

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2008 / 2  
11662 HOUSE STATE AFFAIRS

hour and 15 degrees of longitude because it takes 24 hours for the earth to complete a 360-degree spin on its axis.

The wedges became time zones. To avoid population centers, planners drew boundaries as crooked as the path of a wandering ant.

Because of Alaska's size, the state straddled four time zones: Bering, Alaska, Yukon and an unnamed zone in the far western Aleutians.

Alaska covers 57.5 degrees of longitude, almost exactly the same as the 57.6 degrees spanned between Maine and Washington.

When four Alaska time zones were transformed to two, noon didn't fit its definition in most of Alaska anymore. Daylight savings time puts the system further out of whack. In western Alaska towns such as Nome, solar noon comes at about 3 pm. after daylight savings time kicks in.

Daylight savings time was first used by the Germans in World War I to save energy. Brighter nights meant less coal was burned to light homes and businesses. The U.S., including Alaska, adopted daylight savings time in 1967. In 1972, Arizona, Hawaii, Puerto Rico and part of Indiana opted not to recognize it.

It's somewhat surprising that independent-minded Alaska hasn't followed suit. After all, we won't be burning much coal to power our lights on the sunny summer nights ahead.



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## Time to get rid of daylight-saving time

**Tuesday, April 2, 2002**

Please support House Bill 409 by encouraging the Labor and Commerce Committee to pass this bill out of committee and onto the house floor. The committee will review this bill on March 27.

Why should Alaska reject daylight savings time?

1. Daylight-saving time serves no practical purpose to us in Alaska.

2. When we change time in Alaska we don't just move ahead or behind one hour. We move two, three or four hours away from solar time depending on where you live in our great state. Several years ago our Legislature decided to make Alaska all one time zone - that of Juneau. Here on the Kenai Peninsula this means that we are one hour off of solar time - all the time. In Nome this is two hours off of solar time - all the time. With the addition of daylight-saving time (DST) this means that from April to October when the clock reads 9 o'clock at night in Nome it's really only 6 o'clock solar time!

3. Every living organism on earth regulates its life functions to the daylight/darkness cycle. DST and Alaska Standard Time (AST) force our bodies into a clock-based cycle as opposed to a natural cycle.

4. A recent Anchorage School District pamphlet states: "The average teen gets to sleep at 11 p.m. (solar time) because of normal circadian rhythms." (This means the way the body works with the daylight/darkness cycle.) "The best, most restful sleep for teens occurs around 5 a.m." This means that from April to October, if a teen in Anchorage, Fairbanks, or Kenai gets sleepy at 11 p.m. (solar time), the clock will read 1 a.m. If the same teen gets his/her best sleep at 5 a.m. (solar time) it is 7 a.m., clock time, and the teen has missed his/her most restful sleep.

5. What percentage of Alaskans need to be on Juneau time? Are our children or legislators more important?

Support HB 409 with an amendment of returning Alaska to its original time zones by contacting Lisa Murkowski, chair, Labor and Commerce at:

800-460-3783 or 465-4954, fax 465-2293, or e-mail:  
[Representative\\_Lisa\\_Murkowski@legis.state.ak.us](mailto:Representative_Lisa_Murkowski@legis.state.ak.us)

**Joann Jackinsky**  
**Kasilof**

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## Sleep deprivation may be undermining teen health

**Lack of sufficient sleep--a rampant problem among teens--appears to put adolescents at risk for cognitive and emotional difficulties, poor school performance, accidents and psychopathology, research suggests.**

**BY SIRI CARPENTER**  
*Monitor staff*



On any given school day, teen-agers across the nation stumble out of bed and prepare for the day. For most, the alarm clock buzzes by 6:30 a.m., a scant seven hours after they went to bed. Many students board the school bus before 7 a.m. and are in class by 7:30

In adults, such meager sleep allowances are known to affect day-to-day functioning in myriad ways. In adolescents, who are biologically driven to sleep longer and later than adults do, the effects of insufficient sleep are likely to be even more dramatic--so much so that some sleep experts contend that the nation's early high-school start times, increasingly common, are tantamount to abuse.

"Almost all teen-agers, as they reach puberty, become walking zombies because they are getting far too little sleep," comments Cornell University psychologist James B. Maas, PhD, one of the nation's leading sleep experts.

There can be little question that sleep deprivation has negative effects on adolescents. According to the National Highway Traffic Safety Administration, for example, drowsiness and fatigue cause more than 100,000 traffic accidents each year--and young drivers are at the wheel in more than half of these crashes.

Insufficient sleep has also been shown to cause difficulties in school, including disciplinary problems, sleepiness in class and poor concentration.

"What good does it do to try to educate teen-agers so early in the morning?" asks Maas. "You can be giving the most stimulating, interesting lectures to sleep-deprived kids early in the morning or right after lunch, when they're at their sleepest, and the overwhelming drive to sleep replaces any chance of alertness, cognition, memory or understanding."

Recent research has also revealed an association between sleep deprivation and poorer grades. In a 1998 survey of more than 3,000 high-school students, for example, psychologists Amy R. Wolfson, PhD, of the College of the Holy Cross, and Mary A. Carskadon, PhD, of Brown University Medical School, found that students who reported that they were getting C's, D's and F's in school obtained about 25 minutes less sleep and went to bed about 40 minutes later than students who reported they were getting A's and B's.

In August, researchers at the University of Minnesota reported the results of a study of more than 7,000 high-school students whose school district had switched in 1997 from a 7:15 a.m. start time to an 8:40 a.m. start time. Compared with students whose schools maintained earlier start times, students with later starts reported getting more sleep on school nights, being less sleepy during the day, getting slightly higher grades and experiencing fewer depressive feelings and behaviors.

Also troubling are findings that adolescent sleep difficulties are often associated with psychopathologies such as depression and attention deficit hyperactivity disorder (ADHD).

This research, combined with studies showing widespread sleep deprivation among teens, has propelled efforts to educate children and adults about the importance of a good night's sleep and to persuade schools to push back high-school starting times.

"There is substantial evidence that the lack of sleep can cause accidents, imperil students' grades and lead to or exacerbate emotional problems," says U.S. Rep. Zoe Lofgren (D-Calif.), who has introduced a bill that would provide federal grants to help school districts defray the cost of pushing back school starting times. Adjusting school schedules, Lofgren says, "could do more to improve education and reduce teen accidents and crime

than many more expensive initiatives."

The research has also spurred further investigations into why teens need extra sleep, the effects of sleep deprivation on cognition, emotion regulation and psychopathology, and the long-term consequences of chronic sleep deprivation.

### **Dogma reversed**

For decades, experts believed that people require less sleep as they move from infancy through adulthood.

It's easy to see why this belief persisted: Adolescents sleep less than they did as children, declining from an average of 10 hours a night during middle childhood to fewer than 7.5 hours by age 16. According to Wolfson and Carskadon's 1998 study, 26 percent of high school students routinely sleep less than 6.5 hours on school nights, and only 15 percent sleep 8.5 hours or more. The same study indicated that to make up for lost sleep, most teens snooze an extra couple of hours on weekend mornings--a habit that can lead to poorer-quality sleep.

But to researchers' surprise, in the past two decades studies have shown that teen-agers require considerably more sleep to perform optimally than do younger children or adults. Starting around the beginning of puberty and continuing into their early 20s, Carskadon and colleagues have shown, adolescents need about 9.2 hours of sleep each night, compared with the 7.5 to 8 hours that adults need.

In addition to needing more sleep, adolescents experience a "phase shift" during puberty, falling asleep later at night than do younger children. Researchers long assumed that this shift was driven by psychosocial factors such as social activities, academic pressures, evening jobs and television and Internet use. In the past several years, however, sleep experts have learned that biology also plays a starring role in adolescents' changing sleep patterns, says Carskadon.

Indeed, Carskadon's research is greatly responsible for that new understanding. In a pair of groundbreaking studies published in 1993 and 1997, she and colleagues found that more physically mature girls preferred activities later in

the day than did less mature girls, and that in more physically mature teens, melatonin production tapered off later than it did in less mature teens. Those findings, Carskadon says, suggest that the brain's circadian timing system--controlled mainly by melatonin--switches on later at night as pubertal development progresses.

Changes in adolescents' circadian timing system, combined with external pressures such as the need to awaken early in the morning for school, produce a potentially destructive pattern of early-morning sleepiness in teen-agers, Carskadon argues. In a laboratory study of 40 high-school students published in the journal *Sleep* (Vol. 21, No. 8) in 1998, she, Wolfson and colleagues examined the effect of changing school starting times from 8:25 a.m. to 7:20 a.m.

Their results were disturbing: Almost half of the students who began school at 7:20 were "pathologically sleepy" at 8:30, falling directly into REM sleep in an average of only 3.4 minutes--a pattern similar to what is seen in patients with narcolepsy.

Those findings, says Carskadon, persuaded her that "these early school start times are just abusive. These kids may be up and at school at 8:30, but I'm convinced their brains are back on the pillow at home."

### **Elusive questions**

The evidence of adolescents' increased need for sleep and that many--if not most--teen-agers are chronically sleep deprived has raised further questions. Particularly elusive, says Carskadon, has been the question of why adolescents' circadian clocks shift to a later phase around the beginning of puberty.

One possibility, she believes, is that the brain's sensitivity to light changes during adolescence. At the annual meeting of the Associated Professional Sleep Societies in June, she and colleagues presented research showing that in the evening, exposure to even very dim lighting delayed melatonin secretion for participants who were in middle or late puberty, but not for prepubertal participants.

Carskadon is also interested in how teen-age

alcohol use might affect the brain's sleep system. Following up on studies in adults that have established a link between drinking problems and changes in sleep patterns, for example, she and her colleagues plan to examine whether during early development, young people with a family history of problem drinking might have abnormalities in the brain mechanisms that govern sleep.

Just as important as the question of why sleep patterns change during adolescence is the issue of how sleep deprivation influences adolescents' emotion regulation and behavior. Many researchers have noted that sleep-deprived teen-agers appear to be especially vulnerable to psychopathologies such as depression and ADHD, and to have difficulty controlling their emotions and impulses.

Although it's difficult to untangle cause and effect, it's likely that sleep deprivation and problems controlling impulses and emotions exacerbate one another, leading to a "negative spiral" of fatigue and sleepiness, labile emotions, poor decision-making and risky behavior, says Ronald E. Dahl, MD, a professor of psychiatry and pediatrics at the University of Pittsburgh.

Despite the evidence that insufficient sleep affects young people's thinking, emotional balance and behavior, the long-term effects of chronic sleep deprivation on learning, emotion, social relationships and health remain uncertain.

"There's a real need for longitudinal studies to follow through later childhood and adulthood," says psychologist Avi Sadeh, PhD, a sleep researcher at Tel Aviv University. Although research has amply demonstrated that sleep problems affect young people's cognitive skills, behavior and temperament in the short term, he says, "It's not at all clear to what extent these effects are long-lasting."

### **Researchers push for school changes, public outreach**

With such a wealth of evidence about the prevalence of adolescent sleep deprivation and the risks it poses, many sleep researchers have become involved in efforts to persuade school districts to push back high-school starting times so that teens can get their needed rest.

Some schools argue that adjusting school schedules is too expensive and complicated. But others have responded positively to sleep experts' pleas. The Connecticut legislature is considering a bill that would prohibit public schools from starting before 8:30 a.m., and Massachusetts lawmakers are also weighing the issue. And Lofgren's "Zzzzz's to A's" bill, first introduced in the U.S. House of Representatives in 1998, would provide federal grants of up to \$25,000 to school districts to help cover the administrative costs of adjusting school start times.

These efforts are a move in the right direction, says Wolfson. But, she says, changing school start times isn't the entire answer. "I think we have to be educating children, parents and teachers about the importance of sleep, just as we educate them about exercise, nutrition and drug and alcohol use."

Toward that end, several public-education efforts are now under way:

- \* With a grant from the Simmons mattress company, Cornell's Maas recently produced a film on teen-age sleep deprivation, its consequences and the "golden rules" for healthy sleep. The film is scheduled for distribution through parent-teacher associations and school principals this fall. In August, Maas also published a children's book, "Remmy and the Brain Train," which discusses why the brain requires a good night's sleep.

- \* Next year, the National Center for Sleep Disorders Research at the National Institutes of Health plans to release a supplemental sleep curriculum for 10th-grade biology classes, addressing the biology of sleep, the consequences of insufficient sleep and the major sleep disorders. In a related effort, the center is coordinating a sleep-education campaign aimed at 7- to 11-year-olds.

- \* Wolfson and colleague Christine A. Marco, PhD, a psychologist at Worcester State College, are pilot-testing an eight-week sleep curriculum for middle-school students. As part of the curriculum, students keep sleep diaries, play creative games and participate in role-playing about sleep, and set goals--for example, for the amount of sleep they want to get or for regulating their caffeine intake. Preliminary results indicate that the curriculum

helps students improve their sleep habits.

"Changing school start times is one critical measure we can take to protect young people's sleep," says Wolfson. "And then, if we can only understand what's going on with sleep in these sixth-, seventh- and eighth-graders, we can intervene to change their sleep behavior before it gets out of hand."

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## Spring and Autumn daylight saving time changes: Studies of adjustment in sleep timings, mood, and efficiency

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Various aspects of adjustment to Daylight Saving Time (DST) changes were investigated using two Spring and two Autumn studies. After both Spring and Autumn DST changes, although adjustment of times of retiring and falling asleep appeared to be instantaneous, waking times took up to a week to adjust. Other analyses suggested that beneficial effects on mood on awakening and perceived sleep quality might appear for much of the week after an Autumn DST change, but predominantly detrimental effects on mood after a Spring one. Performance on a calculations test at 0830 h was significantly enhanced after an Autumn DST change, though this was probably due to the enhancement in mood resulting from the change, rather than to simple lack of adjustment of the performance rhythm. Examination of individual differences in DST adjustment produced results that were consistent with those from previous studies in the shift-work and jet-lag areas, confirming the usefulness of DST changes as a vehicle for studying general problems of adjustment to changes in schedule.

### 1. Introduction

Circadian (about 24 h) rhythms are known to exist in a wide range of both physiological and psychological measures in man. Such rhythms are entrained by the external environment (e.g. light/dark cues etc.), but are endogenous in that they persist, even when the subject is kept in constant conditions with uniform feeding, and no sleep (Mills, Minors and Waterhouse 1978). One apparent function of such rhythms is to prepare the bodily system for the start of each new day. Suggestive evidence for this is provided by the fact that many people spontaneously wake up just before the alarm clock goes off.

Since man's circadian rhythms are endogenous, they do not adjust instantaneously to the sudden changes in schedule that are occasioned by shiftwork or transmeridian flight ('jet-lag'). The rates at which the phases of various circadian rhythms adjust to such changes have been studied quite extensively (see Aschoff, Hoffman, Pohl and Wever (1975) for a comprehensive review). In normal shiftworkers, adjustment of rhythms is seldom complete. In the 'jet-lag' area, although different variables exhibit different rates of adjustment, and the direction of travel is important (Klein, Wegmann and Hunt 1972), a rough 'rule of thumb' for physiological measures is that one day of recovery is needed for each time zone crossed.

A third possible source of circadian rhythm disruption is the change in routine that is imposed twice a year by Daylight Saving Time (DST) systems such as British Summer Time. Over 25 countries around the world now use a DST system of one kind or another, affecting over 850 million people. The entraining cues, or zeitgeber, can be divided into physical cues, such as the light/dark cycle, and social cues, such as meal times and traffic noise. After transmeridian flight, both sets of cues encourage

adjustment, whilst in shiftwork both are often discouraging it. DST changes lie between shiftwork and jet-lag in the degree to which adjustment is discouraged, since although social cues are predominantly encouraging adjustment, the physical cues are still timed to the 'old' system.

The study of adjustment to DST changes is important for two reasons. Firstly, in its own right, it is a condition that is imposed upon large numbers of people without the consequences being fully known. Secondly, it could provide an extremely useful and inexpensive tool for studying the importance of individual differences, such as age, sex, and personality in the adjustment of circadian rhythms to changes in schedule. Hitherto there has only been one jet-lag study involving a single sample size of more than 12, and thus able to study some of these differences properly (Colquhoun and Folkard 1978). Whilst studies of individual differences in adjustment to shiftwork are slightly more common (see review by Akerstedt and Froberg 1976), the broad variation between different studies makes overall conclusions difficult to draw. Thus, although there are important differences between DST, jet-lag and shiftwork changes, DST studies could provide useful indications of which type of people will generally find it easiest to adjust.

Possibly because adjustment would be predicted to take only a single day using the rule of thumb mentioned above, the rate of adjustment to DST changes has hitherto been largely ignored. There appear to be only two studies in the literature. The first, Monk and Folkard (1976) involved 65 subjects who rated their alertness and measured their oral temperatures at 0900 h, and recorded their time of waking, for 17 days around the Autumn 1974 DST change. The main finding of this study was a gradual adjustment in waking times lasting for most of the week after the change. The study also provided suggestive evidence for lack of immediate adjustment in oral temperature and alertness, and hinted at a possible increase in road accidents after Spring DST changes.

The second study (Nicholson and Stone 1978) reported detailed physiological sleep records of 3 subjects in the six nights around a Spring DST change. The subjects retired and were woken at the same clock times each day. Sleep onset latency was significantly increased after the change, as was the amount of Stage 4 ('deepest') sleep. Significant reductions were found in the total duration of wakefulness and in the number of awakenings.

The present studies sought to rectify the neglect that has hitherto characterised this area of research. Various aspects of DST adjustment were investigated, using two Spring and two Autumn DST studies. The four aspects will be dealt with separately in the paper, and are as follows: (i) Adjustment of sleep timings; (ii) Changes in mood on awakening; (iii) Efficiency on a calculations task at 0830 h; (iv) Individual differences in the rate of DST adjustment.

## 2. Method—General administration of the four DST studies

### 2.1. Dates and locations

The two pairs of DST studies to be described were carried out independently, with collaboration only taking place after all the data has been collected. For ease of reference, the letter (B) or (L) will appear after a date signifying whether it came from the Brighton or London pair of studies.

The dates of DST changes, and locations of the corresponding studies, were as follows: Autumn: 24th October 1976 (B), 23rd October 1977 (L); Spring: 20th March 1977 (B), 19th March 1978 (L). All changes took place at 0200 h on a Sunday morning.

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## 2.2. Design

In both pairs of studies, the week immediately after the DST change was designated the 'test' week and the corresponding days of a week unaffected by the change (usually the one immediately before it) as the 'control' week. Saturday and Sunday readings were not taken in the London pair of studies, and in all studies most analyses will be restricted to Monday through Friday data. In the Spring, 1978 (L) study, only the first three days of the test week (Monday–Wednesday) could be used, as the Thursday of that week happened to be Maundy Thursday of the Easter holiday.

## 2.3. Subjects

Details are given in table 1. Twenty-four subjects were common to both Brighton studies, and fourteen common to both London studies. Brighton subjects were simply informed the surveys were of sleeping habits around DST changes, with no further information or hypotheses given. London subjects were not told the purpose of the studies.

# 3. Adjustment of sleep timings

## 3.1. Introduction

Since an hour is 'lost' by a Spring DST change, lack of adjustment of sleep timings would appear as behaviour occurring later than normal. Conversely, after an Autumn DST change, when an hour is 'gained', unadjusted behaviour would occur earlier than normal. Monk and Folkard (1976) studied the 1974 Autumn DST change and found adjustment in waking times to take up to a week. The aim of this aspect of the present studies was (i) to replicate Monk and Folkard (1976), (ii) to plot the adjustment in waking times after a Spring DST change, and (iii) to plot the adjustment in time of retiring to bed and falling asleep after both Spring and Autumn DST changes.

## 3.2. Method

In both pairs of studies, subjects were required to record their time of waking and the manner in which it occurred (e.g. alarm clock, spontaneous etc.) as soon as possible after waking up. In the Autumn 1976 (B) and Spring 1977 (B) studies, they were also required to record their time of going to bed and estimated time of falling asleep the previous night.

## 3.3. Results

Waking times from the completed records of the Autumn 1976 (B) and Autumn 1977 (L) studies were combined to give a total sample size of 73. The mean difference between 'control' and 'test' weeks for each day of the week is plotted in figure 1. Analysis of variance revealed a significant difference between 'control' and 'test' weeks ( $F=17.3$ ,  $df=1,648$ ,  $p<0.001$ ) and a significant 'weeks'  $\times$  'day of week' interaction ( $F=3.76$ ,  $df=4,648$ ,  $p<0.01$ ), thus confirming the significance of the DST effect. The results appeared to be very similar to those of Monk and Folkard (1976); the apparent overshoot on the Friday was not significant.

Waking times from the Spring 1977 (B) and Spring 1978 (L) studies could not be combined since the latter only had three 'test' days (see section 2.2). Figure 2 shows the mean difference in time of waking separately for the two studies. Analyses of variance on the five (1977) or three (1978) weekdays (i.e. omitting Saturday and Sunday readings) confirmed the significance of the difference between 'test' and 'control' weeks (Spring 1977 (B):  $F=23.5$ ,  $df=1,261$ ,  $p<0.001$ ; Spring 1978 (L):  $F=15.1$ ,  $df=1,140$ ,  $p<0.001$ ).

Table 1. Subjects taking part in the four studies.

Study	Total N	No. of males	No. of subjects with missing readings	Paid	Age range (yr)	Average age (yr)	Occupations
Autumn 1976 (B)	39	0	0	80p	19-63	32	100% University Secretaries
Spring 1977 (B)	30	0	0	80p	19-63	34	100% University Secretaries
Autumn 1977 (L)	39	19	5	No	18-79	40	51% Clerical/Professional, 29% Manual, 29% Students
Spring 1978 (L)	31	13	2	No	16-79	36	42% Clerical/Professional, 29% Manual, 29% Students

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but found only slight evidence of a significant interaction between 'week' and 'day of week' (Spring 1977 (B):  $F = 2.2, df = 4, 261, p < 0.10$ ; Spring 1978 (L):  $F = 1.9, df = 2, 140, p > 0.10$ ). These tests were, however, conservative since the Sunday readings were omitted.

As one would expect from the above results, an analysis of how subjects awoke revealed a general increase in the number of spontaneous wakings during much of the week after the Autumn changes, and a general increase in the need for alarm clocks during much of the week after the Spring changes. In the weekdays after the Spring 1978 (B) change, the percentage of 'subject-mornings' composed of alarm wakings rose from 27% to 50% ( $\chi^2 = 4.4, df = 1, p < 0.05$ ), whilst after the Autumn 1977 (B) change, the percentage of spontaneous wakings rose from 34% to 44% ( $\chi^2 = 6.0, df = 1, p < 0.025$ ). Some of the changes in mean waking time observed in figures 1 and 2 can thus be accounted for by normally spontaneous wakers requiring their alarm clocks in the Spring, and those who normally needed an alarm clock, waking up before it went off, after the Autumn DST change.

No significant DST effects or interactions emerged ( $F < 1.7, p > 0.10$  in all cases) in either time of retiring to bed or time of falling asleep, in either of the two studies in which they were recorded (Autumn 1976 (B), Spring 1977 (B)). Since these analyses included the Sunday night of the change it would appear that these measures show instantaneous adjustment to DST changes. As one would expect, this instantaneous adjustment in time of falling asleep produced sleep duration DST effects that were similar to (but not as statistically reliable as) those of waking time. Sleep durations averaged 7.2 h for a normal week night (Sunday–Thursday) and 7.8 h at weekends.

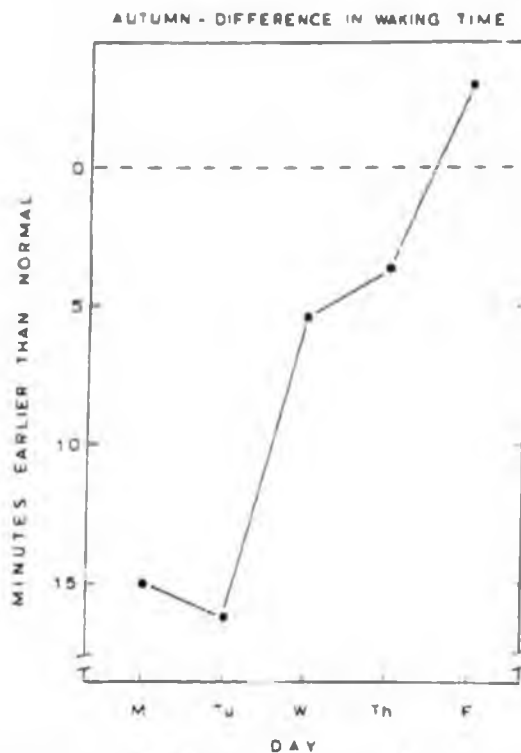


Figure 1. Mean difference in waking times between the weeks immediately before and after an Autumn DST change. The sample size was 73.

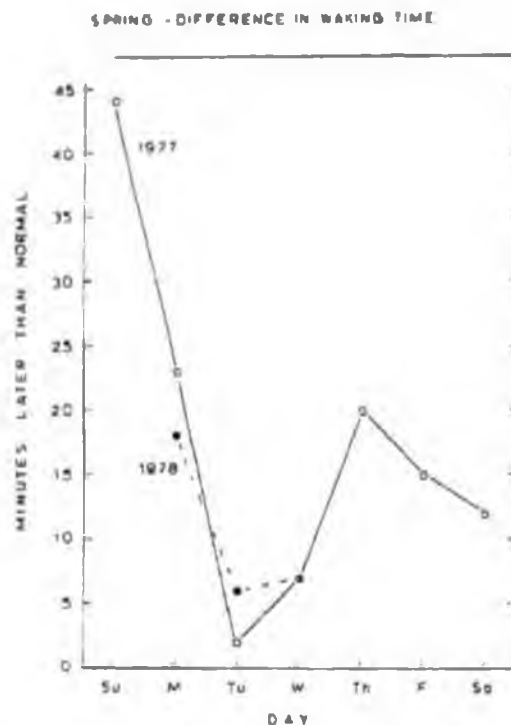


Figure 2. Mean difference in waking times between the weeks immediately before and after a Spring DST change. Sample sizes were 30 (1977) and 31 (1978).

#### 3.4. Discussion

Comparison of Figure 1 with the phase adjustment curves typically found in 'jet-lag' studies (e.g. Klein *et al.* 1972) suggests that the sleep/wake cycle might simply be a rhythm gradually adjusting its phase to the new time. However, if this were the case then similar effects should be found in retiring to bed and in 'falling asleep' times. The complete lack of any significant DST effects in these measures suggests that the sleep/wake cycle should not be considered solely as a circadian rhythm. It would rather appear that these results should be interpreted as indicating a gradual phase change in an underlying physiological rhythm (e.g. of cortisol level) that is causing the organism to wake up.

This explanation would require that the pattern of adjustment of this rhythm deviate from a simple monotonic one in the Spring, where a distinct 'rebound effect' seemed to occur. Such effects have indeed been demonstrated in phase adjustment to other schedule changes. Aschoff *et al.* (1975) (p. 31) report rat body temperature data showing rebound effects occurring in response to 6 h advances, but a monotonic function for 6 h delays. This is supportive evidence since the Spring DST change represents an advance and the Autumn change a delay. Similarly, in a 'jet-lag' study, Colquhoun (1979) has demonstrated rebound effects in the temperature rhythm of human subjects experiencing an 8 h advance.

Clearly, it is important to remember that factors other than simple rhythm adjustment may have contributed to the observed results. The Spring group started the 'test' week with up to an hour of sleep lost on the Sunday morning (actually an average of 0.6 h in 1977 (B)), whereas the Autumn group gained an hour (exactly 1 h on average

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in 1976 (B)). Thus some of the extra sleep observed in the Spring 'test' week may have resulted from a need to make up for the deficit. However, rhythm adjustment must also have been having an effect, since by the Saturday after the change, a total of 1.2 h extra sleep had been gained. Similarly, it can be seen from Figure 1 that in the five days after the Autumn change, a total of about 0.6 h was lost. Whilst some of this 0.6 h might be the result of the 1 h 'excess' gained on the Sunday, the gradual pattern of the results suggests that a process of rhythm adjustment must have also been occurring.

#### 4. Mood on awakening

##### 4.1. Introduction

In a factor analytic study of various measures of mood on awakening, Herbert, Johns and Dore (1976) showed there to be two major dimensions, calmness and alertness. Visual analogue scales measuring these dimensions were used by Folkard, Monk and Lobban (1978) who found different patterns of disruption for the two measures in a group of nightworkers. The aim of the present aspect of the studies was to determine the effect of the adjustment to Spring and Autumn DST changes on these measures of mood on awakening. Measures of perceived sleep quality were also obtained.

##### 4.2. Method

Each page of the sleep diary given to the Autumn 1976 (B) and Spring 1977 (B) subjects contained three Visual Analogue Scales (VAS). These rating scales consisted of a question, followed by a 10 cm line with the two extremes of answer at the two ends. Subjects were required to place a mark somewhere along the line to denote their answer that morning. The three questions (followed by the markings at either end of the line) were as follows:

"How well did you sleep?" (*very badly ... very well*); "On awakening how alert (i.e. quick witted, attentive and energetic) did you feel?" (*not at all ... very much*); "On awakening how calm (i.e. tranquil, contented and relaxed) did you feel?" (*not at all ... very much*).

##### 4.3. Results

In each of the studies, the 14 days of readings (7 'control', 7 'test') that comprised a subject's series of scores for a particular measure were ranked from 1 (low) to 14 (high). The changes in median rank score between 'control' and 'test' weeks are illustrated in figure 3. Statistical significance was tested by the *Wilcoxon test*; both for each day separately, and for the medians of the five weekdays (Monday-Friday) taken together. Since the results of the waking time analyses would predict predominantly beneficial effects in the Autumn and the reverse in the Spring, *one-tailed tests* were used. Significant individual comparisons are marked on the figure. The only significant *weekly* comparisons occurred in the Autumn, where all three measures showed an increase between 'control' and 'test' weeks. Although these results are by no means conclusive, it would appear that people may feel more alert, calm and well-slept after an Autumn DST change, but the reverse after a Spring one.

##### 4.4. Discussion

The benign effects of the Autumn change on VAS ratings may have had three possible contributory factors: (i) lack of adjustment in circadian rhythms. Since mood

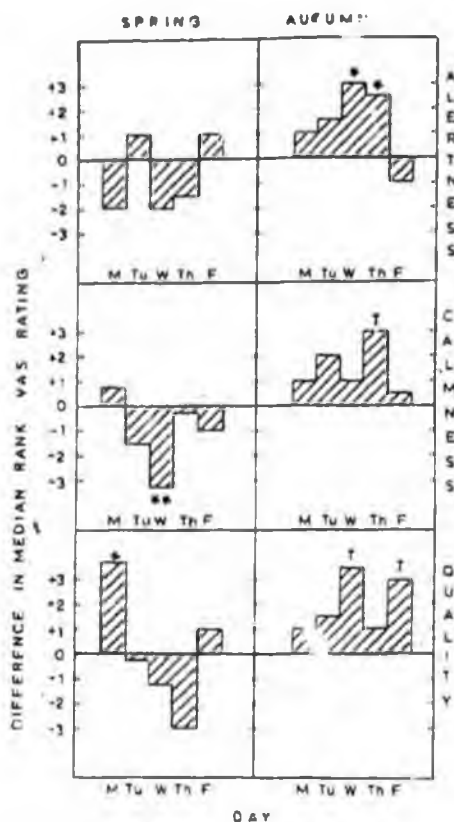


Figure 3. Changes in median rank Visual Analogue Scale (VAS) ratings between 'control' and 'test' weeks of Spring and Autumn DST changes. Bars above the zero line represent increases in alertness, calmness and perceived sleep quality respectively. Significant results were as marked: † =  $p < 0.10$ , \* =  $p < 0.05$ , \*\* =  $p < 0.01$ . Sample sizes were 30 (Spring) and 39 (Autumn).

ratings invariably show a rise from early to mid-morning (Folkard *et al.* 1978), any lack of adjustment after an Autumn DST change would result in 'later' mood ratings according to the old (unadjusted) rhythm, and thus an enhancement; (ii) feelings of well-being inherited from the extra sleep gained on the Sunday of the change, and (iii) feelings of well-being produced by waking spontaneously, rather than by an alarm clock. A complementary argument can be used for deleterious Spring VAS effects. The only exception is the better sleep quality rating on the morning of the Monday after the Spring change. This would seem to stem directly from the length of sleep taken (an average of 20 min longer than a normal week-night), rather than any of the three factors mentioned above.

## 5. Calculations efficiency at 0830 h

### 5.1. Introduction

It is now well-known that there are circadian rhythms in the efficiency with which various tasks are performed (Hockey and Colquhoun 1972). Although tasks differ in their phase (Folkard, Knauth, Monk and Rutenfranz 1976), the circadian rhythm of performance on a reasonably simple arithmetical task would be expected to show a rise

from 0830 h rhythm after at 0830 h co was designe

### 5.2. Method

Each Saturday in the test week there was a multiplication task. The number of seconds taken for each calculation was recorded. The sequence of calculations was the same as in the control week period. The data were normalised to

### 5.3. Results

The average time taken for each calculation was shorter than in the control week. The differences were significant (V

### 5.4. Discussion

The hypothesis was indeed supported. The differences were solely due to lack of adjustment (V

Figure 4. VAS ratings at 0830 h on Monday after Spring and Autumn DST changes. (○) = Spring, (□) = Autumn.

from 0830 h to 0930 h testing times. Thus any lack of adjustment of this performance rhythm after an Autumn DST change would result in an enhancement of performance at 0830 h compared with a corresponding day of the 'control' week. The present study was designed to test this prediction.

### 5.2. Method

Each subject in the Autumn 1977 (L) study was given a booklet covering each weekday in the two weeks before the DST change and the two weeks after it. For each day there was a set of three calculations: (i) addition of three 4-digit numbers, (ii) 'long multiplication' of a 4-digit number by a 2-digit number, and (iii) subtraction of one 4-digit number from another (larger) 4-digit number. The test was self-administered, the seconds hand of a clock being used to measure the total time taken to do all three calculations. Administrative problems meant that each subject was given exactly the same sequence of calculations. Thus to control for spurious effects due to practice and the particular sums given, a total of 13 naive subjects took part in a parallel study in a 4-week period during which there was no DST change. These data were then used to normalise scores from the Autumn 1977 (L) study.

### 5.3. Results

The average (normalised) score for 'control' and 'test' weeks is plotted in figure 4. Shorter than normal calculation times were apparent in the test week, and the differences were significant ( $t \geq 2.0$ ,  $df = 33$ ,  $p < 0.05$ , one-tailed) on the Wednesday and the Thursday.

### 5.4. Discussion

The hypothesis that performance would be enhanced during the 'test' week was indeed supported. It is, however, questionable that this enhancement can be ascribed solely to lack of rhythm adjustment, since the days on which the enhancement was significant (Wednesday and Thursday) coincided with those on which the increase in

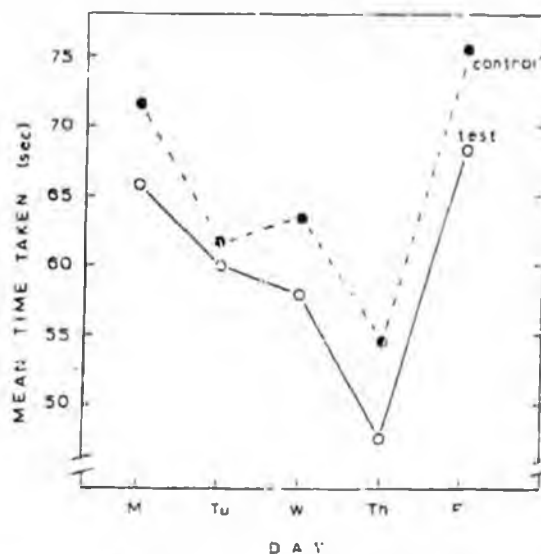


Figure 4. Mean (normalised) times taken on the calculations test for 'control' (●---●) and 'test' (○—○) weeks. The sample size was 39, but there were occasional missing readings.

VAS mood rating in the Autumn 1976(B) study was at its highest (figure 3). It would thus appear likely that the enhanced performance was more of a function of increased alertness and calmness than of lack of performance rhythm adjustment. It should be noted that the normalisation by a parallel group means that the enhancement can not be ascribed simply to practice.

Apart from the factors of rhythm adjustment mentioned in the Introduction, there is evidence that any change in the timing or duration of sleep will have an effect on performance efficiency. Taub and Berger (1976) measured performance on several tasks (including a mathematical 'additions' test, after extending and reducing sleep by 3 h, and by 3 h changes in its timing. In general, they found any deviation from normal timing or duration to be detrimental to performance. However, the order of magnitude of the individual changes in duration and timing found in the present studies (always less than 30 min) is very different from that of Taub and Berger, and it is thus not surprising that no detrimental effects were observed.

## 6. Individual differences

### 6.1. Introduction

DST changes differ from those resulting from shiftwork and jet-lag in that (i) they are experienced by the population as a whole, and (ii) they only occur twice per year. Consequently, there is little use for the study of individual differences in DST adjustment as a means of selecting those who might suffer the least DST disruption *per se*. If, however, results can be generalised from DST changes to the shiftwork and/or jet-lag areas, then the study of individual differences in DST adjustment could be used as a powerful and inexpensive tool for examining these more important problems, where selection can be of obvious benefit. Thus the aim of the present aspect of the studies was not just to detect types of individual who find it hard or easy to adjust to DST changes, but also to relate these results to those from the shiftwork and jet-lag areas.

### 6.2. Method

Two questionnaire tests were used, the *Eysenck Personality Inventory* (EPI) (Eysenck and Eysenck 1963) and the *Circadian Type Questionnaire* (CTQ) (Folkard, Monk and Lobban 1979). Factors such as age and sex were also considered. Scores of Extraversion and Neuroticism from the EPI were available from most of the subjects who took part in the Autumn 1974 (Monk and Folkard 1976) and Autumn 1976(B) studies. The CTQ was given to every subject in the Autumn 1976(B) and Spring 1977(B) studies, yielding three measures: rigidity of sleeping habits ( $R_s$ ), 'morningness' (M) (i.e. degree to which one is a 'morning' as opposed to an 'evening' type of person), and ability to overcome drowsiness (V). These measures have been shown potentially to indicate ease of adjustment to nightwork (Folkard *et al.* 1979).

To reduce each subject's adjustment data to a single measure, a straight line was fitted by least squares to the 7 points representing the difference in waking time between 'control' and 'test' weeks in the Autumn studies. The slope of this line (D) was taken as a measure of disruption for that subject, with high values of D corresponding to increased disruption. The 'rebound effect' (see section 3.3) made a linear approximation and thus the use of D as a measure unacceptable after a Spring DST change. Consequently, for each subject in the Spring 1977(B) study, the simple difference (d) in mean waking time between 'test' and 'control' weeks was taken as the measure of disruption, with high d values indicating greater disruption.

### 6.3. Results

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### 6.3. Results and discussion

For the 58 subjects from the Autumn 1974 and Autumn 1976(B) studies, the measure of disruption in waking times (D) showed no significant overall correlation with their Extraversion (E) and Neuroticism (N) scores from the EPI. The results of Colquhoun and Folkard (1978) suggest, however, that such correlations will only appear for those scoring high on the neurotic scale since these authors found neurotic extraverts to suffer less than neurotic introverts from jet-lag and shiftwork disruption. The subjects were thus divided into 26 'Neurotics' ( $N > 13$ ) and 20 'Stables' ( $N < 11$ ). A significant correlation emerged between E and D (in the expected direction) for the 'Neurotics' ( $r = -0.44$ ,  $df = 25$ ,  $p < 0.05$ ) but not for the 'Stables' ( $r = +0.26$ ,  $df = 19$ ,  $p > 0.10$ ). Thus the waking behaviour of Neurotic extraverts was less disrupted than that of Neurotic introverts by an Autumn DST change, a result which parallels the shiftwork and jet-lag results of Colquhoun and Folkard (1978).

With regard to the measures of  $R_s$ , M and V from the CTQ, no significant correlations with disruption (D) emerged in the Autumn 1976(B) study. In the Spring 1977(B) study, however, a significant correlation ( $r = +0.40$ ,  $df = 29$ ,  $p < 0.05$ ) was found between  $R_s$  and d and an almost significant correlation ( $r = -0.34$ ,  $df = 29$ ,  $p < 0.10$ ) between V and d. Thus, as suggested in the shiftwork context by Folkard *et al.* (1979), it appears that rigid sleeping habits and a low ability to overcome drowsiness are factors connected with poor adjustment.

No significant differences between the sexes emerged in their rate of adjustment to Autumn or Spring DST changes. In the Autumn 1977(L) study, there was significant evidence of older ( $> 40$  yr) people adjusting faster than younger ones ( $< 40$  yr) in waking times ( $t = 2.42$ ,  $df = 37$ ,  $p < 0.05$ ). However, since the reverse of this trend was found in the other Autumn DST studies, it may not be reliable.

In conclusion, questionnaire tests of personality (EPI) and suitability for shiftwork (CTQ) produce results in the DST area that are in broad agreement with those from studies of shiftwork and jet-lag. Consequently, it would indeed seem feasible to use DST changes as a vehicle for studying individual differences in the general rate of adjustment of circadian rhythms.

### 7. Conclusions

The main conclusions of the studies are: (i) disruption in waking time lasts for up to a week after both Spring and Autumn DST changes; (ii) adjustment in time of retiring and of going to sleep is instantaneous; (iii) Autumn changes seem to be characterised by beneficial effects on ratings of sleep quality, and mood on awakening, and Spring changes by predominantly detrimental effects; (iv) calculations performance (at 08.30) is enhanced after Autumn DST changes, and (v) DST changes can successfully be used to glean information on individual differences in rate of adjustment that will generalise to the jet-lag and shiftwork settings.

Grateful thanks are due to Ms Margot Conrad for help with the Brighton studies, and to Dr M. W. Robins, Miss J. Aplin and Mr & Mrs R. Reed with the London ones. The authors are also extremely grateful to the subjects for so cheerfully and conscientiously giving up their time. The senior author would like to thank Dr Simon Folkard and Professor W. P. Colquhoun for their helpful comments on an early draft of this paper.

Divers aspects de l'ajustement aux changements saisonniers d'heure légale (DST) ont été étudiés en se basant sur les observations de deux périodes printanières et de deux périodes automnales. Après les changements d'heure du printemps et de l'automne, un ajustement instantané des moments de cessation d'activité et des moments de début d'endormissement semble s'être produit, mais les moments de réveil matinal ont mis environ une semaine pour s'ajuster. D'autres analyses ont suggéré que les effets bénéfiques sur l'humeur au réveil et sur la qualité perçue du sommeil pourraient mettre environ une semaine pour



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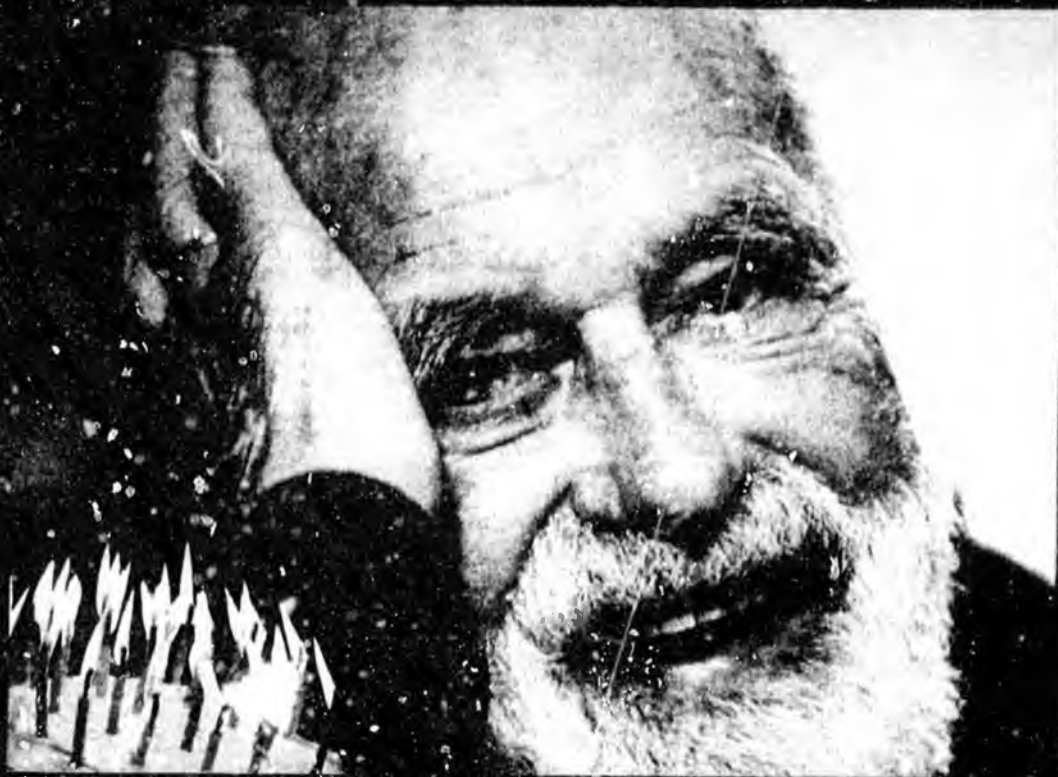
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WE BROUGHT THE WORLD TOGETHER  
TO CELEBRATE AN ALASKAN LEGEND.



THROUGH 16 TIME ZONES

2 CONTINENTS

5 CITIES

2 TRANSMISSION PROTOCOLS

2 VIDEO PROTOCOLS

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DEFYING GEOGRAPHY TO LINK A NOW SEAMLESS WORLD.

CAN YOUR NETWORK DO THIS?



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*Juneau Empire  
3/31/05*

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CS HB 176(STA)  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: OOG  
 Title "An Act authorizing an advisory vote  
on exempting the state from daylight saving time" RDU Elections  
 Component Elections  
 Sponsor Representative Salmon  
 Requester House State Affairs Component No. 21

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual		1.5				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>1.5</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		1.5				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor' FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

If this advisory question appears on the 2006 ballot, the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58 is \$1.5. Should the addition of this question require printing an 8 1/2 by 18 inch ballot the cost will increase to \$22.0.

Prepared by: Lauri Ailred, Admin. Assistant Supervisor Phone 465-4611  
 Division: Division of Elections Date/Time 5/5/05 10:38 AM  
 Approved by: Laura A. Glaiser, Director Date 5/5/2005  
 Agency: Office of the Lt. Governor, Division of Elections

**Louie Flora**

---

**From:** Rep. Paul Seaton  
**Sent:** Thursday, April 14, 2005 12:52 PM  
**To:** Louie Flora  
**Subject:** FW: Please repeal daylight savings time

---

**From:** Alex Koplín [mailto:bubba@xyz.net]  
**Sent:** Tuesday, April 12, 2005 8:25 PM  
**To:** Rep. Paul Seaton  
**Subject:** Please repeal daylight savings time

### **ALASKA HOUSE BILL (HB) 176**

**Hello Mr. Seaton,**

**Last year you came and visited my classroom at Homer Middle School and I appreciated what you did there. You worked with one of my students for about 15 minutes. Anyways, I am asking you to throw your support to do away with Daylight Savings Time. It would really be a benefit to the kids that I work with and also with my own children that we do repeal daylight savings time. Changing the clocks every six months just seems to be a hassle to our bodies and usually causes everyone a day or two to adjust to something that is not natural-just something that is manmade. Thank you for considering this request.**

**Sincerely,**

**Alex L. Koplín**



# Alaska State Legislature



Please enter into the record my testimony to the House State Affairs committee name TO: 283-3075

Committee on HB 176-Eliminate Daylight Savings Time, dated Sat. April 23, 2005  
bill # / subject public hearing date

Daylight Savings Time (DST) has been a pain for more than 35 years I have worked in commercial fishing, construction and civil engineering in Alaska, primarily in southcentral and western locations. The forenoon is cool and too short—compared to the afternoon—especially for the spring and fall months, and we do not need the extra hour of daylight during summer evening. The extra hour of daylight in the morning would be beneficial in the fall when there is so much work to complete before freeze-up and it is hard to get people and equipment going. In September and October, sometimes it is 10 AM before much is accomplished in the field and two hours later everything stops for lunch. A frequent comment heard around contractors is “we spun our wheels all morning, and if it weren’t for the afternoon we wouldn’t have gotten anything done.” Overtime in the fall is especially inefficient, because the extra morning hour is cold and dark.

On a smaller scale and closer to home, the engineering intern students we hire during the summer usually stay up weeknights until dark, only get 6 hours sleep, and have trouble being alert in the field and awake in the office. After more than 50 years, it is still difficult for me to go to bed before dark, and in the summer I frequently have trouble staying awake in the afternoons while driving, even the 15 minute drive between Kenai or Soldotna and my house and office. Several times each summer I have to pull over and take a 15-minute nap on the drive home. Part of this may be due to me getting older, but I suspect a lot other folks have the same sleep-deprivation problem, do not pull over, and that may account for many traffic accidents.

Eliminating DST may cause some problems for SE Alaska and some who frequently do business with lower-48 locations, but I strongly support the elimination of DST.

Signed: Ronald T. Rozak, PE *Ronald T. Rozak*  
Testifier  
Rozak Engineering  
Representing (optional)  
36641 Chinulna Drive, Kenai, AK 99611  
Address  
907-283-5640  
Phone number



# Alaska State Legislature

Please enter into the record my testimony to the House State Affairs  
committee name

Committee on HB 176, dated 5-5-05  
bill # / subject public hearing date

Testimony from Dr. Peter Hansen, wife Karolee, and many friends in Kenai Alaska.

My family and I are strongly in support of HB 176 to eliminate daylight saving time in Alaska.

Reasons: we would like so very much to be able to get up in the morning at 6 or 7 AM and enjoy a little sunshine and warmth of the day outside in the yard before going to work.

Sport fishing is also better in the early mornings and more sunshine then would warm the backs of our tourists and ourselves.

We would also like to tuck the grandkids into bed earlier in the evening with the sun a bit lower on the horizon so they would go to sleep.

The majority of Alaska's population lives in a time zone presently two hours later than a more true time comparable to the rest of the world. Doing away with daylight saving time in our state would still put the majority of us Alaskans an hour later than the true time most of the world experiences at this time of the year.

Please support this bill!

Signed: Dr. Peter Hansen

Testifier

Self

Representing (optional)

PO Box 1390 Kenai, AK 99611

Address

Phone number

**Louie Flora**

**From:** L Willis [akwillis@gci.net]  
**Sent:** Tuesday, April 26, 2005 9:01 PM  
**To:** Louie Flora  
**Cc:** Lynn Willis  
**Subject:** Re: Hearing on House Bill 176

Hello Louie

Thank you for writing. I will admit I am a novice at this but this was an education. I have now testified at four committee hearings over the past three years on this subject. The structure and process has not been the same at every hearing. However, from my vantage point in the distant LIO office in Anchorage that hearing on the 23rd was not an unbiased, disciplined or professional effort to gather facts. It was a kangaroo court. I listened to the hearing this evening and will take a little time to tell you why I am frustrated.

All opposition witness were directly questioned by the chairman about their occupations. Mr. Poor of Douglas (who agreed with the Chairman) was not asked his occupation (only his affiliation which was later revealed to be a local politician and that was dismissed with a joke by the Chairman). Two opposition witnesses, Mr Fishback and myself, were challenged, each with a single pointed rebuttal question directed to them by the Chairman. Mr. Poor had his testimony embellished by the Chairman. The Chairman allowed committee members to speak without the courtesy of identifying themselves to those of us not in his hearing room.

However the best was saved for last when a Mr. Ramuglia a person who could afford to travel to Juneau and who apparently had not registered to testify but spontaneously wanted to testify at the end of the hearing was invited to "please come up", Mr. Ramuglia was jokingly asked about what he did for a living. Mr Ramuglia thought that the "Gardner Amendment" (which I had not heard of) was a good idea, and was thrown a series of softball questions by the Chairman as if he was an expert witness and old friend. The friendly banter with him continued about such things as his knowing when battery changing is necessary, his ownership of a carbon monoxide alarm, his changing his clocks, his circadian rhythms, his Hawaiian vacations, his comic book business, legislator's comic book collections, legislators in comic books, Dick Tracy collections and visits by Chester Gould's daughter and other relative information directly bearing on the legislation before the Committee.

I and the other people in the LIO offices had to suffer through this. Like I said, I was on vacation time from work. Now that I have listened to the recording of the hearing again, I cannot agree with you that Chairman Gotto was in control of a deliberative body. Under Chairman Gotto, any semblence of a level playing field was and has been destroyed.

Also, I was alarmed when the Anchorage LIO thought that HB 176 lacked the necessary symbols (e.g +, \*, =) for Anchorage to be included as a site for testimony. I was told that a phone call to you was necessary to insure that testimony would be heard in Anchorage.

Please send this email to whomever you want. I would like to testify again even if the leadership is openly hostile toward my position. Please let me know when this bill will be heard again before your committee. Lynn Willis, Eagle River

----- Original Message -----

**From:** Louie Flora  
**To:** akwillis@gci.net  
**Cc:** Rep.Carl.Gatto@legis.state.ak.us  
**Sent:** Tuesday, April 26, 2005 1:50 PM  
**Subject:** FW: Hearing on House Bill 176

Dear Lynn,

I am sorry that you came away from the meeting on Saturday with such a bad impression of the committee process. I am the committee aide for House State Affairs and attended the hearing in question, as I have all the committee meetings this session. To my ears this did not seem like anything out of the ordinary, or that Representative Gatto was belittling your view. When this bill comes up again, Representative Seaton will most likely be chairing the meeting, so if you desire to testify again on the matter before him, you will have the chance.

I will make sure that Rep. Seaton receives your e-mail, as well as Rep. Gatto. I will, however, in my report to Rep. Seaton, maintain that to my ears this meeting did not seem out of control.

Louie Flora  
House State Affairs Committee Aide,  
Representative Paul Seaton  
(907) 465-4963

---

**From:** Rep. Paul Seaton  
**Sent:** Tuesday, April 26, 2005 12:37 PM  
**To:** Louie Flora  
**Subject:** FW: Hearing on House Bill 176

Ian Laing  
Rep. Paul Seaton  
Legislative Staff  
(800) 665-2889

---

**From:** L Willis [mailto:akwillis@gci.net]  
**Sent:** Sunday, April 24, 2005 8:06 AM  
**To:** Rep. Paul Seaton  
**Cc:** lynn@endalaskadaylightsaving.com  
**Subject:** Hearing on House Bill 176

Representative Seaton,

I attended the hearing on House Bill 176 which was chaired in your absence by Representative Gatto. It was an embarrassing and frustrating experience. As chairman, I think you should rectify this situation by holding and organizing an unbiased hearing of this legislation. Representative Gatto stated that he was acting upon your wishes to not hold any votes. That sure gives the impression that you were responsible for the hearing. It soon became obvious that Representative Gatto opposes repeal of Daylight Saving Time- which is fine. But his manner of holding a hearing is a disgrace to you and your committee. His antagonism toward those favoring the legislation was as obvious as his favoritism towards those he agreed with.

During my testimony he as much as called me a liar by declaring that a comment I made was wrong. I stated that I had read that daylight at the equator is the same all year round. He emphatically stated this was wrong, no doubt in an effort to discredit my testimony. Well, according to the US Naval Observatory <http://www.usno.navy.mil/> the difference in daylength between 21 June and 21 December (the longest and shortest days in Alaska) at 180 degrees longitude and 0 degrees latitude (the middle of the Pacific Ocean on the equator) is 6 minutes.

Also, when I called the Anchorage LIO on Friday to confirm the time of your hearing, I was told that the symbols on your committee schedule indicated that Anchorage was not going to be a teleconference site despite the statement that it was. I thought this was a mistake, but after hearing the way things were run, I wonder...

If you get a chance, listen to the kid glove handling by Rep Gatto of the Comic Shop owner from Anchorage- whose former office manager is a member of your committee. Please also listen to the out of control rambling about comic book collections etc. I was using my vacation time from work to testify.

I will call your office on Monday and ask if you read this letter and ask if you will allow testimony before this issue is voted on.

Please do what is right. Thanks Lynn Willis, Eagle River 907-696-8112 [akwillis@gci.net](mailto:akwillis@gci.net)

**HB**

**177**

# Alaska State Legislature

## Juneau

State Capitol Bldg., Rm. 434  
Juneau, AK 99801-1182  
Phone (907) 465-4976  
Fax (907) 465-3883  
Toll Free 866-465-4976



## Fairbanks

119 N Cushman, Ste 213  
Fairbanks, AK 99701  
Phone (907) 452-6084  
Fax (907) 452-6096

## Representative Mike Kelly

*House District 7*

### SPONSOR STATEMENT

#### HB 177

(WO - LS0413V)

*"An Act relating to employee and employer contributions to the teachers' retirement system and the public employees' retirement system; and providing for an effective date."*

HB 177 is the second of three bills (HB 170 & HB 191) introduced by the sponsor in response to the growing unfunded liability in our state retirement systems.

HB 177 would adjust the existing unretired employee contribution rates in the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) from a fixed rate as currently established in statute to a floating rate, which would eventually equal the employer contribution rate. Although initial adjustments to the employee contribution rates would result in increases in contribution rates, HB 177 also provides a mechanism for corresponding decreases in contribution rates for both employers and employees as the unfunded liability is paid off.

The present value of the unfunded liability of the two systems exceeds \$5 billion, and the future value of that liability is predicted to be triple that amount over the next 25 years. Now, it is essential that the Legislature implement measures that will stop the unfunded liability from growing and will eliminate it over time.

The adoption of a new Defined Contribution (DC) tier in PERS and TRS (HB 191) will help to eliminate the risk of unfunded liability associated with new hires. We believe that changing employee contribution rates to provide for a 50/50 sharing between employers and employees to help offset the increasing costs of benefits and eliminate the unfunded liability is a matter of equity. Alaska's government employers cannot pay 26-47% of employees' gross pay to fund retirement and retirement medical benefits without raising local property and sales taxes. The majority of non-beneficiary Alaskans are likely to resist this action. However, if public

employees and their employers share the burden, we believe Alaskans will work together to resolve the funding shortfall and make the systems, once again, financially sound. Increased contributions early in the 25-year period will result in significantly lower total costs to Alaska's government employers and employees. This bill would change monthly contributions for existing Tiers, but would not decrease benefits.

We urge your support of HB 177.

---

*Member, House Finance Committee*  
*Representative Mike Kelly@legis.state.ak.us*

HOUSE BILL NO. 177

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE KELLY

Introduced: 2/25/05  
Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to employee and employer contributions to the teachers' retirement  
2 system and the public employees' retirement system; and providing for an effective  
3 date."

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

5 \* Section 1. AS 14.25.050(a) is amended to read:

6 (a) Except as provided in (c) of this section, beginning July 1, 2005  
7 [JANUARY 1, 1991], each member shall contribute to the system a percentage [AN  
8 AMOUNT EQUAL TO 8.65 PERCENT] of the member's base salary accrued from  
9 July 1 to the following June 30, as determined under AS 14.25.052. The employer  
10 shall deduct the contribution from the member's salary at the end of each payroll  
11 period, and the contribution shall be credited by the system to the member  
12 contribution account. The contributions shall be deducted from employee  
13 compensation before the computation of applicable federal taxes and shall be treated  
14 as employer contributions under 26 U.S.C. 414(h)(2). A member may not have the

3

1 option of making the payroll deduction directly in cash instead of having the  
2 contribution picked up by the employer.

3 \* Sec. 2. AS 14.25 is amended by adding new sections to read:

4 Sec. 14.25.052. Calculation of member contribution rate. Each active  
5 member shall contribute a percentage of the member's base salary to be determined  
6 annually in advance by the administrator. The employee contribution rate is the  
7 percentage of employee compensation needed to fund the system under AS 14.25.053.

fold

\*

8 The maximum increase in the contribution rate for a member from one year to the next  
9 may not be more than five percentage points, as actuarially calculated.

Post Service Cost  
50/50

10 Sec. 14.25.053. Coordination of employer and member contribution rates.

11 (a) The administrator shall determine the annual amount that is required in addition to  
12 the amounts in the retirement fund to provide the benefits of this chapter to all  
13 members. The annual amount shall be funded to the extent allowed by AS 14.25.052  
14 and 14.25.070 by equal contributions from employees and employers.

15 (b) If the annual amount required in addition to the amounts in the retirement  
16 fund to provide the benefits of this chapter to all members results in a lower  
17 contribution rate for employees and employers than that established for the prior year,  
18 then contribution rates shall both be equally reduced by the same percentage points if  
19 the employee and employer contribution rates are equal.

Could this  
ever be =  
employee has  
to fund entire  
Normal cost has  
+ 50% Post  
Service  
Cost.

20 (c) In the event that the employee contribution rate is not the same as the  
21 employer contribution rate, notwithstanding (b) of this section, the administrator shall  
22 raise the employee or the employer contribution rate, as appropriate, on an annual  
23 basis, limited by the annual maximum increase in percentage points, so as to increase  
24 the lower contribution rate until both contribution rates are the same.

25 \* Sec. 3. AS 14.25.070 is amended to read:

26 Sec. 14.25.070. Contributions by employer. An employer shall contribute to  
the system an amount equal to the percentage, as certified by the administrator, of the  
sum total of the base salaries of all members that is required in addition to member  
27 contributions to provide the benefits of this chapter times the sum total of the base  
28 salaries paid to members, including any adjustments to contribution: required by  
29 AS 14.25.173(a), by the employer. The maximum increase in the contribution rate

Sec 2  
specifically  
normal cost rate  
by employer  
limited to the 5% max  
increase

?

←

1 for employers from one year to the next may not be more than five percentage  
 2 points, as actuarially calculated.

3 \* Sec. 4. AS 39.35.160(a) is amended to read:

4 (a) Beginning July 1, 2005 [JANUARY 1, 1987], each peace officer or fire  
 5 fighter shall contribute to the system a percentage [AN AMOUNT EQUAL TO  
 6 SEVEN AND ONE-HALF PERCENT] of the peace officer's or fire fighter's  
 7 compensation as determined under AS 39.35.162. Except as provided in (d) of this  
 8 section, beginning July 1, 2005 [JANUARY 1, 1987], each other employee shall  
 9 contribute to the system a percentage [AN AMOUNT EQUAL TO SIX AND  
 10 THREE-QUARTERS PERCENT] of the employee's compensation as determined  
 11 under AS 39.35.162. The contributions shall be deducted by the employer at the end  
 12 of each payroll period. The contributions shall be deducted from employee  
 13 compensation before computation of applicable federal taxes, and the contributions  
 14 shall be treated as employer contributions under 26 U.S.C. 414(h)(2). A member may  
 15 not have the option of making the payroll deduction directly instead of having the  
 16 contribution picked up by the employer.

17 \* Sec. 5. AS 39.35 is amended by adding new sections to read:

18 **Sec. 39.35.162. Calculation of member contribution rate.** Each peace  
 19 officer or fire fighter shall contribute a percentage of the peace officer's or fire fighter's  
 20 compensation to be determined annually in advance by the administrator. Each other  
 21 employee shall contribute a percentage of the employee's compensation to be  
 22 determined annually in advance by the administrator. The employee contribution rate  
 23 is the percentage of employee compensation needed to fund the system under  
 24 AS 39.35.164. The employee contribution rate for peace officers or fire fighters and  
 25 the employee contribution rate for other employees shall be separately calculated  
 26 based on the actuarially calculated costs for each group of employees. The maximum  
 27 increase in the contribution rate for a peace officer or fire fighter or other employee  
 28 from one year to the next may not be more than five percentage points, as actuarially  
 29 calculated.

30 **Sec. 39.35.164. Coordination of employer and member contribution rates.**

31 (a) The administrator shall determine the annual amount that is required in addition to

*Actuarial calculation  
 is Normal Cost plus  
 plus Post-Retirement Cost*

\*

1 the amounts in the fund to provide the benefits of this chapter to all members. The  
2 annual amount shall be funded to the extent allowed by AS 39.35.162 and 39.35.250  
3 by equal contributions from employees and employers.

4 (b) If the annual amount required in addition to the amounts in the fund to  
5 provide the benefits of this chapter to all members results in a lower contribution rate  
6 for employees and employers than that established for the prior year, then contribution  
7 rates shall both be reduced by the same percentage points if the employee and  
8 employer contribution rates are equal.

9 (c) In the event that the employee contribution rate is not the same as the  
10 employer contribution rate, notwithstanding (b) of this section, the administrator shall  
11 raise the employee or the employer contribution rate, as appropriate, on an annual  
12 basis, limited by the annual maximum increase in percentage points, so as to increase  
13 the lower contribution rate until both contribution rates are the same.

14 \* Sec. 6. AS 39.35.250 is amended by adding a new subsection to read:

15 (d) The maximum increase in the contribution rate for employers from one  
16 year to the next may not be more than five percentage points, as actuarially calcu ated.

17 \* Sec. 7. This Act takes effect July 1, 2005.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB177  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title An Act relating to employee and employer RDU Centralized Administrative Services  
contributions to the TRS/PERS.... Component Retirement and Benefits  
 Sponsor Representative Kelly  
 Requester House State Affairs Component No. 64

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
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>						
-----------------------------	--	--	--	--	--	--

<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 (FY2005) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This bill would change the computation of present and future employee and employer contributions to the PERS/TRS. The current flat percentage rate for employees would be changed to a percentage of base salary, determined each year by the administrator, that represents one half the cost to fund the system. The annual maximum increase in contributions for members and employers from one year to the next will not exceed more than five percent. This change in the calculation of employee and employer rates will not have financial impact to the funds.

Prepared by: Melanie Millhorn, Director Phone 465-4408  
 Division: Retirement and Benefits Date/Time 3/30/05 8:42 AM  
 Approved by: Mike Tibbies, Deputy Commissioner Date 3/30/2005  
 Agency: Department of Administration

CITY & BOROUGH OF JUNEAU SCHOOL DISTRICT  
 10014 CRAZY HORSE DRIVE  
 JUNEAU, AK 99801  
 (907) 463-1700 ext 437

Direct Deposit Voucher  
 FIRST NATIONAL BANK ALASKA  
 JUNEAU ALASKA

89-0/1252

No. 33974

DATE	CHECK NUMBER
3/18/05	33974

DIRECT DEPOSIT AMOUNT
*****\$896.96

PAY

VOID VOID VOID VOID

TO THE ACCOUNT OF  
 36  
 JULIA J. BLACK  
 4544 TRAFALGAR AVE  
 JUNEAU AK 99801

JUNEAU SCHOOL DISTRICT

Direct Deposit  
 Voucher

NON-NEGOTIABLE

⑈00033974⑈ ⑆125200060⑆ 0680 166 6⑈

CITY & BOROUGH OF JUNEAU SCHOOL DISTRICT  
 10014 CRAZY HORSE DRIVE • JUNEAU, AK 99801  
 (907) 463-1700 ext 437

No. 33974

Retain For Your Records

Check Date:		3/18/05	Check:	33974
Period End Date:		3/06/05	Run #:	6737
BLACK, JULIA J.		Fiscal	Calendar	Current

Non current paid-to-date		4,377.22		
SPECIAL ED. INST. ASSIST.-		16,273.43	7,024.50	1,170.75
--Reg: 75.0000 HOURS @	\$15.61	\$1170.75		
TAXABLE LEGAL TRUST FUND		70.00	30.00	5.00
TAXABLE GTL = \$50,000		32.50	15.00	2.50
Total Pay		20,753.15	7,069.50	1,178.25

RETIREMENT-PERS 6.75%			474.18-	79.03
SOCIAL SECURITY TAX W/H			438.30-	73.05
MEDICARE TAX W/H CLASSIFIE			102.48-	17.08
FEDERAL INCOME TAX W/H			482.70-	80.45
WORKERS COMPENSATION				.00
DUES-JESS APEA		376.46-		22.18
DUES-JESS		28.00-		2.00
HLT INS-JESS AFTER-TX 9/10		574.87-		.00
DEPENDENT LIFE - JESS				.00
LIFE INS-JESS BASIC 9/10				.00
TAXABLE GTL = \$50,000			15.00-	2.50
TAXABLE LEGAL TRUST			30.00-	5.00
Total Deductions		979.33-	1,542.66-	281.29

N E T C H E C K 33974 \*\*\*\*\* 896.96 \*\*\*\*\*

Tax Marital Status: S Exemptions: 03 Location: 36 36 36  
 Deposited with: DENALI ALASKAN CREDIT UNION Account: 4560043886 32

Absence/Leave Summary	Beg Bal	Earned	Absence	Adjust	Balance	
ANNUAL LEAVE-CLASSIF	59.5320	6.9800	.0000	.0000	66.5120	HOUF
ANNUAL LEAVE-CLASSIF	6.8580	.0000	.0000	.0000	6.8580	HOUF
SICK LEAVE-CLASSIFIED	8.5500	4.3500	1.0000-	.0000	11.9000	HOUF
SICK LEAVE-CLASSIFIED	27.0900	.0000	.0000	.0000	27.0900	HOUF

JUNEAU SCHOOL DISTRICT



# LEGAL SERVICES

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

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
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State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 29, 2005

**SUBJECT:** Accrued benefits of public employment retirements systems and legislative changes to the employee contribution rate (Work Order No. 24-LS0429)

**TO:** Representative Mike Kelly  
Attn: Heath Hilyard

**FROM:** Barbara R. Craver *BRC*  
Legislative Counsel

You have asked questions regard the scope of Article XII, sec. 7 of the Alaska constitution<sup>1</sup> and how it affect the legislature's ability to amend the employee contribution rates of the teacher's retirement system (TRS) and the public employee's retirement system (PERS).<sup>2</sup> In our conversations about this request you asked about changing the contribution rates of vested employees.<sup>3</sup>

<sup>1</sup> Alaska Constitution Article XII, Sec. 7:

SECTION 7. Retirement Systems. Membership in employee retirement systems of the State or its political subdivisions shall constitute a contractual relationship. Accrued benefits of these systems shall not be diminished or impaired.

This provision protects the "accrued benefits" of the systems. The question considered here is whether the employee contribution rate is part of the "accrued benefits."

<sup>2</sup> AS 14.25.050 and AS 39.35.160 respectively.

<sup>3</sup> PERS has three tiers at this time, the contribution rates are the same for employees in all tiers, but the benefits are decreased in Tier II and Tier III:

police and fire employees - 7.5% (last increased in 1987)

"other" employees - 6.75% (last increased in 1987)

school district employees - 9.6% (last increased in 1999)

Tier I is for employees first employed between January 1, 1961 and June 30, 1986,

Tier II is for employees entering service between July 1, 1986 through June 30, 1996,

and Tier III applies to employees entering service July 1, 1996 and later.

TRS has two tiers, the employee contribution is 8.65%, last increased in 1991.

Tier I is for teachers first employed between July 1, 1955 and June 30, 1990,

SECTIONAL

Representative Mike Kelly

January 29, 2005

Page 2

Employee contribution rates have been raised on several occasions in the past without creating a new tier of employees. In 1986 the PERS employee contribution rates were changed from 5% to 7.5% for firefighters and police officers, and the contribution rates for all others were raised from 4.25% percent to the current 6.75%.<sup>4</sup> In 1990 the TRS employee contribution rates were raised from 7% to 8.65%.<sup>5</sup> Both of these changes in compensation rates were made after the Hammond v. Hoffbeck decision in 1981. Hammond v. Hoffbeck, 627 P.2d 1052 (Alaska 1981).<sup>6</sup> These increases in contribution rates apparently did not result in legal challenges. This memorandum, thus, considers whether a new law which raises the employee contribution rates in TKS and PERS while maintaining the accrued benefits in each Tier would be subject to constitutional challenge.

While such a challenge may certainly be brought, it is not a foregone conclusion that the argument would prevail. A strong counter argument can be made that the employee contribution rates are not part of the "accrued benefit" to which members are entitled. The accrued benefits are the rights to receive the retirement and medical plan offered upon employment; the rights accrue as they are earned. A person's contribution rate cannot be changed retroactively for benefits that have already accrued, however, it can be argued that the employee contribution rate can change prospectively to pay for vested benefits.

An employee facing an increased contribution rate for vested benefits can reject the increase by terminating employment while still preserving the employee's vested right to "accrued benefits."<sup>7</sup> An accrued benefit is one that has already been earned, it is not one

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Tier II is for teachers first employed on July 1, 1990 and later.

<sup>4</sup> sec. 15, ch. 82 SLA 1986.

<sup>5</sup> sec. 1, ch. 97 SLA 1990. There was at least one other change in PERS for noncertificated employees of school districts to 9.6% in 1999.

<sup>6</sup> The reductions in benefits in the Hammond v. Hoffbeck case involved a reduction in occupational disability benefits for public safety employees, a requirement that an employee be totally unemployable in order to be eligible for an occupational disability pension rather than "incapacitated for service in the position held" and reducing occupational death benefits from one hundred per cent to forty per cent of monthly salary at the time of death.

<sup>7</sup> A New York case (New York has constitutional protection of pension benefits like Alaska) involving diminution of disability benefits to employees in the public service makes this point, that employees do not have a constitutional right to stay in public employment:

that has not yet been earned. The constitutional promise is that earned benefits cannot be diminished, and the future right to a specified benefit is vested, however Hoffbeck recognized that "rigid adherence to labels like "gratuity," "compensation," "contract," and "vested rights" has not allowed courts the flexibility necessary to deal properly with legitimate legislative response to changing economic and social conditions."<sup>8</sup> The Hoffbeck court found the following language in a California case to be "instructive."

An employee's vested contractual pension rights may be modified prior to retirement for the purpose of keeping a pension system flexible to permit adjustments in accord with changing conditions and at the same time maintain the integrity of the system. Such modifications must be reasonable, and it is for the courts to determine upon the facts of each case what constitutes a permissible change. To be sustained as reasonable, alterations of employees' pension rights must bear some material relation to the theory of a pension system and its successful operation, and changes in a pension plan which result in disadvantage to employees should be accompanied by comparable new advantages.<sup>9</sup>

Following that discussion the decision found:

We agree with this analysis and hold that the fact that rights in PERS vest on employment does not preclude modifications of the system; that fact does, however, require that any changes in the system that operate to a given employee's disadvantage must be offset by comparable new advantages to that employee.

An important qualification is found in note 11 of Hoffbeck. It may apply to the situation at hand where the system finds that failing to increase employee contributions, and thus increasing the projected unsupportable burden on employers, will threaten the fiscal future of the system as a whole:

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It is long settled, however, that the fact that there can be no constitutional impairment of pension system benefits does not create a constitutional right to stay in public employment. To do this would place the regulation of public employment beyond the control of any authority, which certainly was not intended by our Constitution (Gorman v. City of New York, 280 App Div 39, 45, affd 304 NY 865).

Cook v. Binghamton, 48 N.Y.2d 323, 332 (N.Y., 1979)

<sup>8</sup> Hammond v. Hoffbeck, 627 P.2d at 1057

<sup>9</sup> Id.

We are not called upon to consider the problem, which has frequently arisen in other jurisdictions, presented by a pension fund that is insufficient to satisfy all employee claims brought under its provisions. We intimate no view as to the appropriate legal analysis of any legislative alteration in employee benefits systems made in response to such circumstances.

In this case, it may not be that the system is currently insufficient to handle current claims, and no alteration in the benefits to be received is contemplated. However, the continued fiscal health of the plan for future claims by current beneficiaries may reasonably require a prospective increased contribution rate. Such an argument is not precluded by Hammond v. Hoffbeck.

Four other states have constitutional protection for public employee retirement benefits very similar to Alaska: Hawaii,<sup>10</sup> Michigan,<sup>11</sup> New York and Illinois<sup>12</sup>. There is a case from Michigan which is squarely on point. The Michigan Supreme Court was asked to determine whether a statute increasing the employee contribution rate for certain employees was constitutional. Advisory Opinion re Constitutionality of 1972 PA 258, 389 Mich. 659, (Mich. 1973). The court found that "the Legislature cannot diminish or impair accrued financial benefits, but we think it may properly attach new conditions for earning financial benefits which have not yet accrued."<sup>13</sup> The Michigan court found that raising the employee contribution rate was a "new condition" which was not "a diminishment or impairment of such accrued benefits unless the new conditions were unreasonable and hence subversive of the constitutional protection."

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<sup>10</sup> Art. XVI, Section 2 of the Hawaii Constitution, provides:

Membership in any employees' retirement system of the State or any political subdivision thereof shall be a contractual relationship, the accrued benefits of which shall not be diminished or impaired.

<sup>11</sup> Michigan's constitution, art 9, sec. 24 reads:

The accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities.

<sup>12</sup> While the constitutional provisions are similar in Illinois and New York the cases have focused on the time of vesting, not relevant to this discussion.

<sup>13</sup> Advisory Opinion re 1972 PA 258, 389 Mich. 659, emphasis added.

A case in Hawaii involved determining the date a firefighter was considered to have begun his retirement. Chun v. Employee's Retirement Sys., 607 P.2d 415, 421 (Hawaii 1980). The court discussed its constitutional protection of public employee retirement systems and found that although benefits attributable to past services could not be reduced, the legislature could make general changes in the retirement system. While not discussed in that case, it could be argued that the employee compensation rate for continued benefits may be a condition that can be changed without violating the constitutional protection of accrued benefits.<sup>14</sup>

After Hoffbeck the next discussion of Article XII, sec. 7 by the Alaska Supreme Court occurred in 2003 where the court considered how to evaluate changes to public employee benefits, specifically health plans. Duncan v. Retired Public Employees of Alaska, Inc. (Duncan) 71 P.3d 882, (Alaska 2003) The state argued that health insurance benefits were not covered by Article XII, sec. 7, and if they were, the dollar amount of the

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<sup>14</sup> Id. at 421, citations omitted.

This court has never been called upon to examine or construe this particular provision of the Hawaii Constitution. It was proposed from the floor of the 1950 Constitutional Convention and adopted by the Committee of the Whole. The Committee of the Whole Report states:

It should be noted that the above provision would not limit the legislature in effecting a reduction in the benefits of a retirement system provided the reduction did not apply to benefits already accrued. In other words, the legislature could reduce benefits as to (1) new entrants into a retirement system, or (2) as to persons already in the system in so far as their future services were concerned. It could not, however, reduce the benefits attributable to past services. Further, the section would not limit the legislature in making general changes in a system, applicable to past members, so long as the changes did not necessarily reduce the benefits attributable to past services.

The Committee of the Whole's interpretation of the provision, which we accept, indicates that a member of the retirement system is entitled to the benefits available under the system that have been accrued by the member. From the Committee of the Whole Report, we conclude that the provision was meant to protect an employee from a reduction in accrued benefits. However, the extent of such benefits as well as the conditions under which an employee should receive benefits, are governed by applicable statutory provisions. . . .

Representative Mike Kelly

January 29, 2005

Page 6

premium was all that was protected, not the type of coverage, and third if the first two arguments failed, that changes could be made to vested health benefits so long as any disadvantages from changes were outweighed by advantages, as considered from a group perspective. The court agreed with the third argument only, and found that health benefits could be changed without violating the constitution. Duncan states that "[t]he natural and ordinary meaning of "benefits" in a health insurance context refers to the coverage provided rather than the cost of the insurance."<sup>15</sup>

The language in Duncan does not preclude an argument that the employee contribution rate, applied prospectively, does not diminish accrued benefits. The Michigan case illustrates the argument that employee contribution rates are a condition of current and prospective employment and do not diminish accrued rights. Because the Alaska court has not spoken in regard to the rate of employee contributions in public retirement systems, there can be no certainty. However, there have been changes in employee contribution rates since Hoffbeck, none of them generating a constitutional challenge. Increasing the contribution rates of employees prospectively is not explicitly barred by Hoffbeck, or Duncan. Other states with similar constitutional protections have either allowed increases in contribution rates or have acknowledged the need for some flexibility in administering the retirement programs while protecting accrued benefits of public employees.

If I may be of further assistance, please advise.

BRC:med

05-066.med

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<sup>15</sup> Duncan, 71 P.3d 882 at 888 - 889. One of the issues in Duncan was whether health benefits consisted of a certain level of coverage, or only a certain dollar amount applied towards health insurance premiums.

Good morning. My name is Chris Blust. I have worked for the Juneau School District as a para educator for eleven years. I moved to Juneau 12 years ago this coming August. I moved here for several reasons, the first being the opportunity to raise my 10 year old daughter in a place where she could ride her bicycle down the path and not have to worry that some lunatic was going to snatch her, never to be seen again. My husband and I longed for a safer life for all of us. I also moved here because of the awesome beauty, clean air, clean water and abundant wild life. I have never regretted it, not for a second. I moved here to improve the quality of life for my family and myself and I seen all of this come to pass. I love Alaska, Juneau in particular, and I can't see myself ever leaving, this is my home.

The first year I lived here I took a job with the Juneau School District. I am what is now called a para-educator. If you aren't familiar with that term, ten years ago I was a classroom aide, then a teaching assistant and now a para. The title changed, the pay didn't, darn. At that time, I was able to take a classified job and make almost as much as I did as a new teacher in California. But what I really wanted was a job with good medical insurance and a good retirement. You see, my husband is self-employed and does not have those benefits. My insurance was adequate, the retirement okay. The salary was enough and I knew that there would be regular step increases and I expected that my salary would raise with the cost of living. I was in for a surprise.

During the last eleven years, five of those found my wages frozen. The school district was having to tighten their belts, there was no money for steps, there was no money for raises.. Our insurance was still good, that was good compensation. Then three years ago Blue Cross Blue Shield presented the District with a 62% increase in insurance costs, if we wanted to continue with the same coverage. That was impossible. What we ended up doing was gutting the plan, it became a plan that we could no longer afford to even use. Catastrophic insurance. We now had a \$500 deductible per family member. We paid 30% instead of 20% on our co-pay and our prescription plan went out the roof. By doing this we were able to keep members from having a co-pay. But the next year the insurance went up 18% and we were told by our broker that we could expect this each and every year, it was the TREND. Don't you just hate that word? We were fortunate that the District was able to cover this increase but at negotiations they made it clear that they could not continue to do so and every year we would be faced with those rising costs. And indeed this came to pass and during the last negotiations, the classified staff had to pick up \$70 per month to help the cost. Our union is very proactive. Faced with these rising costs we began to educate members on how to shop for services, how to get the most from any money spent, but for many, it simply meant we no longer had the luxury of going to the doctor, the chiropractor, the dentist. It was no longer an option. Working with APEA we developed our own health trust to better managed the costs. All this work done by volunteers. But we know there are no guarantees, we don't know how long we can fight the TREND. This last Contract I received my first real increase in pay. I got my 3% step increase and a 2% for the first year of the Contract and a 1% the next year. We will be back in negotiations this November. It doesn't look good.

I'm telling you this sad story as a prelude to my and your reason of being here today. Today, I pay to PERS 9.6% of every check. I pay extra to fill in the three months I am off during the summer. I was here yesterday listening to the testimony and I heard it debated that I, as the employee needed to take more responsibility in my retirement. I heard that it was time for the employer to not have to carry the burden of retirement after those workers had "foolishly" spent their money and had not thought far enough ahead to see the price of their folly. Senators, I, and my fellow classified don't spend out money foolishly, we do it to pay the rent, the utilities, food, clothing...we are not being irresponsible, we are living from pay check to pay check. There are many school district employees who have two, some even three jobs to support their families. We have full-time employees who, because of their rising medical costs live in Section Eight housing. Retirement isn't a priority, these people will never be able to retire, they must work until physically no longer able, or just do the right thing, and die. I have no expectation of retaining my life-style and current living standard. Things will change and I will have to just deal with it. For some school district employees, their future is much more grim.

I would like for you to look at the numbers and tell me what more I can do. If 141 is made into law, I could be looking at 19.6% being taken next year for PERS, along with a 12% increase in my health insurance. The next year I could look at 19.6% being taken from my check, along with a 12% increase in insurance. In three years I would be looking at a 24.6% increase in my PERS contributions....need I say more?

I understand the fix you as legislators are in. Balance the budget, be responsible, do your job. I don't have a solution for you but as you ponder on this issues, please do not forget my message today, do not forget those who don't have a dime to spare, do not forget my face. Your actions will affect my fellow employees and they could be devastating. Thank you for the opportunity to speak to you today. This is one anther thing I love about Alaska.

## Public Fund Survey - Contribution Rates

Default sort is Ascending by State. To switch sort order to Descending, select button:

- Then click column headings to sort
- Click single 'Plan Name' to view report for selected record
- View [graph](#) showing median contribution rates

Scroll through Plans alpha by State

State	Plan Name	Coverage SS Eligible	Employee Contribution Rate	Employer Contribution Rate	for FY ended
AK	<a href="#">Alaska PERS</a>	Both	6.75% for general employees; 7.5% for police and fire	6.75%	6/30/2004
AK	<a href="#">Alaska Teachers</a>	No	8.65%	7.68%	6/30/2004
AL	<a href="#">Alabama ERS</a>	Yes	5.0%; state police contribute 10.0%	3.95% for state employees; local employer rates vary	9/30/2003
AL	<a href="#">Alabama Teachers</a>	Yes	5.0%	5.02%	9/30/2003
AR	<a href="#">Arkansas PERS</a>	Yes	non-contributory	10.0%	6/30/2004
AR	<a href="#">Arkansas Teachers</a>	Yes	3.90%	13.0%	6/30/2003
AZ	<a href="#">Arizona Public Safety Personnel</a>	Yes	7.65%	weighted average of 3.75%; varies by employer depending on valuation, with a minimum of 2.0%	6/30/2003
AZ	<a href="#">Arizona SRS</a>	Yes	5.70%	5.70%	6/30/2004
AZ	<a href="#">Phoenix ERS</a>	Yes	5.0% picked up by employer	6.86%	6/30/2003
CA	<a href="#">California PERE</a>	Both	Most state employees contribute 5.0%; an agreement with employee unions resulted in the suspension of required employee contribution rates for FY 04. Most other employees contribute 7.0% to 9.0%.	14.8% for most state employees; rates vary for participating political subdivisions.	6/30/2004
CA	<a href="#">California Teachers</a>	No	8.0%	8.25%	6/30/2004
CA	<a href="#">Contra Costa County</a>	Both	weighted average rate is 5.98%; ranges from 2.71% for general members to 9.08% for safety employees participating in the enhanced benefit structure	weighted average rate is 24.22%; ranges from 14.22% for general members to 42.61% for safety employees participating in the enhanced benefit structure	12/31/2003

CA	<u>LA County ERS</u>	Yes	Between 5% and 15%, depending on age and date of entry into the plan; new participants may elect a non-contributory option	Varies by employee; aggregate average is approximately 4.7%	6/30/2003
CA	<u>San Diego County</u>	B	8.33% to 8.85%; 9.27% for public safety personnel	0%; 6.87% for public safety personnel	6/30/2003
CA	<u>San Francisco City &amp; County</u>	Both	7.5%	0%	6/30/2003
CO	<u>Colorado Municipal</u>	No	8.0%	9.60%	12/31/2003
CO	<u>Colorado State &amp; School</u>	No	8.0%; state troopers contribute 10.0%	10.15%; 12.85% for state troopers	12/31/2003
CO	<u>Denver Schools</u>	No	8.0%	4.98%	12/31/2003
CT	<u>Connecticut SERS</u>	Yes	2.0%; 5.0% for public safety personnel	4.9%	6/30/2002
CT	<u>Connecticut Teachers</u>	No	7.0%	9.20%	6/30/2003
DC	<u>DC Police &amp; Fire</u>	No	8.0%	22.9%	9/30/2002
DC	<u>DC Teachers</u>	No	8%	0.3%	9/30/2002
DE	<u>Delaware State Employees</u>	Yes	3.0% of earnings above \$6,000	4.2% for state employees; rates for local governments ranges from 3.78% to 16.8%	6/30/2004
FL	<u>Florida RS</u>	Both	non-contributory	6.28%; 17.42% for public safety personnel	6/30/2004
GA	<u>Georgia ERS</u>	Yes	1.25%	10.41%	6/30/2003
GA	<u>Georgia Teachers</u>	Yes	5.0%	9.24%	6/30/2004
HI	<u>Hawaii ERS</u>	Yes	non-contributory	14.47%; 15.33% for police and fire	6/30/2004
IA	<u>Iowa PERS</u>	Yes	3.7%; 5.93% for most public safety personnel	5.75%; 8.90% for most public safety personnel	6/30/2004
ID	<u>Idaho PERS</u>	Yes	5.86%; 7.21% for public safety personnel	9.8%; 10.01% for public safety personnel	6/30/2003
IL	<u>Chicago Teachers</u>	No	9.0%	4.6%	6/30/2003
IL	<u>Illinois Municipal</u>	Yes	4.50% for general employees; 6.50% for law enforcement personnel	6.22%; 14.04% for law enforcement personnel	12/31/2003
IL	<u>Illinois SERS</u>	Yes	4.0% for those covered by Social Security, 8.0% for those not covered; public safety members contribute 10.5%	21.675%	6/30/2004
IL	<u>Illinois Teachers</u>	No	9.0%	13.8%	6/30/2004
IL	<u>Illinois Universities</u>	No	8.0%; public safety personnel contribute 9.5%; employers pick-up member contributions	7.6%	6/30/2004
IN	<u>Indiana PERF</u>	Yes	3.0%	5.6%	6/30/2003
IN	<u>Indiana Teachers</u>	Yes	3%	25.2%	6/30/2003
KS	<u>Kansas PERS</u>	Yes	4.0%	5.18% for state and	6/30/2004

				school; 3.82% for local governments; 5.7% for correctional employees	
KS	<u>Wichita Employees</u>	Yes	7.0%	4.7%	12/31/2003
KS	<u>Wichita Fire &amp; Police</u>	Yes	6.0%	11.7%	12/31/2003
KY	<u>Kentucky County</u>	Yes	5.0%; 8.0% for hazardous duty employees	7.34%; 18.51% for hazardous duty employees	6/30/2004
KY	<u>Kentucky ERS</u>	Yes	5.0%; 8.0% for hazardous duty workers	3.76% for most employers; 17.6% for hazardous duty workers	6/30/2004
KY	<u>Kentucky Teachers</u>	No	9.855%; employee contributions are picked up by the employer	13.105% for non-university participants; 13.84% for university participants	6/30/2004
LA	<u>Louisiana SERS</u>	No	7.5%; public safety personnel contribute 8.5% and correctional officers contribute 9.0%	17.8%	6/30/2004
LA	<u>Louisiana Teachers</u>	No	8.0%	13.1%	5/30/2003
MA	<u>Massachusetts SERS</u>	No	9.0% plus 2.0% of pay above \$30,000; state police contribute 12% plus 2% above \$30,000	6.64%	12/31/2003
MA	<u>Massachusetts Teachers</u>	No	5% to 11%, depending on member's date of entry		12/31/2003
MD	<u>Maryland PERS</u>	Yes	2.0%	8.06%	6/30/2004
MD	<u>Maryland Teachers</u>	Yes	2.0%	9.35%	6/30/2004
ME	<u>Maine Local</u>	Both	6.5%	varies depending on employer plan selection	6/30/2003
ME	<u>Maine State and Teacher</u>	No	7.65%; 8.65% for state police	12.19% for state employees; 17.71% for teachers	6/30/2003
MI	<u>Michigan Municipal</u>	Yes	0% to 10%, depending on employer election	varies by employer	12/31/2003
MI	<u>Michigan Public Schools</u>	Yes	3.0% of first \$5,000 of pay, plus 3.6% of next \$10,000, plus 4.3% of pay above \$15,000	6.2%	9/30/2004
MI	<u>Michigan SERS</u>	Yes	non-contributory	8.75%	9/30/2004
MN	<u>Duluth Teachers</u>	Yes	5.5%	5.79%	6/30/2003
MN	<u>Minneapolis ERF</u>	Yes	9.75%	24.0%	6/30/2003
MN	<u>Minneapolis Teachers</u>	Yes	8.5%	12.14%	6/30/2004
MN	<u>Minnesota PERF</u>	Yes	5.10%	5.53%	6/30/2004
MN	<u>Minnesota State Employees</u>	Yes	4.0%	4.0%	6/30/2003
MN	<u>Minnesota Teachers</u>	Yes	5.0%	5.0%	6/30/2004
MN	<u>St. Paul Teachers</u>	Yes	8.0%	11.64	6/30/2004
MO	<u>Missouri DOT and Highway Patrol</u>	Yes	non-contributory	23.29% for non-uniformed; 34.94% for uniformed	6/30/2003


				personnel	
MO	<u>Missouri Local</u>	Yes	non-contributory or 4%, depending on employer election	varies by plan type and actuarial valuation	6/30/2004
MO	<u>Missouri Non-Teachers</u>	Yes	5.0%	5.0%	6/30/2004
MO	<u>Missouri State Employees</u>	Yes	non-contributory	9.35%	6/30/2004
MO	<u>Missouri Teachers</u>	No	10.5%	10.5%	6/30/2004
MO	<u>St. Louis School Employees</u>	Yes	5.0%	8.03%	12/31/2003
MS	<u>Mississippi PERS</u>	Yes	7.25%	9.75%	6/30/2004
MT	<u>Montana PERS</u>	Yes	6.9%	6.9%	6/30/2003
MT	<u>Montana Teachers</u>	Yes	7.15%	7.58%	6/30/2003
NC	<u>Charlotte Firefighters</u>	No	12.65%	12.65%	6/30/2003
NC	<u>North Carolina Local Government</u>	Yes	4.8% for general employees and firefighters, 5.27% for law enforcement personnel	varies by employer	6/30/2003
NC	<u>North Carolina Teachers and State Employees</u>	Yes	6.0%	0.22%	6/30/2003
ND	<u>North Dakota PERS</u>	Yes	4.0%; the state picks up its employees' contributions	4.12%; 8.33% for public safety personnel	6/30/2004
ND	<u>North Dakota Teachers</u>	Yes	7.75%	7.75%	6/30/2004
NE	<u>Nebraska Schools</u>	Yes	7.25%	8.02%	6/30/2004
NH	<u>New Hampshire Retirement System</u>	Yes	5.90% for general employees and teachers; 9.30 for public safety personnel	4.06%, 12.11% for police officers; 20.86% for firefighters	6/30/2004
NJ	<u>New Jersey PERS</u>	Yes	5.0%	0% due to actuarial surplus	6/30/2003
NJ	<u>New Jersey Police &amp; Fire</u>	Yes	8.5%	16.3%	6/30/2003
NJ	<u>New Jersey Teachers</u>	Yes	4.5%	0%	6/30/2003
NM	<u>New Mexico PERS</u>	Yes	7.42%	16.59%	6/30/2004
NM	<u>New Mexico Teachers</u>	Yes	7.60%	8.65%	6/30/2003
NV	<u>Nevada Police Officer and Firefighter</u>	No	16.3%; most employers pay employee contributions in lieu of salary increases as certified by employers	16.3%; most employers pay employee contributions in lieu of salary increases	6/30/2004
NV	<u>Nevada Regular Employees</u>	No	10.03% paid by employers for most members, in lieu of salary increases or by salary reduction as certified by employers	10.03%; most employers also pay employee contributions, in lieu of salary increases or by salary reduction	6/30/2004
NY	<u>New York City ERS</u>	Yes	3.0%	2.22%	6/30/2003
NY	<u>New York City Teachers</u>	Yes	3.0%	11.695%	6/30/2003
NY	<u>New York State Teachers</u>	Yes	0% for Tiers 1 and 2; 3.0% for Tiers 3 and 4	2.52%	6/30/2004
NY	<u>NY State &amp; Local ERS</u>	Yes	3%	The average contribution rate for FY 04 was approximately 5.9% of payroll.	3/31/2004
NY	<u>NY State &amp; Local Police &amp; Fire</u>	Yes	0%	The average	3/31/2004

				employer contribution rate for PFRS for fiscal year ended March 31, 2004 was approximately 5.8% of payroll.	
OH	<u>Ohio PERS</u>	No	8.5%; public safety personnel pay 9.0%; law enforcement pays 10.1%	13.31% state, 13.55% local employers, 16.70% law enforcement and public safety personnel	12/31/2003
OH	<u>Ohio Police &amp; Fire</u>	No	10.0%	19.5% for police; 24.0% for fire	12/31/2002
OH	<u>Ohio School Employees</u>	No	9.0%	14.0%	6/30/2003
OH	<u>Ohio Teachers</u>	No	10.0%	14.0%	6/30/2004
OK	<u>Oklahoma PERS</u>	Yes	3.0% on first \$25,000 of pay and 3.5% thereafter for state employees; the combined ee and er rate for county and local agencies is 13.5%, composed of a minimum ee rate of 3.5% to a max of 8.5%, and a minimum er rate of 5.0% to a max of 10.0%	10.0% for state er's; the combined ee and er rate for county and local agencies is 13.5%, composed of a minimum ee rate of 3.5% to a max of 8.5%, and a minimum er rate of 5.0% to a max of 10.0%	6/30/2004
OK	<u>Oklahoma Teachers</u>	Yes	7.0%	11.5%	6/30/2004
OR	<u>Oregon PERS</u>	Yes	6.0%	11.31% for the state & cc's; 11.11% for schools; 9.08% for police & fire; 9.73% in aggregate for political subdivisions	6/30/2004
PA	<u>Pennsylvania School Employees</u>	Yes	7.5%	3.37%	6/30/2004
PA	<u>Pennsylvania State ERS</u>	Yes	6.25%	1.1%	12/31/2003
RI	<u>Rhode Island ERS</u>	Yes	8.75% for state employees, 9.5% for teachers	7.68% for state employees; range for teachers from 4.63% to 6.93%	6/30/2003
RI	<u>Rhode Island Municipal</u>	Yes	7.0%; 8.0% for public safety personnel	rates vary based on participating plans' valuation	6/30/2003
SC	<u>South Carolina Police</u>	Yes	6.5%	10.3%	6/30/2004
SC	<u>South Carolina RS</u>	Yes	6.0%	7.55% for state employers and school districts	6/30/2004
SD	<u>South Dakota PERS</u>	Yes	6.0%; public safety personnel contribute 8.0%	6.0%; public safety personnel contribute 8.0%	6/30/2004
TN	<u>TN Political Subdivisions</u>	Yes	Employers may elect the non-contributory option; otherwise, 5%	Varies by employer based on actuarial valuation	6/30/2004
TN	<u>TN State and Teachers</u>	Yes	noncontributory for most state and higher ed employees; 5% for teachers	7.29% for state and higher ed employees; 3.39% for teachers	6/30/2004
TX	<u>City of Austin ERS</u>	Yes	8.0%	8.0%	12/31/2003

TX	<u>Houston Firefighters</u>	No	7.7%; rising to 8.35% 9/1/03 and 9.0% 7/1/04	15.4%	6/30/2003
TX	<u>Texas County &amp; District</u>	Yes	6.79%	9.1%	12/31/2003
TX	<u>Texas ERS</u>	Yes	6.0%	6.0%	8/31/2004
TX	<u>Texas LECOS</u>	Yes	non-contributory	0%	8/31/2004
TX	<u>Texas Municipal</u>	Yes	5%, 6%, or 7%, depending on ER election	Matching of 100%, 150%, or 200% of EE contributions	12/31/2003
TX	<u>Texas Teachers</u>	No	6.9%, which includes 0.5% for health care benefits.	7.4%, which includes 1.4% for health care benefits.	8/31/2004
UT	<u>Utah Noncontributory</u>	Yes	non-contributory	11.70% for state and school employees; 9.62% for local government employees	12/31/2003
VA	<u>Fairfax County Schools</u>	Yes	2.0%	4.0%	6/30/2003
VA	<u>Virginia Retirement System</u>	Yes	5.0%	1.07% for state employees (for disability only); 3.77% for teachers; rates vary for political subdivisions from 0% to 22%	6/30/2004
VT	<u>Vermont State Employees</u>	Yes	4.49%	6.70%	6/30/2004
VT	<u>Vermont Teachers</u>	Yes	3.9%	3.9%	6/30/2004
WA	<u>Washington LEOFF Plan 1</u>	Yes	0%	0.22%	6/30/2004
WA	<u>Washington LEOFF Plan 2</u>	Yes	5.11%	3.1%	6/30/2004
WA	<u>Washington PERS 1</u>	Yes	6.0%	1.40%	6/30/2004
WA	<u>Washington PERS 2/3</u>	Yes	1.67	1.9%	6/30/2004
WA	<u>Washington School Employees Plan 2/3</u>	Yes	0.85%	1.07%	6/30/2004
WA	<u>Washington Teachers Plan 1</u>	Yes	6.0%	1.39%	6/30/2004
WA	<u>Washington Teachers Plan 2/3</u>	Yes	0.87%	1.39%	6/30/2004
WI	<u>Wisconsin Retirement System</u>	Yes	5.4%	5.2%	12/31/2003
WV	<u>West Virginia PERS</u>	Yes	4.5%	10.5%	6/30/2003
WV	<u>West Virginia Teachers</u>	Yes	6.0%	21.62%	6/30/2003
WY	<u>Wyoming Public Employees</u>	Yes	5.57%; law enforcement personnel pay 9.3%	5.68%	12/31/2003

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## Public Fund Survey - Normal Retirement Provisions

- Default sort is Ascending by State. To switch to Descending, select button: 
- Then click column headings to sort
- Click single 'Plan Name' to view report for selected record
- View graph showing median retirement multipliers

Scroll through Plans alpha by State

State	Plan Name	Normal Retirement (age/svc)	Benefit Factor
AK	<a href="#">Alaska PERS</a>	60/5, any/30	2% for first 10 years, 2.25% for years 11-20; 2.5% for years thereafter. Public safety ee's receive 2% for the first 10 years and 2.5% thereafter
AK	<a href="#">Alaska Teachers</a>	60/8, any/20	2% for first 20 years, 2.5% thereafter
AL	<a href="#">Alabama ERS</a>	any/25, 60/10	2.0125%
AL	<a href="#">Alabama Teachers</a>	any/25, 60/10	2.0125%
AR	<a href="#">Arkansas PERS</a>	65/5, any/28, 55/35	1.72%
AR	<a href="#">Arkansas Teachers</a>	any/28, 60/5	2.15%
AZ	<a href="#">Arizona Public Safety Personnel</a>	62/15, any/20	for 20 to 25 years of service, 50% of FAS plus 2% for each year above 20; for more than 25 years, 2.5% for each year above 20
AZ	<a href="#">Arizona SRS</a>	65/any, 62/10, Rule of 80	2.1% for first 20 years, 2.15% for 20 to 25 years, 2.2% for 25 to 30 years, and 2.3% for 30 or more years
AZ	<a href="#">Phoenix ERS</a>	60/10, 62/5, Rule of 80	2.0%
CA	<a href="#">California PERF</a>	60/5; 50/5 or 55/5 for public safety personnel, depending on employer election	2.0% at 60/5, rising to 2.418% at 63/5; employers may select from a range of benefit structures, including 3.0% at 50 and 55 for law enforcement personnel
CA	<a href="#">California Teachers</a>	60/5	2.0%, rising to 2.4% at age 63
CA	<a href="#">Contra Costa County</a>	50/10, any/30, 70/any	based on age at retirement, from 0.83% at age 50, rising to 1.73% at age 65
CA	<a href="#">LA County ERS</a>	50/10, any/30; 50/10, any/20 for public safety personnel	1.66%; 2.0% for public safety personnel
CA	<a href="#">San Diego County</a>	60/10, any/30, 70/any; 50/10	3.0%
CA	<a href="#">San Francisco City &amp; County</a>	50/20, 60/10; for public safety personnel, 50/25	1.67% for general employees, 50% of FAS plus 3% for each addition year of service for public safety personnel
CO	<a href="#">Colorado Municipal</a>	65/5, 50/30, Rule of 80	2.5%

CO	<u>Colorado State &amp; School</u>	65/5, 50/30, Rule of 80	2.5%
CO	<u>Denver Schools</u>	65/5, 55/25, 50/30	2.5%
CT	<u>Connecticut SERS</u>	62/5, 60/25; any/20 for public safety personnel	1.33% plus 0.5% /or salary above Social Security breakpoint (approx. \$36,400 in 2003); 2.5% for public safety personnel
CT	<u>Connecticut Teachers</u>	60/20, any/35	2.0%
DC	<u>DC Police &amp; Fire</u>	55/5, any/25	2.5%
DC	<u>DC Teachers</u>	62/5, 60/20, 55/30	2.0%
DE	<u>Delaware State Employees</u>	62/5, 60/15, any/30	1.85%
FL	<u>Florida RS</u>	62/6, any/30; 55/6, any/25 for public safety personnel	2.0% for teachers, who do not participate in Social Security; 1.60% for most general employees; 3.0% for most public safety personnel
GA	<u>Georgia ERS</u>	65/10, any/30	2.0%
GA	<u>Georgia Teachers</u>	60/10, any/30	2.0%
HI	<u>Hawaii ERS</u>	62/10, 55/30	1.25%
IA	<u>Iowa PERS</u>	65/any, 62/20, Rule of 88	2.0%
ID	<u>Idaho PERS</u>	65/5; 60/5 for public safety personnel	2.0%; 2.3% for public safety personnel
IL	<u>Chicago Teachers</u>	55/20, 62/5	2.2%; 1.67% for service before 7/1/98 for each of first 10 years, 1.9% for years 11-20, 2.1% for years 21-30, and 2.3% for each year above 30. Svc earned before 7/1/98 can be upgraded to 2.2% thru higher ee contributions
IL	<u>Illinois Municipal</u>	55/35, 60/8; 50/20 for law enforcement personnel	1.67% for first 15 years and 2.0% for years in excess of 15; 2.5% for first 20 years for law enforcement personnel, plus 2.0% for years 20 to 30, and 1.0% for each year above 30
IL	<u>Illinois SERS</u>	60/8, Rule of 85	1.67%; 2.2% for those not covered by Social Security
IL	<u>Illinois Teachers</u>	62/5, 60/10, 55/35	2.2% for service after 7/1/98; for previous service: 1.67% for first 10 years; 1.9% for next ten years, 2.1% for next ten years, and 2.3 % for years above 30. Members may upgrade service earned before 7/1/98 to 2.2% thru service purchase
IL	<u>Illinois Universities</u>	62/5, 55/8, any/35	2.2%
IN	<u>Indiana PERE</u>	65/10, 60/15, Rule of 85	1.1% plus a DC component
IN	<u>Indiana Teachers</u>	65/10, 60/15, Rule of 85 at age 55	1.1% plus a DC component
KS	<u>Kansas PERS</u>	65/any, 62/10, Rule of 85	1.75%
KS	<u>Wichita Employees</u>	62/7	2.25%

KS	<u>Wichita Fire &amp; Police</u>	any/30, 50/20	2.5%
KY	<u>Kentucky County</u>	Non-hazardous: 65/any, any/27; Hazardous: 55/any, any/20	Non-hazardous: 2.20%; hazardous: 2.5%
KY	<u>Kentucky ERS</u>	Non-hazardous: 65/any, any/27; Hazardous: 55/any, any/20	Non-hazardous: 1.97% to 2.2%; Hazardous: 2.49%
KY	<u>Kentucky Teachers</u>	60/27, 55/5	2.5%, 3.0% if the member retires with 30 years of service; members joining after 6/30/02 who accrue less than 10 yrs of service receive 2.0%
LA	<u>Louisiana SERS</u>	any/30, 60/10, 55/25	2.5%
LA	<u>Louisiana Teachers</u>	65/20, 55/25, any/30	2.5%
MA	<u>Massachusetts SERS</u>	65/10, any/20; 60/10 for public safety personnel	2.5%
MA	<u>Massachusetts Teachers</u>	65/10, any/20	2.5%; teachers who elected into RetirementPlus and have 30 or more years of service receive an additional 2% for each year of service above 24
MD	<u>Maryland PERS</u>	any/30, 62/5, 63/4, 64/3, 65/2	larger of: 1) 1.2% of FAS for service prior to 6/30/98; 2) 0.8% FAS up to SSIL* plus 1.5% FAS above that level for service prior to 6/30/98; 3) 1.4% FAS after 6/30/98.
MD	<u>Maryland Teachers</u>	any/30, 62/5, 63/4, 64/3, 65/2	larger of: 1) 1.2% of FAS for service prior to 6/30/98; 2) 0.8% FAS up to SSIL* plus 1.5% FAS above that level for service prior to 6/30/98; 3) 1.4% FAS after 6/30/98.
ME	<u>Maine Local</u>	60/5	2.0%
ME	<u>Maine State and Teacher</u>	60/5, 62/5, 62/10; any/25 for state police	2.0%
MI	<u>Michigan Municipal</u>	60/10; participating employers may also choose other retirement criteria	1.3% to 2.5%, depending on employer election
MI	<u>Michigan Public Schools</u>	any/30, 60/10	1.5%
MI	<u>Michigan SERS</u>	60/10, 55/30	1.5%
MN	<u>Duluth Teachers</u>	Same as age of eligibility for full Social Security benefits, not to exceed age 66	1.7%
MN	<u>Minneapolis ERF</u>	60/10, any/30	2% for first ten years plus 2.5% for each additional year
MN	<u>Minneapolis Teachers</u>	66/3	1.7%
MN	<u>Minnesota PERF</u>	Upon attaining normal Social Security retirement age, not to exceed 66	1.7%
MN	<u>Minnesota State Employees</u>	Same age as eligibility for full Social Security benefits, not to exceed age 66.	1.7%
MN	<u>Minnesota Teachers</u>	Upon attaining normal Social Security retirement age, not to	1.7%

		exceed 66	
MN	<u>St. Paul Teachers</u>	65/3	1.7%
MO	<u>Missouri DOT and Highway Patrol</u>	62/5, Rule of 80	1.7%
MO	<u>Missouri Local</u>	60/5; 55/5 for public safety personnel	varies based on employer election; most are 1.5%; many are 1.25% and 1.0%
MO	<u>Missouri Non-Teachers</u>	60/5, any/30, Rule of 80	1.61%
MO	<u>Missouri State Employees</u>	62/5, Rule of 80 for MSEP 2000; MSEP: 65/4 if active, 65/5, 60/15, Rule of 80	1.7% for MSEP 2000; 1.6% for MSEP
MO	<u>Missouri Teachers</u>	60/5, any/30, Rule of 80	2.5%; 2.55% for 31 or more years of service
MO	<u>St. Louis School Employees</u>	65/any, Rule of 85	2.0%
MS	<u>Mississippi PERS</u>	60/4, any/25	2.0% for the first 25 years and 2.5% for each year thereafter
MT	<u>Montana PERS</u>	any/30, 65/any, 60/5	1.785%; 2.0% for members with 25 years of service
MT	<u>Montana Teachers</u>	any/25, 60/5	1.667%
NC	<u>Charlotte Firefighters</u>	50/25, 60/5, any/30	2.6%
NC	<u>North Carolina Local Government</u>	65/5, 60/25, any/30; 50/15 for public safety personnel	1.82%
NC	<u>North Carolina Teachers and State Employees</u>	65/5, 60/25, any/30; 55/5 for public safety personnel	1.82%
ND	<u>North Dakota PERS</u>	65/3, Rule of 85; 55/3 for public safety personnel	2.0%
ND	<u>North Dakota Teachers</u>	65/any, Rule of 85	2.0%
NE	<u>Nebraska Schools</u>	65/5, Rule of 85, any/35	2.0%
NH	<u>New Hampshire Retirement System</u>	60/any for general employees and teachers; 45/20, 60/any for police and fire	1.67% for general employees and teachers prior to age 65, 1.5% after attaining age 65; 2.5% for police and fire
NJ	<u>New Jersey PERS</u>	60/10	1/55 for each year of service (1.818%)
NJ	<u>New Jersey Police &amp; Fire</u>	55/10	2.0%
NJ	<u>New Jersey Teachers</u>	60/10	1/55 for each year of service (1.818%)
NM	<u>New Mexico PERS</u>	65/5, 64/8, 63/11, 62/14, 61/17, 60/20, any/25	3.0% for service after 12/96
NM	<u>New Mexico Teachers</u>	65/5, any/25, Rule of 75 at age 60	2.35%
NV	<u>Nevada Police Officer and Firefighter</u>	55/10, 50/20, any/25	2.5%; 2.67% for svc earned after 7/1/01
NV	<u>Nevada Regular Employees</u>	65/5, 60/10, any/30	2.5% for svc earned before 7/1/01 and 2.67% for svc earned thereafter
NY	<u>New York City ERS</u>	62/5	1.67% if service is less than 20 years, 2.0% if service is 20 or more years, and 1.5% for each year above 30
NY	<u>New York City Teachers</u>	62/5, 55/30	1.67% if service is less than 20

			years, 2.0% if service is 20 or more years, and 1.5% for each year above 30
NY	<u>New York State Teachers</u>	62/5, 55/30	2% up to 30 years (1.67%) if less than 20 years), plus 1.5% for each year above 30
NY	<u>NY State &amp; Local ERS</u>	62/5, 55/30	1.67% if service is less than 20 years, 2.0% if service is 20 or more years, and 1.5% for each year above 30
NY	<u>N.Y. State &amp; Local Police &amp; Fire</u>	62/5, 55/30	1.67% if service is less than 20 years, 2.0% if service is 20 or more years, and 1.5% for each year above 30
OH	<u>Ohio PERS</u>	60/5, 55/25, any/30; for law enforcement officers, 48/25	2.2% up to 30 years and 2.5% thereafter; for law enforcement officers, 2.5% up to 25 years and 2.1% thereafter
OH	<u>Ohio Police &amp; Fire</u>	48/25, 62/15	2.5% for first 20 years, 2.0% for next 5, 1.5% for each year thereafter
OH	<u>Ohio School Employees</u>	60/5, 55/25, any/30	2.2%, 2.5% for each year above 30
OH	<u>Ohio Teachers</u>	65/30	2.2% up to 30 years; for each year above 30, formula rises by 0.1% per year, beginning with 2.5% for year 31, not to exceed 100% of final average salary; the Combined Plan factor is 1.0%
OK	<u>Oklahoma PERS</u>	62/8, Rule of 90; members who joined before 7/1/92 qualify for the Rule of 80	2.0%
OK	<u>Oklahoma Teachers</u>	62/5, Rule of 90; members who joined before 7/1/92 qualify for the Rule of 80	2.0%
OR	<u>Oregon PERS</u>	60/5	1.67%; 2.0% for public safety personnel
PA	<u>Pennsylvania School Employees</u>	62/1, 60/30, any/35	2.5%
PA	<u>Pennsylvania State ERS</u>	60/3, any/35	2.5%
RI	<u>Rhode Island ERS</u>	60/10, any/28	1.7% for first 10 years, 1.9% for the next ten years, 3.0% for the next 14 years, and 2% for year 35.
RI	<u>Rhode Island Municipal</u>	58/10, any/30; 55/10, any/25 for public safety personnel	2.0%
SC	<u>South Carolina Police</u>	55/5, any/25	2.14%
SC	<u>South Carolina RS</u>	65/5, any/28	1.82%
SD	<u>South Dakota PERS</u>	65/3, Rule of 85; 55/3; Rule of 75 for public safety personnel	Higher of Enhanced Benefit, which is 1.625% for svc before 7/1/02 plus Base Benefit: 1.55% for svc after 7/1/02 ; or Alternate Benefit--see SDRS website for details
TN	<u>TN Political Subdivisions</u>	60/5, any/30	1.5% plus .25% of FAS over SSIL

TN	<u>TN State and Teachers</u>	60/5, any/30	1.5% plus .25% of FAS over SSIL
TX	<u>City of Austin ERS</u>	62/5, any/23, 55/20	3.0
TX	<u>Houston Firefighters</u>	any/20	2.5% for first 20 years and 3% for additional years up to 30; 1.7% for those retiring with less than 20 years of service
TX	<u>Texas County &amp; District</u>	60/8, any/30, Rule of 75	na
TX	<u>Texas ERS</u>	60/5, Rule of 80	2.3%
TX	<u>Texas LECOS</u>	50/any, Rule of 80, any/20	2.8%
TX	<u>Texas Municipal</u>	depends on ER election; most have chosen 60/5 and 50/25 or any/25	TMRS is a form of cash balance plan. Benefits depend upon the sum of the employee's contributions, with interest, and city-funded credits, with interest. Credits are a percentage (100%, 150%, or 200%) of the employee's accumulated contributions.
TX	<u>Texas Teachers</u>	65/5, Rule of 80	2.3%
UT	<u>Utah Noncontributory</u>	any/30, 65/4	2.0%
VA	<u>Fairfax County Schools</u>	60/5, any/30	0.8%
VA	<u>Virginia Retirement System</u>	65/5, 50/30	1.7%
VT	<u>Vermont State Employees</u>	62/any, any/30	1.67%
VT	<u>Vermont Teachers</u>	62/any, any/30	1.67% up to 50% of FAS
WA	<u>Washington LEOFF Plan 1</u>	50/5	2.0% for 20 or more years of service; 1.5% for 10 to 19 years; 1% for 5 to 9 years
WA	<u>Washington LEOFF Plan 2</u>	50/20, 53/5	2.0%
WA	<u>Washington PERS 1</u>	60/5, 55/25, any/30	2.0%
WA	<u>Washington PERS 2/3</u>	65/5	2.0%
WA	<u>Washington School Employees Plan 2/3</u>	65/5	2.0% for Plan 2 members; 1.0% for Plan 1
WA	<u>Washington Teachers Plan 1</u>	any/30, 60/5, 55/25	2.0%
WA	<u>Washington Teachers Plan 2/3</u>	65/any	2.0% for Plan 2 members; 1.0% for Plan 3
WI	<u>Wisconsin Retirement System</u>	65/any; 55/any for public safety personnel	1.6%; 1.765% for service before 2000
WV	<u>West Virginia PERS</u>	60/5, Rule of 80	2.0%
WV	<u>West Virginia Teachers</u>	60/5, 55/30, any/35	2.0%
WY	<u>Wyoming Public Employees</u>	60/4, Rule of 85; for law enforcement personnel, any/25 at age 50	2.125% for first 15 years, 2.25% for each year of service thereafter

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## Public Fund Survey - Actuarial Funding Levels

• Default sort is Ascending by State. To switch sort order to Descending, select button: 

- Then click column headings to sort
- Click single 'Plan Name' to view report for selected record
- View graph showing funding levels and liabilities

Scroll through Plans alpha by State

Dollars are in 000's

	Actuarial Funding Ratio	Actuarial Assets (000's)	Actuarial Liabilities (000's)	Unfunded Liability (Surplus) (000's)
Aggregate for the 127 Plans shown here	88.9%	\$2,089,297,328	\$2,349,106,832	\$259,819,504

No.	State	Plan Name	Actuarial Funding Ratio	Actuarial Assets	Actuarial Liabilities	Unfunded Liability (Surplus)	Actuarial Valuation Date
1	AK	<a href="#">Alaska PERS</a>	72.8%	\$7,687,281	\$10,561,653	\$2,874,372	6/30/2003
2	AK	<a href="#">Alaska Teachers</a>	64.3%	\$3,752,285	\$5,835,609	\$2,083,324	6/30/2003
3	AL	<a href="#">Alabama ERS</a>	95.4%	\$8,100,846	\$8,493,369	\$392,523	9/30/2002
4	AL	<a href="#">Alabama Teachers</a>	93.6%	\$18,110,470	\$19,357,735	\$1,247,265	6/30/2003
5	AR	<a href="#">Arkansas PERS</a>	88.7%	\$4,438,000	\$5,005,000	\$567,000	6/30/2004
6	AR	<a href="#">Arkansas Teachers</a>	85.9%	\$8,113,000	\$9,445,000	\$1,332,000	6/30/2003
7	AZ	<a href="#">Arizona Public Safety Personnel</a>	93.6%	\$4,435,373	\$4,739,613	\$304,240	6/30/2003
8	AZ	<a href="#">Arizona SRS</a>	96.8%	\$22,572,000	\$22,935,000	\$363,000	6/30/2003
9	AZ	<a href="#">Phoenix ERS</a>	88.5%	\$1,330,584	\$1,504,125	\$173,541	6/30/2003
10	CA	<a href="#">California PERF</a>	87.7%	\$158,596,000	\$180,922,000	\$22,326,000	6/30/2003
11	CA	<a href="#">California Teachers</a>	82.5%	\$108,667,000	\$131,777,000	\$23,110,000	6/30/2003
12	CA	<a href="#">Contra Costa County</a>	89.6%	\$3,296,736	\$3,677,624	\$380,888	12/31/2002
13	CA	<a href="#">LA County ERS</a>	99.4%	\$28,262,129	\$28,437,493	\$175,364	6/30/2002
14	CA	<a href="#">San Diego County</a>	75.4%	\$3,831,334	\$5,078,067	\$1,246,733	6/30/2002
15	CA	<a href="#">San Francisco City &amp; County</a>	117.9%	\$11,102,516	\$9,415,905	(\$1,686,611)	6/30/2002
16	CO	<a href="#">Colorado Municipal</a>	80.2%	\$1,907,786	\$2,379,229	\$471,443	12/31/2003
17	CO	<a href="#">Colorado State &amp; School</a>	75.2%	\$28,522,222	\$37,914,502	\$9,392,280	12/31/2003
18	CO	<a href="#">Denver Schools</a>	90.6%	\$2,531,746	\$2,793,788	\$262,042	1/1/2004
19	CT	<a href="#">Connecticut SERS</a>	61.6%	\$7,893,700	\$12,806,100	\$4,912,400	6/30/2002
20	CT	<a href="#">Connecticut Teachers</a>	75.9%	\$10,387,300	\$13,679,900	\$3,292,600	6/30/2002
21	DC	<a href="#">DC Police &amp; Fire</a>	100.0%	\$1,097,300	\$1,097,300	\$0*	10/1/2000

22	DC	<u>DC Teachers</u>	100.0%	\$798,900	\$798,900	\$0*	10/1/2000
23	DE	<u>Delaware State Employees</u>	103.0%	\$5,387,560	\$5,229,927	(\$157,633)	6/30/2004
24	FL	<u>Florida RS</u>	112.1%	\$106,707,426	\$95,185,433	(\$11,521,993)	7/1/2004
25	GA	<u>Georgia ERS</u>	100.5%	\$12,428,736	\$12,370,563	(\$58,173)	6/30/2003
26	GA	<u>Georgia Teachers</u>	101.1%	\$42,372,661	\$41,905,676	(\$466,985)	6/30/2003
27	HI	<u>Hawaii ERS</u>	71.7%	\$8,797,133	\$12,271,331	\$3,474,198	6/30/2004
28	IA	<u>Iowa PERS</u>	88.6%	\$16,951,943	\$19,128,411	\$2,176,468	6/30/2004
29	ID	<u>Idaho PERS</u>	83.8%	\$6,297,800	\$7,512,400	\$1,214,600	7/1/2003
30	IL	<u>Chicago Teachers</u>	92.0%	\$10,494,755	\$11,411,528	\$916,773	6/30/2003
31	IL	<u>Illinois Municipal</u>	97.6%	\$17,529,891	\$17,966,103	\$436,212	12/31/2003
32	IL	<u>Illinois SERS</u>	54.2%	\$9,990,187	\$18,442,665	\$8,452,478	6/30/2004
33	IL	<u>Illinois Teachers</u>	61.9%	\$31,544,729	\$50,947,451	\$19,402,722	7/1/2004
34	IL	<u>Illinois Universities</u>	66.0%	\$12,586,300	\$19,078,600	\$6,492,300	6/30/2004
35	IN	<u>Indiana PERF</u>	99.2%	\$8,994,854	\$9,066,132	\$71,278	7/1/2002
36	IN	<u>Indiana Teachers</u>	42.1%	\$6,176,574	\$14,664,661	\$8,488,087	6/30/2002
37	KS	<u>Kansas PERS</u>	75.2%	\$10,853,462	\$14,439,546	\$3,586,084	12/31/2003
38	KS	<u>Wichita Employees</u>	106.8%	\$374,171	\$350,444	(\$23,727)	12/31/2003
39	KS	<u>Wichita Fire &amp; Police</u>	106.2%	\$361,687	\$340,524	(\$21,163)	12/31/2002
40	KY	<u>Kentucky County</u>	75.1%	\$7,541,441	\$10,041,709	\$2,500,268	6/30/2004
41	KY	<u>Kentucky ERS</u>	70.9%	\$7,167,473	\$10,112,600	\$2,945,127	6/30/2004
42	KY	<u>Kentucky Teachers</u>	69.4%	\$14,414,000	\$20,784,200	\$6,370,200	6/30/2004
43	LA	<u>Louisiana SERS</u>	59.3%	\$6,071,631	\$10,237,574	\$4,165,943	6/30/2004
44	LA	<u>Louisiana Teachers</u>	68.9%	\$11,826,926	\$17,173,256	\$5,346,330	6/30/2003
45	MA	<u>Massachusetts SERS</u>	83.9%	\$15,930,753	\$18,996,053	\$3,065,300	12/31/2003
46	MA	<u>Massachusetts Teachers</u>	69.6%	\$17,074,000	\$24,519,000	\$7,445,000	1/1/2004
47	MD	<u>Maryland PERS</u>	91.2%	\$11,514,655	\$12,621,578	\$1,106,923	6/30/2003
48	MD	<u>Maryland Teachers</u>	92.8%	\$20,155,415	\$21,724,178	\$1,568,763	6/30/2004
49	ME	<u>Maine Local</u>	117.1%	\$1,537,235	\$1,313,083	(\$224,152)	6/30/2002
50	ME	<u>Maine State and Teacher</u>	69.4%	\$5,877,158	\$8,469,835	\$2,592,677	6/30/2002
51	MI	<u>Michigan Municipal</u>	79.8%	\$4,133,000	\$5,181,200	\$1,048,200	12/31/2002
52	MI	<u>Michigan Public Schools</u>	86.5%	\$38,726,000	\$44,769,000	\$6,043,000	9/30/2003
53	MI	<u>Michigan SERS</u>	88.8%	\$10,441,000	\$11,761,000	\$1,320,000	9/30/2003
54	MN	<u>Duluth Teachers</u>	95.7%	\$278,467	\$291,109	\$12,642	7/1/2003
55	MN	<u>Minneapolis ERF</u>	92.3%	\$1,519,421	\$1,645,921	\$126,500	7/1/2003
56	MN	<u>Minneapolis Teachers</u>	50.8%	\$877,764	\$1,729,551	\$715,069	7/1/2004

57	MN	<u>Minnesota PERF</u>	76.7%	\$11,477,961	\$14,959,465	\$3,481,504	6/30/2004
58	MN	<u>Minnesota State Employees</u>	99.1%	\$7,757,292	\$7,830,671	\$73,379	6/30/2003
59	MN	<u>Minnesota Teachers</u>	100.0%	\$17,519,909	\$17,518,784	(\$1,125)	6/30/2004
60	MN	<u>St. Paul Teachers</u>	71.8%	\$898,860	\$1,251,460	\$352,600	6/30/2004
61	MO	<u>Missouri DOT and Highway Patrol</u>	51.4%	\$1,363,953	\$2,418,146	\$1,054,193	6/30/2003
62	MO	<u>Missouri Local</u>	95.9%	\$2,808,907	\$2,929,172	\$120,265	2/29/2004
63	MO	<u>Missouri Non-Teachers</u>	82.7%	\$1,837,308	\$2,221,210	\$383,902	6/30/2004
64	MO	<u>Missouri State Employees</u>	84.6%	\$6,118,214	\$7,231,011	\$1,111,797	6/30/2004
65	MO	<u>Missouri Teachers</u>	82.0%	\$21,501,572	\$26,225,259	\$4,723,687	6/30/2004
66	MO	<u>St. Louis School Employees</u>	82.1%	\$873,300	\$1,063,200	\$189,900	1/1/2003
67	MS	<u>Mississippi PERS</u>	74.9%	\$17,103,211	\$22,847,260	\$5,743,975	6/30/2004
68	MT	<u>Montana PERS</u>	100.0%	\$3,076,781	\$3,077,764	\$983	6/30/2002
69	MT	<u>Montana Teachers</u>	83.4%	\$2,494,800	\$2,980,100	\$495,300	7/1/2002
70	NC	<u>Charlotte Firefighters</u>	93.9%	\$261,022	\$277,843	\$16,821	7/1/2003
71	NC	<u>North Carolina Local Government</u>	104.2%	\$11,393,460	\$10,929,356	(\$464,104)	12/31/2002
72	NC	<u>North Carolina Teachers and State Employees</u>	108.7%	\$43,226,837	\$39,770,839	(\$3,455,998)	12/31/2002
73	ND	<u>North Dakota PERS</u>	94.0%	\$1,272,900	\$1,196,500	(\$76,400)	6/30/2004
74	ND	<u>North Dakota Teachers</u>	80.3%	\$1,445,600	\$1,800,400	\$354,800	7/1/2004
75	NE	<u>Nebraska Schools</u>	87.3%	\$5,118,011	\$5,864,260	\$746,249	7/1/2004
76	NH	<u>New Hampshire Retirement System</u>	71.1%	\$3,901,151	\$5,355,387	\$1,454,236	6/30/2003
77	NJ	<u>New Jersey PERS</u>	107.3%	\$27,576,238	\$25,689,891	(\$1,886,347)	6/30/2002
78	NJ	<u>New Jersey Police &amp; Fire</u>	95.8%	\$18,425,172	\$19,227,962	\$802,790	6/30/2002
79	NJ	<u>New Jersey Teachers</u>	100.0%	\$35,148,246	\$35,146,592	(\$1,654)	6/30/2002
80	NM	<u>New Mexico PERF</u>	93.0%	\$9,275,676	\$9,973,755	\$698,079	6/30/2004
81	NM	<u>New Mexico Teachers</u>	81.1%	\$7,518,200	\$9,266,600	\$1,748,400	6/30/2003
82	NV	<u>Nevada Police Officer and Firefighter</u>	71.7%	\$3,159,795	\$4,408,373	\$1,248,578	6/30/2004
83	NV	<u>Nevada Regular Employees</u>	80.5%	\$13,670,516	\$16,977,008	\$3,306,492	6/30/2004
84	NY	<u>New York City ERS</u>	99.9%	\$42,561,103	\$43,619,936	\$58,833	6/30/2002
85	NY	<u>New York City Teachers</u>	100.0%	\$34,177,750	\$34,181,065	\$3,315	6/30/2002
86	NY	<u>New York State Teachers</u>	99.4%	\$71,780,400	\$72,209,400	\$429,000	6/30/2003
87	NY	<u>NY State &amp; Local ERS</u>	100.0%	\$107,610,000	\$107,610,000	\$0*	4/1/2002
88	NY	<u>NY State &amp; Local Police &amp; Fire</u>	100.0%	\$19,412,000	\$19,412,000	\$0*	4/1/2002

89	OH	<u>Ohio PERS</u>	85.9%	\$43,706,000	\$50,872,000	\$7,166,000	12/31/2002
90	OH	<u>Ohio Police &amp; Fire</u>	92.8%	\$9,076,469	\$9,785,766	\$709,297	1/1/2002
91	OH	<u>Ohio School Employees</u>	82.5%	\$8,772,000	\$10,634,000	\$1,862,000	6/30/2003
92	OH	<u>Ohio Teachers</u>	74.8%	\$52,253,798	\$69,867,425	\$17,613,627	6/30/2004
93	OK	<u>Oklahoma PERS</u>	76.1%	\$5,412,167	\$7,114,778	\$1,702,611	7/1/2004
94	OK	<u>Oklahoma Teachers</u>	47.3%	\$6,660,900	\$14,080,100	\$7,419,200	6/30/2003
95	OR	<u>Oregon PERS</u>	86.1%	\$38,400,000	\$44,600,000	\$3,983,400	12/31/2003
96	PA	<u>Pennsylvania School Employees</u>	97.2%	\$52,900,500	\$54,443,800	\$1,543,300	6/30/2003
97	PA	<u>Pennsylvania State ERS</u>	104.9%	\$27,466,000	\$26,180,000	(\$1,286,000)	12/31/2003
98	RI	<u>Rhode Island ERS</u>	65.1%	\$5,695,359	\$8,746,641	\$3,051,282	6/30/2003
99	RI	<u>Rhode Island Municipal</u>	99.7%	\$1,527,847	\$1,532,471	\$4,624	6/30/2003
100	SC	<u>South Carolina Police</u>	91.5%	\$2,511,369	\$2,744,849	\$233,480	7/1/2003
101	SC	<u>South Carolina RS</u>	82.8%	\$20,197,936	\$24,398,931	\$4,200,995	7/1/2003
102	SD	<u>South Dakota PERS</u>	97.7%	\$4,937,500	\$5,051,700	\$114,200	6/30/2003
103	TN	<u>TN Political Subdivisions</u>	91.9%	\$3,605,529	\$3,923,475	\$317,946	7/1/2003
104	TN	<u>TN State and Teachers</u>	99.8%	\$22,099,252	\$22,151,745	\$52,493	7/1/2003
105	TX	<u>City of Austin ERS</u>	96.9%	\$1,348,800	\$1,551,800	\$203,000	12/31/2003
106	TX	<u>Houston Firefighters</u>	112.9%	\$1,863,100	\$1,650,800	(\$212,300)	7/1/2001
107	TX	<u>Texas County &amp; District</u>	100.5%	\$10,871,670	\$10,813,500	(\$58,170)	12/31/2003
108	TX	<u>Texas ERS</u>	97.3%	\$20,036,647	\$20,591,848	\$555,201	8/31/2004
109	TX	<u>Texas LECOS</u>	109.3%	\$679,243	\$621,457	(\$57,786)	8/31/2004
110	TX	<u>Texas Municipal</u>	82.6%	\$10,815,100	\$13,100,100	\$2,285,000	12/31/2003
111	TX	<u>Texas Teachers</u>	91.8%	\$88,784,000	\$96,737,000	\$7,953,000	9/31/2004
112	UT	<u>Utah Noncontributory</u>	92.5%	\$11,640,475	\$12,587,893	\$947,418	12/31/2003
113	VA	<u>Fairfax County Schools</u>	95.6%	\$1,619,889	\$1,693,956	\$74,067	6/30/2002
114	VA	<u>Virginia Retirement System</u>	96.4%	\$39,243,000	\$40,698,000	\$1,455,000	6/20/2003
115	VT	<u>Vermont State Employees</u>	97.6%	\$1,081,359	\$1,107,634	\$26,275	6/30/2004
116	VT	<u>Vermont Teachers</u>	90.2%	\$1,284,833	\$1,424,662	\$139,829	6/30/2004
117	WA	<u>Washington LEOFF Plan 1</u>	112.4%	\$4,803,000	\$4,275,000	(\$528,000)	9/30/2003
118	WA	<u>Washington LEOFF Plan 2</u>	100.0%	\$2,740,400	\$2,740,400	\$0*	9/30/2003
119	WA	<u>Washington PERS 1</u>	80.6%	\$10,227,000	\$12,092,000	\$2,465,000	9/30/2003
120	WA	<u>Washington PERS 2/3</u>	100.0%	\$10,084,230	\$10,842,300	\$758,070	9/30/2003
121	WA	<u>Washington School Employees Plan 2/3</u>	100.0%	\$1,546,000	\$1,546,000	\$0*	9/30/2002
122	WA	<u>Washington Teachers Plan 1</u>	88.0%	\$9,086,000	\$10,325,000	\$1,239,000	9/30, 2003

123	WA	<u>Washington Teachers Plan 2/3</u>	100.0%	\$3,949,000	\$3,949,000	\$0*	9/30/2003
124	WI	<u>Wisconsin Retirement System</u>	99.2%	\$62,685,300	\$63,211,700	\$526,400	12/31/2003
125	WV	<u>West Virginia PERS</u>	73.2%	\$2,699,941	\$3,691,001	\$991,060	6/30/2003
126	WV	<u>West Virginia Teachers</u>	19.2%	\$1,190,882	\$6,243,834	\$5,052,952	6/30/2003
127	WY	<u>Wyoming Public Employees</u>	91.7%	\$4,657,898	\$5,077,443	\$419,545	1/1/2004

\*Funds with an unfunded liability of zero use the aggregate cost actuarial valuation method. Under this method, the actuarial value liabilities is equal to the actuarial value of assets and no unfunded liability is identified.

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**HB**

**178**

# ALASKA STATE LEGISLATURE

## REPRESENTATIVE KURT OLSON

- Co-Chair, Community and Regional Affairs
- Member, Resources

Session: January – May  
State Capitol  
Juneau, AK 99801-1182  
Phone: 907-465-2693  
Fax: 907-465-3835



Interim: May – December  
145 Main Street Loop, Ste 221  
Kenai, AK 99611  
Phone: 907-283-2690  
Fax 907-283-2763

Official Business

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### **Sponsor Statement** **HB 178 Special Request License Plates**

The State of Alaska, Department of Administration, Division of Motor Vehicles (DMV) is responsible for all motor vehicle registration. Part of the registration process includes the issuance of license plates displaying the registration identification (plate number) with the month and year of the vehicle's registration expiration. Currently the DMV is issuing the gold and blue "Last Frontier" plate as the standard plate, which is included in the cost of registering the vehicle.

Passenger vehicle owners interested in plates other than the standard "Last Frontier" plate have several options. DMV currently offers 32 specialty plates including veteran's plates, recipient of the Purple Heart, collector vehicles, children's trust plates and university plates. Some of the specialty plates are available to only those that meet certain criteria (e.g. veterans plates) and others are sold as revenue generators for a specific purpose (e.g. a portion of the fee for plates commemorating Alaska veterans may be appropriated to programs benefiting Alaska veterans). The purchase of these plates is separate from the fee for the vehicle registration. In addition to the specialty plates, passenger vehicle owners are able to purchase "vanity" plates that display up to six characters as requested by the vehicle owner.

Owners of vehicles used in commercial activities do not have the same options above as owners of passenger vehicles. The statute restricts the use of "vanity" plates and the use of most specialty plates to passenger vehicles, motorcycles, noncommercial vans or pick-ups, or motor homes.

This bill will change that practice. It will allow all motor vehicles subject to registration the opportunity to display the standard, "vanity" or a specialty plate offered by the DMV. Each additional plate sold will generate additional revenue for the State of Alaska.

*Conrad Jackson*

*Ronnie  
Gardner  
Gatto*

24-LS0489\F

**HOUSE BILL NO. 178**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVE OLSON**

**Introduced: 2/25/05**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to special motor vehicle registration plates; and providing for an  
2 effective date."

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

4 \* **Section 1.** AS 28.10.181(a) is amended to read:

5 (a) The department shall register unique and special vehicles and vehicles  
6 used for special purposes and issue registration plates as provided in this section.  
7 Notwithstanding other provisions of this chapter, registration plates issued under this  
8 section remain with the person or organization to whom they are issued when vehicle  
9 ownership is transferred or title or interest in the vehicle is assigned, except for plates  
10 issued under (b), (h) and (i) of this section. Registration plates issued under this  
11 section may not be used on, or transferred to, a vehicle other than the vehicle for  
12 which the plates are issued without the approval of the department and payment of any  
13 required fees and taxes prescribed in AS 28.10.421(4), 28.10.431 and 28.10.441 [;  
14 **HOWEVER, IF THE PLATES ISSUED UNDER (c), (f) AND (j) OF THIS**

1 SECTION ARE TRANSFERRED TO A VEHICLE FOR WHICH THE  
2 REGISTRATION FEE IS MORE THAN THE FEE FOR THE VEHICLE FROM  
3 WHICH THE PLATES ARE TRANSFERRED, THE OWNER SHALL PAY THE  
4 DIFFERENCE BETWEEN THE TWO FEES]. Registration plates issued under this  
5 section to which a person is no longer entitled or the transfer of the plates to another  
6 vehicle that [WHICH] the department does not approve shall be returned immediately  
7 to the department by the person or organization to whom the plates were originally  
8 issued.

9 \* Sec. 2. AS 28.10.181(c) is amended to read:

10 (c) Special request plates. Upon application by the owner of a motor  
11 [PASSENGER] vehicle [, MOTORCYCLE, NONCOMMERCIAL VAN OR PICK-  
12 UP TRUCK, OR MOTOR HOME], the department shall design and issue registration  
13 plates containing a series of not more than six letters or numbers or combination of  
14 letters and numbers as requested by the owner. The department may, in its discretion,  
15 disapprove the issuance of registration plates under this subsection when the requested  
16 symbols are a duplication of an existing registration or when the symbols are  
17 considered unacceptable by the department.

18 \* Sec. 3. AS 28.10.181(d) is amended to read:

19 (d) Vehicles owned by veterans with disabilities, including persons disabled in  
20 the line of duty while serving in the Alaska Territorial Guard, or other persons with  
21 disabilities. Upon the request of a person with a disability that limits or impairs the  
22 ability to walk, as defined in 23 C.F.R. 1235.2, the department shall (1) register one  
23 motor [PASSENGER] vehicle in the name of the person without charge; and (2) issue  
24 a specially designed registration plate that displays (A) recognition of the disabled  
25 veteran if the applicant's disability originated from the applicant's service with the  
26 Alaska Territorial Guard or the armed forces of the United States; (B) the international  
27 symbol of accessibility (the wheelchair logo); and (C) if the applicant is a veteran, the  
28 Alaska and United States flags and red, white, and blue colors. A person who is not  
29 otherwise qualified under this subsection, but who meets the qualifications of a  
30 disabled veteran under AS 29.45.030(i), may register one motor [PASSENGER]  
31 vehicle without charge, and the department shall issue a specially designed registration

1 plate that displays recognition of the disabled veteran that does not display the  
 2 international symbol of accessibility and does not carry with it special parking  
 3 privileges. For purposes of this subsection, proof of disability may be provided by a  
 4 person licensed as a physician or physician assistant under AS 08.64 or as an advanced  
 5 nurse practitioner under AS 08.68.

6 \* Sec. 4. AS 28.10.181(f) is amended to read:

7 (f) Vehicles owned by elected state officials. The department shall issue  
 8 special registration plates to each incumbent elected state official for display on  
 9 [NONCOMMERCIAL] motor vehicles owned and driven by the official. The  
 10 department shall number or design the plates so that registration by an elected state  
 11 official is indicated upon the plates. The registration plates issued under this  
 12 subsection <sup>may</sup> remain ~~with the owner of~~ <sup>on</sup> the vehicle only during the official's term of  
 13 office.

14 \* Sec. 5. AS 28.10.181(m) is amended to read:

15 (m) Special request plates for Alaska' National Guard personnel. Upon  
 16 application by the owner of a motor [PASSENGER] vehicle [, NONCOMMERCIAL  
 17 VAN OR PICK-UP TRUCK, OR MOTOR HOME] who presents satisfactory proof of  
 18 current membership in the Alaska National Guard, the department may design and  
 19 issue registration plates that identify the vehicle as registered to a member of the  
 20 Alaska National Guard.

21 \* Sec. 6. AS 28.10.181(o) is amended to read:

22 (o) Special request university plates. Upon application by the owner of a  
 23 motor [PASSENGER] vehicle, [VAN OR PICK-UP TRUCK, OR MOTOR HOME,]  
 24 the department may design and issue registration plates representing the University of  
 25 Alaska Anchorage, University of Alaska Fairbanks, University of Alaska Southeast, or  
 26 Prince William Sound Community College. The department may disapprove the  
 27 issuance of registration plates under this subsection when the requested plates are a  
 28 duplication of an existing registration.

29 \* Sec. 7. AS 28.10.181(p) is amended to read:

30 (p) Vehicles owned by veterans. The department, upon receipt of written  
 31 proof that the veteran is a sole or joint owner of a [NONCOMMERCIAL] motor

1 vehicle, shall issue special registration plates for the [NONCOMMERCIAL] motor  
2 vehicle to a requesting person who is a veteran or retired veteran of the armed forces  
3 of the United States. The commissioner, after consulting with the director of the  
4 division of veterans affairs, shall determine the design and color of the veteran or  
5 retired veteran plates.

6 \* Sec. 8. AS 28.10.181(q) is amended to read:

7 (q) Vehicles owned by recipients of the Purple Heart. The department, upon  
8 receipt of written proof that the person is the sole or joint owner of a  
9 [NONCOMMERCIAL] motor vehicle, shall issue special registration plates for the  
10 [NONCOMMERCIAL] motor vehicle to a requesting person who has received the  
11 Purple Heart medal awarded for wounds suffered in action against an armed enemy or  
12 as a result of the hostile action of an armed enemy. The commissioner, after  
13 consulting with the director of the division of veterans affairs, shall determine the  
14 design and color of the Purple Heart medal recipient plates.

15 \* Sec. 9. AS 28.10.181(s) is amended to read:

16 (s) Special request dog mushing plates. Upon application by the owner of a  
17 motor [PASSENGER] vehicle, [VAN OR PICK-UP TRUCK, OR MOTOR HOME,]  
18 the department may design and issue registration plates representing the sport of dog  
19 mushing in the state. The department may disapprove the issuance of registration  
20 plates under this subsection when the requested plates are a duplication of an existing  
21 registration.

22 \* Sec. 10. AS 28.10.181(t) is amended to read:

23 (t) Special request Alaska children's trust plates. Upon application by the  
24 owner of a motor [PASSENGER] vehicle [, NONCOMMERCIAL VAN OR PICK-  
25 UP TRUCK, OR MOTOR HOME], the department may design and issue registration  
26 plates representing the Alaska children's trust under AS 37.14.200. The department  
27 may disapprove the issuance of registration plates under this subsection when the  
28 requested plates are a duplication of an existing registration.

29 \* Sec. 11. AS 28.10.181(u) is amended to read:

30 (u) Special request plates commemorating the arts. Upon application by the  
31 owner of a motor [PASSENGER] vehicle [, VAN OR PICK-UP TRUCK, OR

1 MOTOR HOME], the department may issue registration plates commemorating the  
 2 arts. The commissioner, after consulting with the Alaska State Council on the Arts,  
 3 shall determine the design and color of plates commemorating the arts. The  
 4 department may disapprove the issuance of registration plates under this subsection  
 5 when the requested plates are a duplication of an existing registration.

6 \* Sec. 12. AS 28.10.181(w) is amended to read:

7 (w) Special request plates commemorating Alaska veterans. Upon application  
 8 by the owner of a motor [PASSENGER] vehicle, [VAN, PICK-UP TRUCK, OR  
 9 MOTOR HOME.] the department may issue registration plates commemorating  
 10 Alaska veterans. The commissioner shall determine the design and color of plates  
 11 commemorating Alaska veterans. The department may disapprove the issuance of  
 12 registration plates under this subsection when the requested plates are a duplication of  
 13 an existing registration.

14 \* Sec. 13. AS 28.10.421(d) is amended to read:

15 (d) The special registration fees under this subsection are imposed biennially,  
 16 unless otherwise specified, for

17 (1) a historic vehicle registered under

18 (A) AS 28.10.181(b)(1) and that is driven or moved on a  
 19 highway for the primary purpose of historical exhibition or similar activity,  
 20 one time only upon initial registration under AS 28.10.181(b) ..... \$10;

21 (B) AS 28.10.181(b)(2) ..... \$30

22 plus the fee required for that vehicle under (b) of this section, unless the  
 23 historic vehicle is eligible for the fee described under (C) of this paragraph; the  
 24 fee required by this subparagraph shall be collected only on the first issuance  
 25 and on the replacement of the historic plates;

26 (C) AS 28.10.181(b)(2) and that is driven or moved on a  
 27 highway for the primary purpose of historical exhibition or similar activity,  
 28 one time only upon initial registration under AS 28.10.181(b) ..... \$10;

29 (2) special request plates for

30 (A) Alaska National Guard personnel ..... \$30;

31 (B) veterans or retired veterans ..... \$30;

- 1 (C) recipients of the Purple Heart ..... \$30;
- 2 (D) owners of custom collector vehicles ..... \$50;
- 3 (E) other special request plates ..... \$30;
- 4 plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the fee
- 5 required by this paragraph shall be collected only on the first issuance and on the
- 6 replacement of special request plates;
- 7 (3) a vehicle owned by a person with a disability and registered under
- 8 AS 28.10.181(d), or by a resident 65 years of age or older who files a written
- 9 application for an exemption on a form prescribed by the department ..... none;
- 10 (4) a vehicle owned by the state ..... none;
- 11 (5) a vehicle owned by an elected state official .....
- 12 ..... the fee required for that vehicle under (b), (c), (h), or (i) of this section; .
- 13 (6) a vehicle owned by a rancher, farmer, or dairyman and registered
- 14 under AS 28.10.181 ..... \$68;
- 15 (7) a snowmobile or off-highway vehicle ..... \$10;
- 16 (8) an amateur mobile radio station vehicle,
- 17 (A) with a transceiver capable of less than 5-band operation
- 18 .....the fee required for that vehicle; under (b) or (c) of this section;
- 19 (B) in recognition of service to the public a mobile amateur
- 20 radio station owned by an amateur with general class or higher license,
- 21 provided the station must be satisfactorily proved capable of operating on at
- 22 least five bands from 160 through 10 meters, must have an antenna, and must
- 23 have a power supply and wiring as a permanent part of the vehicle; the
- 24 transmitting unit may be removed from the car for service or dry storage
- 25 .....none
- 26 for a mobile amateur radio station vehicle included in (b) (1) or (2) of this
- 27 section;
- 28 (9) dealer registration plates
- 29 (A) the initial set of plates ..... \$88;
- 30 (B) each subsequent set of plates ..... \$50;
- 31 (10) a vehicle owned by a municipality or charitable organization

- 1 meeting the requirements of AS 28.10.181(e) ..... \$10;
- 2 (11) a vehicle owned by a Pearl Harbor survivor or a former prisoner
- 3 of war ..... none;
- 4 (12) special request university plates ..... \$50
- 5 plus the fee required for that vehicle under (b), (c), (h), or (i) [(b)(1) OR (2)] of this
- 6 section; the fee required by this paragraph shall be collected only on the first issuance
- 7 and on the replacement of special request plates; the commissioner of administration
- 8 shall separately account by university campus designation for the fees received under
- 9 this paragraph that the department deposits in the general fund; the annual estimated
- 10 balance in the accounts that is in excess of the cost of issuing special request
- 11 university plates may be appropriated by the legislature for the support of programs at
- 12 each campus;
- 13 (13) special request dog mushing plates ..... \$50
- 14 plus the fee required for that vehicle under (b), (c), (h), or (i) [(b)(1) OR (2)] of this
- 15 section; the fee required by this paragraph shall be collected only on the first issuance
- 16 and on the replacement of special request plates; the commissioner of administration
- 17 shall separately account for the fees received under this paragraph that the department
- 18 deposits in the general fund; notwithstanding (g) of this section, the annual estimated
- 19 balance in the account that is in excess of the cost of issuing special request plates may
- 20 be appropriated by the legislature for the support of programs benefiting dog mushing;
- 21 (14) special request Alaska children's trust plates ..... \$150
- 22 plus the fee required for that vehicle under (b), (c), (h), or (i) [(b)(1) OR (2)] of this
- 23 section; the fee required by this paragraph shall be collected only on the first issuance
- 24 and the replacement of special request plates; the commissioner of administration shall
- 25 separately account for the fees received under this paragraph that the department
- 26 deposits in the general fund; notwithstanding (g) of this section, the annual estimated
- 27 balance in the account that is in excess of the cost of issuing special request plates may
- 28 be appropriated by the legislature into the principal of the Alaska children's trust under
- 29 AS 37.14.200;
- 30 (15) special request plates commemorating the arts ..... \$150
- 31 plus the fee required for that vehicle under (b), (c), (h), or (i) [(b)(1) OR (2)] of this

1 section; the fee required by this paragraph shall be collected biennially in the same  
2 manner as the fee required under (b), (c), (h), or (i) [(b)(1) OR (2)] of this section; the  
3 commissioner of administration shall separately account for the fees received under  
4 this paragraph that the department deposits in the general fund; notwithstanding (g) of  
5 this section, the annual estimated balance in the account that is in excess of the cost of  
6 issuing special request plates may be appropriated by the legislature for the support of  
7 programs benefiting the arts;

8 (16) special request plates commemorating Alaska veterans ..... \$100  
9 plus a fee of \$35 and the fee required for that vehicle under (b), (c), (h), or (i) [(b)(1)  
10 OR (2)] of this section; the \$100 fee required by this paragraph shall be collected only  
11 on the first issuance of and the replacement of the commemorative veterans' plates; the  
12 \$35 fee required by this paragraph shall be collected biennially in the same manner as  
13 the fee required under (b), (c), (h), or (i) [(b)(1) OR (2)] of this section; the  
14 commissioner of administration shall separately account for the fees received under  
15 this paragraph that the department deposits in the general fund; notwithstanding (g) of  
16 this section, the annual estimated balance in the account that is in excess of the cost of  
17 issuing special request plates may be appropriated by the legislature for the support of  
18 programs benefiting Alaska veterans.

19 \* Sec. 14. This Act takes effect July 1, 2005.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB178  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title Act relating to the registration RDU Division of Motor Vehicles  
and registration plates for certain Component Motor Vehicles  
 Sponsor Rules Committee  
 Requester Governor Component No. 2348

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	5.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>5.0</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>	<b>5.0</b>	<b>5.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>45.0</b>	<b>45.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</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 1156 Receipt supported services	5.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>5.0</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 (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill will allow the greater use of personal, speciality and veteran license plates. Current Statutes limit what type or class of vehicle may use such plates. With this correction, all plates approved by the Department will be available for all motor vehicle registration.

Prepared by: Duane Bannock, Director Phone 269 5008  
 Division: Motor Vehicles Date/Time 3/16/05 12:16 PM  
 Approved by: Michael Tibbles, Deputy Commissioner Date 3/16/2005  
 Agency: Department of Administration

1 the state's grateful recognition of the veteran's service in the armed forces. The award  
2 of a certificate to one eligible recipient does not preclude authorization of another  
3 certificate if a request is received from another eligible recipient.

4 (b) In this section,

5 (1) "eligible recipient" means the surviving spouse, next of kin,  
6 relative, or friend of the deceased veteran;

7 (2) "veteran" has the meaning given in AS 26.10.080.

8 \* Sec. 3. AS 28.10.421(d)(2) is amended to read:

9 (2) special request plates for

10 (A) Alaska National Guard personnel ..... \$30;

11 (B) veterans or retired veterans ..... \$30;

12 (C) recipients of the Purple Heart ..... none [\$30];

13 (D) owners of custom collector vehicles ..... \$50;

14 (E) other special request plates ..... \$30;

15 plus the fee required for that vehicle under (b) of this section; the fee required  
16 by this paragraph shall be collected only on the first issuance and on the  
17 replacement of special request plates;

18 \* Sec. 4. AS 28.10.431(h) is amended to read:

19 (h) A vehicle owned by a recipient of the Purple Heart exempted from  
20 registration fees under AS 28.10.421(d)(2) or a former prisoner of war exempted  
21 from registration fees under AS 28.10.421(d)(11) is subject to a motor vehicle  
22 registration tax under this section.

Granby/Lynn Amendment

Final Year 03 509 Purple Heart license plates in DMV  
Records

Page 6, line 1 change 30 to none