

**HOUSE CS FOR CS FOR SS FOR SENATE BILL NO. 149(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/4/01

Referred: Rules

Sponsor(s): SENATORS LEMAN, Davis

REPRESENTATIVES Wilson, Stevens, Dyson, James, Green, Crawford

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to reemployment of retired teachers, to eligibility for major medical  
2 insurance coverage for beneficiaries of the teachers' retirement system, and to teacher  
3 certificates; and providing for an effective date."

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

5 \* **Section 1.** AS 14.20.010 is amended to read:

6 **Sec. 14.20.010. Teacher certificate required.** A person may not be  
7 employed as a teacher in the public schools of the state unless that person possesses a  
8 valid teacher certificate except that a person who has made application to the  
9 department for a teacher certificate, including a preliminary teacher certificate  
10 under AS 14.20.015, or renewal of a teacher certificate that has not been acted upon  
11 by the department may be employed as a teacher in the public schools of the state until  
12 the department has taken action on the application, but in no case may employment  
13 without a certificate last longer than three months.

14 \* **Sec. 2.** AS 14.20 is amended by adding new sections to read:

1           **Sec. 14.20.015. Recognition of certificates of out-of-state teachers.** (a) The  
 2 department shall issue a preliminary teacher certificate to an out-of-state teacher who  
 3 meets the requirements of this section. To be eligible for a preliminary teacher  
 4 certificate, a person shall

5                   (1) have received at least a baccalaureate degree from an institution of  
 6 higher education accredited by a recognized regional accrediting association or  
 7 approved by the commissioner;

8                   (2) hold a valid teacher certificate issued by another state;

9                   (3) have submitted fingerprints to the department to be used for a  
 10 criminal history background check and been found by the department to be suitable for  
 11 employment as a teacher under AS 14.20.020(f);

12                   (4) have paid the fee required by the department under  
 13 AS 14.20.020(c).

14           (b) An out-of-state teacher who has been issued a preliminary teacher  
 15 certificate under this section shall pass the competency examination designated by the  
 16 board under AS 14.20.020(i) within one year after the date the preliminary teacher  
 17 certificate was issued. If the teacher does not pass the examination, the department  
 18 shall immediately revoke the teacher's preliminary teacher certificate.

19           (c) The preliminary teacher certificate issued under this section must contain  
 20 the same endorsements as those on the current valid teacher certificate issued by the  
 21 other state.

22           (d) A teacher holding a preliminary teacher certificate issued under this  
 23 section may be employed to provide instructional services for a school district or  
 24 regional educational attendance area only if the teacher certificate issued by the other  
 25 state is valid at the time the teacher commences to provide instructional services for  
 26 the school district or regional educational attendance area.

27           (e) Employment under a preliminary teacher certificate shall be considered in  
 28 determining whether a teacher qualifies for tenure under AS 14.20.150. However, a  
 29 teacher may not be granted tenure unless the teacher holds a teacher certificate issued  
 30 under AS 14.20.020.

31           (f) A preliminary teacher certificate and any endorsements issued under this

1 section are valid for three years and may not be renewed. The department may not  
 2 issue a provisional certificate or a temporary certificate to a teacher who has held a  
 3 preliminary teacher certificate.

4 **Sec. 14.20.017. Grace period for issuance of regular teacher certificates to**  
 5 **previously certificated teachers.** (a) The department shall issue a teacher certificate  
 6 as described in AS 14.20.020, subject to revocation, to a teacher who meets the  
 7 requirements of this section. To be eligible for a revocable teacher certificate under  
 8 this section, a person shall

9 (1) have held a valid teacher certificate issued under AS 14.20.020 that  
 10 expired more than 12 months before the teacher applied for a certificate under this  
 11 section;

12 (2) have paid the fee required by the department under  
 13 AS 14.20.020(c).

14 (b) A revocable teacher certificate issued under this section is valid for one  
 15 year, during which the teacher shall complete any requirements for the issuance of a  
 16 regular teacher certificate under AS 14.20.020 that the teacher has not already met.  
 17 The department shall expedite the procedures required of teachers holding revocable  
 18 teacher certificates who are seeking certification under AS 14.20.020.

19 (c) A teacher holding a revocable teacher certificate under this section who  
 20 previously passed the competency examination designated by the board under  
 21 AS 14.20.020(i) is not required to retake the examination before being eligible for a  
 22 regular certificate under AS 14.20.020. A teacher holding a revocable teacher  
 23 certificate who did not previously take or pass the competency examination shall take  
 24 and pass the examination within one year after the date the revocable teacher  
 25 certificate was issued. If the teacher does not pass the examination, the department  
 26 shall immediately revoke the revocable teacher certificate.

27 (d) A teacher holding a revocable teacher certificate under this section may  
 28 not receive a teacher certificate issued under AS 14.20.020 until the teacher submits  
 29 fingerprints to the department to be used for a criminal history background check and  
 30 the teacher has been found by the department to be suitable for employment as a  
 31 teacher under AS 14.20.020(f).

(e) The revocable teacher certificate issued under this section must contain the same endorsements as those on the teacher's expired teacher certificate.

(f) Employment on the basis of a revocable teacher certificate issued under this section shall be considered in determining whether a teacher qualifies for tenure under AS 14.20.150.

(g) A revocable teacher certificate and any endorsements issued under this section are valid for one year and may not be renewed under this section. The department may not issue a provisional certificate or a temporary certificate to a teacher who has held a teacher certificate issued under this section.

\* **Sec. 3.** AS 14.20 is amended by adding a new section to read:

**Sec. 14.20.135. Employment of retired teachers because of shortages.** (a)

A school district or regional educational attendance area that has or anticipates having a shortage of teachers qualified to teach in a particular discipline or specialty may, by resolution, adopt a policy that permits the employment of retired teachers who are qualified to teach in the discipline or specialty in accordance with this section. The policy must describe the circumstances that constitute the shortage. If a shortage of teachers exists as described in the policy, the district or attendance area shall notify the administrator of the teachers' retirement system (AS 14.25) that it is hiring retired teachers under this section.

(b) A teacher who retired under AS 14.25.110(a) and is subsequently reemployed under this section may, within 30 days after the date of reemployment, elect to continue receiving retirement benefit payments under AS 14.25 during the period of reemployment by filing a waiver of coverage as set out in AS 14.25.043(b).

(c) A school district or regional educational attendance area may not employ a teacher, principal, or administrator who participated in a retirement incentive program under ch. 26, SLA 1986, ch. 89, SLA 1989, ch. 65, SLA 1996, ch. 4, FSSLA 1996, or ch. 92, SLA 1997, under this section.

(d) A retired teacher employed under this section is not eligible to acquire, maintain, or reacquire tenure under AS 14.20.150.

\* **Sec. 4.** AS 14.25.040(a) is amended to read:

(a) Unless a teacher or member has elected to participate in the optional

1 university retirement program under AS 14.40.661 - 14.40.799 or has filed an  
 2 election under AS 14.25.043(b), a teacher or member contracting for service with a  
 3 participating employer is subject to this chapter.

4 \* **Sec. 5.** AS 14.25.040(a) is amended to read:

5 (a) Unless a teacher or member has elected to participate in the optional  
 6 university retirement program under AS 14.40.661 - 14.40.799 [OR HAS FILED AN  
 7 ELECTION UNDER AS 14.25.043(b)], a teacher or member contracting for service  
 8 with a participating employer is subject to this chapter.

9 \* **Sec. 6.** AS 14.25.043 is amended to read:

10 **Sec. 14.25.043. Reemployment of retired members.** (a) If a retired member  
 11 again becomes an active member, benefit payments may not be made during the  
 12 period of reemployment unless the teacher makes an election under (b) of this  
 13 section. The retirement benefit must be suspended for the entire school year if the  
 14 teacher is reemployed as an active teacher for a period equivalent to a year of service.  
 15 During the period of reemployment, the member is subject to AS 14.25.050 and  
 16 deductions from the member's salary will be made in accordance with AS 14.25.050.

17 (b) A school district or regional educational attendance area that has  
 18 adopted a policy that permits the employment of retired teachers in accordance  
 19 with AS 14.20.135 shall notify the administrator that it is hiring retired teachers  
 20 under AS 14.20.135. A teacher who retired under AS 14.25.110(a) and  
 21 subsequently becomes an active member under a policy adopted in accordance  
 22 with AS 14.20.135 may, within 30 days of the date of reemployment, elect to  
 23 continue receiving benefit payments during the period of reemployment by filing  
 24 a waiver of coverage with the administrator on a form provided by the  
 25 administrator. An election under this subsection waives coverage for the period  
 26 of reemployment and is irrevocable during the period of reemployment.  
 27 Deductions from the member's salary may not be made under AS 14.25.050  
 28 during the period of reemployment, and the member may not receive credited  
 29 service for the period of reemployment. A member who participated in a  
 30 retirement incentive program under ch. 26, SLA 1986, ch. 89, SLA 1989, ch. 65,  
 31 SLA 1996, ch. 4, FSSLA 1996, or ch. 92, SLA 1997, is not eligible to make an

1 **election under this subsection.**

2 (c) Upon subsequent retirement, the retired member is entitled to receive an  
3 additional benefit based on the credited service and the average base salary during the  
4 period of reemployment in accordance with AS 14.25.110. If the initial benefit  
5 payments to which the retired member is eligible have been actuarially reduced  
6 because the member retired early under AS 14.25.110(b), the member shall also  
7 receive an incremental benefit based on the amount of the actuarial reduction imposed  
8 by AS 14.25.110(j) on the first benefit and the length of time that the employee was  
9 reemployed and not receiving retirement benefits. The amount of the incremental  
10 benefit is equal to the difference between the normal retirement benefit to which the  
11 member would have been entitled had the member taken a normal retirement and the  
12 early retirement benefit that the member has been receiving based on the member's  
13 initial period of employment multiplied by the total number of months that the  
14 member did not receive retirement benefits because of reemployment and that amount  
15 actuarially adjusted to be paid over the expected lifetime of the member.

16 \* **Sec. 7.** AS 14.25.043(a) is amended to read:

17 (a) If a retired member again becomes an active member, benefit payments  
18 may not be made during the period of reemployment [UNLESS THE TEACHER  
19 MAKES AN ELECTION UNDER (b) OF THIS SECTION]. The retirement benefit  
20 must be suspended for the entire school year if the teacher is reemployed as an active  
21 teacher for a period equivalent to a year of service. During the period of  
22 reemployment, [THE MEMBER IS SUBJECT TO AS 14.25.050 AND] deductions  
23 from the member's salary will be made in accordance with AS 14.25.050.

24 \* **Sec. 8.** AS 14.25.168(d) is amended to read:

25 (d) A benefit recipient may elect major medical insurance coverage in  
26 accordance with regulations and under the following conditions:

27 (1) a person who **has less than 25 years of membership service and**  
28 **who** is younger than 60 years of age must pay an amount equal to the full monthly  
29 group premium for retiree major medical insurance coverage;

30 (2) [A PERSON WHO IS AT LEAST 60 YEARS OF AGE BUT IS  
31 YOUNGER THAN 65 YEARS OF AGE MUST PAY AN AMOUNT EQUAL TO

ONE-HALF OF THE FULL MONTHLY GROUP PREMIUM FOR RETIREE  
MAJOR MEDICAL INSURANCE COVERAGE;

(3)] a disabled member, a disabled member who is appointed to  
normal retirement, [OR] a person 60 [65] years of age or older, or a person who has  
at least 25 years of membership service is not required to make premium payments.

\* **Sec. 9.** AS 14.20.135 and AS 14.25.043(b) are repealed July 1, 2005.

\* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
read:

REPORT TO LEGISLATURE. Annually, beginning in 2002 and ending in 2006, the  
administrator of the teachers' retirement system shall report to the legislature by the 30th day  
of the regular legislative session concerning the effect of this Act on the retirement system.

\* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
read:

REGULATIONS FOR RETIRED TEACHERS. Notwithstanding sec. 14 of this Act,  
the Alaska Teachers' Retirement Board may immediately proceed to adopt regulations  
necessary to implement changes made by secs. 4, 6, and 8 of this Act. The regulations take  
effect under AS 14.25.022, but not before July 1, 2001.

\* **Sec. 12.** Section 11 of this Act takes effect immediately under AS 01.10.070(c).

\* **Sec. 13.** Sections 5, 7, and 9 of this Act take effect July 1, 2005.

\* **Sec. 14.** Except as provided in secs. 12 and 13 of this Act, this Act takes effect July 1,  
2001.