save the State money, benefit current employees who are essential to public safety, and encourage and assist in the recruitment and hiring of new employees into this field that is so critical to the State of Alaska.

Thank you for your consideration,

Mark Ridling

**Subject: HB 91**

**Date:** Wed, 21 Apr 2004 07:52:17 -0700 (PDT)

**From:** cubs fan <akcubsfan03@yahoo.com>

**To:** senator\_con\_bunde@legis.state.ak.us, senator\_ralph\_seekins@legis.state.ak.us,  
senator\_gary\_stevens@legis.state.ak.us, senator\_bettye\_davis@legis.state.ak.us,  
senator\_hollis\_french@legis.state.ak.us

Hi Senators,

I would appreciate your support of HB 91. I believe it would be a cost savings by having employee's like myself retire at the 20 year mark. I am 40 years old and have 4 years till I am eligible to retire with 20 years. If I can't afford to retire because of health care costs I might continue working till I'm 52 thats an additional 8 years. I know in the past there has been a retirement incentive program to retire some of the higher paid Officers and replace them with newer staff who make as much as Half the wages of the retired employee's this has been mostly tier 1 employee's and having the Medical coverage has been a factor in the decision to accept the retirement incentive program. There has been a lot of effort expended on this bill and to sit on it I believe would be a mistake. I am a 16 year employee with the DOC and I make the same wages as a rookie State Trooper. I am not eligable for the a retirement incentive program because I am to young. Again I would appreciate your support of this Bill and ask that you move it on to Finance. I would appreciate a response to this E-Mail.

Thank you, Brian Stanley

---

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**Subject: HB 91, Retired Peace Officer's Medical Benefits**

**Date:** Fri, 16 Apr 2004 17:06:48 -0800

**From:** Sheffieldfam <sheffieldfam@gci.net>

**To:** senator\_con\_bunde@legis.state.ak.us, senator\_ralph\_seekins@legis.state.ak.us,  
"senator gary\_stevens"@legis.state.ak.us, senator\_betty\_davis@legis.state.ak.us,  
senator\_hollis\_french@legis.state.ak.us

To Members of the Senate Labor & Commerce Committee  
Senator Con Bunde, Chair  
Senator Ralph Seekins  
Senator Gary Stevens  
Senator Bettye Davis  
Senator Hollis French

I am asking for your support of HB 91 which is in your committee at this time. It was heard and held on April 15. HB 91 corrects the existing benefit delay by allowing peace officers to receive their medical benefit at their normal retirement of 20 years. This legislation will end the additional five-year requirement beyond normal retirement. This legislation is very important to the correctional officers, state troopers, firefighters and others known as "peace officers," employed by the State of Alaska. These are employees that risk their health and safety in their service to the citizens of Alaska.

I would be most interested in your position on this important legislation. I've noticed there hasn't been any senators that have been added as sponsors to the bill, but there are numerous representatives (Representative(s), Gara, Crawford, Guttenberg, Gruenberg, Dahlstrom, Lynn, Heinze, Holm, McGuire, Fate, Kott, Kerttula, Croft, Ogg, Weyhrauch, Meyer, Stepovich, Harris, Wilson, Berkowitz, Kapsner, Hawker and Gatto).

Thank you for your help,

Mike Sheffield, Correctional Officer

HB

118

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POOR  
ORIGINAL  
COPIES

# SENATE COMMITTEE REPORT

DATE: 3/28/03

FURTHER: Resources

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 118(RES) am

## HB 118 TRANSPORTATION OF COMMERCIAL FISH

An Act relating to the transportation and sale of certain commercially caught fish by an agent of a commercial fishing permit holder and to the sale of fish; and providing for an effective date."

and recommends:

**Senate Bill:**

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

same title

new title

adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

**House Bill:**

same title

technical title

new: SCR # \_\_\_\_\_

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to \_\_\_\_\_ Committee

**NEW FISCAL NOTE(S):**

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DPS	3/10		✓	
F&G	4/8		✓	

Department	Date	Fiscal	Zero	FN#
(AW)	3/7		✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
Bettye Davis			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>			✓	

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 118(FSH)  
 (H) Publish Date: 3/3/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Relating to the transportation and BRU Commercial Fisheries  
sale of commercially caught fish Component Headquarters - Fisheries Management  
 Sponsor Representative Seaton  
 Requester House Fisheries Component No. 2171

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by: Robert D. Mecum, Director Phone 465-4210  
 Division Commercial Fisheries Division Date/Time 2/26/03 5:52 PM  
 Approved by: Kevin C. Duffy, Acting Commissioner Date 2/26/2003  
 Agency Department of Fish and Game

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 118 (FSH)  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time: \_\_\_\_\_ Dept. Affected: (Law) # 2  
 Title "An Act relating to the transportation and sale BRU Criminal Division  
of certain commercially caught fish by an agent of a . . ." Component Criminal Appeals/Special Litigation  
 Sponsor Representative Seaton by Request  
 Requester House Resources Committee Component No. 2203

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill establishes a fish transporter permit system that authorizes a permittee to transport and sell commercially taken fish as the agent of the commercial fisherman who caught the fish. Permits would be issued by the Department of Fish and Game. Purchasing fish from a person who does not hold the permits specified in AS 16.05.680 or a fish transporter permit is an unlawful act. Under AS 16.05.723, unlawful acts can be misdemeanors.

The Department of Law does not anticipate many new cases will result from passage of this bill, and does not expect a fiscal impact.

Prepared by: Joan M. Kasson Phone (907) 465-5370  
 Division: Attorney General's Office Date/Time 3/7/03 5:18 PM  
 Approved by: Joan M. Kasson for Gregg D. Renkes, Attorney General Date 3/7/2003  
 Agency: Department of Law

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 3  
 Bill Version: CSHB 118 (RES)  
 (H) Publish Date: 3/12/03

Revision Date/Time: \_\_\_\_\_ Dept. Affected: Law  
 Title: "An Act relating to the transportation and sale of certain commercially caught fish by an agent of a . . ." BRU: Criminal Division  
 Sponsor: Representative Seaton by Request Component: Criminal Appeals/Special Litigation  
 Requester: House Resources Committee Component No.: 2203

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill establishes a fish transporter permit system that authorizes a permittee to transport and sell commercially taken fish as the agent of the commercial fisherman who caught the fish. Permits would be issued by the Department of Fish and Game. Purchasing fish from a person who does not hold the permits specified in AS 16.05.680 or a fish transporter permit is an unlawful act. Under AS 16.05.723, unlawful acts can be misdemeanors.

The Department of Law does not anticipate many new cases will result from passage of this bill, and does not expect a fiscal impact.

Prepared by: Joan M. Kasson  
 Division: Attorney General's Office  
 Approved by: Joan M. Kasson for Gregg D. Renkes, Attorney General  
 Agency: Department of Law

Phone: (907) 465-5370  
 Date/Time: 3/7/03 5:18 PM  
 Date: 3/7/2003

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: HB 118  
 (S) Publish Date: 4/16/03

Revision Date/Time (Note If correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title "An Act relating to the transportation a BRU Fish and Wildlife Protection  
sale of commercially caught fish . . ." Component Enforcement  
 Sponsor Representative Seaton  
 Requester House Resources Component No. 490

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

No fiscal impact.

Prepared by: Captain Howard Starbard Phone 269-5589  
 Division Fish and Wildlife Protection Date/Time 3/10/03 8:24 AM  
 Approved by: Commissioner William Tandeske Date 3/10/2003  
 Agency Department of Public Safety

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 5  
 Bill Version: CSHB 118(RES) am  
 (S) Publish Date: 4/16/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Relating to the transportation and BRU Commercial Fisheries  
sale of commercially caught fish Component Headquarters - Fisheries Management  
 Sponsor Representative Seaton  
 Requester Senate Labor and Commerce Component No. 2171

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by: Robert D. Mecum, Director Phone 465-4210  
 Division Commercial Fisheries Division Date/Time 4/8/2003 9:30 a.m.  
 Approved by: Kevin C. Duffy, Acting Commissioner Date 4/8/2003  
 Agency Department of Fish and Game

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 118 (RES) am  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Relating to the transportation and BRU Commercial Fisheries  
sale of commercially caught fish Component Headquarters - Fisheries Management  
 Sponsor Representative Seaton  
 Requester Senate Labor and Commerce Component No. 2171

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by: Robert D. Mecum, Director Phone 465-4210  
 Division Commercial Fisheries Division Date/Time 4/8/2003 9:30 a.m.  
 Approved by: Kevin C. Duffy, Acting Commissioner Date 4/8/2003  
 Agency Department of Fish and Game

23-LS0574V  
Utermohle  
4/3/03

**SENATE CS FOR CS FOR HOUSE BILL NO. 118( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES SEATON BY REQUEST OF THE JOINT LEGISLATIVE SALMON  
INDUSTRY TASK FORCE, Cissna, Gara, Lynn**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the transportation and sale of certain commercially caught fish by**  
2 **an agent of a commercial fishing permit holder and to the sale of fish; and providing for**  
3 **an effective date."**

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

5 **\* Section 1. AS 16.05 is amended by adding a new section to read:**

6 **Sec. 16.05.671. Transportation and sale of certain fish by an agent of the**  
7 **fisherman who caught the fish. (a) A person may transport and sell commercially**  
8 **taken fish as the agent of the commercial fisherman who caught the fish if the person**  
9 **holds a fish transporter permit issued by the commissioner under this section.**

10 **(b) The commissioner may issue a fish transporter permit to a natural person.**  
11 **A fish transporter permit authorizes the permittee to transport and sell commercially**  
12 **taken fish as the agent of the commercial fisherman who caught the fish. A fish**  
13 **transporter may not buy or process fish received for transport unless the fish**  
14 **transporter also holds the appropriate licenses, permits, and other authorizations**

1 required to buy or process fish.

2 (c) A person who applies for a fish transporter permit under this section shall  
3 provide the person's social security number to the department. Upon request of the  
4 child support enforcement agency created in AS 25.27.010, or a child support agency  
5 c. another state, the department shall provide a social security number provided by an  
6 applicant for a fish transporter permit under this section to that agency for child  
7 support purposes authorized under law.

8 (d) A commercial fisherman may authorize a fish transporter to transport and  
9 sell fish on behalf of the fisherman as the agent of the fisherman. The fish transporter  
10 shall complete a fish ticket in accordance with procedures prescribed by the  
11 department for each fisherman who transfers fish to the fish transporter. The fish  
12 ticket must accompany the fish transferred to the fish transporter while the fish are in  
13 possession of the fish transporter. The fish transporter shall present the fish ticket for  
14 inspection upon request by a peace officer or representative of the commissioner. The  
15 fish transporter shall present the fish ticket to the buyer of the fish at the time of sale.  
16 The buyer of the fish shall complete the fish ticket by inserting the buyer's information  
17 as required by the department, including the weight or count of fish purchased. The  
18 buyer shall return a copy of the fish ticket to the commercial fisherman on whose  
19 behalf the fish are sold.

20 (e) A commercial fisherman who transfers fish to a fish transporter to  
21 transport and sell fish on behalf of the fisherman shall provide the fish transporter with  
22 all required information that the fisherman would have to provide to the buyer of the  
23 fish if the fisherman were to personally sell the fish to the buyer. The fish transporter  
24 who sells fish as the agent of a commercial fisherman shall provide all information to  
25 the buyer of the fish that the commercial fisherman would have to provide to the buyer  
26 if the fisherman were to personally sell the fish.

27 (f) A commercial fisherman may also hold a fish transporter permit. A  
28 commercial fisherman who holds a fish transporter permit may simultaneously  
29 transport or sell fish that the fisherman caught as well as fish caught by other  
30 commercial fishermen. A commercial fisherman who is simultaneously operating as a  
31 fish transporter shall physically possess

1 (1) the fish ticket completed under (d) of this section for the fish being  
2 transported or sold on behalf of another fisherman; and

3 (2) other documentation that may be prescribed by the commissioner  
4 by regulation.

5 (g) The commissioner may adopt regulations the commissioner considers  
6 necessary to implement this section. The regulations may not conflict with regulations  
7 or management plans adopted by the Board of Fisheries. The regulations may include

8 (1) criteria for determining areas or fisheries for which transporter  
9 permits may not be issued because

10 (A) fish transporter operations may alter harvest rates for the  
11 area or fishery to the extent that conservation of the resource is jeopardized,  
12 may significantly impair the ability of the department to accurately determine  
13 catch or effort levels, or may interfere with fishery management, allocation, or  
14 enforcement matters;

15 (B) a fishery is managed through allocations of the harvest to  
16 individuals, such as trip limits or quota shares; or

17 (C) combining of catches by multiple fishermen on a vessel  
18 may impair the ability of the department to accurately determine the incidental  
19 catch by each fisherman;

20 (2) requirements for timely and accurate reporting and record keeping;

21 or

22 (3) procedures to maintain quality of harvested resources.

23 (h) Fish transferred to the possession of a fish transporter under the authority  
24 of this section are property of the fisherman who caught the fish until the fish are sold  
25 to a buyer by the fish transporter on behalf of the fisherman.

26 (i) In this section, "fish" means fish legally harvested and retained in salmon,  
27 herring, or Pacific cod fisheries.

28 \* Sec. 2. AS 16.05.675(a) is amended to read:

29 (a) A person who does not hold a limited entry permit or interim-use permit  
30 issued under AS 16.43 or a fish transporter permit issued under AS 16.05.671 may  
31 not deliver or land fish in the state unless the person

1 (1) holds a valid federal permit to operate commercial fishing gear in  
2 the fishery conservation zone; and

3 (2) has been issued a landing permit by the Alaska Commercial  
4 Fisheries Entry Commission.

5 \* Sec. 3. AS 16.05.680 is amended to read:

6 **Sec. 16.05.680. Unlawful practices.** (a) It is unlawful for a person, or an  
7 agent or representative of the person,

8 (1) to employ, in the harvesting, transporting, or purchasing of fish, a  
9 fisherman who neither is licensed under AS 16.05.480 nor is the holder of a permit  
10 issued under AS 16.43; [,]

11 (2) to purchase fish from a person [FISHERMAN] who [NEITHER]  
12 is not

13 (A) the holder of a limited entry, interim-use, or landing permit  
14 issued under AS 16.43;

15 (B) a fish transporter who is selling the fish as the agent of  
16 the holder of a limited entry, interim-use, or landing permit issued under  
17 AS 16.43; or

18 (C) [, NOR IS] exempt under AS 16.05.660; [,] or

19 (3) to purchase fish from an association other than one to which a  
20 permit has been issued under AS 16.05.662.

21 (b) A person may not sell salmon that was not harvested under the authority of  
22 the entry permit, interim-use permit, or landing permit under which the salmon is sold.

23 For purposes of this subsection, salmon sold by a fish transporter on behalf of the  
24 commercial fisherman who harvested the salmon is salmon harvested under the  
25 authority of the limited entry, interim-use, or landing permit under which the  
26 salmon is sold.

27 \* Sec. 4. AS 16.05.940 is amended by adding a new paragraph to read:

28 (37) "fish transporter" means a natural person who holds a fish  
29 transporter permit issued under AS 16.05.671.

30 \* Sec. 5. AS 16.10.265(a) is amended to read:

31 (a) An individual may not, while acting as a fish processor or primary fish