

**SPONSOR SUBSTITUTE FOR SENATE BILL NO. 149**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATORS LEMAN, Davis

Introduced: 3/30/01

Referred: Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to employment incentives for teachers and health care providers, to  
2 reemployment of retired teachers, to loans to and loan forgiveness for teachers and  
3 health care providers, to awards to teachers, to eligibility for major medical insurance  
4 coverage for beneficiaries of the teachers' retirement system, and to teacher certificates;  
5 and providing for an effective date."

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

7 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
8 to read:

9 SHORT TITLE. This Act may be known as the Alaska Teacher and Health Care  
10 Provider Recruitment and Retention Act of 2001.

11 \* **Sec. 2.** AS 14.07.020(a) is amended by adding a new paragraph to read:

12 (16) administer the teaching excellence award program under  
13 AS 14.43.705.

1 \* **Sec. 3.** AS 14.20.010 is amended to read:

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

10 \* **Sec. 4.** AS 14.20 is amended by adding a new section to read:

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

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

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

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

22                           (4) have paid the fee required by the department under  
23 AS 14.20.020(c).

24           (c) An out-of-state teacher who has been issued a preliminary teacher  
25 certificate under this section shall pass the competency examination designated by the  
26 board under AS 14.20.020(i) within one year after the date the preliminary teacher  
27 certificate was issued. If the teacher does not pass the examination, the department  
28 shall immediately revoke the teacher's preliminary teacher certificate.

29           (d) A teacher holding a preliminary teacher certificate issued under this  
30 section may be employed to provide instructional services for a school district or  
31 regional educational attendance area only if the teacher certificate issued by the other

1 state is valid at the time the teacher commences to provide instructional services for  
2 the school district or regional educational attendance area.

3 (e) Employment under a preliminary teacher certificate shall be considered in  
4 determining whether a teacher qualifies for tenure under AS 14.20.150. However, a  
5 teacher may not be granted tenure unless the teacher holds a teacher certificate issued  
6 under AS 14.20.020.

7 (f) A preliminary teacher certificate issued under this section is valid for five  
8 years and may not be renewed.

9 \* **Sec. 5.** AS 14.25.040 is amended to read:

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

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

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

22 **(b) A school district or regional educational attendance area that has or**  
23 **anticipates having a shortage of teachers qualified to teach in a particular**  
24 **discipline or specialty may, by resolution, adopt a policy that permits the**  
25 **employment of retired teachers who are qualified to teach in the discipline or**  
26 **specialty in accordance with this subsection. The policy must describe the**  
27 **circumstances that constitute a shortage. If a shortage of teachers exists in the**  
28 **district or attendance area as described in the policy, the district or attendance**  
29 **area shall notify the administrator that it is hiring retired teachers under this**  
30 **subsection. A teacher who retired under AS 14.25.110(a) and subsequently**  
31 **becomes an active member under a policy adopted in accordance with this**

1 subsection may, within 30 days of the date of reemployment, elect to continue  
 2 receiving benefit payments during the period of reemployment by filing a waiver  
 3 of coverage with the administrator on a form provided by the administrator. An  
 4 election under this subsection waives coverage for the period of reemployment  
 5 and is irrevocable during the period of reemployment. Deductions from the  
 6 member's salary may not be made under AS 14.25.050 during the period of  
 7 reemployment, and the member may not receive credited service for the period of  
 8 reemployment. A member who participated in a retirement incentive program  
 9 under ch. 26, SLA 1986, ch. 89, SLA 1989, ch. 65, SLA 1996, or ch. 4, FSSLA  
 10 1996, is not eligible to make an election under this subsection.

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

25 \* Sec. 7. AS 14.25.168(d) is amended to read:

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

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

31 (2) [A PERSON WHO IS AT LEAST 60 YEARS OF AGE BUT IS

1 YOUNGER THAN 65 YEARS OF AGE MUST PAY AN AMOUNT EQUAL TO  
 2 ONE-HALF OF THE FULL MONTHLY GROUP PREMIUM FOR RETIREE  
 3 MAJOR MEDICAL INSURANCE COVERAGE;

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

7 \* **Sec. 8.** AS 14.43 is amended by adding a new section to read:

8 **Sec. 14.43.142. Merit loan forgiveness of loans made to certain borrowers.**

9 (a) Except as provided under (c) of this section, the state shall forgive a loan made to  
 10 a borrower who

11 (1) has complied with AS 14.43.120;

12 (2) has achieved a cumulative grade point average at a college or  
 13 university of 3.0 or better, or the equivalent; and

14 (3) is employed full-time in a rural area in the state as

15 (A) a teacher or as a person providing professional special  
 16 education services at an elementary or secondary school in this state; or

17 (B) a health care provider.

18 (b) The amount to be forgiven under this section is the payments to be made  
 19 by the borrower for a loan made under AS 14.43.110 equal to the following  
 20 percentages of the total loan received plus interest up to a total of 50 percent of the  
 21 total loan plus interest:

22 (1) one year employment as described in (a) of this section, 10 percent;

23 (2) two years employment as described in (a) of this section, an  
 24 additional 10 percent;

25 (3) three years employment as described in (a) of this section, an  
 26 additional 10 percent;

27 (4) four years employment as described in (a) of this section, an  
 28 additional 10 percent;

29 (5) five years employment as described in (a) of this section, an  
 30 additional 10 percent.

31 (c) This section does not apply to a loan under AS 14.43.110

1 (1) given to a borrower who has fewer than 60 hours of credit at a  
2 college or university; or

3 (2) entered into after June 30, 2004.

4 (d) The loan amount forgiven under this section may not exceed the original  
5 loan balance or the loan balance due to the state, whichever is less. Notwithstanding  
6 any other provision of law, while a person's loan is being forgiven by the state under  
7 (b) of this section, that person may not receive forgiveness of a loan under any other  
8 provision of this chapter.

9 (e) Forgiveness under (b) of this section is subject to appropriation by the  
10 legislature. Money obtained from the sale of bonds by the Student Loan Corporation  
11 under AS 14.42.220 may not be appropriated for the payment of forgiveness of loans.

12 (f) In this section,

13 (1) "health care provider" means a person licensed in this state to  
14 provide services for the purpose of preventing, alleviating, curing, or healing human  
15 illness, injury, or physical or mental disability;

16 (2) "rural" has the meaning given in AS 14.43.700;

17 (3) "teacher" means a person who possesses a valid teacher certificate  
18 issued under AS 14.20.020.

19 \* **Sec. 9.** AS 14.43 is amended by adding a new section to read:

20 **Article 7A. Teaching Excellence Award Program.**

21 **Sec. 14.43.705. Teaching excellence award program.** (a) There is  
22 established the teaching excellence award program for the purpose of providing a  
23 financial award to eligible teachers. The teaching excellence award program shall be  
24 administered by the department.

25 (b) Subject to appropriation, a teacher shall receive an annual award in the  
26 amount of \$1,500 if the teacher is selected to receive an award under (c) of this  
27 section.

28 (c) The governing body in the school district in which the teacher is employed  
29 shall establish a selection committee and selection criteria that identify a teacher  
30 pursuing teaching excellence for the purpose of awarding money under (b) of this  
31 section. The selection committee shall include representatives from the school's

1 teachers, students, administrators, and parents of students who attend the school.

2 (d) An award to a teacher may not be made under this section if, in that school  
3 year, the award would result in more than 20 percent of the teachers in a school  
4 receiving an award under this section.

5 (e) In this section, "teacher" means a person who possesses a valid teacher  
6 certificate issued under AS 14.20.020.

7 \* **Sec. 10.** AS 44.33 is amended by adding a new section to read:

8 **Article 2A. Payment of Teacher and Health Care Provider Loans.**

9 **Sec. 44.33.205. Teacher and health care provider loan payment program.**

10 (a) There is established the Alaska teacher and health care provider loan payment  
11 program to provide a financial incentive of up to \$10,000 over a five-year period as  
12 described under (c) of this section to eligible teachers and health care providers. The  
13 program shall be administered by the Department of Community and Economic  
14 Development.

15 (b) Subject to appropriation, the department shall make annual payments on a  
16 loan made to a borrower who is employed full-time in the state as

17 (1) a teacher or as a person providing professional special education  
18 services at an elementary or secondary school in this state; or

19 (2) a health care provider.

20 (c) The amount to be paid under this section is equal to the following amounts:

21 (1) one year employment as described in (a) of this section, \$1,500;

22 (2) two years employment as described in (a) of this section, an  
23 additional \$1,500;

24 (3) three years employment as described in (a) of this section, an  
25 additional \$1,500;

26 (4) four years employment as described in (a) of this section, an  
27 additional \$2,500;

28 (5) five years employment as described in (a) of this section, an  
29 additional \$3,000.

30 (d) Payment required under this section shall be made annually and shall be  
31 made directly to the lender. If a borrower is not employed for an entire year, the

1 department shall prorate the payment described in this section to the number of  
2 months during the year that the borrower was employed full-time as a teacher or  
3 health care provider.

4 (e) The loan amount paid under this section may not exceed the loan balance  
5 due to the lender. A loan is not eligible for payment under this section unless the loan  
6 was entered into

7 (1) for the purpose of allowing the borrower to enroll as a student in a  
8 college or university; and

9 (2) before July 1, 2004.

10 (f) In this section,

11 (1) "department" means the Department of Community and Economic  
12 Development;

13 (2) "health care provider" means a person licensed in this state to  
14 provide services for the purpose of preventing, alleviating, curing, or healing human  
15 illness, injury, or physical or mental disability;

16 (3) "teacher" means a person who possesses a valid teacher certificate  
17 issued under AS 14.20.020.

18 \* **Sec. 11.** AS 14.43.705 is repealed July 1, 2004.

19 \* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to  
20 read:

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

24 \* **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to  
25 read:

26 REGULATIONS FOR RETIRED TEACHERS. Notwithstanding sec. 16 of this Act,  
27 the Alaska Teachers' Retirement Board may immediately proceed to adopt regulations  
28 necessary to implement changes made by secs. 5 - 7 of this Act. The regulations take effect  
29 under AS 14.25.022, but not before July 1, 2001.

30 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
31 read:

1           APPLICABILITY. Sections 8 and 10 of this Act apply to loans entered into on or  
2 after July 1, 2001, and to a person's employment that occurs on or after July 1, 2001.

3       \* **Sec. 15.** Section 13 of this Act takes effect immediately under AS 01.10.070(c).

4       \* **Sec. 16.** Except as provided in sec. 15, this Act takes effect July 1, 2001.