

34-LS0937H
Bergerud
3/11/26

CS FOR HOUSE BILL NO. 231(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES BURKE, Hall

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to education; relating to education reports; relating to the duties of the**
2 **Department of Education and Early Development; relating to funding for Internet**
3 **services for school districts; relating to teacher exit interviews conducted by school**
4 **districts; establishing grant programs for educator housing subsidies and upgrades;**
5 **relating to the teachers' retirement system; relating to the public employees' retirement**
6 **system; and providing for an effective date."**

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

8 * **Section 1.** AS 14.03.078(a) is amended to read:

9 (a) The department shall provide to the legislature and school districts by
10 February 15 of each year by electronic means an annual report regarding the progress
11 of each school and school district toward high academic performance by all students.

12 The report required under this section must include

13 (1) information described under AS 14.03.120;

- 1 (2) progress of the department
- 2 (A) toward implementing the school accountability provisions
- 3 of AS 14.03.123; and
- 4 (B) in assisting high schools to become accredited;
- 5 (3) a description of the resources provided to each school and school
- 6 district for coordinated school improvement activities and staff training in each school
- 7 and school district;
- 8 (4) each school district's and each school's progress in aligning
- 9 curriculum with state education performance standards;
- 10 (5) a description of the efforts by the department to assist a public
- 11 school or district that receives a low performance designation under AS 14.03.123;
- 12 (6) a description of intervention efforts by each school district and
- 13 school for students who are not meeting state performance standards;
- 14 (7) the number and percentage of turnover in certificated personnel and
- 15 superintendents, **information regarding working conditions for teachers and**
- 16 **paraprofessionals, the availability of local housing, aggregated information**
- 17 **compiled through teacher exit interviews conducted under AS 14.20.183, and**
- 18 **data-based recommendations to shape teacher retention strategies;**
- 19 (8) a summary of the categories of certificated administrative
- 20 employees employed by each school district that includes the ratio of
- 21 (A) the number of certificated administrative employees in
- 22 each category employed by each school district compared to the number of
- 23 students enrolled in the school district on October 1 of the previous year;
- 24 (B) the total number of certificated administrative employees
- 25 employed by each school district compared to the total number of teachers
- 26 employed by the school district on October 1 of the previous year; and
- 27 (C) the total number of teachers employed by each school
- 28 district compared to the total number of students enrolled in the school district
- 29 on October 1 of the previous year;
- 30 (9) the progress made to implement the reading intervention programs
- 31 established under AS 14.30.760 - 14.30.780, including data on how school districts are

1 using in-service days for culturally responsive professional development in reading
2 instruction; and

3 (10) the effectiveness and participation rates of the parents as teachers
4 program established under AS 14.03.420, including measures of efficiency and
5 effectiveness that demonstrate the effects of the program on school readiness.

6 * **Sec. 2.** AS 14.03.120(a) is amended to read:

7 (a) A district shall annually file with the department, and make available to the
8 public, a report that

9 (1) establishes district goals and priorities for improving education in
10 the district;

11 (2) includes a plan for achieving district goals and priorities; and

12 (3) includes a means of measuring the achievement of district goals
13 and priorities;

14 **(4) includes information compiled through teacher exit interviews**
15 **conducted under AS 14.20.183;**

16 **(5) includes information about the habitability and condition of**
17 **housing for which the district, after the last report was filed, received funds as**
18 **authorized under AS 14.11.107 or 14.11.113.**

19 * **Sec. 3.** AS 14.03.127(a) is amended to read:

20 (a) Each fiscal year, a district in which one or more schools qualify for a
21 discounted rate for Internet services under the federal universal services program is
22 eligible to receive an amount for each school that is equal to the amount needed to
23 bring the applicant's share to **one gigabyte** [100 MEGABITS] of download a second
24 of the Internet services.

25 * **Sec. 4.** AS 14.07.020(a) is amended to read:

26 (a) The department shall

27 (1) exercise general supervision over the public schools of the state
28 except the University of Alaska;

29 (2) study the conditions and needs of the public schools of the state,
30 adopt or recommend plans, administer and evaluate grants to improve school
31 performance awarded under AS 14.03.125, and adopt regulations for the improvement

1 of the public schools; the department may consult with the University of Alaska to
2 develop secondary education requirements to improve student achievement in college
3 preparatory courses;

4 (3) provide advisory and consultative services to all public school
5 governing bodies and personnel;

6 (4) prescribe by regulation a minimum course of study for the public
7 schools; the regulations must provide that, if a course in American Sign Language is
8 given, the course shall be given credit as a course in a foreign language;

9 (5) establish, in coordination with the Department of Family and
10 Community Services, a program for the continuing education of children who are held
11 in juvenile detention facilities or juvenile treatment facilities, as those terms are
12 defined in AS 47.12.990, in the state during the period of detention or treatment;

13 (6) accredit those public schools that meet accreditation standards
14 prescribed by regulation by the department; these regulations shall be adopted by the
15 department and presented to the legislature during the first 10 days of any regular
16 session, and become effective 45 days after presentation or at the end of the session,
17 whichever is earlier, unless disapproved by a resolution concurred in by a majority of
18 the members of each house;

19 (7) prescribe by regulation, after consultation with the state fire
20 marshal and the state sanitarian, standards that will ensure healthful and safe
21 conditions in the public and private schools of the state, including a requirement of
22 physical examinations and immunizations in pre-elementary schools; the standards for
23 private schools may not be more stringent than those for public schools;

24 (8) exercise general supervision over early education programs that
25 receive direct state or federal funding, including early education programs provided by
26 a school district for students four and five years of age, approve an early education
27 program provided by a school district that complies with the standards adopted by the
28 board under AS 14.07.165(a)(5), and revoke approval of an early education program if
29 the program does not comply with the standards adopted by the board under
30 AS 14.07.165(a)(5);

31 (9) exercise general supervision over elementary and secondary

1 correspondence study programs offered by municipal school districts or regional
2 educational attendance areas; the department may also offer and make available to any
3 Alaskan through a centralized office a correspondence study program;

4 (10) accredit private schools that request accreditation and that meet
5 accreditation standards prescribed by regulation by the department; nothing in this
6 paragraph authorizes the department to require religious or other private schools to be
7 licensed;

8 (11) review plans for construction of new public elementary and
9 secondary schools and for additions to and major rehabilitation of existing public
10 elementary and secondary schools and, in accordance with regulations adopted by the
11 department, determine and approve the extent of eligibility for state aid of a school
12 construction or major maintenance project; for the purposes of this paragraph, "plans"
13 include educational specifications, schematic designs, projected energy consumption
14 and costs, and final contract documents;

15 (12) provide educational opportunities in the areas of vocational
16 education and training, and basic education to individuals over 16 years of age who
17 are no longer attending school; the department may consult with businesses and labor
18 unions to develop a program to prepare students for apprenticeships or internships that
19 will lead to employment opportunities;

20 (13) administer the grants awarded under AS 14.11;

21 (14) establish, in coordination with the Department of Public Safety, a
22 school bus driver training course;

23 (15) require the reporting of information relating to school disciplinary
24 and safety programs under AS 14.33.120 and of incidents of disruptive or violent
25 behavior;

26 (16) establish by regulation criteria, based on low student performance,
27 under which the department may intervene in a school district to improve instructional
28 practices, as described in AS 14.07.030(a)(14) or (15); the regulations must include

29 (A) a notice provision that alerts the district to the deficiencies
30 and the instructional practice changes proposed by the department;

31 (B) an end date for departmental intervention, as described in

1 AS 14.07.030(a)(14)(A) and (B) and (15), after the district demonstrates three
2 consecutive years of improvement consisting of not less than two percent
3 increases in student proficiency on standards-based assessments in language
4 arts and mathematics, as provided in AS 14.03.123(f)(1)(A); and

5 (C) a process for districts to petition the department for
6 continuing or discontinuing the department's intervention;

7 (17) notify the legislative committees having jurisdiction over
8 education before intervening in a school district under AS 14.07.030(a)(14) or
9 redirecting public school funding under AS 14.07.030(a)(15);

10 (18) establish a reading program to provide direct support for and
11 intervention in the reading intervention programs of participating schools as described
12 in AS 14.30.765 and 14.30.770;

13 (19) annually convene, either in person or electronically, a panel to
14 review and comment on the effectiveness of the programs created by the department
15 and the regulations adopted by the board to implement AS 14.03.410, 14.03.420,
16 AS 14.30.760 - 14.30.770, and 14.30.800; the panel

17 (A) shall provide recommendations and guidance to the board,
18 the department, and the legislature on how to integrate early education and
19 reading programs created under this title with tribal compacting or programs
20 focused on cultural education within the department;

21 (B) shall discuss support for reading in Alaska Native
22 languages and other non-English languages;

23 (C) must collectively represent the regions of the state and
24 include teachers of grades kindergarten through three, school administrators,
25 parents of students in grades kindergarten through three, stakeholders from
26 Indigenous language immersion programs, representatives from early
27 education stakeholder groups, and researchers of best practices for improving
28 literacy performance, including best practices for instruction of Indigenous
29 students and students whose first language is not English;

30 **(20) provide financial planning and retirement training to teachers**
31 **and paraprofessionals;**

(21) support mentoring programs for school principals and district superintendents.

* **Sec. 5.** AS 14.07.020(a), as amended by sec. 16, ch. 40, SLA 2022, is amended to read:

(a) The department shall

(1) exercise general supervision over the public schools of the state except the University of Alaska;

(2) study the conditions and needs of the public schools of the state, adopt or recommend plans, administer and evaluate grants to improve school performance awarded under AS 14.03.125, and adopt regulations for the improvement of the public schools; the department may consult with the University of Alaska to develop secondary education requirements to improve student achievement in college preparatory courses;

(3) provide advisory and consultative services to all public school governing bodies and personnel;

(4) prescribe by regulation a minimum course of study for the public schools; the regulations must provide that, if a course in American Sign Language is given, the course shall be given credit as a course in a foreign language;

(5) establish, in coordination with the Department of Family and Community Services, a program for the continuing education of children who are held in juvenile detention facilities or juvenile treatment facilities, as those terms are defined in AS 47.12.990, in the state during the period of detention or treatment;

(6) accredit those public schools that meet accreditation standards prescribed by regulation by the department; these regulations shall be adopted by the department and presented to the legislature during the first 10 days of any regular session, and become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house;

(7) prescribe by regulation, after consultation with the state fire marshal and the state sanitarian, standards that will ensure healthful and safe conditions in the public and private schools of the state, including a requirement of physical examinations and immunizations in pre-elementary schools; the standards for

1 private schools may not be more stringent than those for public schools;

2 (8) exercise general supervision over early education programs that
3 receive direct state or federal funding, including early education programs provided by
4 a school district for students four and five years of age;

5 (9) exercise general supervision over elementary and secondary
6 correspondence study programs offered by municipal school districts or regional
7 educational attendance areas; the department may also offer and make available to any
8 Alaskan through a centralized office a correspondence study program;

9 (10) accredit private schools that request accreditation and that meet
10 accreditation standards prescribed by regulation by the department; nothing in this
11 paragraph authorizes the department to require religious or other private schools to be
12 licensed;

13 (11) review plans for construction of new public elementary and
14 secondary schools and for additions to and major rehabilitation of existing public
15 elementary and secondary schools and, in accordance with regulations adopted by the
16 department, determine and approve the extent of eligibility for state aid of a school
17 construction or major maintenance project; for the purposes of this paragraph, "plans"
18 include educational specifications, schematic designs, projected energy consumption
19 and costs, and final contract documents;

20 (12) provide educational opportunities in the areas of vocational
21 education and training, and basic education to individuals over 16 years of age who
22 are no longer attending school; the department may consult with businesses and labor
23 unions to develop a program to prepare students for apprenticeships or internships that
24 will lead to employment opportunities;

25 (13) administer the grants awarded under AS 14.11;

26 (14) establish, in coordination with the Department of Public Safety, a
27 school bus driver training course;

28 (15) require the reporting of information relating to school disciplinary
29 and safety programs under AS 14.33.120 and of incidents of disruptive or violent
30 behavior;

31 (16) establish by regulation criteria, based on low student performance,

1 under which the department may intervene in a school district to improve instructional
2 practices, as described in AS 14.07.030(a)(14) or (15); the regulations must include

3 (A) a notice provision that alerts the district to the deficiencies
4 and the instructional practice changes proposed by the department;

5 (B) an end date for departmental intervention, as described in
6 AS 14.07.030(a)(14)(A) and (B) and (15), after the district demonstrates three
7 consecutive years of improvement consisting of not less than two percent
8 increases in student proficiency on standards-based assessments in language
9 arts and mathematics, as provided in AS 14.03.123(f)(1)(A); and

10 (C) a process for districts to petition the department for
11 continuing or discontinuing the department's intervention;

12 (17) notify the legislative committees having jurisdiction over
13 education before intervening in a school district under AS 14.07.030(a)(14) or
14 redirecting public school funding under AS 14.07.030(a)(15);

15 **(18) provide financial planning and retirement training to teachers**
16 **and paraprofessionals;**

17 **(19) support mentoring programs for school principals and district**
18 **superintendents.**

19 * **Sec. 6.** AS 14.11 is amended by adding new sections to read:

20 **Sec. 14.11.107. Educator housing subsidy grant program.** Subject to
21 appropriation, the department may award to a district a grant to reimburse the district
22 for costs the district incurs by providing or subsidizing housing for teachers employed
23 by the district, under regulations adopted by the department. If insufficient money is
24 appropriated to fully fund the program, the department shall reduce the awards on a
25 pro rata basis.

26 **Sec. 14.11.113. Educator housing upgrade grant program.** Subject to
27 appropriation, the department may award to a district or organization a grant to
28 support minor renovations or upgrades to an existing structure to make the structure
29 safe and habitable as housing for a teacher, under regulations adopted by the
30 department. A grant under this section may not support renovations or upgrades to an
31 already habitable private residence. If insufficient money is appropriated to fully fund

1 the program, the department shall reduce the awards on a pro rata basis.

2 * **Sec. 7.** AS 14.20.020(b) is amended to read:

3 (b) A person is not eligible for a teacher certificate unless that person has
4 received at least a baccalaureate degree from an institution of higher education
5 accredited by a recognized regional **or international** accrediting association or
6 approved by the commissioner and, if applicable, has passed the examination or
7 examinations required by (i) of this section. However, this subsection is not applicable
8 to

9 (1) persons employed in the state public school system on
10 September 1, 1962;

11 (2) persons issued an emergency certificate during a situation that, in
12 the judgment of the commissioner, requires the temporary issuance of a certificate to a
13 person not otherwise qualified.

14 * **Sec. 8.** AS 14.20 is amended by adding a new section to read:

15 **Sec. 14.20.183. Exit interviews.** A school district shall contract with an
16 independent third party to conduct an exit interview with a teacher when the teacher
17 terminates employment with the school district.

18 * **Sec. 9.** AS 14.25.009 is amended to read:

19 **Sec. 14.25.009. Applicability of AS 14.25.009 - 14.25.220.** The provisions of
20 AS 14.25.009 - 14.25.220 apply only to members first hired before July 1, 2006, **and**
21 **teachers who are also members of the public employees' defined benefit**
22 **retirement plan under AS 39.35.095 - 39.35.680 who do not elect under**
23 **AS 14.25.540 to participate in the defined contribution retirement plan under**
24 **AS 14.25.310 - 14.25.590.**

25 * **Sec. 10.** AS 14.25.310 is amended to read:

26 **Sec. 14.25.310. Applicability of AS 14.25.310 - 14.25.590.** The provisions of
27 AS 14.25.310 - 14.25.590 apply only to teachers who first become members on or
28 after July 1, 2006, to members who are employed by employers that do not participate
29 in the defined benefit retirement plan established under AS 14.25.009 - 14.25.220, **to**
30 **teachers who are also members of the defined benefit retirement plan under**
31 **AS 39.35.095 - 39.35.680 and elect to participate in this plan** [TO FORMER

1 MEMBERS UNDER AS 14.25.220], or to members who transfer into the defined
2 contribution retirement plan under AS 14.25.540.

3 * **Sec. 11.** AS 14.25.330(a) is amended to read:

4 (a) A teacher who first becomes a member on or after July 1, 2006, **and who**
5 **is not also a member of the defined benefit retirement plan under AS 39.35.095 -**
6 **39.35.680** shall participate in the **system** [PLAN] as a member of the defined
7 contribution retirement plan.

8 * **Sec. 12.** AS 14.25.540(a) is amended to read:

9 (a) Subject to (i) of this section, an active member of the defined benefit
10 retirement plan of the teachers' retirement system **or a teacher who is also a member**
11 **of the Public Employees' Retirement System of Alaska** is eligible to participate in
12 the defined contribution retirement plan established under AS 14.25.310 - 14.25.590 if
13 that member has not vested. **A member's participation** [PARTICIPATION] in the
14 defined contribution retirement plan is in lieu of participation in the [DEFINED
15 BENEFIT] retirement plan **from which the member transfers. Each member of a**
16 **defined contribution retirement plan established under AS 39.35.700 - 39.35.990**
17 **who elects to participate in the defined contribution retirement plan established**
18 **under AS 14.25.310 - 14.25.590 shall cause the total amount of member and**
19 **employer contributions made under AS 39.35.700 - 39.35.990, with investment**
20 **earnings and losses through the day of that election, to be transferred to the**
21 **defined contribution retirement plan established under AS 14.25.310 - 14.25.590**
22 [ESTABLISHED UNDER AS 14.25.009 - 14.25.220].

23 * **Sec. 13.** AS 14.25.540(b) is amended to read:

24 (b) A member who has vested in a defined benefit retirement plan **of the**
25 **teachers' retirement system or the Public Employees' Retirement System of**
26 **Alaska** is not eligible to transfer under this section.

27 * **Sec. 14.** AS 14.25.540(c) is amended to read:

28 (c) Each eligible member **of a defined benefit retirement plan** who elects to
29 participate in the defined contribution retirement plan shall **direct that the**
30 **administrator transfer** [HAVE TRANSFERRED] to a new account the member
31 contribution account balance held in trust for the member under the defined benefit

1 retirement plan from which [OF] the member transfers [TEACHERS'
2 RETIREMENT SYSTEM]. A matching employer contribution shall be made on
3 behalf of that member [EMPLOYEE] to the new account. The employer shall make
4 the matching contribution from funds other than the trust funds of a [THE] defined
5 benefit retirement plan. The amount of the matching employer contribution is subject
6 to, and may not exceed, the limitation of 26 U.S.C. 415(c) during the applicable
7 limitation year as defined in AS 14.25.590. If the matching employer contribution
8 would exceed the limits during the limitation year in which the transfer occurs, the
9 remaining amount of the matching employer contribution shall be made in the next
10 limitation year, if the limits would not be exceeded.

11 * **Sec. 15.** AS 14.25.540(d) is amended to read:

12 (d) Upon a transfer, all membership service previously earned under the
13 [DEFINED BENEFIT] retirement plan from which a member transfers under this
14 section shall be nullified for purposes of entitlement to a future benefit under that
15 [THE DEFINED BENEFIT] retirement plan but shall be credited for purposes of
16 determining vesting in employer contributions under AS 14.25.390(b) and eligibility
17 to elect medical benefits under AS 14.25.470. Membership service allowed for credit
18 toward medical benefits does not include any service credit purchased under
19 AS 14.25.075 or AS 39.35.165 for employment by an employer who is not a
20 participating employer in this chapter.

21 * **Sec. 16.** AS 14.25.540(f) is amended to read:

22 (f) The board shall adopt regulations establishing procedures for the
23 transfer of contributions when a member makes an election under this section.
24 As directed by the participant, the board shall transfer or cause to be transferred the
25 appropriate amounts to the designated account. The board shall establish transfer
26 procedures by regulation, but the actual transfer may not be later than 30 days after the
27 effective date of the member's participation in the defined contribution retirement plan
28 unless the major financial markets for securities available for a transfer are seriously
29 disrupted by an unforeseen event that also causes the suspension of trading on any
30 national securities exchange in the country where the securities were issued. In that
31 event, the 30-day period of time may be extended by a resolution of the board of

1 trustees. Transfers are not commissionable or subject to other fees and may be in the
2 form of securities or cash as determined by the board. Securities shall be valued as of
3 the date of receipt in the participant's account.

4 * **Sec. 17.** AS 14.25.540(h) is amended to read:

5 (h) A member who is eligible to elect **a transfer from a defined benefit**
6 **retirement plan under AS 14.25.009 - 14.25.220 or AS 39.35.095 - 39.35.680** to the
7 defined contribution retirement plan **under AS 14.25.310 - 14.25.590** must make the
8 election not later than 12 months after the first day of the month following the
9 administrator's receipt of the notification that the member's employer consents to
10 transfers of its members under (i) of this section. [THE ELECTION TO
11 PARTICIPATE IN THE DEFINED CONTRIBUTION RETIREMENT PLAN MUST
12 BE MADE IN WRITING ON FORMS AND IN THE MANNER PRESCRIBED BY
13 THE ADMINISTRATOR. BEFORE ACCEPTING AN ELECTION TO
14 PARTICIPATE IN THE DEFINED CONTRIBUTION RETIREMENT PLAN, THE
15 ADMINISTRATOR MUST PROVIDE THE EMPLOYEE PLANNING ON
16 MAKING AN ELECTION TO PARTICIPATE IN THE DEFINED
17 CONTRIBUTION RETIREMENT PLAN WITH INFORMATION, INCLUDING
18 CALCULATIONS TO ILLUSTRATE THE EFFECT OF MOVING THE
19 EMPLOYEE'S RETIREMENT PLAN FROM THE DEFINED BENEFIT
20 RETIREMENT PLAN TO THE DEFINED CONTRIBUTION RETIREMENT PLAN
21 AS WELL AS OTHER INFORMATION TO CLEARLY INFORM THE
22 EMPLOYEE OF THE POTENTIAL CONSEQUENCES OF THE EMPLOYEE'S
23 ELECTION. AN ELECTION MADE UNDER THIS SUBSECTION TO
24 PARTICIPATE IN THE DEFINED CONTRIBUTION RETIREMENT PLAN IS
25 IRREVOCABLE. UPON MAKING THE ELECTION, THE PARTICIPANT SHALL
26 BE ENROLLED AS A MEMBER OF THE DEFINED CONTRIBUTION
27 RETIREMENT PLAN, THE MEMBER'S PARTICIPATION IN THE PLAN SHALL
28 BE GOVERNED BY THE PROVISIONS OF AS 14.25.310 - 14.25.590, AND THE
29 MEMBER'S PARTICIPATION IN THE DEFINED BENEFIT RETIREMENT PLAN
30 UNDER AS 14.25.009 - 14.25.220 SHALL TERMINATE. THE PARTICIPANT'S
31 ENROLLMENT IN THE DEFINED CONTRIBUTION RETIREMENT PLAN

1 SHALL BE EFFECTIVE THE FIRST DAY OF THE MONTH AFTER THE
2 ADMINISTRATOR RECEIVES THE COMPLETED ENROLLMENT FORMS. AN
3 ELECTION MADE BY AN ELIGIBLE MEMBER WHO IS MARRIED IS NOT
4 EFFECTIVE UNLESS THE ELECTION IS SIGNED BY THE INDIVIDUAL'S
5 SPOUSE.]

6 * **Sec. 18.** AS 14.25.540(i) is amended to read:

7 (i) A member may make an election under this section to transfer from a
8 defined benefit retirement plan only if the member's employer participates in both
9 the defined benefit retirement plan and the defined contribution retirement plan under
10 AS 14.25.310 - 14.25.590 and consents to transfers under this subsection [SECTION].
11 The employer shall notify the administrator if the employer consents to allowing the
12 employer's members to choose to transfer from the defined benefit retirement plan to
13 the defined contribution retirement plan under this subsection [SECTION]. An
14 employer's notice to allow transfers is irrevocable and applicable to all eligible
15 employees of the employer.

16 * **Sec. 19.** AS 14.25.540 is amended by adding a new subsection to read:

17 (k) An election under this section to transfer into the defined contribution
18 retirement plan must be made in writing on forms and in the manner prescribed by the
19 administrator. Before accepting the member's election, the administrator shall provide
20 the member with information sufficient to clearly inform the member of the potential
21 consequences of making the election, including calculations to illustrate the effect of
22 the member's transfer into the defined contribution retirement plan. An election made
23 under this subsection to transfer into the defined contribution retirement plan is
24 irrevocable. Upon making the election, the member shall be enrolled as a member of
25 the defined contribution retirement plan, the member's participation in the plan shall
26 be governed by the applicable provisions of AS 14.25.310 - 14.25.590, and the
27 member's participation in the retirement plan the member transfers from shall
28 terminate. A member's enrollment in the defined contribution retirement plan shall be
29 effective the first day of the month after the administrator receives the completed
30 enrollment forms. An election made by an eligible member who is married is not
31 effective unless the election is signed by the member's spouse.

1 * **Sec. 20.** AS 14.25.590(27) is amended to read:

2 (27) "teacher" and "member" are used interchangeably under
3 AS 14.25.310 - 14.25.590 and mean a person eligible to participate in the plan **under**
4 **AS 14.25.310** and who is covered by the plan, limited to

5 (A) a certificated full-time or part-time elementary or
6 secondary teacher, a certificated school nurse, or a certificated person in a
7 position requiring a teaching certificate as a condition of employment in a
8 public school of the state, the Department of Education and Early
9 Development, or the Department of Labor and Workforce Development;

10 (B) a full-time or part-time teacher of the University of Alaska
11 or a person occupying a full-time administrative position at the University of
12 Alaska that requires academic standing; the approval of the administrator must
13 be obtained before an administrative position qualifies for membership in the
14 plan; however, a teacher or administrative person at the university who is
15 participating in a university retirement program under AS 14.40.661 -
16 14.40.799 is not a member under this plan;

17 (C) a full-time or part-time instructor of the Department of
18 Labor and Workforce Development;

19 * **Sec. 21.** AS 37.10.220(a) is amended to read:

20 (a) The board shall

21 (1) hold regular and special meetings at the call of the chair or of at
22 least five members; meetings are open to the public, and the board shall keep a full
23 record of all its proceedings;

24 (2) after reviewing recommendations from the Department of
25 Revenue, adopt investment policies for each of the funds entrusted to the board;

26 (3) determine the appropriate investment objectives for the defined
27 benefit plans established under the teachers' retirement system under AS 14.25 and the
28 public employees' retirement system under AS 39.35;

29 (4) assist in prescribing the policies for the proper operation of the
30 systems and take other actions necessary to carry out the intent and purpose of the
31 systems in accordance with AS 37.10.210 - 37.10.390;

1 (5) provide a range of investment options and establish the rules by
2 which participants can direct their investments among those options with respect to
3 accounts established under

4 (A) AS 14.25.340 - 14.25.350 (teachers' retirement system
5 defined contribution individual accounts);

6 (B) AS 39.30.150 - 39.30.180 (State of Alaska Supplementary
7 Annuity Plan);

8 (C) AS 39.35.730 - 39.35.750 (public employees' retirement
9 system defined contribution individual accounts); and

10 (D) AS 39.45.010 - 39.45.060 (public employees' deferred
11 compensation program);

12 (6) establish the rate of interest that shall be annually credited to each
13 member's individual contribution account in accordance with AS 14.25.145 and
14 AS 39.35.100 and the rate of interest that shall be annually credited to each member's
15 account in the health reimbursement arrangement plan under AS 39.30.300 -
16 39.30.495; the rate of interest shall be adopted on the basis of the probable effective
17 rate of interest on a long-term basis, and the rate may be changed from time to time;

18 (7) adopt a contribution surcharge as necessary under AS 39.35.160(c);

19 (8) coordinate with the retirement system administrator to have an
20 annual actuarial valuation of each retirement system prepared to determine system
21 assets, accrued liabilities, and funding ratios and to certify to the appropriate
22 budgetary authority of each employer in the system

23 (A) an appropriate contribution rate for normal costs; and

24 (B) an appropriate contribution rate for liquidating any past
25 service liability; in this subparagraph, the appropriate contribution rate for
26 liquidating the past service liability of the defined benefit retirement plan under
27 AS 14.25.009 - 14.25.220 or the past service liability of the defined benefit
28 retirement plan under AS 39.35.095 - 39.35.680 must be determined by a level
29 percent of pay method based on amortization of the past service liability for a
30 closed term of 25 years;

31 (9) review actuarial assumptions prepared and certified by a member

1 of the American Academy of Actuaries and conduct experience analyses of the
2 retirement systems not less than once every four years, except for health cost
3 assumptions, which shall be reviewed annually; the results of all actuarial assumptions
4 prepared under this paragraph shall be reviewed and certified by a second member of
5 the American Academy of Actuaries before presentation to the board;

6 (10) contract for an independent audit of the state's actuary not less
7 than once every four years;

8 (11) contract for an independent audit of the state's performance
9 consultant not less than once every four years;

10 (12) obtain an external performance review to evaluate the investment
11 policies of each fund entrusted to the board and report the results of the review to the
12 appropriate fund fiduciary;

13 (13) by the first day of each regular legislative session, report to the
14 governor, the legislature, and the individual employers participating in the state's
15 retirement systems on the financial condition of the systems in regard to

16 (A) the valuation of trust fund assets and liabilities;

17 (B) current investment policies adopted by the board;

18 (C) a summary of assets held in trust listed by the categories of
19 investment;

20 (D) the income and expenditures for the previous fiscal year;

21 (E) the return projections for the next calendar year;

22 (F) one-year, three-year, five-year, and 10-year investment
23 performance for each of the funds entrusted to the board; and

24 (G) other statistical data necessary for a proper understanding
25 of the financial status of the systems;

26 (14) submit quarterly updates of the investment performance reports to
27 the Legislative Budget and Audit Committee;

28 (15) develop an annual operating budget; [AND]

29 (16) administer pension forfeitures required under AS 37.10.310 using
30 the procedures of AS 44.62 (Administrative Procedure Act);

31 **(17) determine the appropriate amount of contributions required**

to be transferred under AS 14.25.540.

* **Sec. 22.** AS 39.35.120(b) is amended to read:

(b) Inclusion in the plan is a condition of employment for an employee except as otherwise provided for

(1) an elected official;

(2) [REPEALED

(3)] an employee of the university who participates in a university retirement program under AS 14.40.661 - 14.40.799;

(3) an employee who is a member of a defined contribution retirement plan under AS 14.25.310 - 14.25.590 or AS 39.35.700 - 39.35.990.

* **Sec. 23.** AS 39.35.680(22) is amended to read:

(22) "member" or "employee"

(A) means a person eligible to participate in the plan and who is covered by the plan;

(B) includes

(i) an active member;

(ii) an inactive member;

(iii) a vested member;

(iv) a deferred vested member;

(v) a nonvested member;

(vi) a disabled member;

(vii) a retired member;

(viii) an elected public officer under AS 39.35.381;

(C) does not include

(i) former members;

(ii) persons compensated on a contractual or fee basis;

(iii) casual or emergency workers or nonpermanent employees as defined in AS 39.25.200;

(iv) persons covered by the Alaska Teachers' Retirement System except as provided under **AS 14.25.009**, AS 39.35.131 and 39.35.381, or persons covered by a university

retirement program;

(v) employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions;

(vi) justices of the supreme court or judges of the court of appeals or of the superior or district courts of Alaska;

(vii) the administrative director of the Alaska Court System appointed under art. IV, sec. 16 of the state constitution unless the director becomes a member under AS 39.35.158;

(viii) members of the elected public officers' retirement system (former AS 39.37); and

(ix) contractual employees of the legislative branch of state government under AS 24.10.060(f);

(D) may include employees of the division of marine transportation excluded under (C)(v) of this paragraph if [PROVIDED THAT]

(i) the State of Alaska formally agrees to their inclusion through the process of collective bargaining; and

(ii) no collective bargaining agreement has the effect of obligating contributions made by the state under AS 39.30.150 in the event the state resumes participation in the federal social security system;

* **Sec. 24.** AS 14.25.540(j) is repealed.

* **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LUMP SUM PAYMENT FOR CERTAIN TEACHERS AND PARAPROFESSIONALS. (a) Subject to appropriation for the fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029, a certificated full-time teacher occupying a position requiring teaching on a regular basis during the normal work period for each day or week at a classroom teaching assignment in a public elementary or secondary school, excluding a person teaching as an assistant or graduate assistant or teaching on a substitute, temporary, or per diem basis, or a full-time paraprofessional working in a public school is entitled to receive

1 a lump sum payment as a retention and recruitment incentive on or within a reasonable period
2 after July 1, 2027, July 1, 2028, and July 1, 2029, if the teacher was employed in a full-time
3 classroom teaching position or the paraprofessional was employed in a full-time
4 paraprofessional position for the entirety of the school term for the school year immediately
5 preceding the date of payment. The Department of Education and Early Development shall
6 reduce the retention and recruitment incentive by the amount necessary to pay mandatory
7 employee and employer deductions, including a deduction required under AS 14.25.

8 (b) Subject to the application and certification requirements in (c) of this section, the
9 Department of Education and Early Development shall pay the retention and recruitment
10 incentive identified in (a) of this section as grants to school districts as follows:

11 (1) \$5,000 for each eligible certificated full-time teacher teaching or full-time
12 paraprofessional working in the following districts:

13 (A) Anchorage School District;

14 (B) Fairbanks North Star Borough School District;

15 (C) Juneau Borough School District;

16 (D) Kenai Peninsula Borough School District;

17 (E) Matanuska-Susitna Borough School District;

18 (2) \$10,000 for each eligible certificated full-time teacher teaching or full-time
19 paraprofessional working in the following districts:

20 (A) Alaska Gateway School District;

21 (B) Aleutian Region School District;

22 (C) Aleutians East Borough School District;

23 (D) Annette Island School District;

24 (E) Chugach School District;

25 (F) Copper River School District;

26 (G) Cordova City School District;

27 (H) Delta/Greely School District;

28 (I) Denali Borough School District;

29 (J) Galena City School District;

30 (K) Haines Borough School District;

31 (L) Ketchikan Gateway Borough School District;

- 1 (M) Kodiak Island Borough School District;
- 2 (N) Mount Edgecumbe;
- 3 (O) Nenana City School District;
- 4 (P) Nome Public Schools;
- 5 (Q) Petersburg Borough School District;
- 6 (R) Saint Mary's School District;
- 7 (S) Sitka School District;
- 8 (T) Skagway School District;
- 9 (U) Unalaska City School District;
- 10 (V) Valdez City School District;
- 11 (W) Wrangell Public School District;
- 12 (X) Yakutat School District;

13 (3) \$15,000 for each eligible certificated full-time teacher teaching or full-time
 14 paraprofessional working in the following districts:

- 15 (A) Bering Strait School District;
- 16 (B) Bristol Bay Borough School District;
- 17 (C) Chatham School District;
- 18 (D) Craig City School District;
- 19 (E) Dillingham City School District;
- 20 (F) Hoonah City School District;
- 21 (G) Hydaburg City School District;
- 22 (H) Iditarod Area School District;
- 23 (I) Kake City School District;
- 24 (J) Kashunamiut School District;
- 25 (K) Klawock City School District;
- 26 (L) Kuspuk School District;
- 27 (M) Lake and Peninsula Borough School District;
- 28 (N) Lower Kuskokwim School District;
- 29 (O) Lower Yukon School District;
- 30 (P) North Slope Borough School District;
- 31 (Q) Northwest Arctic Borough School District;

- 1 (R) Pelican City School District;
- 2 (S) Pribilof School District;
- 3 (T) Southeast Island School District;
- 4 (U) Southwest Region School District;
- 5 (V) Tanana City School District;
- 6 (W) Yukon Flats School District;
- 7 (X) Yukon-Koyukuk School District;
- 8 (Y) Yupiit School District.

9 (c) To be eligible for the retention and recruitment incentive identified in (a) of this
 10 section, a certificated full-time teacher or a full-time paraprofessional must apply during each
 11 eligible calendar year to the Department of Education and Early Development on a date not
 12 later than the final day the teacher's school is in session for the school term established by the
 13 governing body of that teacher's school district or regional educational attendance area. The
 14 teacher or paraprofessional shall apply for the payment under this section on a form
 15 designated by the commissioner of education and early development. For each teacher or
 16 paraprofessional who applies, the school district or regional educational attendance area shall
 17 certify the teacher's or paraprofessional's eligibility for payment under (a) of this section to the
 18 Department of Education and Early Development.

19 (d) A payment made under this section is considered compensation for the purposes
 20 of AS 14.25.

21 (e) The Department of Education and Early Development may adopt regulations
 22 necessary to carry out the purposes of this section.

23 * **Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to
 24 read:

25 **TRANSITION: RETIREMENT PLAN ELECTION.** A teacher who became a member
 26 of the defined contribution retirement plan under AS 14.25.310 - 14.25.590 after June 30,
 27 2006, and before the effective date of secs. 9 - 11, 23, and 24 of this Act, and who, on the
 28 effective date of secs. 9 - 11, 23, and 24 of this Act, is a member employed by an employer in
 29 that defined contribution retirement plan and is also a member of the defined benefit
 30 retirement plan under AS 39.35.095 - 39.35.680 may, within 180 days after the effective date
 31 of secs. 9 - 11, 23, and 24 of this Act, make a one-time election to participate in the defined

1 benefit retirement plan under AS 14.25.009 - 14.25.220 and to transfer all contributions that
2 have been made or should be made to the defined contribution retirement plan for service the
3 member completes before the effective date of the member's participation in the defined
4 benefit retirement plan. The transferred contributions shall be used to purchase credited
5 service in the defined benefit retirement plan under AS 14.25.009 - 14.25.220 on an actuarial
6 equivalent basis determined by the Alaska Retirement Management Board established under
7 AS 37.10.210. The provisions of AS 14.25.044 apply to an election made under this section.

8 * **Sec. 27.** Section 5 of this Act takes effect on the effective date of sec. 16, ch. 40, SLA
9 2022.

10 * **Sec. 28.** Section 25 of this Act takes effect July 1, 2026.

11 * **Sec. 29.** Sections 9 - 24 and 26 of this Act take effect immediately under AS 01.10.070(c).