

1206 STATE AFFAIRS

Sec. 47 AS 39.35.780. Clarifies that only the defined contributions paid into a member's individual account are subject to the limitations of 26 USC 415(c) and not the contributions employers make for the fixed benefits contained in the plans (occupational disability, survivor's pension, etc.). Additionally, the fixed benefits paid to eligible persons are subject to the limitations of §415(b) under the Internal Revenue Code.

Reason: This is one of several conforming amendments necessary to pay all the benefits required in accordance with the intent of SB 141 and the retirement plans contained therein. SB 141 provides both guaranteed fixed benefits for certain eligible persons as well as benefits based upon defined contributions to an individual account, medical benefits, and medical expense reimbursements. This type of plan structure is provided for under 26 USC 414(k) "Certain plans." These changes, in combination with others, are designed to clarify the structure of the new retirement plans in order to successfully obtain a favorable ruling from the IRS.

Consequence: If this amendment is not adopted, the IRS may not recognize and apply the special rules of the §414(k) structure which may result in an IRS plan determination failure.

Related bill sections: Sec. 5, AS 14.25.320(b); Sec. 6, AS 14.25.320(c); Sec. 9, AS 14.25.380; Sec. 10, AS 14.25.400(b); Sec. 23, AS 14.25.510; Sec. 43, AS 39.35.710(b); Sec. 44, AS 39.35.710(c); Sec. 48, AS 39.35.800(b); Sec. 62, AS 39.35.910.

AS 39.35.790(b). This is a duplicate amendment inserted by mistake. Reference Sec. 53 for correct amendment.

Sec. 48 AS 39.35.800(b). Clarifies that a participant may only direct the investment of the funds held in the participant's individual account by making the distinction between the defined contribution accounts and the fixed benefit accounts established under the plans.

Reason: This is one of several conforming amendments necessary to pay all the benefits required in accordance with the intent of SB 141 and the retirement plans contained therein. SB 141 provides both guaranteed fixed benefits for certain eligible persons as well as benefits based upon defined contributions to an individual account, medical benefits, and medical expense reimbursements. This type of plan structure is provided for under 26 USC 414(k) "Certain plans." These changes, in combination with others, are designed to clarify the structure of the new retirement plans in order to successfully obtain a favorable ruling from the IRS.

Consequence: If this amendment is not adopted, the IRS may not recognize and apply the special rules of the §414(k) structure which may result in an IRS plan determination failure.

Related bill sections: Sec. 5, AS 14.25.320(b); Sec. 6, AS 14.25.320(c); Sec. 9, AS 14.25.380; Sec. 10, AS 14.25.400(b); Sec. 23, AS 14.25.510; Sec. 43, AS 39.35.710(b); Sec. 44, AS 39.35.710(c); Sec. 47, AS 39.35.780; Sec. 62, AS 39.35.910.

Sec. 49 AS 39.35.870(g). Requires a person who originally chose not to participate in the retiree major medical plan, but who later chooses to participate, to provide a letter of continuous coverage or proof of insurability.

Reason: The Division of Retirement and Benefits had anticipated the provisions for application for retirement and medical benefits would be handled by regulation. However, the plain wording of the statute seems to leave the choice to the eligible person regardless of their health status.

Consequence: Without amendment, the statute leaves the retiree major medical insurance plan open to adverse selection and unpredictable costs.

Related bill sections: Sec. 11, AS 14.25.470(g).

Sec. 50 AS 39.35.890(b). Clarifies the termination of a disability benefit when a person no longer meets the requirements to receive occupational disability benefits.

Reason: The intent of an occupational disability benefit is to provide an income for a person who is no longer able to work due to an injury sustained on-the-job. In combination with Sec. 56 of this bill, the amendment makes it clear that if a person is able to perform the duties of another available and comparable position, regardless of employer, then that person no longer meets the requirements to receive occupational disability benefits.

Related bill sections: Sec. 12, AS 14.25.485(b); Sec. 56, AS 39.35.890(l).

Sec. 51 AS 39.35.890(c). Clarifies that a period of disability benefits constitutes membership service in regard to determining eligibility for retirement and medical benefits including the Health Reimbursement Arrangement (HRA).

Reason: The statutes do not mention vesting in medical benefits during a period of disability benefits. However, the intent is implied by the requirement for continuing employer contributions into the individual account, the HRA, and health insurance fund while a member is receiving disability benefits. The employer must also make the member's contributions to the individual contribution account.

Related bill sections: Sec. 13, AS 14.25.485(c).

Sec. 52 AS 39.35.890(d). Provides that a member who receives disability benefits from the plan is 100% vested in all the employer contributions made to the member's individual account, regardless of years of service worked, once the member is appointed to disability. Clarifies that a member is not entitled to elect distributions from the member's individual account while receiving disability benefits.

Reason: This amendment relates specifically to the continuing employer contributions required under AS 39.35.890(d). 26 USC 415(c)(3)(C) provides special rules that allow the compensation of a disabled member for any year subsequent to the disability to be considered equivalent to the rate of compensation immediately prior to the disability. However, these rules only apply if the contributions are nonforfeitable when made.

Because a disabled member must terminate employment, the disabled member will arguably become eligible for distributions from the individual contribution account under AS 39.35.810. The apparent intent of the disability benefit is to provide an income until such time as a disabled member becomes eligible for the benefits from a "normal retirement." During a period of disability benefits, the employer is required to make continuing employer contributions into the individual account, the HRA, and health insurance fund. The employer must also make the member's contributions to the individual contribution account. The purpose of these contributions would seem to be to accumulate funding for retirement benefits available to the member once the normal retirement date is reached and disability benefits end.

Consequence: If this amendment is not adopted, the special rules of 26 USC 415(c)(3)(C) would not apply, the member's compensation would be zero for the year following disability, and the allowable contributions would therefore be zero. As a result, the benefits could not be paid in accordance with AS 39.35.890. Also, a disabled member may be able to elect distributions from the member's individual account prior to becoming eligible for normal retirement. This could be regarded as "double dipping," and as thwarting the intent of the legislature to provide a retirement benefit once the disability benefit ends.

Related bill sections: Sec. 14, AS 14.25.485(d); Sec. 20, AS 14.25.487(c); Sec. 59, AS 39.35.892(c).

Sec. 53 AS 39.35.890(g). Clarifies the termination of disability benefits when a disabled member first qualifies for normal retirement.

Reason: Technical for administrative purposes. Conforms to other benefit payment provisions.

Related bill sections: Sec. 15, AS 14.25.485(g).

Sec. 54 AS 39.35.890(h). Specifies that the monthly pension benefit elected by a disabled peace officer or fire fighter under (2) of this subsection will be paid first from the member's individual account and then from the trust account established under AS 39.35.750(e). Also clarifies that a member who is a peace officer or fire fighter is not entitled to elect distributions from the member's individual account while receiving disability benefits.

Reason: This change is consistent with the method of payment applied under the current defined benefit plan. In the DB plan, the peace officer or fire fighter member who chooses the option to have a monthly benefit calculated under the provisions of the disability benefit is still receiving a normal retirement benefit. The employee contribution account is transferred to the Retirement Reserve account and benefits are paid from that account each month. The employee contribution account is drawn down first, then benefits are paid from the employer's contributions.

Consequence: The consequence of not enacting this amendment is that there will be an ambiguity in the statutes regarding the accounts used for payment of these benefits. See also Sec. 52, above.

Related bill sections: Sec. 46, AS 39.35.750(e); Sec. 52, AS 39.35.890(d).

Sec. 55 AS 39.35.890(k). Changes made to this subsection, which is related to the benefits for a survivor of a disabled member who dies while receiving disability benefits, mirror other changes being made to the disability and death statutes throughout this bill. The changes are: (1) clarifies the termination of a survivor's pension; (2) clarifies that a survivor cannot access the member's individual account while receiving a survivor's pension; (3) clarifies the normal retirement benefits available to a survivor; and (4) clarifies that the period of disability benefits and the period of survivor benefits constitute membership service for vesting in employer contributions, and eligibility for medical benefits and the Health Reimbursement Arrangement.

Reason: This is a conforming amendment. See the related bill sections referenced below.

Related bills sections: Sec. 16, AS 14.25.485(i); Sec. 51, AS 39.35.890(c); Sec. 58, AS 39.35.892(b); Sec. 59, AS 39.35.892(c); Sec. 60, AS 39.35.892(e).

Sec. 56 AS 39.35.890(l). Clarifies the definition of occupational disability.

Reason: The intent of an occupational disability benefit is to provide an income for a person who is no longer able to work due to an injury sustained on-the-job. This definition is slightly different from the definition under AS 39.35.680. In combination with Sec. 51 of this bill, the amendment makes it clear that if a person is able to perform the duties of another available and comparable position, regardless of employer, then that person no longer meets the requirements to receive occupational disability benefits.

Related bill sections: Sec. 17, AS 14.25.485(j); Sec. 50, AS 39.35.890(b).

Sec. 57 AS 39.35.891. Adds an annual adjustment to disability benefits, and to retirement benefits elected by disabled peace officers and fire fighters (P/F) under AS 39.35.890(h)(2), equal to 75% of the increase in the Anchorage Consumer Price Index or 9%, whichever is less.

Reason: This amendment provides a formula for annual increases to the monthly amount of a disability benefit, and to a monthly retirement benefit for eligible P/F, which is the same as the formula for PERS Tier III members.

Consequence: If this amendment is not enacted, a member's monthly disability benefit amount or monthly P/F retirement benefit amount will remain static from year to year without adjustment for inflation.

Related bill sections: Sec. 18, AS 14.25.486.

Sec. 58 AS 39.35.892(b). Clarifies the termination of a survivor's pension under the occupational death benefit provisions, including the end of death benefits when a dependent child no longer meets the definition of dependent.

Reason: The death benefit statute unambiguously states when the benefits will begin and when they will end, omitting termination of the death benefit the last month in which there is an eligible child. A dependent child receiving occupational death benefits might argue that death benefits must be paid until the date the deceased member would have retired, without regard to the age of the child. The disability statute [AS 39.35.890(k)], however, includes language terminating a survivor's benefit (from a disabled member who died while receiving disability) the last month in which there is an eligible surviving spouse or child. This appears to be a conflict of intent.

Consequence: Failure to amend this statute may jeopardize plan qualification because the IRC definition of "dependent" [26 USC, §151 and §152] includes age requirements for distribution to a dependent child under a qualified plan.

Related bill sections: Sec. 19, AS 14.25.487(b).

Sec. 59 AS 39.35.892(c). Clarifies that a survivor of a deceased member is not entitled to elect distributions from the member's individual account while receiving survivor benefits. Clarifies that the continuing contributions required by the employer are made on behalf of the surviving spouse and member's dependent children rather than "beneficiaries." Directs all continuing contributions by the employer into the occupational disability and death trust account in accordance with the Internal Revenue Code (IRC).

Reason: The death benefit provides an income, and eventually retirement benefits, for the family of a member who dies in the line of duty. An employer is required to make the same continuing contributions as required for disabled members. The purpose of these contributions would seem to be to accumulate funding for retirement benefits available to the deceased member's surviving spouse once the normal retirement date is reached and death benefits end. However, the beneficiaries of a deceased member are arguably immediately eligible for distributions from the individual contribution account under AS 39.35.810. Additionally, the beneficiaries may not solely be the surviving spouse and or dependent children. The situation is similar to that described under Sec. 52 [AS 39.35.890(d)]. Please see Sec. 60 below for an explanation of the changes required by the IRC.

Consequence: If the clarifications are not enacted, a deceased member's surviving spouse, dependent children, or other beneficiaries may be able to elect distributions from the member's individual account prior to the date the member would have qualified for normal retirement had the member lived. As with distributions taken during a member's disability, this could be regarded as "double dipping," and as thwarting the intent of the legislature to provide eligible survivors with a retirement benefit once the death benefit ends. This scenario has more complications – including possible tax reporting requirements – than the disability provisions because the member's surviving spouse and/or dependent children may not be the only beneficiaries.

Related bill sections: Sec. 20, AS 14.25.487(c); Sec. 52, AS 39.35.890(d); Sec. 60, AS 39.35.892(e).

Sec. 60 AS 39.35.892(e). Revises the language regarding the continuing contributions employers make on behalf of survivors of members who died occupationally. The contributions will be an actuarially calculated amount required to yield the same results as under SB 141; however, the contributions will be made into the trust account established for occupational disability and death benefits rather than into the member's individual account. The benefits will also be paid from the occupational disability and death trust account. This amendment also clarifies that the period of death benefits constitutes membership service for determining vesting in employer contributions and eligibility for medical benefits and the Health Reimbursement Arrangement.

Reason: Unlike the special rules under 26 USC 415(c)(3)(C) that allow the compensation of a disabled member for any year subsequent to the disability to be considered equivalent to the rate of compensation immediately prior to the disability, there is no corresponding rule for a deceased participant. Thus, there would be no compensation for a deceased member in the year after death and, therefore, no allowable contributions to the deceased member's individual account. The solution this amendment proposes is to make contributions to an account that is allowable under the Internal Revenue Code and add an "additional benefit" that is equal to the amount that would have been contributed to the member's individual account, had the member survived, plus an earnings credit.

Consequence: If this amendment is not adopted, the State will not receive a favorable ruling from the Internal Revenue Service and will not be able to pay the intended retirement benefits to survivors.

Related bill sections: Sec. 21, 14.25.487(e); Sec. 55, AS 39.35.890(k); Sec. 59, AS 39.35.892(c).

Sec. 61 AS 39.35.893. Adds an annual cost-of-living adjustment (COLA) to the survivor's pension benefit equal to 50% of the increase in the Anchorage Consumer Price Index or 6%, whichever is less. Persons who are receiving a survivor's pension who are age 60 or older and persons who have received a survivor's pension for at least 5 years are eligible for the COLA.

AS 39.35.894. Adds a provision that a person whose disability or survivor benefits are terminated due to eligibility for a normal retirement benefit will be treated as if that person is eligible for Medicare, regardless of age, for the purpose of cost-sharing medical premiums with the Plan.

Reason: This amendment provides a formula for annual increases to the monthly amount of a disability benefit that is the same as the formula for PERS Tier III members. It also applies the medical cost-sharing provisions of the new retirement tier so that benefit recipients do not have to bear the full burden of medical insurance premiums when they reach normal retirement.

Consequence: If these amendments are not enacted, a member's monthly disability amount and a survivor's monthly pension amount will remain static from year to year without adjustment for inflation. Disabled members and survivors who have not reached the age required for Medicare eligibility when they qualify for a normal retirement benefit will have to pay 100% of the monthly premium for retiree major medical insurance.

Related bill sections: Sec. 22, AS 14.25.488, AS 14.25.489.

Sec. 62 AS 39.35.910. Clarifies that the nonguarantee clause relates only to the defined contribution portion of the retirement plans. The fixed benefits contained under these plans are defined by statute.

Reason: This is one of several conforming amendments necessary to pay all the benefits required in accordance with the intent of SB 141 and the retirement plans contained therein. SB 141 provides both guaranteed fixed benefits for certain eligible persons as well as benefits based upon defined contributions to an individual account, medical benefits, and medical expense reimbursements. This type of plan structure is provided for under 26 USC 414(k) "Certain plans." These changes, in combination with others, are designed to clarify the structure of the new retirement plans in order to successfully obtain a favorable ruling from the IRS.

Consequence: If this amendment is not adopted, the IRS may not recognize and apply the special rules of the §414(k) structure which may result in an IRS plan determination failure.

Related bill sections: Sec. 5, AS 14.25.320(b); Sec. 6, AS 14.25.320(c); Sec. 9, AS 14.25.380; Sec. 10, AS 14.25.400(b); Sec. 23, AS 14.25.510; Sec. 43, AS 39.35.710(b); Sec. 44, AS 39.35.710(c); Sec. 47, AS 39.35.780; Sec. 48, AS 39.35.800(b).

Sec. 63 AS 39.35.940(c). Clarifies that the employer match required under the conversion from the defined benefit plan to the defined contribution plan is subject to Internal Revenue Code contribution limitations. The amendment limits the total employer match to the maximum allowed during the limitation year in which the transfer occurs.

Reason: Because the amount that an employer must match under the conversion option is "new money," it has never been subject to Code limitations. 26 USC 415(c) imposes an annual limit on contributions to a defined contribution plan to the lesser of \$44,000 or 100% of employee compensation. In addition, the contributions of the PERS and TRS defined contribution retirement plans are required to be aggregated with the contributions of the SBS Plan.

Consequence: Contributions above the limitations of §415(c) are not allowable, therefore, any excess contributions must be returned to the employer under federal law.

Related bill sections: Sec. 24, AS 14.25.540(c).

Sec. 64 AS 39.35.940(d). Clarifies that transferred membership from the DB plan to the DCR plan will be applied to vesting in both the employer's matching contribution and subsequent contributions.

Reason: The bill is silent on this issue. Ambiguity about whether a member's DB plan service applies to vesting in DC plan employer contributions may prevent members who would otherwise benefit from transferring from making the decision to transfer.

Related bill sections: Sec. 25, AS 14.25.540(d).

Sec. 65 AS 39.35.940(h). Provides a time limit – 12 months from the date the employer consents to the conversion -- within which an eligible member must make the decision to transfer from the DB plan to the DCR plan.

Reason: Under SB 141, an employer's decision to allow its employees to convert is irrevocable and employees have up until the day before they become vested in the Teachers' Retirement System DB plans to convert. However, a plan does not satisfy the qualifications of a §401(a) plan if it includes a cash or deferred arrangement. Treasury Regulation 1.401(k)-1(a)(3) does provide for certain one-time elections. The Division of Retirement and Benefits has received legal tax counsel that implementing a time limit for the decision-making process would meet the requirements of the Treasury Regulation.

Consequence: Without amendment, the State may not receive a favorable plan ruling. Also, because of the open-ended timeframe, employers that would otherwise benefit from consenting to transfers may make the decision not to consent because of annual budgeting uncertainty.

Related bill sections: Sec. 26, AS 14.25.540(h); Sec. 66, AS 39.35.940(i).

Sec. 66 AS 39.35.940(i). An employer who makes a conversion election will have an initial 12-month window open to its eligible employees for transfer from the DB plan to the DCR plan. At the end of the initial 12-month period, the employer may consent to an additional 12-month period open only to those eligible employees to whom the option was not available during the initial period.

Reason: Allowing an employer to elect to consent to transfers during an additional 12-month period provides the employer with the opportunity to achieve greater cost savings if the employer determines that consenting to additional transfers is beneficial. However, in order to meet the requirements of Treasury Regulation 1.401(k)-1(a)(3) for certain one-time elections, the second period will be limited to those employees who did not have the choice during the initial period. The Division of Retirement and Benefits has received legal tax counsel that this particular arrangement has received favorable rulings by the IRS for other plans.

Consequence: Without amendment, the State may not receive a favorable plan ruling.

Related bill sections: Sec. 27, AS 14.25.540(i); Sec. 65, AS 39.35.940(h).

Sec. 67 AS 39.35.940(j). Adds a definition of "membership service" for purposes of clarifying what service credit is eligible for transfer from the DB plan to the DCR plan and disallows years of service for which contributions have not been fully repaid; i.e., reinstatement of refunded contributions, or indebtedness.

Reason: If a DB plan member has an outstanding indebtedness for refunded contributions, the years of service associated with that indebtedness are not credited back to the member until the indebtedness, including interest, has been fully paid. Also, there is no definition of "membership service" under the PERS DB statutes. This change clarifies the definition for the conversion option so there is no ambiguity as to: (1) the dollar amount of the member's contributions to be transferred and matched by the employer; and (2) the number of years of service to be counted toward vesting in benefits of the DCR plan.

Consequence: Without amendment, it is unclear whether full service, partial service, or no service credit associated with an indebtedness should be transferred to the new plan. To allow such service to be transferred would be inconsistent with the current statutory provisions of the DB plan (AS 39.35.350).

Related bill sections: Sec. 28, AS 14.25.540(j).

Sec. 68 AS 39.35.957. Adds a provision for employers to designate classes or groups of employees eligible to participate in (or to be excluded from) the DCR plan. Clarifies that a member of the DB plan will become a member of the DCR plan if employed by an employer that participates only in the DCR plan.

AS 39.35.958. Adds the process by which an employer may terminate participation from the DCR plan and outlines the rights of employees and the costs to the employer upon termination.

Reason: The PERS DB plans have specific statutory guidelines on the process for amending and terminating participation in the PERS. Although a provision for participation was added to the DCR plan, amendment and termination were not.

Consequence: If these amendments are not enacted, there will be no statutory guidelines for amendment and termination of participation in the DCR plan. The Division of Retirement and Benefits will have no basis for making decisions regarding members' rights to medical benefits, including the HRA, if an employer terminates from participation.

Sec. 69 AS 39.35.990(16). Clarifies that "member" and "employee" have the same meaning throughout the PERS DCR statutes and excludes instructors at the Department of Labor and Workforce Development (DLW&D) and the Department of Education and Early Development (DEED) in positions requiring a teacher certificate.

Reason: "Member" and "employee" are both used inconsistently throughout the PERS statutes. This change clarifies they are intended to be used interchangeably. Also, the DLWD is changing their position requirements for some of its vocational education positions to *not* require a teacher certificate.

Consequence: Without amendment, instructors at the DLW&D and DEED may be precluded from being members of PERS if they work in a position that does not require a teacher certificate.

Sec. 70 AS 39.35.990(20). Provides a clear definition of peace officer and fire fighter under the DCR plan.

Reason: This is a technical change to clarify the job classes eligible for classification as a peace officer or fire fighter.

Consequence: Without amendment, this definition references back to the definition under AS 39.35.680(29) which contains the same job classes.

Sec. 71 AS 39.45.055. Adds a provision under the Deferred Compensation program for a member to appeal a decision of the administrator to the Office of Administrative Hearings.

Reason: This was an inadvertent omission in transferring all appeals functions to the OAH.

Consequence: Without amendment, appeals will have to be sent to the superior court.

Related bill sections: Sec. 31, AS 39.30.165, Sec. 32, AS 39.30.335; Sec. 72, AS 44.64.030(a).

Sec. 72 AS 44.64.030(a). Adds the Supplemental Benefit-Annuity Plan, Health Reimbursement Arrangement Plan, Deferred Compensation Plan, and waivers of adjustment under the PERS and TRS defined benefit plans to the jurisdiction of the Office of Administrative Hearings.

Reason: This is a required change for statutory authority of the appeals delegated under the above programs.

Related bill sections: Sec. 31, AS 39.30.165; Sec. 32, AS 39.30.335; Sec. 41, AS 39.35.522(d); Sec. 71, AS 39.45.055.

Sec. 73 Sec. 134, ch. 9, FSSLA 2005. Clarifies that the initial FY 2007 employer contribution rates specified in this section for occupational disability and occupational death benefits will be applied only to the payroll base of the members in the DCR plan.

Reason: Technical change to remove any ambiguity in the application of the employer contribution rates.

Sec. 74 AS 14.25.045 and 14.25.570. Repeals participation of National Education Association (NEA) employees in the TRS.

Reason: Although NEA had been included by the legislature in the TRS DB plan in statute, NEA is a non-profit organization and they do not qualify for inclusion in the system. This error was acknowledged by the Division of Retirement and Benefits, the Department of Law, and the NEA in the early 1990's/late 1980's. In discussion with participating NEA management it was decided by the TRS Board that members participating at the time would be grandfathered and inclusion of new members would be discontinued (since then the last member has retired). Inclusion in the new plan resulted from duplication of existing statutes.

AS 39.35.050(a). Repeals duplicative AS 39.35.050(a) which provides for the Commissioner of Administration to appoint an administrator.

Reason: Technical change. This statute was replaced by AS 39.35.003 in SB 141.

Sec. 75 AS 14.25.070(b) and AS 39.35.270(b). Repeals the requirement enacted in SB 141 that the employer contribution rate must not be less than the normal cost rate retroactive to July 1, 2005.

Reason: These provisions added by SB 141, and effective July 1, 2005, require that an employer's contribution rate may not be less than the normal cost rate. Under the current version of HB 475, the repeal is effective July 1, 2006 (FY 2007). Sec. 78 makes the repeal of these provisions effective for FY 2006.

Related bill sections: Sec. 3, AS 14.25.070(f); Sec. 38, AS 39.35.270(d); Sec. 78; Sec. 79.

Sec. 76 AS 39.35.375(f). This subsection relates to reinstating service associated with refunded contributions for obtaining a public service benefit.

Reason: With the change to the public service benefit under AS 39.35.375(a) – see Sec. 39 - this subsection will have no applicable meaning beginning July 1, 2010.

Sec. 77 Uncodified law. Establishes an initial contribution rate for TRS employers to fund occupational disability and death benefits during the first fiscal year of the DCR plan (FY 2007).

Reason: The first valuation year in which employees will be enrolled in the DCR plan begins July 1, 2006. The ARMB will consider the contribution rate for this cost during the 2007 valuation, ending date June 30, 2006.

Consequence: If this section, in combination with Sec. 8 of this bill, is not enacted, there will be no funding source from which to pay TRS occupational disability and death benefits. If Sec. 8 is enacted but not this section, implementation of a cost rate for this benefit, and contributions to the plan, may be delayed until the ARMB can request a calculation by the actuary and approve a contribution rate.

Related bill sections: Sec. 8, AS 14.25.350(e).

Sec. 78 Retroactivity clause for section 75. July 1, 2005.

Sec. 79 Effective date for sections 3 and 38. July 1, 2008.

Sec. 80 Effective date for sections 4, 39, and 40. July 1, 2010.

Sec. 81 Immediate effective date for sections 75 and 78. AS 01.10.070(c).

Sec. 82 Effective date remainder of bill. July 1, 2006.

May 4, 2006

VIA EMAIL

Ms. Melanie Millhorn
 Director
 State of Alaska
 6th Floor, State Office Building
 P.O. Box 110203
 Juneau, AK 99811-0203

Re: Comparison of Current DB and New DC Plans

Dear Melanie:

As we discussed on Friday, April 28, 2006, we are providing you information to assist with determining the cost of a new entrant into the current Tier 3 of the Public Employees' Retirement System (PERS) and the current Tier 2 of the Teachers' Retirement System (TRS) compared to the cost of the new DC plan that is scheduled to be implemented effective July 1, 2006. We understand that HB 475, which includes a one-year delay in implementation of the new plan, has passed the House.

RESULTS

As you can see in the table below, the net present value of employer paid benefits is greater under the current defined benefit plans than under the new defined contribution plan.

	<u>PERS - Others</u>	<u>TRS</u>
Present Values for Current DB Plans		
- Pension Benefits	\$ 14,866	\$ 40,696
- Postemployment Healthcare Benefits	25,673	58,172
- Employee Contributions	(14,835)	(32,419)
- Retiree Healthcare Contributions	<u>(4,052)</u>	<u>(9,899)</u>
Employer Paid Benefits	\$ 21,652	\$ 56,550
Present Value for New DC Plan		
- Employer Contributions	\$ 9,808	\$ 25,307
- Postemployment Healthcare and Occupational Death and Disability	4,883	13,289
- Retiree Healthcare Contributions	(1,571)	(5,335)
- Employer HRA Contributions	<u>3,671</u>	<u>8,406</u>
Employer Paid Benefits	\$ 16,791	\$ 41,667
Increase in Employer Cost for Existing DB Plan	\$ 4,861	\$ 14,883
Percent Increase in Employer Cost for DB Plan Compared to New DC Plan	29%	36%

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May 4, 2006
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The present value of benefits under PERS is much smaller than the present value of benefits under TRS primarily due to withdrawal rates. The probability of the PERS member remaining an active employee and attaining 6 years of service is only 31%. For the TRS member, it is 64%. This accounts for most of the difference between the present values between TRS and PERS.

DATA

We used information from the most recent group of new entrants to select individuals for our analysis. The average age of the most recent group of new entrants is 37.8 and the average salary is \$36,000. The information below is based on an actual new member into PERS (Others) and TRS as of July 1, 2005. We selected a member from the most recent new entrant group who would reach 30 years of service by age 60 and with a salary close to the average of all new entrants.

Participant Data	PERS - Others	TRS
Age	30.78	30.87
Salary	\$ 35,411	\$ 35,605
Gender	Male	Female
Marital Status	Married	Married
Employee Contribution to Current Plan	6.75%	8.65%
Employer Contribution to Defined Contribution Plan	5%	7%
Employer HRA Annual Contribution	\$ 1,500	\$ 1,500

Unless indicated otherwise, all plan provisions, assumptions and methods are described in the actuarial valuation reports as of June 30, 2005. For the new postretirement healthcare and occupational death and disability plans, we assumed that 35% of deaths and disabilities will be occupational for PERS and 10% for TRS. All other assumptions and methods used for the new postretirement healthcare and occupational death and disability plans are described in our letter dated April 10, 2006. The present values on the prior page include the occupational death and disability provisions under HB475.

Please let me know if you have any questions or if we can be of further assistance.

Sincerely,

Michelle DeLange, F.S.A., E.A., M.A.A.A.
Senior Consultant, Actuary

/kr

c: Traci Carpenter, State of Alaska
Charlene Morrison, State of Alaska
Dave Slishinsky, Buck Consultants

What is the cost difference to an employer between a PERS Tier 4 and PERS Tier 3 employee, and a TRS Tier 3 and TRS Tier 2 employee?

Profile New Hire #1

Hire Date: July 1, 2005
 Demographic: 31 year-old married male
 Annual Salary: \$35,411
 Membership: PERS "Other"

Question: How much money does the employer need to have *in the bank on July 1, 2005* to pay for the benefits expected to be earned over the employee's entire career if the employee is

- i. A member of the Defined Benefits Plan?
Answer: \$21,652
- ii. A member of the Defined Contribution Plan?
Answer: \$16,791

Conclusion: A new hire into the PERS Defined Benefits Plan will cost an employer **29% more** than a new hire into the PERS Defined Contribution Retirement Plan.

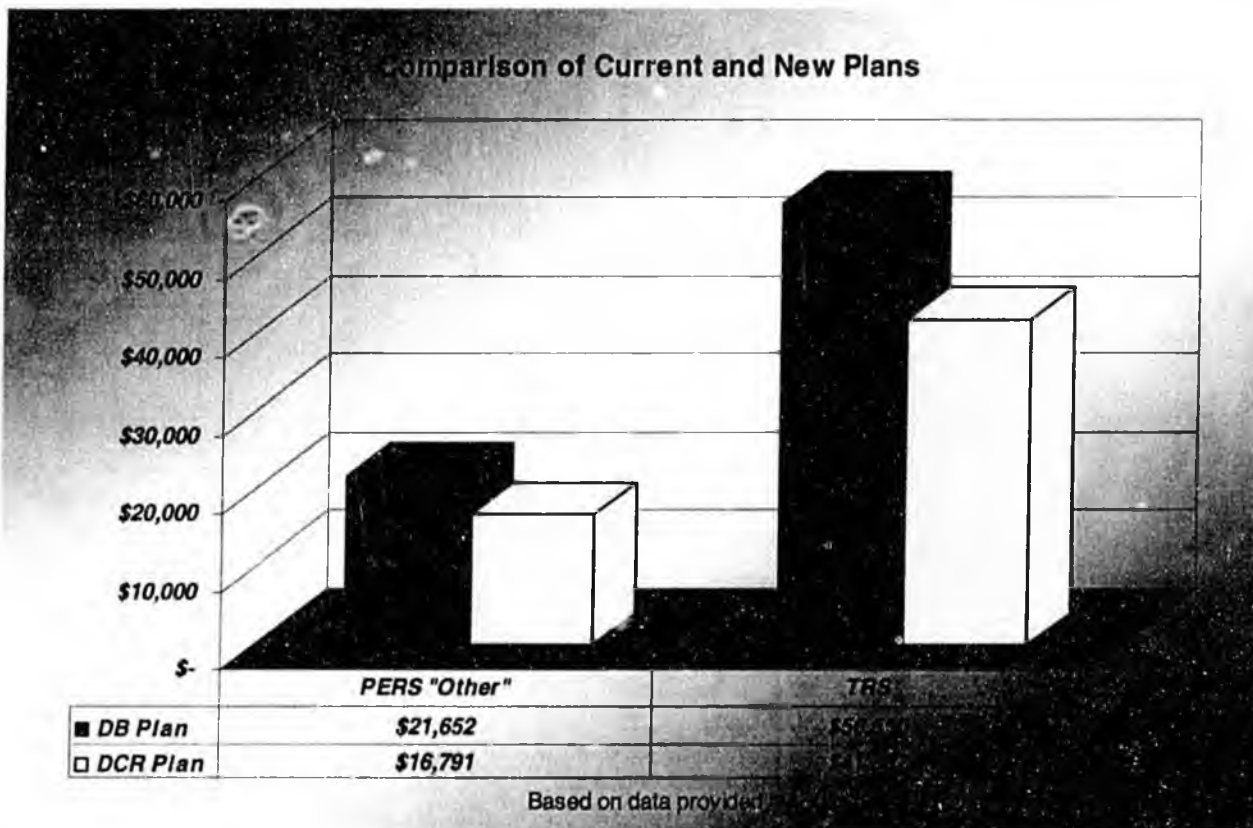
Profile New Hire #2

Hire Date: July 1, 2005
 Demographic: 31 year-old married female
 Annual Salary: \$35,605
 Membership: TRS

Question: How much money does the employer need to have *in the bank on July 1, 2005* to pay for the benefits expected to be earned over the employee's entire career if the employee is

- i. A member of the Defined Benefits Plan?
Answer: \$56,550
- ii. A member of the Defined Contribution Plan?
Answer: \$41,667

Conclusion: A new hire into the TRS Defined Benefits Plan will cost an employer **36% more** than a new hire into the TRS Defined Contribution Retirement Plan.



May 3, 2006

WRITER'S DIRECT NUMBER: (317) 236-2413
DIRECT FAX: (317) 592-4616
INTERNET: BRAITMAN@ICEMILLER.COM

VIA E-MAIL

Melanie A. Millhorn, Director
Traci Carpenter, Project Manager
Alaska Administration Retirement & Benefits
6th Floor State Office Building
P.O. Box 110203
Juneau, AK 99811-0203

Re: CSHB 475

Dear Melanie and Traci:

You have asked us to comment on the timing issues involving an Internal Revenue Service determination letter request. You have specifically asked us to consider the timing involved in considering possible changes to the original bill language (SB 141).

Code Section 401(b) governs the ability of a qualified plan to make retroactive remedial amendments in order to maintain qualified status. The period in which retroactive corrections are allowed is known as the "remedial amendment period." If corrections are made by the end of the remedial amendment period, the amendments are treated as retroactively effective throughout the entire remedial amendment period and the plan is deemed to have satisfied the qualification requirements of Code Section 401(a) during that time.

The remedial amendment period for a new plan, such as PERS Tier 4 and TRS Tier 3, begins on the effective date of the plan. Treas. Regs. § 1.401(b)-1(d)(i). For a governmental plan, Notice 89-8, 1989-1 C.B. 628, sets the end of the remedial amendment period at the last day of the seventh month after the end of the plan year in which the remedial amendment period begins.

We need to note that the Treasury Regulations provide that under some facts and circumstances, it may not be possible to actually amend a plan retroactively. In such a case, the remedial amendment period ends earlier. However, it is difficult to imagine how this circumstance could arise in Alaska's situation, where the legislature has the ability to amend the Plans. Treas. Regs. § 1.401(b)-1(a).

Melanie A. Millhorn
Traci Carpenter
May 3, 2006
Page 2


In conclusion, since the effective date of the new plans is July 1, 2006, the end of the remedial amendment period is January 31, 2008 (the first plan year is July 1, 2006 to June 30, 2007, and the last day of the seventh month after June 30, 2007 is January 31, 2008). Thus, any disqualifying provisions could be amended as late as January 31, 2008. We note that the remedial amendment period could be extended by the Internal Revenue Service determination letter filing, but given the dates involved, we did not think it was necessary to review in this letter the circumstances that would create a possible later date. It can be said, however, that the length of time allowed for correction is generally either the end of the remedial amendment period or 90 days following the issuance of an IRS determination letter, whichever is greater.

Since it is generally desirable to work in conjunction with the Internal Revenue Service on a pending filing, we would expect the actual timeline to be earlier than that, with additional information filed with the IRS shortly and then their questions and reactions occurring later in 2006 and potentially early in 2007.

We hope this is helpful in the deliberations on the timing of implementation of the new Plans.

Very truly yours,

ICE MILLER LLP



Mary Beth Braitman



Lisa Erb Harrison



April 17, 2006

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VIA E-MAIL

Melanie A. Millhorn, Director
Traci Carpenter, Project Manager
Alaska Administration Retirement & Benefits
6th Floor State Office Building
P.O. Box 110203
Juneau, AK 99811-0203

Re: CSHB 475

Dear Melanie and Traci:

You have asked us to prepare for you an overview of the following topics:

1. Mechanics of the plan determination process and filings with Internal Revenue Service ("IRS") when a state implements a new retirement plan;
2. Benefits of passing CSHB 475 from the perspective of compliance with the Internal Revenue Code ("Code") and IRS process; and
3. Consequences of not passing CSHB 475 from the perspective of Code compliance and IRS process.

BACKGROUND

PERS Tier 4 and TRS Tier 3

The new PERS Tier 4 and TRS Tier 3 plans (the "New Plans") are intended to be qualified governmental plans under Code Section 401(a). Code Section 401(a) covers defined benefit plans, defined contribution plans, and plans that contain elements of both. Establishing and maintaining qualified status of the New Plans is critical for the employees who participate in the plans and their beneficiaries. In order to know that the New Plans are qualified, Alaska is seeking IRS "determination letters" for them. This is the procedure that has been followed in the past for the existing PERS and TRS plans and is certainly a "best practice" in the pension world.

Melanie A. Millhorn
Traci Carpenter
April 17, 2006
Page 2

HRAs

SB 141 also established health reimbursement accounts ("HRAs"). The IRS has recently issued guidance on the structure of HRAs. These rules must be followed in order to have non-taxable benefits for employees, spouses, and their dependents. The IRS has been very strict in their interpretation of these new rules. The only mechanism for seeking IRS approval of the HRA structure is a private letter ruling.

IMPORTANCE OF QUALIFIED STATUS – FOR NEW PLANS

It is very important to establish and maintain the New Plans as qualified governmental plans for the following reasons:

1. Employer contributions are not taxable to members as they are made (or even when vested); taxation only occurs when plan distributions are made.
2. Earnings and income are not taxed to the trust or the members (until distribution).
3. Favorable tax treatments may be available to members when they receive plan distributions; for example, the ability to rollover eligible distributions.
4. Employers and members do not pay employment taxes (even if the positions are Social Security covered) when contributions are made or when benefits are paid.
5. Members have protection of their benefits in a bankruptcy situation.
6. Qualified plans have an approved status with respect to international investments and foreign tax recaptures.
7. Qualified plans may use IRS correction mechanisms in the case of operational failures.

State and local governments are generally exempt from taxation, so the benefits of qualified status flow to the members.

MECHANICS OF THE PLAN DETERMINATION PROCESS – FOR NEW PLANS

What is filed with the IRS?

Requests for favorable determination letters have been filed with the IRS for each of the New Plans, but those requests need to be revised. The primary focus of the determination letter is compliance with "form requirements" — those plan provisions that are required as a condition

Melanie A. Millhorn
Traci Carpenter
April 17, 2006
Page 3

of qualification under Code Section 401(a). In the case of the New Plans, the plan document would be SB 141, CSHB 475 (if passed), and administrative rules.

What do states do while the determination letter application is pending?

You have asked whether, in the normal course of events, states that are implementing a new retirement plan proceed with implementation while a determination letter is pending or delay implementation of a plan pending favorable rulings from the IRS. It has been our experience that states take a variety of approaches, depending on the legislation or process that leads to the adoption of the plan. Where a statute does not require delay until a determination letter is issued, it has been our experience that states move ahead with implementation while the determination letter is pending.

What is the timetable for receiving an IRS determination?

The IRS often takes more than one year to issue a final determination letter. During that time period an IRS agent may ask for clarification of provisions and may request amendments of the plan document. If an amendment is requested, the IRS may issue a determination letter contingent on the adoption of the amendment. The amendment would have to be adopted within 90 days of the issuance of the determination letter.

What happens if the IRS decides that New Plans have disqualifying provisions?

Code Section 401(b) governs the ability of a qualified plan to make retroactive remedial amendments in order to maintain qualified status. The period in which retroactive corrections are allowed is known as the "remedial amendment period."

If corrections are made by the end of the remedial amendment period, the amendments are treated as retroactively effective throughout the entire remedial amendment period and the plan is deemed to have satisfied the qualification requirements of Code Section 401(a) during that time.

The remedial amendment period begins for a new plan, such as PERS Tier 4 and TRS Tier 3, on the effective date of the plan. For a governmental plan, Notice 89-8, 1989-1 C.B. 628, sets the end of the remedial amendment period at the last day of the seventh month after the end of the plan year in which the remedial amendment period begins. By filing a request for a determination letter, Alaska has preserved its right to retroactively amend the New Plans back to the effective date.

Based upon this IRS guidance, we believe that Alaska has been proactive in filing its determination letters so promptly and in the proposed update of those letters. The determination

Melanie A. Millhorn
Traci Carpenter
April 17, 2006
Page 4

letter is based upon the "administrative record" that is presented to the IRS, so it is important for Alaska to continue to update the IRS with any changes to the plan document.

BENEFITS OF PASSING CSHB 475

PERS Tier 4 and TRS Tier 3

Passing CSHB 475 would have the following benefits for members in the New Plans:

1. Clarify nature of New Plans to make sure DB-type benefits for those with occupational disability and their survivors are paid from New Plans.
2. Clarify nature of New Plan as to public safety officer retirement benefit options to make sure those benefits are paid from New Plans.
3. Restructure line of duty death benefit so that it would comply with IRC. Failure to adopt will deny tax-favored benefit to survivor.
4. Shorten the IRS review time because the "plan document" for the new tiers would be established in a way that would match up with IRS guidance.

HRAs

Passing CSHB 475 would have the following benefit with respect to the new HRA structure:

Restructure HRA contributions to clarify that contribution is uniformly calculated, thereby strengthening position that all benefits will be non-taxable.

CONSEQUENCES OF NOT PASSING CSHB 475

PERS Tier 4 and TRS Tier 3

Failure to pass CSHB 475 would have the following consequences for members of the New Plans:

1. Failure to adopt CSHB 475 will restrict the ability to offer occupational death and disability benefits for members.
2. Failure to adopt CSHB 475 will restrict the ability to offer optional PERS retirement to police/fire injured in line of duty.

Melanie A. Millhorn
Traci Carpenter
April 17, 2006
Page 5

3. Failure to adopt will complicate IRS filings and prolong review process.

Failure to meet qualification requirements means that both retroactive and prospective corrections are required. Qualification status goes to the plan as a whole. If under state law, an administrative agency is not authorized to disregard or sever a provision that causes a qualification failure, the plan as a whole would be jeopardized.

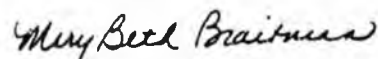
HRAs

Failure to adopt could result in taxable benefits to some groups.

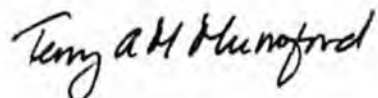
Please let us know if this letter responds to your questions.

Very truly yours,

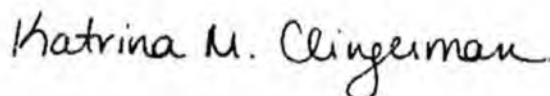
ICE MILLER LLP



Mary Beth Braitman



Terry A.M. Mumford



Katrina M. Clingerman

cc: Virginia Ragle

HB

489

MEMORANDUM

State of Alaska
ALASKA PUBLIC OFFICES COMMISSION
DEPARTMENT OF ADMINISTRATION

TO: Sue Wright

DATE: March 7, 2006

FROM: Tammy Kempton

TEL. NO: 465-4865

SUBJECT: Gifts from Lobbyists

Thank you for asking for my opinion on the issue of lobbyists giving donations of money or items to auctions and other events, the proceeds of which are donated to 501(c)(3) charities.

Joyce Anderson, staff of the Legislative Ethics Committee, has already shared with you the Committee's Advisory Opinion 94-06, solicitation for donations on behalf of charitable organizations. In that opinion, the Committee found that solicitations on behalf of charities are not solicitation of gifts. The Committee stated:

Therefore, technically, you may solicit a charitable contribution from a lobbyist during a legislative session. The committee notes that the potential for the appearance of impropriety is high when legislators and legislative employees request favors of lobbyists, even on behalf of worthwhile organizations. The committee therefore urges you to use caution in making a decision about whether to approach a lobbyist, especially during a legislative session.

The Ethics Committee opinion was based on AS 24.60, which regulates the conduct of legislators and legislative employees. However, the conduct of lobbyists is regulated by AS 24.45. The two chapters are not completely in sync. AS 24.60.080(g) allows legislators and legislative staff to solicit, accept, or receive a gift on behalf of a recognized, nonpolitical charitable organization. **There is no corresponding allowance in the lobbying statutes.** AS 24.45.121(a)(9) prohibits a lobbyist from offering, soliciting, initiating, facilitating or providing gifts to or on behalf of a legislator or legislative employee during the legislative session. The exceptions to the prohibition are food and beverage for immediate consumption and tickets to a charity event. There are no exemptions in the lobbying law, either under the prohibition section or the definition of gifts, that allow a lobbyist to give the types of donations requested for the Fahrenkamp

Classic in the February 1, 2006 letter from Senator Wilken and Representative Chenault.

Additionally, a lobbyist is not allowed to "solicit" or "facilitate" gifts. This means that a lobbyist cannot solicit his or her employer or client to provide gifts / donations such as those requested for the Classic and, should the employer or client decide to provide donations / gifts, the lobbyist cannot deliver them. Such delivery would be facilitating.

There are no prohibitions in the lobbying law that would prevent an employer or client of a lobbyist from providing any or all of the types of donations requested in the Fahrenkamp Classic letter. If an employer or client of a lobbyist wishes to donate money or items to the Fahrenkamp Classic, a lobbyist is prohibited from delivering the donation, but an employee not registered as a lobbyist could do so.

Some of the confusion on this issue has arisen because of the 2003 amendment to AS 24.45.121(a)(9). That amendment allows a lobbyist to give "tickets to a charity event described in AS 24.60.080(c)(10)." The amendment does not allow for the giving of other items, such as those requested for the Classic.

Finally, because of the disparity in the two laws, a legislator or legislative employee can ask a lobbyist for donations to a charity, but a lobbyist is not allowed to give such donations. This dichotomy puts a lobbyist in the position of having to refuse to donate to a charity when the opportunity to donate is structured like the Fahrenkamp Classic.

c: Brooke Miles, Executive Director, APOC
Mike Tibbles, Deputy Commissioner, DOA

Alaska State Legislature

**Select Committee on
Legislative Ethics**

716 W. 4th, Suite 230
Anchorage, AK
(907) 258-8172
FAX: 258-2106

Mailing Address:
P.O. Box 101468
Anchorage, AK
99510

March 8, 1994

Advisory Opinion 94-06

RE: Sale of various items and solicitation for donations on behalf of charitable organizations.

You are a legislative employee covered by the legislative ethics code. You have requested an advisory opinion on whether you may engage in various fundraising activities on behalf of charitable organizations.

Statement of Facts

The facts and circumstances that you have related, and on which the committee relies in answering your questions, are as follows:

You volunteer for a variety of nonpolitical, nonprofit organizations, one of which has asked you to assist in its fundraising efforts. You ask whether the legislative ethics code prohibits any of the following activities:

1. Selling raffle tickets on behalf of the organization.
2. Selling tickets to a fundraising event, when a portion of the ticket price would go towards covering costs and a portion to support the organization.
3. Selling items for more than the wholesale cost, with profits from the sale going to the organization.
4. Soliciting a contribution or pledge to contribute to the organization.

You also ask whether, during a legislative session, you may ask lobbyists to contribute by each of the ways listed above.

The committee assumes, in answering your questions, that you propose to engage in your fund raising activities outside of working hours and that you do not intend to use public facilities in this activity.

Discussion

1. **Sale of raffle tickets, tickets to an event, and various items.**

The ethics code does not forbid legislators and legislative employees from engaging in commercial activities, including the sale of items of varying sorts.¹ Accordingly, you may generally act as a seller or sales clerk. However, you are not proposing to find outside employment. The sales you are considering will not result in a financial benefit for you but, you hope, for the charitable organization sponsoring the effort. Another aspect that may distinguish the sales you are considering engaging in from other commercial activity is that the price may be higher than a commercial seller would be able to ask: the buyer may be willing to pay an extra amount to support the charitable activities of the organization sponsoring the sale.

While the ethics code permits you to engage in selling raffle tickets, tickets to events, and other items as a fundraising effort for a charitable organization, there are some restrictions that apply to your activities. To begin with, you have stated that none of the organizations for which you propose to raise money could be considered a political party or other partisan political organization. The committee is also assuming that the organizations for which you will be raising money are bona fide charitable organizations and that you will not receive any compensation for your activities. Therefore, this opinion does not address issues that arise concerning political fundraising or outside employment.

Under AS 24.60.030(a)(2), legislators and legislative employees may not, while engaged in fundraising efforts for a charitable organization,

use public funds, facilities, equipment, services, or another government asset or resource for a nongovernmental purpose or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and the cost or value related to the use is nominal;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nongovernmental purposes; or

(C) telephone use that does not carry a special charge;

Under AS 24.60.030(e), a legislator is prohibited from stating or implying that the legislator will take or withhold legislative, administrative or political action or perform a constituent service because of a person's decision to make a donation or to refrain from

¹ In earlier advisory opinions the committee has frequently recognized that Alaska has a citizen legislature and that legislators and at least some legislative staff will have to have employment in addition to their legislative commitment in order to survive economically. In AS 24.60.085, the code addresses the outside employment of legislators and legislative employees by forbidding them from seeking or accepting compensation for personal services that involves payments that are not commensurate with the services rendered.

making a donation.² While this subsection does not directly apply to you, the committee believes that the same result is reached under AS 24.60.030(a)(2), which is cited above. Under paragraph (a)(2), you are prohibited from using your legislative office (which the committee considers to be a government asset or resource) for the purpose of influencing a person's decision about making a charitable contribution (which the committee believes would be using your office for a nongovernmental purpose, as well as for a private benefit, for the charitable organization).

The sale probably will not create a close economic association between you and the purchaser, reportable under AS 24.60.070. Subsection (c) of that section defines a close economic association as "a financial relationship that exists between a person covered by this chapter and some other person or entity." The committee expects that the financial relationship will be between the charitable organization and the purchaser, not between you and the purchaser. However, even if you had a financial relationship with a purchaser, you are required to report close economic associations only if the association involves "a substantial financial matter" and only if you form it with a supervisor, a legislator, a public official required to form a financial disclosure statement, or a lobbyist. AS 24.60.070(a). It seems unlikely that typical fund raising sales for charitable organizations would meet the "substantial financial matter" requirement.

2. Solicitation of gifts for a charitable organization.

To the extent that the raffle tickets, event tickets, and items for sale are priced substantially above their commercial value, your efforts to sell them raise the question of whether they could be considered to result in a gift to the charitable organization. You also ask whether you may directly solicit donations of money or other items on behalf of a charitable organization.

² AS 24.60.030(e) states

(e) A legislator may not directly, or by authorizing another to act on the legislator's behalf,

(1) agree to, threaten to, or state or imply that the legislator will take or withhold a legislative, administrative, or political action, including support or opposition to a bill, employment, nominations, and appointments, as a result of a person's decision to provide or not provide a political contribution, donate or not donate to a cause favored by the legislator, or provide or not provide a thing of value;

(2) state or imply that the legislator will perform or refrain from performing a lawful constituent service as a result of a person's decision to provide or not provide a political contribution, donate or not donate to a cause favored by the legislator, or provide or not provide a thing of value; or

(3) unless required by the Uniform Rules of the Alaska State Legislature, take or withhold official action or exert official influence that could substantially benefit or harm the financial interest of another person with whom the legislator is negotiating for employment.

(Emphasis added.)

The legislative ethics code addresses gifts in AS 24.60.080. The basic prohibition is set out in subsection (a), which states:

(a) A legislator or legislative employee may not solicit, accept, or receive, directly or indirectly, a gift worth \$100 or more, whether in the form of money, services, a loan, travel, entertainment, hospitality, promise, or other form, or gifts from the same person worth less than \$100 that in a calendar year aggregate to \$100 or more in value, and may not solicit, accept, or receive during a legislative session a gift with any monetary value from a lobbyist or a person acting on behalf of a lobbyist.

(Emphasis added.) This subsection prohibits a legislator or legislative employee from soliciting a gift worth \$100 or more at any time and from soliciting a gift in any amount from a lobbyist during a legislative session. To answer the question you raise, the committee must determine whether fundraising activities on behalf of a charitable organization constitute prohibited solicitation of a gift on behalf of the organization. The prohibition against solicitation cited above does not depend, on its face, on the identity of the person whom the gift is expected to benefit. The section does not limit its prohibition to solicitations of gifts that will benefit the legislator or legislative employee. However, the committee holds that the identity of the recipient of a gift does make a difference in whether the solicitation is prohibited.

In other sections of the code the ethics code treats contributions to charitable organizations as meriting separate treatment. The definition of "benefit" or "thing of value" as AS 24.60.990(a)(2) specifically excludes "contributions to a cause or organization, including a charity, made in response to a direct solicitation from a legislator or a person acting at the legislator's direction."³ This definition does not apply to the prohibition against soliciting, accepting, or receiving gifts under AS 24.60.080(a) and therefore the committee cannot rely directly on it in answering your question. However, the committee believes that the ethics code should be interpreted to permit legislators and legislative employees to participate in the communities in which they live. Accordingly, the committee finds that contributions to charitable organizations should be excepted from the prohibition against solicitation of gifts, at least where the organization on whose behalf the solicitation is made is a recognized charitable organization. To satisfy that requirement, the organization's status as exempt from taxation under 26 U.S.C. 501(c)(3) is relevant as is its history in the community. You have not provided specific information about the organizations on whose behalf you are considering acting and therefore the committee cannot specifically address whether they would satisfy this

³ This definition applies to the use of public funds (AS 24.60.030(a)(2)), solicitation or receipt of compensation in addition to official compensation (AS 24.60.030(a)(1)), requiring a legislative employee to perform personal services (AS 24.60.030(a)(4), retaliation for making a decision to contribute or not to contribute (AS 24.60.030(e) cited above), and restrictions on earned income (AS 24.60.085).

standard. If you have additional questions in this regard you may, of course, request additional advice from the committee.

3. Solicitation of sales to and contributions from lobbyists.

If your fundraising activities result only in a commercial transaction, the ethics code does not prohibit you from soliciting lobbyists. As noted above, if you, in place of or in addition to the organization, enter into a close economic association with a lobbyist, you will have an obligation to disclose the association if it involves a substantial financial matter. If your activities result in the solicitation of a gift, AS 24.60.080(a) prohibits you from soliciting, accepting, or receiving a gift with any monetary value from a lobbyist during the legislative session. However, the committee has determined that solicitations on behalf of charitable organizations should not be considered solicitation of gifts under that statute. Therefore, technically, you may solicit a charitable contribution from a lobbyist during a legislative session. The committee notes that the potential for the appearance of impropriety is high when legislators and legislative employees request favors of lobbyists, even on behalf of worthwhile organizations. The committee therefore urges you to use caution in making a decision about whether to approach a lobbyist, especially during a legislative session.

Conclusion

For the reasons stated above, the committee finds that you may engage in fundraising activities on behalf of nonpolitical charitable organizations, including selling raffle tickets, tickets to events, and various items and requesting donations on behalf of the organizations. The committee urges you to use caution in deciding whether to approach lobbyists in your fund raising efforts.

Adopted by the Select Committee on Legislative Ethics on March 8, 1994. Members present and concurring in this opinion were:

Joseph P. Donahue, Chair
Ed Granger, Vice-Chair
Margie MacNeille
Representative Brian Porter
Shirley A. McCoy
Senator Jay Kerttula
Edith Vorderstrasse

Members absent were:

Representative Jerry Mackie
Senator Drue Pearce

TC:gc
94-192.glc

HCR

4

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCR004-DHSS-DBH-04-18-06

() Publish Date: _____
Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): _____
Title: ESTABLISHMENT OF A METHAMPHETAMINE WATCH PROGRAM

RDU: Behavioral Health
Component: CAPI Grants

Sponsor: RAMRAS
Requester: HOUSE (JUD)

Component No.: 2596

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The DHSS, Division of Behavioral Health believes the intent of this resolution can be reached within the existing funding base we currently have for prevention and early intervention services. As we work with communities as they identify and establish appropriate programming for their community, a Meth Watch Program would be a viable programming choice. If federal funds become available to help support addition prevention efforts related to Methamphetamine use, abuse and dependency, we will consider applying for such funding, as it fits into our existing programming efforts.

Prepared by: L. Diane Casto
Division: Behavioral Health
Approved by: Karleen Jackson, Commissioner
Agency: Department of Health and Social Services

Phone: 907/465-1188
Date/Time: 04/18/2006
Date: 04/18/2006

Representative Jay Ramras
Co-Chair, House Resources
Co-Chair, Economic Develop.
Tourism & Trade

House State Affairs
119 N. Cushman St. Suite 207
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature



While in Session
State Capitol, Room 104
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: 465-2070
Toll Free: (877) 465-3004

House District 10

House of Representatives

Sponsor Statement

House Concurrent Resolution No. 4 **Version 24-LS0693\F**

Throughout the past decade there have been a number of public awareness programs, which have educated communities about the dangers of alcohol and drugs. Meth Watch is a voluntary program started in Kansas as a public/private partnership in 2001. Meth Watch educates communities about the perils of methamphetamine. Today, twelve states have implemented a Meth Watch program. Although a relatively new campaign, since its implementation, states have reported reductions in the number of methamphetamine laboratories, and have seen a unification of grant programs that fund the education of communities; particularly parents, teachers, and others that work with youth.

The Meth Watch program engages retailers, law enforcement officials, schools, state and local agencies, and other key partners in reducing the diversion of precursor products for the manufacturing of methamphetamine, and increasing awareness about methamphetamine's dangers. The program is also instrumental in educating students and teachers in our schools and communities.

House Concurrent Resolution No. 4 urges that the Meth Watch program be implemented in the State of Alaska, by applying for available grants, and encouraging and assisting communities to apply for funding from both government and private sources.

Representative Jay Ramras
Co-Chair, House Resources
V-Chair, Economic Develop.
Tourism & Trade

House State Affairs
119 N. Cushman St. Suite 207
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature



While in Session
State Capitol, Room 104
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: 465-2070
Toll Free: (877) 465-3004

House District 10

House of Representatives

MEMO

To: Senator Gene Therriault, Chair Senate State Affairs Committee

From: Jay Ramras

Date: May 2, 2006

Re: House Concurrent Resolution No. 4(JUD)

Please accept this memo as a request for the Senate State Affairs Committee to schedule a hearing on HCR 4(JUD), as soon as possible before the committee.

Attachments to this memo:

- Sponsor Statement
- CS HCR 4(JUD) (24-LS0693MF)
- HCR 4 (24-LS0693VA)
- HESS 0 Fiscal Note
- House Floor Report
- House Judiciary Report
- House State Affairs Report
- April 6, 2005 – NCAAD letter, April 26, 2006 – Tri-Borough Commission letter, and May 2, 2006 – Jim Whitaker, Mayor Fairbanks North Star Borough letter.
- Meth Watch Program information

The information contained in this memo is **CONFIDENTIAL** and/or privileged. This memo is intended to be reviewed only the individual named above. If the reader of this page is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination, or copying of this memo or the information contained herein is prohibited. If you have received this memo in error, please immediately notify the sender by telephone and return this memo to the sender at the above address.

Thank you

Representative_Jay_Ramras@legis.state.ak.us

**CITY OF FAIRBANKS***Steve M. Thompson, Mayor*800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4615

OFFICE: 907-459-6793

FAX: 907-459-6787

smthompson@ci.fairbanks.ak.us

May 2, 2006

Representative Jay Ramras
Alaska State Legislature
Capitol Building Room
Juneau, Alaska 99801-1182**Re: House Concurrent Resolution 4: "Meth Watch"**

Dear Jay:

I applaud your prime sponsorship of this resolution; methamphetamine is a horrible scourge to our state and our local community. Not only are there horrible effects on those who use the drug, but the misery extends to innocent children who are exposed to the chemicals.

As the Resolution notes, enforcement is difficult because of the mobility of the "labs." Our police have made arrests in hotel rooms and small residences. In many cases, the users are too incapacitated to care for their children. These operations endanger neighbors and the emergency service responders, including police officers, fire fighters and paramedics.

I was informed that just last weekend a member of my staff's family was out for a weekend bike ride along the slough with his two sons and stumbled upon containers and a five gallon drum. After reporting the suspicious find to AST, the containers and drum contained meth and all of the components needed in its making. This is a small, nice neighborhood filled with small children and young teenagers. It just goes to show the continuing problem that the state faces and the education that is needed on a local level.

The City Fairbanks looks forward to participating in any efforts to identify and eliminate meth labs, and will continue aggressive prosecution of those who are involved, including use of civil forfeiture laws.

Thank you for your efforts to keep this issue in front of the public.

Sincerely,

A handwritten signature in cursive script that reads "Steve M. Thompson".
Steve M. Thompson,
MayorCC: City Council Members
Interior Delegation



National Council on Alcoholism and Drug Dependence
Juneau Affiliate
211 4th Street, Suite #102
Juneau, AK 99801

Phone: (907) 463-3755
Fax: (907) 463-2539
<http://www.ncadd-j.org>
National Intervention Network (800) 654-HOPE

April 6, 2005

Representative Jay Ramras
State Capitol
Juneau, Alaska 99801-1182

RE: HCR 4

Dear Representative Ramras:

NCADD is grateful for your sponsorship of House Concurrent Resolution No.4 which encourages the establishment of a methamphetamine watch program.

One of our most profound responsibilities as parents, as public officials, and as citizens is helping to keep our youth safe from illegal drugs. Unfortunately, communities across Alaska have become home to methamphetamine manufacturers and dealers who prey on our young people.

Alaska's methamphetamine problem is especially worrisome because it is easy to make, easy to buy, and extremely addictive. Only through sustained and vigorous efforts on the part of all Alaskans, including community leaders, are we going to be able to eliminate the threat posed by these drugs.

Your work to bring awareness to this growing nightmare demonstrates your commitment to fighting the methamphetamine problem in Alaska.

Respectfully,

Matt Felix

Executive Director





Matanuska-Susitna Borough
350 E. Dahlia Avenue
Palmer, AK 99645
(907)745-4801



Municipality of Anchorage
632 W. 6th Avenue
Anchorage, AK 99501
(907)343-7100



Kenai Peninsula Borough
144 N. Binkley
Soldotna, AK 99669
(907)714-2335

Tri-Borough Commission

April 26, 2006

The Honorable Jay Ramras
Alaska State House
State Capitol, Room 104
Juneau, AK 99801-1182

Dear Representative Ramras:

We write to seek your support to combat a tragic and growing epidemic across our state – the abuse of methamphetamine. Meth is an extremely addictive drug which can lead to severe physical and mental problems - and even death. Meth-related arrests in Alaska are up 640 percent over the past six years and have nearly doubled in the past 24 months.

Meth abuse is becoming rampant in the communities we represent and is growing across Alaska. Even remote rural villages are starting to experience the public health and public safety problems from meth abuse. The federal Drug Enforcement Administration reported in 2004 the “availability of meth is increasing, both from local labs and from meth transported into the state. Alaska is experiencing an increase in the availability of crystal methamphetamine.”

Because meth abuse is especially widespread in communities in the Mat-Su Valley, Mat-Su Borough Mayor Tim Anderson is spearheading an education effort to warn Alaskans of the deadly consequences of meth. Mayor Anderson has secured financial pledges totaling approximately \$200,000 from Alaska’s largest communities – Anchorage, the Kenai Peninsula Borough and the Fairbanks North Star Borough, and is contacting Juneau, the North Slope Borough and other communities to assist with this effort.

Last week, U.S. Senator Lisa Murkowski visited with the three Tri-Borough Commission mayors. She pledged her support to this campaign and vowed to attempt to secure federal funding for assist with this campaign to combat the growing meth problem. Other states obtained federal grants to combat the growing meth problem, so we will request the senator include Alaska in the funding recently authorized by Congress to deal with meth.

We envision a public information campaign with brochures, broadcast public service announcements and materials for public schools designed to warn Alaskans of the dangers of meth abuse. There currently is no such wide-spread campaign underway in Alaska.

Mayor Anderson was in Juneau earlier this month to meet with legislators about this effort and told them he would request State support for the campaign in the current legislative session. We appreciate that time in short, but we ask that you do everything possible to match in State dollars the \$200,000 in municipal funds Mayor Anderson has been able to secure. We also are seeking contributions from private retailers such as Wal-Mart, Carrs-Safeway, Fred Meyers and others who sell products containing pseudodphedrine and ephedrine for legitimate medical purposes.

Thank you in advance for your assistance. We must join together to fight this new blight on Alaskans.

Sincerely,



Tim Anderson
Mayor



Mark Begich
Mayor



John Williams
Mayor



Fairbanks North Star Borough

Office of the Mayor

8101 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

May 2, 2006

Via Facsimile 907-465-3004

The Honorable Jay Ramras
Alaska State House
State Capitol, Room 104
Juneau, AK 99801-1182

Dear Representative Ramras:

I am writing today to express my support for the efforts of Mat-Su Borough Mayor Tim Anderson regarding initiation of a concerted statewide education effort to alert our citizens of the dangers of methamphetamine use.

The Federal Drug Enforcement Administration reports that availability and abuse of this extremely addictive drug is steadily increasing in our state. One needs only to read the newspaper to notice the increased reports of the toll this is taking on the safety of our neighborhoods, the reputations of our communities, and the unrealized potential of our youth who fall prey to this destructive and invasive new menace.

Along with U.S. Senator Lisa Murkowski and others, I support efforts to obtain funding at the federal, state, and municipal levels, along with private funding to promote the dangers of this new threat to our quality of life in Alaska.

Sincerely,

Jim Whitaker, Mayor



Looking out for our communities

[Background on Methamphetamine](#)

[The Meth Watch Program](#)

[How Meth Watch Works](#)

[Meth Watch Materials](#)

[Meth Watch in Your State](#)

[Other Elements to Meth Awareness](#)

SEARCH:



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Communities all across America are suffering from the plague of methamphetamine production and usage. And these communities – many of which are rural and suburban – are looking for effective and innovative ways to fight back against this illegal menace. Meth Watch is the first national effort aimed at curbing the spread of methamphetamines, and will provide a critical step in reducing the availability of meth in communities nationwide.

Started in Kansas as a public-private partnership between law enforcement, state officials, and the retail community, Meth Watch is designed to help curtail the suspicious sale and theft of common household products used in the illicit manufacturing of methamphetamine.

Meth Watch is a voluntary program that involves a variety of people at the community and state level, although retail involvement is the cornerstone of this program. This web site provides states interested in learning more about the Meth Watch program with the resources needed to implement and maintain a Meth Watch program.

"Whenever we can partner with our citizens and businesses to improve public safety, we are much more successful. Only with an all-out, comprehensive effort can we hope to stop the insidious creep of methamphetamine into our communities."

*—"A New Ally in the War on Meth,"
written by Sheriff Mark Sterk,
Spokane County, Washington, Sheriff,
November- December 2004*

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The Meth Watch Program

What is Meth Watch?

Communities across America plagued by methamphetamine usage and production are looking for effective and innovative ways to combat this growing problem.

Meth Watch is a program sponsored by the Consumer Healthcare Products Association (CHPA) and is designed to help curtail the theft and suspicious sales of pseudoephedrine products, as well as other common household products used in the illicit manufacturing of methamphetamine in small, toxic labs. A key goal of this program is to promote cooperation between retailers and law enforcement to prevent the diversion of legitimate products for illegal use.

Meth Watch was started in Kansas as a public-private partnership between the Kansas Department of Health and Environment, the Kansas Bureau of Investigation, the Kansas Methamphetamine Prevention Project (part of the non-profit statewide drug prevention system), and Kansas retailers. As news spread of its success, several states began to adopt the Kansas model. Many more expressed interest, but were deterred by the lack of resources and know-how.

That's where the national Meth Watch program comes in. CHPA provides a one-stop shop to help interested states implement Meth Watch in their communities through the Meth Watch resource center at www.methwatch.com. Through Meth Watch, retailers and law enforcement will help increase awareness about the diversion of legal products to the illegal manufacture of methamphetamine and will assist local communities in addressing the meth problem.

The Kansas Story

The Kansas Meth Prevention Project (KMPP) began as a public-private partnership formed in October 2001 to develop a statewide infrastructure to fight the methamphetamine problem in Kansas communities. The program received funding through the Substance Abuse and Mental Health Services Administration (SAMHSA) in 2002. CHPA and its member companies are providing funding for its efforts in 2004. The goals of the project include reducing the supply of methamphetamine by monitoring the availability of products used in the manufacture of methamphetamine and reducing the demand for methamphetamine by providing opportunities for youth education and community awareness about the dangers of the drug.

A statewide network of agencies partnered to make the KMPP successful. The agencies are: Kansas Department of Health and Environment (KDHE), Kansas Bureau of Investigation, Prevention and Recovery Services in Topeka, Kansas Social and Rehabilitation Services, Kansas Regional Prevention Centers, Kansas State University Research and Extension, and the Kansas National Guard, to name a few.

The KMPP conducts "train the trainer" sessions throughout the state to increase awareness of Meth Watch and other prevention strategies. Kansas learned early on that local participation is the key to the successful implementation of Meth Watch and achieved widespread community involvement through an ongoing mini-grant process. The KDHE distributes Meth Watch materials to retailers and other interested parties statewide on a regular basis and nationwide as requested. For further information, contact T.J. Ciaffone, KDHE Bureau of Environmental Remediation Response Unit chief, or [Cristi Cain](#), KMPP project coordinator.

Other Meth Watch Programs

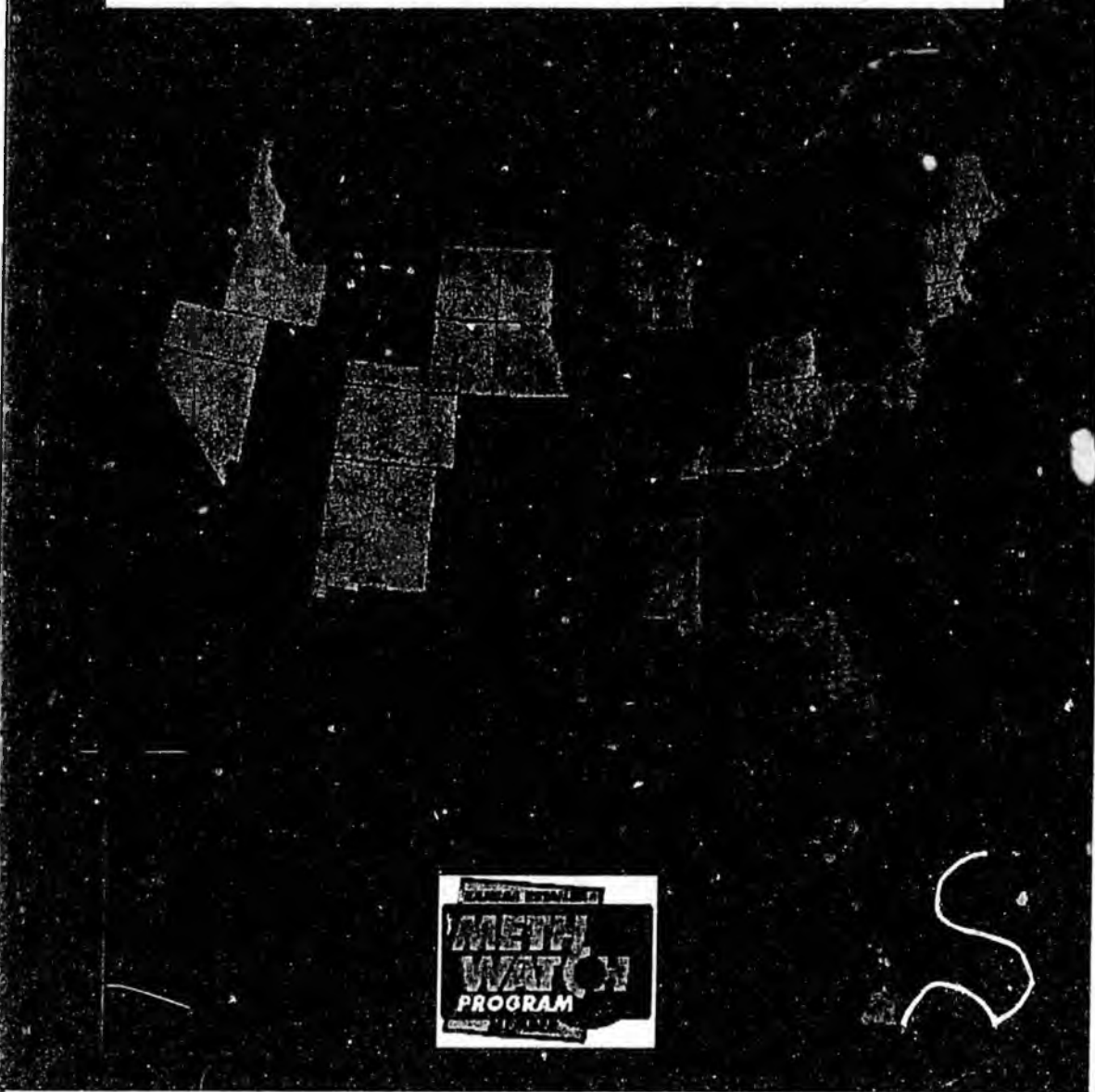
CHPA has made funds available to help support state and local Meth Watch programs. In addition to the Kansas program, a number of additional states have taken the Kansas model and implemented their own Meth Watch programs, including the following.

Georgia
Iowa
Michigan

Minnesota
Montana
North Dakota
Oregon
Tennessee
Texas
Virginia
Washington

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Meth Watch Program in United States



Source: ESRI Data & Maps CD
 Published by
 Kansas Department of Health and Environment
 Bureau of Environment Remediation - MethWatch
 Information Systems - Geographic Data Services



Participation

Meth Watch program training or interest

Disclaimer: This map product is for informational purposes only and is not to be used for legal purposes. It is not a warranty, representation, or endorsement of any product or service. The Kansas Department of Health and Environment is not responsible for any errors or omissions in this product. The production of this product is not intended to constitute an offer of insurance or any other financial product.

[Back to KDHE News Release Index](#)



SUSPICIOUS TRANSACTION REPORT

Methamphetamine manufacturers can produce large quantities of methamphetamine by using legal, over-the-counter products located in your stores. Please fill out the following information, if you suspect someone involved in the illegal production of methamphetamine, and contact the Kansas Bureau of Investigation at 1-800-KS-CRIME and provide to the KBI the information that you have noted.

Business Name, Store Number and Store Location: _____

Employee Name, Date and Time of Contact: _____

Security Photo/Photo Available Yes or No

SUSPECT INFORMATION: Height _____ Weight _____ Age _____ Race _____ Sex _____ Build _____

Hair Color _____ Hair Length _____ Facial Hair _____

Other Information _____

FINANCIAL INFORMATION: Cash Payment _____ Receipt _____

Check Payment _____ Name _____ Address _____

Credit Payment _____ Name _____ Card Name/Number _____

VEHICLE INFORMATION: Make _____ Model _____ Color _____ Vehicle Plate# _____ State _____

Other Information _____

CHEMICAL PURCHASED: Pseudoephedrine _____ Heet _____ Lithium Batteries _____

Starting Fluid/Ether _____ Camping Fuel _____ Iodine _____ Matches _____ Acetone _____ Alcohol _____

Acid _____ Fuel Additives _____ Drain Cleaners _____ Coffee Filters _____

Other Information: _____

KBI Headquarters
1620 SW Tyler
Topeka, Kansas 66612
785-296-8200 Fax 785-296-6781

KBI Regional Office
PO Box 3423
Wichita, Kansas 67201
316-337-6100 Fax 316-337-6099

KBI Regional Office
7700 West 63rd Suite 212
Overland Park, Kansas 66202
913-671-2040 Fax 316-671-2042

KBI Regional Office
625 Washington
Great Bend, Kansas 67530
316-792-4353 Fax 316-792-1850

Community Awareness

Public awareness is a key strategy in the fight against meth production and use. Law enforcement agencies across the country recognize the direct link between education of citizens and the capture of meth manufacturers.

Successful prevention programs start early, are comprehensive, and repeatedly stress key points. Effective prevention begins with an assessment of the specific nature of the meth problem within your local community and then adapting the program accordingly.

General prevention principles are outlined in the National Institute on Drug Abuse's research based booklet entitled, *Preventing Drug Use among Children and Adolescents*.

All public awareness initiatives should always be tailored to the target audience. For example, specific presentations have been created for home visitors such as child protective workers, utility workers, and cable operators as well as presentations customized for the community's first responders.

Some public awareness efforts implemented in Kansas and other states include:

- Mock meth labs created and utilized for presentation
- Educational information distributed at schools
- Facts about meth shown at movie theaters
- Meth Watch signs posted at city limits
- Neighborhood watch meeting to educate the community about meth
- Production of public service announcements
- Display boards for community events

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Other Elements to Meth Awareness

[Community awareness](#)

[Drug endangered
children](#)

[Rural crime prevention](#)

[Preventive strategies
for schools to use](#)

Meth Watch Materials

More Information

Meth Watch "members" can download these Meth Watch materials by [clicking here](#).

To find out how to become a member of the Meth Watch team, contact CHPA's [Elizabeth Assey](#).



Looking out for our communities



Brochure



Consumer Information Sheets



Shelf Tags



Door Decals

Register Decals



[back to top](#)



Spokane County



Meth Watch Program

WHAT IS METH WATCH?

The Spokane County Meth Action Team and the Greater Spokane Substance Abuse Council (GSSAC) felt an urgent need to help curtail drug lab activity by making the theft or purchase of precursor ingredients more difficult. The Washington Meth Watch Program was modeled after a program designed by the Kansas Department of Health, Kansas Bureau of Investigation, and a team of Kansas retailers; they have generously shared their program with us.

If you have noticed the increase in theft or large quantity purchases of precursor products, your store is likely, and involuntarily, contributing to the deadly meth problem in Washington. Participation in Meth Watch aims to decrease theft and the likelihood of meth "cookers" viewing your store as a supplier in drug production. Since inception, it has grown from a core group of retailers using signage, educating employees, and reporting suspicious activity, to a broad membership of businesses linked together to prevent theft, fraud, and abuse in our community.

We encourage any business that sells precursors or experiences drug related theft, fraud, or abuse to become a member. Thank you to the businesses that have led this effort in Spokane County and been a model for Washington State.

Spokane County Initial Members:

Safeway, Yoke's Foods, Albertsons, Rosauers, Securitas Security Services, Inc., Tidymans, and Rite Aid.

LEAD AGENCIES:

- Spokane County Meth Action Team
- Spokane County Sheriff's Office
- Spokane Police Department

SUPPORTING AGENCIES:

- Spokane County SCOPE
- Spokane City COPS
- The Better Business Bureau of Eastern Washington, Northern Idaho, and Montana
- Comet Press

COORDINATED BY:

Greater Spokane Substance Abuse Council (GSSAC)
(509)922-8383
8104 E Sprague Ave
Spokane, WA 99212
Gssacpreventioncenter.com

INITIALLY FUNDED BY:

- Washington State Patrol
- Northwest High Intensity Drug Trafficking Area (HIDTA)
- WA State Meth Initiative

Meth prevention takes TEAMWORK!

WHAT ARE "PRECURSORS"?

Meth is made using readily available products obtained from retail, convenience, grocery, granges, automotive, and veterinary supply stores. Over-the-counter cold and allergy medications often contain ephedrine or pseudoephedrine, the most critical ingredient in the production of methamphetamine. The manufacturing process also uses ingredients such as lithium batteries, acetone, starter fluid, drain cleaner, rock or table salt, lye, matchbooks, rubbing alcohol, muriatic acid, and gasoline additives. As you can see, these items are available in many stores and most are probably found in your house or garage.

Anhydrous ammonia is another precursor commonly used in the meth process. It is usually stolen from tanks located on farms and ag dealer distribution facilities. Anhydrous ammonia is an extremely dangerous chemical, venting to a gas at -28° F. Thieves will commonly damage the valves or hose on the tanks, which can cause a life-threatening situation. If an unsuspecting employee or grower is unaware of the damage to the hose and opens the valve, escaping anhydrous could cause chemical and temperature burns and even result in fatal injury.

The availability of the products needed for producing meth contributes to the growing meth problem in our state. Because meth users become their own drug suppliers by becoming meth "cooks", the dangers associated with the labs themselves increase the urgency of a retailer assistance program.

WHAT ARE THE METH PRECURSORS & EQUIPMENT?

- Ephedrine or Pseudoephedrine (cold or allergy tablets)
- Matches
- Road Flares
- Starter Fluid/Ether
- Isopropyl or Rubbing Alcohol
- Rock or Table Salt
- Sodium Hydroxide/Lye
- Camping Fuel
- Sulfuric Acid (Drain cleaner)
- Acetone
- Gas Additives (Heet)
- Paint Thinner
- Iodine
- Toluene (Brake cleaner)
- MSM (Cutting agent)
- Muriatic Acid
- Anhydrous Ammonia
- Lithium Batteries
- Coffee Filters
- Aluminum Foil
- Assorted Glassware
- Propane Tanks
- Coolers
- Dry Ice



WHAT'S IN IT FOR MEMBERS?

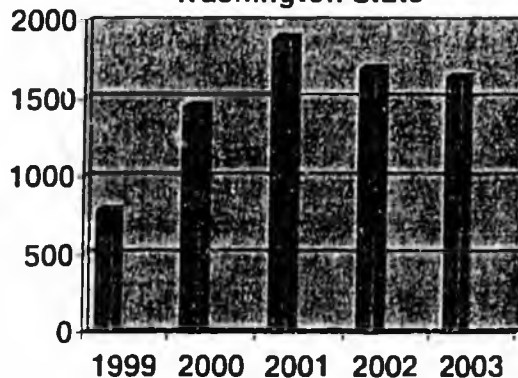
The most common question asked by a business considering signing up for the Washington Meth Watch Program is "How will my business benefit from participating in the Meth Watch Program?" The benefits to your store include a combination of social, economic, and safety factors such as:

SOCIAL: Most citizens of Washington are very concerned about the availability of drugs in their neighborhoods. Helping law enforcement fight the war on drugs provides community awareness for the business owner and their patrons. Membership also allows participants to connect with other retailers, businesses, financial institutions, and law enforcement through meetings, a monthly newsletter, and Email Tree.

ECONOMIC: One of the goals of Meth Watch is to limit the sale or theft of precursors for improper use. Precursors can be easily identified by shelf stickers under the products, which will deter cooks from approaching the products due to increased awareness of the illegal use of these products. The precursors not limited due to sale restrictions or product management will still be identified, making employees and customers another pair of eyes for your store. The increased awareness by business employees, patrons, and the meth "cooks" will hopefully reduce theft and large quantity purchases, as well as fraud and abuse.

SAFETY: Meth Watch Program participants believe that customers will feel safer in your store if you take a proactive approach to preventing improper purchases or theft of precursor items. Often meth "cooks" are on a drug-induced high and possibly feeling paranoid, or worse yet, are overly aggressive, making employee and customer safety an issue. Meth Watch hopes to capitalize on the paranoia and make the "cook" want to go elsewhere for the purchase or theft. Strong interaction with local law enforcement, by reporting suspicious activity, also helps provide that sense of safety. Meth Watch strongly supports and encourages the exchange of information with law enforcement officials.

Clandestine Drug Lab Cleanup
DOE - Spill Response
Washington State



Increased employee awareness of our state's meth problem will provide you establishment the resources to be a responsible steward and assist in the fight against crime and drugs. Your business will benefit from a more aggressive stance on clandestine drug labs in the state, in addition to the goodwill your involvement will produce in the community.

WHAT DOES THE METH WATCH PROGRAM INVOLVE?

What's next? You have decided that the Meth Watch Program could have a positive influence on your business and community - CONGRATULATIONS AND WELCOME TO THE TEAM! The Meth Watch Program has many options to choose from, with selection of options depending on the type of business, layout, manpower, etc. The main areas of the program include: employee training, signage, and suspicious activity reporting.

TRAINING POSTER: A training poster placed in employee break rooms will provide repeated exposure to the types of products that are commonly purchased or stolen by a meth "cook."

COMMUNITY AWARENESS PRESENTATION: Upon request, one hour presentations are available, which provide general information regarding meth use, production, prevention, treatment, child endangerment, etc.

SIGNAGE: The Meth Watch Program focuses on creating an awareness of why certain products, or a variety of products, are stolen or purchased in abnormally high quantities. **Window stickers** greet patrons at the door, identifying your participation in Meth Watch and raising their awareness. Placement of **shelf stickers** help store employees and the general public become more familiar with these products. Paranoid meth "cooks" will not want people watching them linger around these target products. **Cash register stickers** are placed at the checkout counter as a final reminder that this store is aware of the meth problem. The stickers also remind the checkout clerk to be on the lookout for suspicious purchases. The Washington Team members believe that the signage serves the dual purpose of putting criminals on notice and letting good customers know your store is taking steps to reduce the use and production of meth in your community through strong community partnerships and proactive involvement.

PRODUCT MANAGEMENT: Product management addresses the strategic placement of precursor products in areas that will help deter theft or suspicious purchases of large quantities. Customers will often question why the products are not readily available. In most cases, a brief explanation of Meth Watch by handing them an **informational "tear-off" sheet** will satisfy their questions and typically will result in their strong support for the program. Some strategic management practices include the following:

- **Limit the quantity of precursor products available on the shelf.** This should reduce the amount of theft or excessive purchases. Many stores already implement this policy. It may cause a higher frequency of restocking, but typically reduces the large rate of theft.
- **Limit the quantity of precursor products that may be purchased.** Limiting the purchase quantity means that a customer will only be able to purchase a certain amount of the product at the checkout counter.
- **Placement of precursor products near high traffic areas.** Placing products at the end of an aisle near the checkout counters, customer service, or a pharmacy helps deter theft. Thieves do not like to be observed stealing products, so they will be more likely to stay away from the high profile areas.
- **Provide surveillance on precursor product aisles.** Providing video surveillance of the products and informing the customer that the aisle is under surveillance is also a deterrent to theft.
- **Placement of product behind a service counter.** When precursor products are behind the counter in a pharmacy, customer service area, or cash register, the customer must ask for the product. Typically, a shelf tag is left on the main shelf area and includes product name, price, and barcode, and directs the customer to the service counter for purchase.

REPORTING SUSPICIOUS TRANSACTIONS: Meth "cooks" can be dangerous when they come to a facility for more ingredients or with the intent to commit a crime. Paranoia and aggressiveness caused by a drug-induced high can cause the "cook" to become angry if confronted about a theft or improper purchase. Meth Watch recommends that employees **do not** confront the suspect, but instead follow through with the transaction rather than putting themselves in danger. When the suspect leaves the store, the clerk or manager should complete a Suspicious Transaction Report and provide the information to local law enforcement as soon as possible. If surveillance footage is available, please note the date and time on the report. The statewide reporting number is **1-888-609-6384**. The Meth Watch program strongly encourages working closely with local law enforcement agencies to create a working relationship that can benefit your store and community.



Meth Watch Program Decals Available As:

- 4"x7" Window Stickers
- 2"x3" Stickers
- 8.5"x11" Outdoor Stickers



Meth Watch Customer Information Pads:

4"x5" tear-off sheets can be kept at each check out location to improve awareness and recognition that your business supports the fight against meth in their community.

**METHAMPHETAMINE/
CHPA METH WATCH PROGRAM****Background on methamphetamine:**

Communities across America plagued by the proliferation of methamphetamine are looking for effective and innovative ways to combat this emergent trend. The most significant problem for state and local law enforcement, especially in rural communities, is the manufacturing of methamphetamine in what have become known as small, home-made labs. These labs often use pseudoephedrine, a safe and effective ingredient found in many over-the-counter cough/cold products, in the illegal manufacture of methamphetamine. These labs have a devastating effect on the environment, communities, and the children who are often times present, and for these reasons are referred to as small toxic labs by law enforcement officials.

What is Meth Watch?

"Meth Watch" is a program designed to help curtail suspicious sales and theft of pseudoephedrine and other precursor products used in the illicit manufacturing of methamphetamine. Meth Watch was started in Kansas as a public-private partnership between the Kansas Department of Health and Environment, the Kansas Bureau of Investigation, the Kansas Methamphetamine Prevention Project (part of the non-profit statewide drug prevention system), and Kansas retailers. As news spread of its success, several states have begun to adopt the Kansas model, including Washington, Oregon, and South Dakota. Many more have expressed interest, but have been deterred by lack of resources and know-how.

How does Meth Watch work?

Meth Watch is a voluntary program that involves a variety of people at the community and state level, although retail involvement is the cornerstone of this program. Participating retailers place the precursor products where they can be easily monitored, and strategically post Meth Watch signs and tags on their doors and windows, around their cash registers and on the shelves where precursor products are located. They may impose purchase limits to prevent high volume sales. They train their employees to recognize, but not to confront, suspicious customers and to contact law enforcement with as much identifying information as possible.

Participants in the Meth Watch program report safer stores, better customer relations, increased employee awareness, and improved communications with law enforcement. In areas that have been hard hit by the meth scourge, Meth Watch partners are helping to unify their communities against drug abuse. The Meth Watch program in Kansas is a proven and replicable program which has significantly affected meth lab seizures.

How can individual states become involved?

The Consumer Healthcare Products Association (CHPA) has developed a uniform Meth Watch model that serves as an online resource center for interested states (www.methwatch.com). This site provides a one-stop shop to help states implement Meth Watch in their communities. CHPA will provide direct resources to states for the implementation of Meth Watch, including training, technical assistance, and retail support and education.

What does the future hold for Meth Watch?

Law enforcement officials and anti-drug abuse coalitions across the country are seeing a dramatic increase in meth abuse. As other states begin to benefit from the Meth Watch program, CHPA anticipates a greater need for funding a comprehensive methamphetamine prevention program and will join with those states most affected by this problem to call on Congress to authorize a permanent grant program for states that can demonstrate a need.

**Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Prevention**

**Drug Free Communities Support Mentoring Program
SP-06-004
(Initial Announcement)**

Catalogue of Federal Domestic Assistance (CFDA) No.: 93.276

Key Dates:

Application Deadline	May 12, 2006
Intergovernmental Review (E.O. 12372)	Letters from State Single Point of Contact (SPOC) are due no later than 60 days after application deadline.
Public Health System Impact Statement (PHSIS)/SSA Coordination	Applicants must send the PHSIS to appropriate State and local health agencies by application deadline. Comments from Single State Agency are due no later than 60 days after application deadline.

I. FUNDING OPPORTUNITY DESCRIPTION

1. INTRODUCTION

The Executive Office of the President, Office of National Drug Control Policy (ONDCP) and the Substance Abuse and Mental Health Services Administration (SAMHSA), Department of Health and Human Services (HHS) announce the availability of funds for new FY 2006 Drug Free Communities Support Mentoring Program (DFC Mentoring) grants.

The purpose of the DFC Mentoring Program is to provide grant funds to existing DFC grantees (mentors) to support development and/or expansion of new community coalitions (mentees) that are focused on substance abuse prevention.

The DFC Program, a collaborative initiative sponsored by ONDCP in partnership with SAMHSA, is designed to achieve two goals:

- Reduce substance abuse among youth and, over time, among adults by addressing the factors in a community that increase the risk of substance abuse and promoting the factors that minimize the risk of substance abuse. Substances include, but are not limited to, narcotics, depressants, stimulants, hallucinogens, cannabis, inhalants, alcohol and tobacco, where their use is prohibited by Federal, State, or local law. DFC grants must focus on multiple drugs of abuse. When the term "drug" or "substance" is used in this announcement, it is intended to include all of the above substances.
- Establish and strengthen collaboration among communities, private nonprofit agencies, and Federal, State, local and tribal governments to support the efforts of community coalitions to prevent and reduce substance abuse among youth.

Congress signed the Drug-Free Communities Act (P.L. 105-20) into law on June 27, 1997. The Act provides financial assistance and support to community coalitions to carry out the mission of reducing substance abuse among the nation's youth. On December 14, 2001, P.L. 107-82, 115 Stat. 814 (2001), reauthorized the program for 5 years.

The community sites that have been awarded DFC grants represent a cross-section from every region in the nation and include rural, urban, suburban, and tribal communities. In FY 2005, 24 new DFC mentoring grants and 13 mentoring continuation grants were awarded. More information can be found on the DFC web site (www.dfc.samhsa.gov).

2. EXPECTATIONS

2.1 Strategic Prevention Framework Requirement



DFC grantee coalitions must use the Strategic Prevention Framework (SPF), a 5 step evidence-based process for community planning and decision-making. The 5 step process includes: 1) needs assessment (profile community needs); 2) capacity building (mobilize/build capacity to address community needs); 3) planning (develop a comprehensive strategic plan); 4) implementation (implement the plan with multiple interventions demonstrated to be effective); and 5) evaluation (monitor, sustain, improve or replace prevention interventions).

2.2 Data and Performance Measurements Requirements

The Government Performance and Results Act of 1993 (P.L.103-62, or "GPRA") requires all Federal agencies to set program performance targets and report annually on the degree to which the previous year's targets were met. The national DFC Mentoring Program GPRA measures are to:

- Increase the percent of mentored coalitions that have developed baseline measures of drug use and related substance abuse problems for the following:
 - age of onset of any drug use including alcohol, marijuana, and tobacco
 - past 30 day use among youth including alcohol, marijuana, and tobacco
 - perception of risk or harm of alcohol, marijuana, and tobacco use among youth
 - perception of parental disapproval of use by youth including alcohol, marijuana, and tobacco
- Increase the percent of mentored coalitions that have developed a comprehensive substance abuse prevention strategic plan or updated a previous plan.
- Increase the percent of mentored coalitions that have a strategic plan that reflects the use of environmental strategies to reduce youth drug use.

- Increase the percentage of mentored coalitions that use the Strategic Prevention framework in their planning process

2.3 National DFC Cross-Site Evaluation

DFC Mentoring Coalition applicants must agree to participate in the National Cross-Site Evaluation that consists of two progress reports and an annual report.

II. AWARD INFORMATION

1. AWARD AMOUNT

Approximately \$1.2 million will be available for 15 new DFC Mentoring Grant Awards in FY 2006. Applicants may request up to \$75,000. New mentor applicants may request project periods of up to 2 years. Annual continuation awards will depend on availability of funds, grantee progress in meeting project goals and objectives, and grant terms and conditions.

2. FUNDING MECHANISM

DFC Mentoring Program awards will be made as grants.

III. ELIGIBILITY REQUIREMENTS

1. ELIGIBLE APPLICANTS

DFC Mentoring Applicants must meet the following eligibility criteria or the application will not be forwarded for review. The coalition:

- Must have been in existence for at least 5 years.
- Must be a current DFC New or Continuation grantee.
- Must have achieved, through its own efforts, measurable results in the prevention of substance abuse among youth.
- Must have staff, volunteers, or members willing to serve as mentors for persons seeking to start or expand the activities of other coalitions in the prevention of substance abuse.
- The coalition must have demonstrable support from the coalition to be mentored and from key sectors of the community(ies) where the coalition will carry out the specific mentoring activities supported by the grant. The key sectors are:
 - youth (an individual 18 or under)
 - parents
 - business community
 - media

- school
- youth-serving organizations
- law enforcement agencies
- religious or fraternal organizations
- civic and volunteer groups
- healthcare professionals
- State, local, or tribal governmental agencies with expertise in the field of substance abuse (if applicable, the State authority with primary authority for substance abuse)
- other organizations involved in reducing substance abuse

SAMHSA and ONDCP will consider the information provided in the applicant's project narrative and supporting documentation in order to determine whether or not an individual applicant meets the above criteria.

2. COST SHARING

DFC Mentoring Program grantees must demonstrate they have matching funds from other, non-Federal sources on a dollar-for-dollar basis. Awards will not be made to applicants who do not meet the match requirements. New and/or continuation DFC funds may not be used to meet the matching requirements for mentoring applicants. Applicants must itemize the match separately in the budget justification. A sample budget and budget justification is provided in Attachment 1 of this RFA.

In-kind support may be used for the match requirement. In-kind support includes the value of goods and services donated to the operations of the coalition. Typical examples include donated office space, volunteer secretarial services, pro bono accounting services, or other personnel serving in a voluntary capacity.

Federal funds, including those passed through a State or local government cannot be used as a match. The exception is for funds appropriated for the substance abuse services of a coalition that includes a representative of the Bureau of Indian Affairs, Indian Health Service, or a tribal government agency with expertise in the field of substance abuse may be counted as non-Federal funds raised by the coalition.

3. Other

Applicants must use Application Form PHS 5161-1 or their applications will not be reviewed. Applicants must also adhere to certain submission and formatting requirements provided in Section IV and Attachment 2 of this announcement, or their applications will not be reviewed.

IV. APPLICATION AND SUBMISSION REQUIREMENTS

1. Address to Request Application Package

You may request a complete application kit from SAMHSA's National Clearinghouse for Alcohol and Drug Information (NCADI) at 1-800-729-6686 (TDD 800-487-4889). You also may download the required documents from the SAMHSA web site at www.samhsa.gov/grants/index.aspx. Additional materials available on this web site include:

- a technical assistance manual for potential applicants;
- standard terms and conditions for SAMHSA grants;
- guidelines and policies that relate to SAMHSA grants (e.g., guidelines on cultural competence, consumer and family participation, and evaluation); and
- enhanced instructions for completing the PHS 5161-1 application.

When submitting an application, be sure to type "SP-06-004, "Drug-Free Communities Support Mentoring Program" in Item Number 10 on the face page of the application form. Also, SAMHSA applicants are to provide a DUNS Number on the face page of the application. To obtain a DUNS Number, access the Dun and Bradstreet web site at www.dunandbradstreet.com or call 1-866-705-5711.

2. Content and Form of Application Submission: Information including required documents, required application components, and application formatting requirements is available in Attachment 2 of this RFA.

Applicants are required to complete the Assurance of Compliance with SAMHSA Charitable Choice Statutes and Regulations, Form SMA 170. This form will be posted on SAMHSA's website with this Request for Applications (RFA) and provided in the application kits available at NCADI. **Applicants should note that failure to comply with certain application formatting requirements in Attachment 2 will result in their application being screened out and not reviewed.**

3. Submission Dates and Times: Applications must be received by May 12, 2006. You will be notified by postal mail that your application has been received. Additional submission information is available in Attachment 2 of this RFA. **Applications that are not received by the application deadline, or that do not have proof of timely submission as described in Attachment 2 of this RFA, will be screened out and will not be reviewed.**

4. Intergovernmental Review: Applications for this funding opportunity must comply with Executive Order 12372 (E.O.12372). E.O.12372, as implemented through Department of Health and Human Services (DHHS) regulation at 45 CFR Part 100, sets up a system for State and local review of applications for Federal financial assistance. Instructions for complying with E.O.12372 are provided in Attachment 2 of this RFA. A current listing of State Single Points of Contact (SPOCs) is included in the application kit and is available at www.whitehouse.gov/omb/grants/spoc.html.

5. Funding Restrictions: Grantees in the DFC Mentoring Program must adhere to funding restrictions listed in Attachment 2.

V. APPLICATION REVIEW INFORMATION

1. EVALUATION CRITERIA

Your application will be reviewed and scored according to the quality of your response to the requirements listed in Section V, Evaluation Criteria.

In developing the Project Narrative section of your application, use the following instructions instead of the "Program Narrative" instructions found in the PHS 5161-1. The Project Narrative should be no more than 20 pages.

You should answer every question in each category of the Project Narrative below and provide a narrative response with the question shown directly above each response. Each question has points associated with it and reviewers will judge your response to each question and apply a point value. Peer reviewed applications will receive a score between 0 and 100. The number of points after each heading below is the maximum number of points a review committee may assign to that section of your Project Narrative.

Reviewers will be looking for evidence of cultural competence throughout the application. SAMHSA's guidelines for cultural competence can be found on the SAMHSA web site at www.samhsa.gov. Click on "Grants".

The Project Narrative requirements for the DFC Mentoring Program B-F are organized around the five steps of the Strategic Prevention Framework: 1) community assessment; 2) capacity building; 3) project planning; 4) implementation; 5) evaluation.

The Supporting Documentation provided in Sections G-J will also be considered by reviewers.

Section A: General Questions (6 points)

1. Why does the mentor coalition want to mentor? (2 points)
2. What are the benefits of mentoring for the mentor community/ coalition and its prevention agenda? (2 points)
3. How was the mentee community or communities selected? (2 points)

Section B: Community Assessment (16 points)

1. Describe the community or communities that will receive the mentoring assistance. In the description, include basic demographic and socioeconomic information, pertinent data describing drug use problems among youth, and a summary of existing key risk and protective factors relating to drug use. (3 points)
2. How is the mentoring community similar to the community/communities to receive mentoring assistance demographically and in the drug use issues they are trying to solve? (3 points)
3. What is the mentoring coalition's experience with collecting and analyzing community needs and resource assessment data (both quantitative data such as surveys, social indicator data from health departments, criminal justice, etc. and qualitative data such as focus groups, key informant interviews, community forums, etc.)? (4 points)
4. What is the level of community awareness in the mentee community regarding the drug problem? (2 points)
5. How will the mentor community assist the mentee community/communities in conducting, enhancing or updating a comprehensive community needs and resources assessment? (4 points)

Section C: Capacity Building (24 points)

1. Describe previous efforts of the mentor coalition to develop and mentor community anti-drug coalitions. (2 points)
2. Highlight the last five years of the mentor coalition's work, discussing briefly the specific nature and history of the mentoring coalition's most successful strategies, as well as skill sets and capabilities that will be diffused to the mentee coalition(s). (4 points)
3. Describe how the mentor coalition's successful strategies and related assets will be of benefit to the mentee coalition(s) and how they will be used in the mentoring relationship. Specifically, discuss how these strategies/assets will be used to assist the mentee coalition(s) in addressing the five steps of the Strategic Prevention Framework. (3 points)
4. What are the measurable results achieved by the mentor coalition? How do these results relate to the results that the mentee coalition(s) are seeking to achieve? (4 points)
5. Describe the mentor coalition members' and volunteers' commitment to the mentor project. How will the mentor coalition use members from various sectors to recruit, train, and advance the mentee community's prevention work? (3 points)

6. What is the mentee coalition(s) current capacity for developing and/or strengthening as a community anti-drug coalition? Describe any previous or current efforts of the mentee community to develop a community coalition. Does the mentee coalition have an operational structure in place (i.e. bylaws, committee structure, mission statement, etc.)? (4 points)
7. What sectors are currently members of the mentee coalition? What is the plan to recruit additional members? (2 points)
8. What is the mentor coalition's assessment of the mentee coalition's current training needs? (2 points)

Section D: Project Planning (19 points)

1. What is the process that the mentor coalition will use to help the mentee use key assessment findings to create a community prevention plan that addresses the two goals of the DFC program? (3 points)
2. How will the mentor coalition assist the mentee in creating a community prevention plan that: (6 points)
 - a. Enlists the support of multiple sectors of the community to address the prevention needs and priorities of the mentee community and coalition
 - b. Includes multiple strategies to address the drug problems of youth
 - c. Is community focused (A community coalition must focus on changing the full environment by identifying and implementing strategies that will affect community attitudes, perceptions, norms, and beliefs around alcohol and other drugs.)
3. Does the mentor coalition have a long term sustainability plan in place? If so, briefly describe. How does the mentor coalition plan to foster sustainability in the mentee coalition? (3 points)
4. Provide a realistic time line for the project (chart or graph) showing goals, objectives, key activities, milestones and responsible staff. Include a detailed time line for year 1 of the project, focusing on major milestones/activities. (7 points)

Section E: Implementation (18 points)

1. Are there specific resources (e.g. materials, facilities, equipment, etc.) necessary for the implementation of this project? If so, what are they and are these items reflected in your budget? Be sure to reflect this amount in your budget justification. (3 points)
2. Provide a list of individuals (staff and coalition members/volunteers) from the mentor coalition who will participate in the project, showing the role of each and their level of effort and qualifications. Include the project director and other key personnel. (3 points)

3. Provide a list of individuals (staff and coalition members/volunteers) from the mentee coalition who will participate in the project, showing the role of each, their level of effort and their qualifications. Include the project director and other key personnel. (3 points)
4. How will the responsibility for implementing the strategic plan be diffused among mentor coalition members and/or other community partners? (3 points)
5. How will the responsibility for implementing the strategic plan be diffused among mentee coalition members and/or other community partners? (3 points)
6. How will you monitor the implementation of your strategic plan as things change? For example, what specific milestones or key events will the leaders of the coalition use to monitor the success of the implementation of the plan? (3 points)

Section F: Evaluation (17 points).

1. Describe the capability and experience of the mentor coalition in data collection and/or how the mentor coalition has created partnerships in order to collect, analyze, and report data and conduct evaluation activities. (3 points)
2. What past or current experience does the mentee community have in collecting, analyzing and/or reporting evaluation data? (2 points)
3. What outcome measures will be used to measure the progress in addressing the goals and objectives of the proposed DFC mentoring project? (3 points)
4. Describe the current ability of the mentee community to collect and report on the DFC four core measures (age of onset of any drug use including alcohol, marijuana, and tobacco; past 30 day use among youth including alcohol, marijuana, and tobacco; perception of risk or harm of alcohol, marijuana, and tobacco use among youth; and perception of parental disapproval of use by youth including alcohol, marijuana, and tobacco). How will the mentor coalition help the mentee coalition to develop baseline measures of drug use and related substance abuse problems for the DFC four core measures? (3 points)
5. Describe how data collected from the evaluation will influence the overall direction of the DFC Mentoring Project for the mentor and mentee. (3 points)
6. How will evaluation results be communicated to the mentee coalition's community? (2 points)
7. How will the effectiveness of the mentor/mentee relationship be assessed? (1 point)

Supporting Documentation - The following Supporting Documentation, Sections G-J, must be listed as an attachment and labeled "Supporting Documentation, Section G-J."

Section G: Budget and Budget Justification, Existing Resources, Other Support - In Section G, applicants should provide a narrative justification of the items included in the proposed budget, as well as a description of existing resources and other support that the coalition expects to receive for the proposed budget.

Section H: Program Abstract - In Section H, provide a program abstract that is no more than 35 lines. See Attachment 3 for a sample abstract.

Section I: Project Information Summary - Provide the following data/information in Section I. This information should reflect your responses to Section V, Project Narrative: Mentor.

- Name of applicant (fiscal agent);
- Mailing address of applicant (fiscal agent), including zip code;
- Official authorized to accept funds on behalf of the coalition (include phone number, fax number, and email address);
- Name of the mentor coalition (if different from fiscal agent);
- Mailing address of mentor coalition (if different from fiscal agent), including zip code;
- Physical address of mentor coalition (if different from mailing address);
- Date the mentor coalition was established;
- Project director (include phone number, fax number and e-mail address).
- Coalition board chair/president (include phone number and e-mail address).
- Amount of FY 2005 funds requested;
- Congressional district(s) served by the coalition;

Coalition Being Mentored (mentee)– Please provide the following information for each coalition being mentored:

- Name of the coalition;
- Mailing address for the coalition;
- Date coalition was established;
- Congressional district(s) served by the coalition;
- Project director (include phone number, fax number and e-mail address);
- Coalition board chair/president (include phone number and e-mail address);
- Population of target area;
- Geographic boundaries served by the coalition (e.g. city, neighborhood, school district, etc.);
- Population ethnicity of the geographic area served by the coalition (e.g. tribal);
- Geographic type (i.e., urban, suburban, rural, mixed). Select one based on the following definitions:
 - *Rural* – A rural area is defined as a county with a population of no more than 30,000. If rural, please identify the county(ies) served by the coalition.
 - *Suburban* – A suburban area is defined as (a) urban fringe of a large city – any incorporated place, a Census-designated place (CDP), or non-place territory within a consolidated metropolitan statistical area (CMSA) or metropolitan statistical area (MSA) of a large city and defined as urban by the U.S. Bureau of the Census; or (b)

urban fringe of a midsize city – any incorporated place, CDP, or non-place within a CMSA or MSA of a midsize central city and defined as urban by the U.S. Bureau of the Census.

- *Urban* – An urban area is defined as (a) large city – a central city of a MSA or CMSA with a population of at least 250,000; or (b) midsize city – central city of an MSA or CMSA with a population of less than 250,000.
- Indicate whether the coalition serves an area that is economically disadvantaged (i.e., 20% or more of the children [under 18 years of age] living in the target area live in a household below the poverty line, as defined by the U.S. Census Bureau)
- Identify all present federal and state funding streams that are coordinated with or related to the coalition's efforts. (These would include involvement with officially recognized OJP Weed & Seed sites, drug courts, Enforcing Underage Drinking Laws Program, the Center for Substance Abuse Prevention's State Incentive sub grants, and U.S. Department of Education's Safe and Drug-Free Schools sites, among others.) Indicate status of funding.

Section J: Mentee & Mentor Memorandums of Understanding and Supporting Documents– Please provide letters of understanding or agreements between the mentor and mentee(s) and key sectors in the community covering the project period. The MOU should address the scope of the work and expectations from each entity.

2. REVIEW AND SELECTION PROCESS

ONDCP and SAMHSA are committed to ensuring a competitive and standardized process for awarding DFCSP grants. Applications will be screened initially by ONDCP to determine whether the coalition meets all the eligibility requirements. Only applications submitted by eligible coalitions that meet all other requirements will be evaluated, scored, and rated by a peer review panel according to the selection criteria described in Section V of this announcement. All applications that proceed to peer-review will be rated on a 100-point scale. Point values for individual elements of the application are presented in the project narrative section. Peer reviewers' ratings and any resulting recommendations are advisory only. All final grant award decisions will be made by the Director of ONDCP. ONDCP may also give consideration to other factors when making awards.

VI. AWARD ADMINISTRATION INFORMATION

I. AWARD NOTICES

After your application has been reviewed, you will receive a letter from SAMHSA through postal mail that describes the general results of the review.

If you are approved for funding, you will receive an **additional** notice, the Notice of Grant Award, signed by SAMHSA's Grants Management Officer. The Notice of Grant Award is the sole obligating document that allows the grantee to receive Federal funding for work on the grant project. It is sent by postal mail and is addressed to the contact person listed on the face page of the application.

If you are not funded, you can re-apply if there is another receipt date for the program.

2. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

- You must comply with all terms and conditions of the grant award. SAMHSA's standard terms and conditions are available on the SAMHSA web site at: www.samhsa.gov/grants/generalinfo/useful_info.aspx.
- You must also comply with the administrative requirements outlined in 45 CFR Part 74 or 45 CFR Part 92, as appropriate. For more information see the SAMHSA web site (http://www.samhsa.gov/Grants/generalinfo/grant_reqs.aspx).
- Additional terms and conditions may be negotiated with the grantee prior to grant award. These may include:
 - requirements relating to additional data collection and reporting;
 - requirements relating to participation in a cross-site evaluation; or
 - requirements addressing problems identified in review of the application.
- You will be held accountable for the information provided in the application relating to performance targets. SAMHSA program officials will consider your progress in meeting goals and objectives, as well as your failures and strategies for overcoming them, when making an annual recommendation to continue the grant and the amount of any continuation award. Failure to meet stated goals and objectives may result in suspension or termination of the grant award, or in reduction or withholding of continuation awards.
- In an effort to improve access to funding opportunities for applicants, SAMHSA is participating in the U.S. Department of Health and Human Services "Survey on Ensuring Equal Opportunity for Applicants." This survey is included in the application kit for SAMHSA grants. Applicants are encouraged to complete the survey and return it, using the instructions provided on the survey form. However, your decision to/not to complete this survey will not have any bearing on the evaluation of your application for funding.

3. REPORTING REQUIREMENTS

3.1 Progress and Financial Reports

- Grantees must provide two program progress reports and an annual report each year and financial reports.
 - SF 269 – Financial Status Report is due 90 days after the end of the budget period.
 - PSC 272 – Federal Cash Transaction Report is due 45 days after the end of the quarter.

- SAMHSA will provide guidelines and requirements for these reports to grantees at the time of award. SAMHSA staff will use the information contained in the reports to determine the grantee's progress toward meeting its goals.

3.2 Publications

Applicants funded under this grant program, are required to notify the Government Project Officer (GPO) and SAMHSA's Publications Clearance Officer (240-276-2130) of any materials based on the SAMHSA-funded project that are accepted for publication.

In addition, SAMHSA requests that grantees:

- Provide the GPO and SAMHSA Publications Clearance Officer with advance copies of publications.
- Include acknowledgment of the Drug-Free Communities Support Program as the source of funding for the project.
- Include a disclaimer stating that the views and opinions contained in the publication do not necessarily reflect those of SAMHSA, the U.S. Department of Health and Human Services or the Office of National Drug Control Policy, and should not be construed as such.

SAMHSA and ONDCP reserve the right to issue a press release about any publication deemed by SAMHSA or ONDCP to contain information of program or policy significance to the substance abuse treatment/substance abuse prevention/mental health services community.

VII. AGENCY CONTACTS

For questions regarding program issues, contact:

Richard Moore, Branch Chief
Center for Substance Abuse Prevention
Substance Abuse and Mental Health Services Administration
1 Choke Cherry Rd., 4th Floor
Rockville, MD 20857
240-276- 1270
Dfnew2006@samhsa.hhs.gov

For questions on grants management issues, contact:

Kimberly Pendleton
Office of Program Services, Division of Grants Management
Substance Abuse and Mental Health Services Administration
1 Choke Cherry Road
Room 7-1097
Rockville, Maryland 20857

(240) 276-1421
kimberly.pendleton@samhsa.hhs.gov

109TH CONGRESS

Report

HOUSE OF REPRESENTATIVES

1st Session

109-333

--USA PATRIOT IMPROVEMENT AND REAUTHORIZATION ACT OF 2005

HJR

8

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR 8
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Supporting Alaska Army Natl Guard RDU _____
 Component _____
 Sponsor Representative Weyhrauch
 Requester House Military & Veterans' Affairs Component No. _____

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify if special - Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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)

Prepared by: Nancy Manly, Committee Aide Phone 907-465-2794
 Division: House Special Committee on Military and Veterans' Affairs Date/Time 2/16/05 9:15 AM
 Approved by: Representative Lynn Date 2/16/2005
 Agency: Chairman

ALASKA STATE LEGISLATURE

Representative Bruce Weyhrauch

HOUSE DISTRICT 4



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

Sponsor Statement for HJR 8

More than 250 Alaska Army National Guard soldiers are now on active duty, and are deployed throughout the world. These citizen soldiers, from all over Alaska are serving in overseas training deployments, combat missions, stability and support operations, as well as federal missions and the Partnership for Peace in Mongolia.

Alaskan Army National Guard members come from all walks of life. They are committed to serving their country in times of need; thus, they leave their families, friends and jobs in order to spend from six months to a year and a half completing their assigned missions.

These fine soldiers deserve our appreciation and thanks.

20 January 2005

The Honorable Mr. Bruce Weyhrauch
Alaska State Representative
Juneau, Alaska

SUBJECT: Operational Deployments of the Alaska National Guard

DEPLOYMENT STRENGTH: The Alaska Army National Guard currently has over 250 soldiers on Federal Active duty with approximately 170 of those involved in Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF) overseas. Over 80 soldiers are on Federal Title X duty at Ft. Greely with the National Missile Defense security mission. 36 Soldiers have just completed Federal Title X duty of two years securing Kulis Air Guard Base and 67 Aviation Battalion soldiers recently returned from nearly a year in Kosovo.

PENDING MISSIONS: Current pending missions include an Aviation Company (UH60 Blackhawk Helicopters) to OIF late this Spring 2005 (18 months total Federal time), and beginning early Summer 2006 through Spring 2008, approximately 320 Infantry soldiers will deploy to the Horn of Africa (HOA) in support of the Global War On Terror (GWOT) with two, 150-plus man unit rotations of 12 months "boots on the ground" time each rotation).

LENGTH OF MISSIONS: Army Guard missions are primarily 12 months boots on the ground if part of OIF or OEF for a total of 18 months with train up/mobilization and demobilization time. Other missions are generally from 6-12 months. Overseas deployment training missions (ODT) are usually 3-4 weeks if outside Alaska. The Haiti mission is a Nation-Building/Humanitarian mission starting in February and running through June, with Aviation Platoons going for 3-4 week rotations covering the duration.

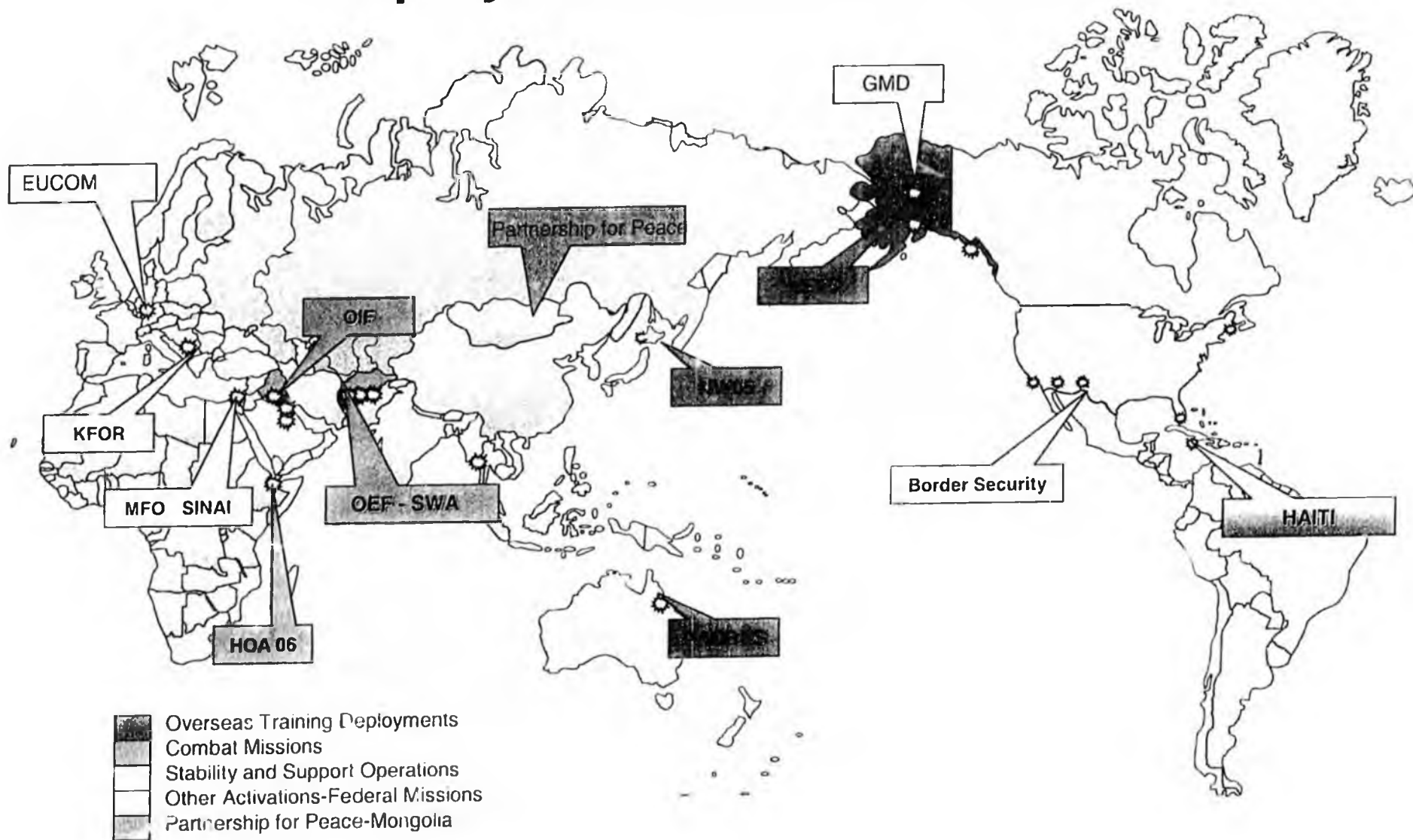
WHERE THEY ARE FROM: These Army Guard Soldiers are from communities all over Alaska from Ketchikan to Barrow, and around the entire Rural periphery from Kotzebue to Togiak, Kodiak, Kenai and throughout the Southeast.

TROOP BACKGROUND: In their civilian lives these soldiers are mechanics, truck drivers, cooks, business managers, small business owners, pilots, fishermen, accountants, police, fire fighters, mill workers, salespeople, state and federal public employees, you name it, they are part of the civilian communities they come from.

Point of Contact for this information is: Lieutenant Colonel Mike Bridges at (907) 428-6503, email: mike.bridges@ak.ngb.army.mil

Alaska Army National Guard Operational Deployments

(As of January 2005 and pending)



22 February 2005

Alaska State Legislature
c/o Representative Bruce Weyhrauch
State Capitol, Room 421
Juneau, Alaska 99801
Attention: Terry Harvey

SUBJECT: Letter of Support to House Resolution 8, In Support of National Guard Programs

I am sending this letter of support as the President of the Alaska National Guard Officer's Association (ANGOA) for the current bill recognizing the service and sacrifices of the members of the Alaska Army National Guard who are or will be deployed around the world in support of the Global War on Terror, as well as other current Homeland Defense and Homeland Security missions.

The Alaska Army National Guard is at a historic pace of operational deployments in both Federal and State status' to protect Alaskans and Americans and any form of literal or functional support from our State is greatly appreciated and extremely important.

The effects on the morale of our soldiers and their families with formalized and heart-felt support for the unique sacrifices of Alaska National Guardmembers is yet to be determined, but we can expect it to be acknowledged.

Thanks for your consideration in this and other matters of support from the Alaska State Legislature on behalf of my fellow Alaska Guardsmen and Women.

Sincerely,



Mike Bridges
Lieutenant Colonel
President, ANGOA

(907) 428-6503
mike.bridges@ak.ngb.army.mil
3026 Eaglek Bay Circle
Anchorage, AK 99515