Alaska State Legislature

State Capitol Juneau, AK 99801 Phone: 465-3875

Rep.Harriet.Drummond@akleg.gov Rep.Andi.Story@akleg.gov



Rep. Grier Hopkins Rep. Tiffany Zulkosky Rep. Mike Prax Rep. Mike Cronk Rep Ronald Gillham

HOUSE EDUCATION COMMITTEE

Representative Harriet Drummond, Co-Chair Representative Andi Story Co-Chair

Explanation of Changes HEDC CS CSSB NO. 111(FIN am)

Version 32-LS0485\R.A to 32-LS0485\F May 9, 2022

Updated Title to Reflect Changes

Section 2 Adds a new section declaring the legislative intent.

Section 4 AS 14.03.060(e)

- Removes "a pre elementary" and inserts "an early education."
- Removes Head Start language to clarify that Head Start programs operate independently from the department.

Section 5 AS 14.03.060(e)

• Removes "approved or," conforming with the changes in Section 4.

Section 6 AS 14.03.072(a)

• Inserts "including the parents as teachers program" in paragraph (a)(2).

Section 7 AS 14.03.072(a)

• Conforms with changes to Section 6.

Section 8 AS 14.03.078(a)

- Inserts "employ data analyst and" to complete the report.
- Removes paragraph (a)(8) as added in version 32-LS0485\R.A
- This also removes Sections 8 and 9 that appeared in 32-LS0485\R.A because the sunset clauses were no longer needed.

Section 9 AS 14.03.078(a)

• This is a new section conforming with changes to Section 8.

Section 10 AS 14.03.080(c)

• Removes "who is at least four years of age at the beginning of the school year" and inserts "and a child who is at least four years of age at the beginning of the school year may be admitted to an early education program" to conform with changes in Section 4.

Section 11 AS 14.03.080(c)

• Conforms with changes to Section 10.

Section 13 AS 14.03.120

- Removes subparagraphs (h)(2)(C), (h)(2)(D), (h)(2)(F), (h)(2)(G), and (h)(3) as added in version 32-LS0485\R.A, so the department no longar shall publish certain information regarding grade three literacy performance and retention.
- Removes "The department shall post the information a single downloadable comma-separated values file or a similar single downloadable file that allows data storage in tabular format" from subsection(i).

Section 14 AS 14.03.127(a)

• Adds a new section that increases school district internet download speed to a minimum of 25 megabits per second.

Section 15 AS 14.03

• Removes "\$3,000,000" and inserts "\$5,000,000" in subsection (b) to increase pre-K grants so more children have access to early learning.

Section 16 AS 14.03.127(a)

- Adds new language in paragraph (a)(3), "including culturally responsive advisory, supportive, and consultative services," clarifying that culturally responsive support is necessary.
- Adds new language in paragraph (a)(18) "oversee and support the division of cultural education, including in developing culturally responsive curricula, assessments, and professional training for teachers;" referring to the new division.
- Adds new language in paragraph (a)(21) "annually convene an in-person or digital reading convention that includes support for reading in Alaska Native and other non-English languages."

Section 17 AS 14.03.127(a)

• Conforms with changes to Section 16.

Section 18 AS 14.07.020(c)

• Inserts a new section to distinguish a Head Start program from an early education program.

Section 19 AS 14.07.020

• Inserts a new section that conforms with culturally responsive language.



Section 20 AS 14.07.050

• Adds "including culturally responsive textbooks and materials," to paragraph (2).

Section 21 AS 14.07.050

• Conforms with changes to Section 20.

Section 22 AS 14.07.165(a)

- Replaces "adapt" with "develop" in subparagraph (a)(5)(C)
- Adds paragraph (a)(7) which establishes duties for the Commission on Cultural Education.

Section 23 AS 14.07.168

• Removes "consortium" and inserts "library" in paragraph (4).

Section 24 AS 14.07.168

• Removes "consortium" and inserts "library" in paragraph (4).

Section 25 AS 14.07.180(a)

• Adds new language requiring the board to establish standards for culturally responsive education.

Section 26 AS 14.07

Creates Article 3. Cultural Education, adding new sections:

- AS 14.07.200 establishing the division of cultural education.
- AS 14.07.210 describing the duties of the division of cultural education.
- AS 14.07.220 establishes the Commission on Cultural Education.

Section 27 AS 14.17.410(b)

• Adds a culturally based school factor into the foundation formula.

Section 28 AS 14.17.420

• Clarifies requirements for culturally based schools to qualify for additional formula funding.

Section 29 AS 14.17.430

• Increases the formula factor for funding to correspondence schools from 90% of average daily membership to 100% of average daily membership.

Section 30 AS 14.17.470

• Inserts a new section increasing the base student allocation to \$6,153.



Section 31 AS 14.17.470

• Inserts a new section increasing the base student allocation to \$6,208.

Section 32 AS 14.17.500

• Inserts a new subsection (g), which adds all district students to the ADM. This allows for formula school transportation funding for Pre-K.

Section 33 AS 14.17.500(d)

• Conforming language to sunset Section 32.

Section 34 AS 14.17.905(a)

• Inserts language to subparagraph (a)(2)(A) to allow funding for Pre-K students.

Section 36 AS 14.20.015(c)

- Adds culturally responsive requirements.
- Allows a teacher two years to receive a certificate after beginning teaching kindergarten.

Section 37 AS 14.20.015(c)

• Conforms with changes to Section 36.

Section 39 AS 14.20.020

- Adds culturally responsive requirements.
- Allows a teacher two years to receive a certificate after beginning teaching.

Section 40 AS 14.25.009

• Repeals and reenacts this section of law providing that teachers are eligible to be part of the Defined Benefit (DB) retirement plan. Also requires that employers will continue to offer the Defined Contribution plan for public employees.

Section 41 AS 14.25.040(a)

• Amends statutes to include the ability for a teacher to participate in the Defined Benefit retirement plan if they are not participating in the university plan or the Defined Contribution plan.

Section 42 AS 14.25.050(a)

• Referencing the new subsection in statute which established the employee contribution rate for the DB pension option plan unless they are on unpaid leave or receiving workers compensation.



Section 43 AS 14.25.050

• Establishes a variable contribution rate for teachers starting at 8% and rising to 12% if the Defined Benefit plan becomes underfunded. Permits the employer to deduct that contribution from the employee's compensation prior to tax computation.

Section 44 AS 14.25.087

• Establishes that each teacher will have an individual Health Reimbursement Arrangement (HRA) account to assist the former employee with the costs of health care in retirement.

Section 45 AS 14.25.110(a)

• Add language that a Post Retirement Pension Adjustment (PRPA) shall be provided to retired teachers under certain circumstance.

Section 46 AS 14.25.110

• Providing an adjustment to pension amounts for those dependents who are receiving benefits as the result of the death of a former member.

Section 47 AS 14.25.143 (e)

• Establishes that a Post Retirement Pension Adjustment (PRPA) can be provided to retired former teachers if the unfunded liability in the Defined Benefit trust funds is determined to be at equal to or greater than 90% funded.

Section 48 AS 14.25.157(a)

• Removes the requirement that the death or disability of a teacher be related to an "on the job injury" prior to the beneficiary receiving a 40% pension amount based upon the deceased former member's salary.

Section 49 AS 14.25.157(c)

• Ensures that not more than one benefit is being paid to a beneficiary of a deceased former member.

Section 50 AS 14.25.162(b)

• Likewise, limits the survivor to a single benefit payment as a result of a former member's death.

Section 51 AS 14.25.164(b)

• Likewise limits the spouse's benefit payment to a single benefit amount based upon the death of a former teacher.



Section 52 AS 14.25.167(a)

• Ensures that benefit payments under the Joint and Survivor options are in place of other Death and Disability benefits.

Section 53 AS 14.25.167(e)

 Removes the requirement that the death or injury of the former member be sustained while working on the job for the public employer if the spouse is receiving Survivor benefits.

Section 54 AS 14.25.168(a)

• Limits the survivor to medical insurance benefits provided under new section 56 of this legislation (medical benefits.)

Section 55 AS 14.25.169

• Allows benefits to be paid to a surviving spouse when the surviving spouse is also a former member of the State of Alaska retirement plan.

Section 56 AS 14.25.171

Creates a new medical benefits program establishing that an employee
who selects to receive benefits under DB is entitled to medical benefits as
well. This also includes medical benefits for the surviving spouse and
requires that the recipient make the selection for medical benefits on or
before the person turns 70.5 years old.

Section 57 AS 14.25.220(5)

 Establishes that new employees in the pension option plan calculate pension benefits amounts based upon the salary earned over five consecutive years of service.

Section 58 AS 14.25.310

• Establishes that teachers who do not select to transfer to the new Defined Benefit plan shall remain part of the Defined Contribution plan.

Section 59 AS 14.25.167(e)

• Requires all Alaskan public employers who participate in the Defined Benefit plan to also participate in the Defined Contribution plan for the benefit of those teachers who select to join the Defined Contribution plan.

Section 60 AS 14.25.167(e)

 Provides that a newly hired teacher may make the irrevocable choice to switch from the Defined Benefit plan to the Defined Contribution plan and may make the choice retroactive to the time of first hire. This section



provides a 90-day window for existing participants to join the Defined Contribution plan after the date of hire.

Section 61 AS 14.25.350(e)

 Requiring the employer to make actuarially determined annual contributions to the trust funds to provide death and disability coverage for teachers. Also removes the occupational requirement for death and disability coverage.

Section 62 AS 14.25.487(a)

• Removes the requirement that the death or disability of a teacher be proximately caused by injury suffered while on the job.

Section 63 AS 14.25.490(a)

• Ensures that vested benefits cannot be diminished or impaired in accordance with the Alaska State Constitution, Article 12, section 7.

Section 64 AS 14.25.490(b)

• Ensures that accrued benefits of teachers cannot be diminished or impaired in accordance with the Alaska State Constitution, Article 12, section 7.

Section 65 AS 14.25.490(c)

• Likewise ensures that the constitutional protections for teachers apply to any termination of the retirement plan by the employer.

Section 66 AS 14.25.490(d)

• Permits a one-year window for the refund of funds paid to the plan by an employer if there was a mistake made on that payment.

Section 67 AS 14.30

- Adds a new section to article 10 establishing a cultural grant program
- Districts can request assistance to build and develop a culturally based school.
- One-time grants of up to \$150,000 can be used for this.

Section 68 AS 14.30

Section 14.30.760 changes:

- Removes "statewide" from paragraph (a)(1).
- Adds "culturally responsive" to paragraph (a)(1).
- Adds a new paragraph (a)(2) calling for districts to be able to adopt evidence based and culturally responsive screening tools.
- Adds a new paragraph (a)(3) to develop a screening to template to assist districts in developing culturally responsive screeners.



- Adds a new paragraph (a)(4) that the department will help districts with the development of screening tools upon request.
- Replaces "a statewide" with "an approved" in paragraph (a)(5).
- Replaces "training" with "professional development", replaces "the statewide" with "an approved", and adds "cultural responsiveness" to paragraph (a)(6).
- Added a new paragraph (a)(8) that replaces language from paragraphs (a)(5) and (a)(6) of Section 33 of version 32-LS0485\R.A. This paragraph removes the waiver and allows for a comparison of performance between third and sixth grade in cultural schools.
- Adds a new paragraph (b)(5) concerning school district calendars.

Section 14.30.765 changes:

- Removes "a statewide" and inserts "an approved" in paragraph (a)(1).
- Adds "culturally responsive" in paragraph (a)(2).
- Removes "within a single school year" from paragraph (a)(3).
- Removes "a statewide" and inserts "an approved" in paragraph (a)(8).
- Adds "older siblings" to paragraph (a)(10).
- Removes "a statewide" and inserts "an approved" in subsection (b).
- Removes subsection (c) through subsection (m) of Section 33 of version 32-LS0485\R.A.

Section 14.30.770 changes:

- Removes "25 percent" from subsection (a).
- Subsection (a) adds language to allow a school to opt out from district support, passing that support to the next qualifying school.
- Language in paragraph (a)(2) conforms with changes in subsection (a).
- Removes subparagraph (a)(4)(E) from Section 33 of version 32-LS0485\R.A.
- Adds "cultural responsiveness" to subparagraph (a)(8)(B).
- Removes the requirement from subsection (c) that every school's application for the program be published.
- Removes "for the preparation of a reading specialist" and adds "approved by the department" to paragraph (d)(2).
- Removes "teaching" from subparagraph (d)(2)(B).
- Adds "cultural responsiveness" to subparagraph (d)(3)(A).
- Removes "indigenous" and inserts "Alaska Native" in paragraph (d)(4).

Section 14.30.775 new section:

• Inserts a new section that provides \$1,000 grants for teacher supports for students in grades kindergarten through three who have reading deficiencies based on approved screening tools.



Section 14.30.780 new section:

• Creates ten annual grants for districts to apply for reading specialists, defines award and use parameters.

Section 14.30.790

• Adds "and cultural responsiveness" to the definition for "evidence-based reading intervention" in paragraph (2).

Section 69 AS 14.30.

Section 14.30.800 changes:

- Removes "consortium" and inserts "library" in subsection (a) on lines 18 and 20.
- Removes "consortium" and inserts "the department" in subsection (a) on line 20.
- Changes intent so the database is accessible to all school districts who partake in "virtual education" rather than "participate in the consortium" in subsection (a).
- Removes "through the consortium database, the consortium" and inserts "the library shall provide" in subsection (b).
- Removes "consortium" and inserts "library" in paragraph (b)(1).
- The district determines a teacher's readiness rather than the consortium in paragraph (b)(2)
- Removes "consortium" and inserts "library" in subsection (c).
- Removes "consortium" and inserts "library" throughout subsection (d).
- Changes language in subsection (d) allowing the department to determine fees.
- Removes "consortium" and replaces with "the department" in subsection (f).

Section 70 AS 14.06.010

- Adds a new paragraph (9) defining "cross-cultural."
- Adds a new paragraph (10) defining "culturally based school."
- Adds "Alaska Native" to subsection (11).

Section 71 AS 37.10.220(a)

• Permits the Alaska Retirement Management (ARM) Board to make adjustments to the participants contribution rates (8% rising potentially to 12%) and allowing for a Post Retirement Pension Adjustments (PRPA).

Section 72 AS 37.10.220(b)

• Expands the power of the Alaska Retirement Management Board to establish the amount of the Post Retirement Pension Adjustment and to



adjust the employee contribution rate when the actuary determines that the Defined Benefit trust account is underfunded.

Section 73 AS 39.30.090(a)

• Permits the employer to obtain health insurance coverage for teachers under AS 14.25 and all other employees under AS 39.35, who participate in the pension option or DC plan.

Section 74 AS 39.30.097(a)

Permits the employer to prefund the health insurance trust funds that will
provide public employees health insurance under the medical plan once
these retirees are Medicare eligible. Before these retirees are Medicare
eligible, they must pay 100% of the health insurance premium if they
chose to participate.

Section 75 AS 37.30.097(b)

• Permits the employer to prefund the Health Reimbursement Arrangement (HRA) accounts for the benefit of retirees to pay supplemental health insurance costs such as co-pays and deductibles.

Section 76 AS 37.30.300

• Establishes the HRA accounts are part of the health insurance retirement plan for all public employee and retiree participants in the future.

Section 77 AS 37.30.380

• Expands the loss of rights for non-vested employees to include medical benefits and HRA account access when the employee fails to work enough years (10 years for medical/HRA) to vest in the plan.

Section 78 AS 39.30.390

• Provides that once an employee meets the vesting requirements for medical and HRA benefits they are eligible for reimbursements from the individual accounts establish for the employee.

Section 79 AS 39.30.400(a)

 Allows the state to deduct payments from the individual accounts of the employee for the medical premium payments for the medical coverage provided by the state.

Section 80 AS 39.30.420(a)

• Ensure that the retirement benefits are protected from diminishment or impairment but leaves in place the ability for the administration to make changes to the plan.



Section 81 AS 39.30.420(b)

• Provides constitutional protections for accrued benefits for all retirees who participate in the retirement plan.

Section 82 AS 39.30.420(c)

• Provides constitutional protection for vested benefits and individual accounts even when the plan has been terminated by the employer.

Section 83 AS 39.30.420(d)

 Provides a one-year grace period for the State of Alaska to return contributions that were mistakenly provided by an employer, such as a municipality.

Section 84 AS 39.30.495(d)

• Expands the definition of "Eligible Person" to include employees who select benefits under this plan.

Section 85 AS 39.35.095

• Expands the Defined Benefit retirement benefits to include those employees who either convert to the DB plan and those that select the DB plan at the time of hire. Allows those employees who select Defined Benefits the ability to join the plan.

Section 86 AS 39.35.160(a)

• Allows those employees who select Defined Benefits the ability to join the plan.

Section 87 AS 39.35.160

• Establish contribution rate for police and fire starting at 8% and rising to 12% if an unfunded liability is created.

Section 88 AS 39.35.282

• Ensures that funds provided by the employer for the HRA be computed for each individual employee and accounting for the medical benefits provided to survivors in the event of an employee's death or disability.

Section 89 AS 39.35.340(g)

 Ensures that a spouse who is receiving death benefits derived from credit for the deceased member's military service, continues to receive those benefits.

Section 90 AS 39.35.370(a)

• Establishes which employees are entitled to benefits in retirement.



Section 91 AS 39.35.370(a)

• This new section establishes the age for retirement after defined years of service. Employees must have five years of service and be 60 years old to receive a pension benefit. For Police/ Fire they must be 55 years old with 20 years of service. Others can retire at any age with 30 years of service.

Section 92 AS 39.35.381(e)

• This section limits the benefits provided for elected public officials, including the medical benefits provided under this legislation.

Section 93 AS 39.35.430(b)

• Removes the requirement that the death of an active employee occur as a result of an injury that occurred on the job.

Section 94 AS 39.35.430(f)

• Removes the requirement that the death of the employee be the result of an occupational injury when that employee designates a beneficiary other than the spouse or dependents of the deceased employee.

Section 95 AS 39.35.440(b)

• Removes the occupational death requirement from this section for employees first hired prior to July 1, 2006 in the prior Defined Benefit plan.

Section 96 AS 39.35.450(e)

• Removes the reference to both occupational and nonoccupational causes of death from the statute.

Section 97 AS 39.35.475(a)

• This section provides a Post Retirement Pension Adjustment (PRPA) but would limit the award of a PRPA when the retirement trust accounts are 90% funded. Please refer to Section 100 of this legislation for more information.

Section 98 AS 39.35.475(e)

• Removes the occupational requirement when providing a PRPA to a surviving spouse.

Section 99 AS 39.35.475

• Establishes that a PRPA may only be provided to those employees who meet the vesting requirements and allows the ARM Board to suspend those adjustments when the trust fund in below 90% full funding.



Section 100 AS 39.35.485(a)

• Ensures that nonoccupational death benefits continue to be paid even though that section of the statute has been repelled for those employees in the prior DB plan.

Section 101 AS 39.35.530

• Permits a retiree to receive both the benefits earned by that employee and the benefits provided because of the death of a spouse who was also a public employee.

Section 102 AS 39.35.535(a)

• Adds access to medical benefits for Police/Fire who were employed after June 30, 2006 and for surviving spouses if the former member was retired at the time of death.

Section 103 AS 39.35. 535(c)

• Establishes that an employee first hired before July 1, 2006, or the surviving spouse of that employee, may elect major medical coverage in retirement.

Section 104 AS 39.35. 535

• Allows a peace officer or firefighter or their surviving spouse who first was employed after June 30, 2006, to select major medical coverage under this plan.

Section 105 AS 39.35.537

 New section creating the medical benefits plan for all other public employees except teachers. (See Section 56 for the medical plan for teachers.) This medical plan is identical to the medical plan offered to prior Defined Contribution employees. (Teachers medical plan is covered in AS 14.25.171).

Section 106 AS 39.35.680(4)

 Establishes that new employees in the pension option plan calculate pension benefits amounts based upon the salary earned over five consecutive years of service.

Section 107 AS 39.35.680(26)

• Ensures that normal retirement is calculated based upon minimum years of service.



Section 108 AS 39.35.700

• This section provides an option for employees to remain in the Defined Contribution plan rather than the Defined Benefit plan and for those that select DC at the time of hire or 90 days thereafter.

Section 109 AS 39.35.700 (b)

 Requires employers who offer the Defined Contribution plan to also offer the option for employees to participate in the Defined Benefit retirement plan.

Section 110 AS 39.35.720

 This section offers the newly hired public employee the option of selecting and participating in the Defined Contribution plan within 90 days of first being hired. Funds deposited in the Defined Benefit plan on behalf of the employee will be transferred the employees individually managed Defined Contribution account.

Section 111 AS 39.35.750(e)

• Removes the reference to occupational death of disability as a requirement before the dependents can receive a survivor's benefit and requires employers to make contributions to a trust fund to cover this benefit.

Section 112 AS 39.35.892(a)

• Removes the requirement that the death of an employee be the result of an on-the-job injury for their survivors to receive benefits.

Section 113 AS 39.35.892(e)

• Removes the occupational requirement for benefit calculations.

Section 114 AS 39.35.895(a)

 Adds reference to the Alaska State Constitution, Article 12. Section 7, which protects the retirement plans from diminishment of impairment. Also removes language that provides the State of Alaska the ability to change the retirement plan.

Section 115 AS 39.35.895(b)

• Adds a reference to the Alaska State Constitution and ensures that accrued benefits are protected.

Section 116 AS 39.35.895(c)

• Adds a reference to the Alaska State Constitution and sets the date at which investments are calculated at the time of termination.



Section 117 AS 39.35.895(d)

• Provides a one-year window for the state to refund an incorrect contribution by the employer.

Section 118 AS 39.35.958(c)

• Removes the occupational requirement for Death and Disability coverage.

Section 120 AS 14.25.012(c), 14.25.155, 14.25.157(d), 14.25.487(d), 14.25.540; AS 39.35.420, 39.35.430(h), 39.35.892(d), and 39.35.940

• Repeals sections of statute that are no longer applicable including nonoccupational death benefits, death caused by assault exceptions and the option to convert from Defined Benefit to Defined Contribution plan of a non-vested member. This final repealed section is no longer necessary since the new employee will have option of joining either plan at the time of hire or within 90 days thereafter.

Section 122 AS 14.03.120(h), 14.03.410, 14.03.420; AS 14.17.500(e), 14.17.500(f), 14.17.500(g); AS 14.20.020(l); AS 14.30.760, 14.30.765, 14.30.770, 14.30.775, 14.30.780, 14.30.785, 14.30.790, and 14.30.800

- Adds an additional repealer for subsection (g) of Section 32 relating to school transportation funding.
- Adds additional repealers for Section 68 relating to establishing new reading interventions.

Section 123 Uncodified law of the State of Alaska

 Non-statutory provisions (uncodified) that provide all existing public employees (teachers, police/fire, and all others) a 90-day window to decide if they want to convert to the new DB plan or remain the DC plan. If the employee decides to convert to DB, the DC account balance will be transferred to the DB plan to purchase that credited time.

Section 124 Uncodified law of the State of Alaska

 Uncodified rules for conversion from Defined Contribution to Defined Benefit plan. Adds a consent requirement for that conversion from the spouse of the employee. If the DC account is not sufficient to cover the actuarily determined cost of that conversion, a payment formula will be established to pay for the additional costs of conversion to DB. Also defines terms used in this uncodified section.

Section 125 Uncodified law of the State of Alaska

• Conforming changes.



Section 126 Uncodified law of the State of Alaska

• Inserts "additional teacher training" per legislative legal fix.

Section 127 Uncodified law of the State of Alaska

• Inserts "Virtual Education Library" on line 17.

Section 128 Uncodified law of the State of Alaska

• Uncodified rules that permit the ARM Board and Commissioner of Administration to adopt regulations to implement the changes contained in this legislation. Any adopted regulations do not take effect until the Defined Benefit Pension Option law goes into effect.

Section 129 Uncodified law of the State of Alaska

- Inserts "Early Education Programs" on line 20.
- Removes "\$3,000,000" and inserts "\$5,000,000" on lines 22 and 25.

Section 130 Uncodified law of the State of Alaska

• Removes "Transition" and replaces with "Education" on line 15.

Section 131 Uncodified law of the State of Alaska

• Addresses regulation authority Sections 129 and 130.

Section 132

• Effective dates for Sections 29 and 30, relating to the base student allocation, 40 - 66, 71 - 118, 120, 123, and 124 for the implementation of the Defined Benefit Pension Option program for July 1, 2022.

Section 133

• Sets ten-year sunsets on the reading intervention programs on June 30, 2034.

Section 134

• Sets an effective date clause of July 1, 2023.

