

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 149(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/24/01

Referred: Finance

Sponsor(s): SENATORS LEMAN, Davis

REPRESENTATIVES Wilson, Stevens

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

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

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

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

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

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

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

25 (a) Unless a teacher or member has elected to participate in the optional
 26 university retirement program under AS 14.40.661 - 14.40.799 **or has filed an**
 27 **election under AS 14.25.043(b)**, a teacher or member contracting for service with a
 28 participating employer is subject to this chapter.

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

30 (a) Unless a teacher or member has elected to participate in the optional
 31 university retirement program under AS 14.40.661 - 14.40.799 [OR HAS FILED AN

1 ELECTION UNDER AS 14.25.043(b)], a teacher or member contracting for service
2 with a participating employer is subject to this chapter.

3 * **Sec. 6.** AS 14.25.043 is amended to read:

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

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

27 **(c)** Upon subsequent retirement, the retired member is entitled to receive an
28 additional benefit based on the credited service and the average base salary during the
29 period of reemployment in accordance with AS 14.25.110. If the initial benefit
30 payments to which the retired member is eligible have been actuarially reduced
31 because the member retired early under AS 14.25.110(b), the member shall also

1 receive an incremental benefit based on the amount of the actuarial reduction imposed
 2 by AS 14.25.110(j) on the first benefit and the length of time that the employee was
 3 reemployed and not receiving retirement benefits. The amount of the incremental
 4 benefit is equal to the difference between the normal retirement benefit to which the
 5 member would have been entitled had the member taken a normal retirement and the
 6 early retirement benefit that the member has been receiving based on the member's
 7 initial period of employment multiplied by the total number of months that the
 8 member did not receive retirement benefits because of reemployment and that amount
 9 actuarially adjusted to be paid over the expected lifetime of the member.

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

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

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

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

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

24 (2) [A PERSON WHO IS AT LEAST 60 YEARS OF AGE BUT IS
 25 YOUNGER THAN 65 YEARS OF AGE MUST PAY AN AMOUNT EQUAL TO
 26 ONE-HALF OF THE FULL MONTHLY GROUP PREMIUM FOR RETIREE
 27 MAJOR MEDICAL INSURANCE COVERAGE;

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

31 * **Sec. 9.** AS 14.20.135 and AS 14.25.043(b) are repealed July 1, 2004.

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

3 REPORT TO LEGISLATURE. Annually, beginning in 2002 and ending in 2005, the
4 administrator of the teachers' retirement system shall report to the legislature by the 30th day
5 of the regular legislative session concerning the effect of this Act on the retirement system.

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

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

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

13 * **Sec. 13.** Sections 5, 7, and 9 of this Act take effect July 1, 2004.

14 * **Sec. 14.** Except as provided in secs. 12 and 13 of this Act, this Act takes effect July 1,
15 2001.