

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 14, 2018

7:58 a.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Coghill
Senator Tom Begich
Senator Shelley Hughes

MEMBERS ABSENT

Senator Cathy Giessel

COMMITTEE CALENDAR

SENATE BILL NO. 185

"An Act relating to reemployment of persons who retire under the teachers' retirement system."

- MOVED CSSB 185 (EDC) OUT OF COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 15

Proclaiming March 27, 2018, as Alaska Education and Sharing Day.

- MOVED SCR 15 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 185

SHORT TITLE: REEMPLOYMENT OF RETIRED TEACHERS & ADMIN

SPONSOR(s): SENATOR(s) MICCICHE

02/16/18	(S)	READ THE FIRST TIME - REFERRALS
02/16/18	(S)	EDC, FIN
02/26/18	(S)	EDC AT 8:00 AM BUTROVICH 205
02/26/18	(S)	Heard & Held
02/26/18	(S)	MINUTE (EDC)
03/07/18	(S)	EDC AT 8:00 AM BUTROVICH 205
03/07/18	(S)	Heard & Held
03/07/18	(S)	MINUTE (EDC)
03/14/18	(S)	EDC AT 8:00 AM BUTROVICH 205

BILL: SCR 15

SHORT TITLE: MARCH 27, 2018:AK EDUCATION & SHARING DAY

SPONSOR(s): SENATOR(s) HUGHES

02/02/18	(S)	READ THE FIRST TIME - REFERRALS
02/02/18	(S)	EDC
03/09/18	(S)	EDC AT 10:30 AM BUTROVICH 205
03/09/18	(S)	Heard & Held
03/09/18	(S)	MINUTE (EDC)
03/14/18	(S)	EDC AT 8:00 AM BUTROVICH 205

WITNESS REGISTER

TIM LAMKIN, Staff
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 185 on behalf of the sponsor.

NORM WOOTEN, Executive Director
Association of Alaska School Boards (AASB)
Juneau, Alaska

POSITION STATEMENT: Provided information on Amendment 1 for SB 185.

DEENA BISHOP, Ph.D., Superintendent
Anchorage School District
Anchorage, Alaska

POSITION STATEMENT: Supported SB 185.

LISA SKILES PARADY, Ph.D., Executive Director
Alaska Council of School Administrators
Juneau, Alaska

POSITION STATEMENT: Provided information on SB 185.

KATHY LEA, Deputy Director/Chief Pension Officer
Division of Retirement and Benefits
Department of Administration (DOA)
Juneau, Alaska

POSITION STATEMENT: Provided information on SB 185.

ACTION NARRATIVE

7:58:32 AM

CHAIR GARY STEVENS called the Senate Education Standing Committee meeting to order at 7:58 a.m. Present at the call to

order were Senators Coghill, Hughes, and Chair Stevens. Senator Begich joined shortly thereafter.

SB 185-REEMPLOYMENT OF RETIRED TEACHERS & ADMIN

[7:58:50 AM](#)

CHAIR STEVENS announced the consideration SB 185 and noted proposed Amendment 1.

[7:59:37 AM](#)

SENATOR COGHILL moved to adopt Amendment 1, 30-LS1414\A.1, for SB 185.

30-LS1414\A.1
Wayne
3/13/18

A M E N D M E N T

OFFERED IN THE SENATE
TO: SB 185

BY SENATOR STEVENS

Page 2, line 5, following "shall":

Insert "(1) by resolution, adopt a policy that describes the circumstances of a shortage or anticipated shortage of applicants, other than retired members, who are qualified for particular positions and permits rehiring that complies with the requirements of this section; and
(2)"

Page 2, line 12, following "to":

Insert "(1) provide the administrator with

(A) a copy of the resolution and policy adopted under (c) of this section; and

(B) for every retired member that is rehired, a report identifying the member by name and describing the

(i) circumstances of the shortage that necessitated the rehire; and

(ii) actions taken by the school district to comply with school district policy adopted under (c) of this section and the requirements of this section before rehiring the retired member; and

(2)"

Page 2, line 13:

Delete "(c) and (d) "

Insert "(c), (d), and (e)(1) "

CHAIR STEVENS objected for purposes of discussion.

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, presented SB 185 on behalf of the sponsor. He said the amendment is designed to present some level of accountability and transparency to the program while still limiting the amount of red tape. When he studied the program in the past, he saw concern that there could be potential misuse of the program or creation of disincentives for active recruitment. In terms of historical precedent, he found language in 2005 of the local governing body, which would be the school board, adopting a policy to help identify circumstances in which retirees would be hired. Superintendents would hire retirees and then report the hire to school boards. Then the school board would pass a resolution, "Whereas we've had such and such vacancy, we've presented evidence of actual recruitment efforts, the vacancy remains open, we have John Doe, retiree that's available and interested, therefore be it resolved we hire this person for these terms, for this position, this duration, and so forth." Copies of the resolution would be sent to the Office of Retirement to be kept on file. No report was required but the resolutions would be available for three years for viewing and auditing. This amendment is an effort to allow some transparency and accountability for the program.

[8:02:16 AM](#)

CHAIR STEVENS said the committee's concern all along has been about adding unnecessary work to the districts or commissioner's office. He asked Mr. Lamkin to explain what this entails in terms of extra effort for them.

[8:02:30 AM](#)

MR. LAMKIN said because of past precedent, districts may already have a policy on the books or archived. It should not be too onerous to draft this type of policy to identify and delineate the circumstance under which they have these shortages and then they simply keep on file who they hire under the program.

CHAIR STEVENS said then a copy would be sent to the commissioner's office and there would be no other report required.

MR. LAMKIN said the report would be sent to the administrator of the TRS [Teacher Retirement System] program, in the Division of Retirement and Benefits in the Department of Administration.

8:03:50 AM

NORM WOOTEN, Executive Director, Association of Alaska School Boards (AASB), testified on Amendment 1. He said since he previously testified in support of SB 185, he would speak to the amendment. Fifty of the 53 districts in Alaska use the AASB's model policy. AASB will work with their attorney to have a policy to provide to the 50 school districts that subscribe to their services. It's not particularly onerous because it is part of their end-of-session protocol to develop policy to match new legislation. They are not opposed to the amendment.

8:05:14 AM

DEENA BISHOP, Ph.D., Superintendent, Anchorage School District, supported SB 185. She said the Anchorage School District (ASD) appreciates the flexibility in a time of constrained resources. Now is the time for innovative ways to support school districts. She read in previous testimony that one school district anticipated hiring five retirees under this program. That doesn't seem like too much work, but ASD is hiring every month. ASD has over 3,000 teachers. They have teachers who leave at midyear because of military. When they put something at the board level, it takes two readings. So, they are looking at over a month for some of these provisions to move forward. She asked if the reports are necessary only for Alaska retired teachers or retired teachers from anywhere. The provision allowing them to be flexible to get the best teachers they can in classrooms is wonderful, but placing another report in hands of school districts that are reducing their staffs yearly due to budget constraints is difficult.

DR. BISHOP asked why the school board would need to go through this official process. The ASD sends reports to the Department of Education and Early Development (DEED) quite often. Adding the administrative process and then the political process at the board level and then turning it over to two divisions at the state level seems to be too much work for the desired outcome. She asked if there is another way to get the desired information without a resolution at the board level.

8:08:39 AM

CHAIR STEVENS said it is meant to be a simple process and reports are only for Alaska retired teachers.

[8:08:58 AM](#)

MR. LAMKIN said to clarify the amendment, the local board sets a policy consistent with this program. Superintendents then have the freedom to hire retirees. They come back to the board to say they have hired these people for these positions under this program. A copy of the resolution is sent to the Department of Administration, Division of Retirement and Benefits, to be kept on file.

[8:10:00 AM](#)

SENATOR HUGHES said Superintendent Bishop thinks that with their monthly hiring they will be going to the school board on a monthly basis. They are talking about setting the policy one time and then the superintendent reporting the new contracts with rehired retirees. She asked is that is to happen once a year or every time they set up a contract.

[8:10:34 AM](#)

MR. LAMKIN said it is not intended to be limiting in any way. It would be according to the circumstances of the respective district, whether they have a need from one month to the next or once a year. It wouldn't limit them to do it any particular way.

[8:10:57 AM](#)

SENATOR HUGHES asked if the Anchorage School District could report once a year to the school board.

[8:11:14 AM](#)

MR. LAMKIN said they are not talking about hiring hundreds of retirees every year. [Juneau] Superintendent Mark Miller said it would be four to six teachers over the course of a school year. Typically that is from the April to August timeframe, but that varies district to district.

SENATOR HUGHES said she still needed a clarification. She asked if a school board does four or five retiree hires in a year, must they go to the school board within a certain number of days for each hire or can they do it cumulatively at one time.

[8:12:10 AM](#)

MR. LAMKIN said that would be up to the school district. Theoretically or ideally, it would be as they come through the system. The amendment is silent on whether it can be done annually, but the spirit of the amendment is that they would report as they go.

[8:12:58 AM](#)

SENATOR BEGICH said Mr. Wooten would create a policy to make this a rote process that might address the situation of Anchorage and other large school districts by having a process of a single resolution. He asked Mr. Lamkin if he is saying the amendment is silent on the method.

MR. LAMKIN said yes.

SENATOR BEGICH said perhaps Mr. Wooten could clarify what he was talking about in terms of policy, but that he thought Mr. Wooten could address this in the model policy they would develop and make it a rote process. He asked Mr. Lamkin if that seemed correct.

[8:14:02 AM](#)

MR. LAMKIN said that is a fair clarification.

CHAIR STEVENS said that is the intention. He added that this does not include out-of-state retired teachers hired in Alaska. It is about teachers retired in the Alaska system.

[8:14:34 AM](#)

DR. BISHOP said the ASD board does approve their hires regularly as they move through the year, but the reporting system to DEED is not done monthly. Understanding that a separate resolution wouldn't need to be done . . . Superintendent Miller [of Juneau] said he might hire five people this way with his population. Anchorage has ten times the population. Doing this throughout the year for many different people with only two board meetings a month and requiring a first and second reading tended to look difficult to do, but understanding that the provision could be designed for efficiencies, how the district already works in that sort of reporting does make a lot of sense.

[8:15:56 AM](#)

CHAIR STEVENS asked how many in-state retired teacher Anchorage hires.

[8:16:05 AM](#)

DR. BISHOP said they have quite a few 49s [hired at less than 50 percent of the normal work week], specifically for hard-to-fill positions. They primarily hire special ed teachers at 49 to fill gaps. They would prefer to hire long-term, full-time employees until they can get those positions filled. She will get the number to him. Anchorage is not looking at this to replace the hiring of new employees. It would simply be to hire highly qualified teachers with a track record of success in Alaska

until they find that teacher, hopefully from one of their own universities, who can serve Alaska's children.

8:17:30 AM

CHAIR STEVENS said he would appreciate any additional information she could provide.

DR. BISHOP said she will provide the 49 numbers to the committee, as well as the subjects and certifications they hold.

8:17:57 AM

SENATOR BEGICH asked Mr. Wooten whether he would take into account the questions Superintendent Bishop asked when developing the model policy.

MR. WOOTEN said the AASB attorney works with legislative legal and the attorney general's office to develop a policy that meets the intent and spirit of the law. Their attorney always works to give school districts the greatest latitude under the law.

SENATOR BEGICH said the goal of the Association of Alaska School Boards is not to make it onerous for school districts, but to ensure flexibility.

8:19:20 AM

MR. WOOTEN said that is correct.

8:19:26 AM

LISA SKILES PARADY, Ph.D., Executive Director, Alaska Council of School Administrators, testified on SB 185. She said they are always reticent to ever support additional paperwork for school districts. As she understands this, they would do one model policy for the hiring season to cover any potential retired employees and then they can do one report at the end of the year. The responsibility of school districts would be one policy saying these are the circumstances under which they will hire retired individuals and then one report to the Department of Administration.

8:21:20 AM

SENATOR BEGICH said he doesn't think that's accurate. It's not a report. Resolutions are just sent to be kept on file at the Department of Administration.

CHAIR STEVENS said the intention is not a report. It would be simpler than that.

[8:21:48 AM](#)

MR. LAMKIN said, again, the spirit of the resolution is accountability and transparency. They want a local governing board awareness when people are hired under this program and that it be reported to the Department of Administration in the form of a resolution, whereas we needed to fill this vacancy and therefore we have filled it, under the board policy. Whether on a case by case basis or annual basis is flexible, as long as it is reported in the form of a resolution.

[8:22:34 AM](#)

SENATOR HUGHES said line 12 of the amendment about the resolution does require a report. What she is hearing is that the policy is on file. They report once a year or monthly all the retired members hired. She asked if her understanding was correct.

[8:23:23 AM](#)

MR. LAMKIN said yes.

[8:23:29 AM](#)

DR. PARADY asked for clarification with line 18, which states "requirements of this section before rehiring the retired member." The steps are the board passes the model policy and then hires retired individuals. She wants to make sure they are not required to have a report in place before hiring the retired member. The hiring would not be delayed by needing to file a report with the Department of Administration.

[8:24:57 AM](#)

MR. LAMKIN said when line 18 of the amendment refers to "this section," it refers to Section 1 of the entire bill. Before school districts rehire a retiree, it must be legal under this program. It does not mean being able to hire under district policy.

[8:25:45 AM](#)

At ease.

[8:31:58 AM](#)

CHAIR STEVENS removed his objection to the amendment and entertained a motion to amend the amendment.

SENATOR BEGICH moved to amend the amendment to strike the words "before rehiring the retired member" on line 18.

[8:32:22 AM](#)

There being no objection, the motion carried.

[8:32:29 AM](#)

There being no objection to adopt the amendment as amended, the motion carried.

[8:32:39 AM](#)

SENATOR HUGHES said the Mat-Su School District brought up three items. One concerns sick leave. When a member retires, unused sick leave can be cashed out or rolled into the TRS program. The bill talks about the districts contributing 12.56 to the TRS system. She asked if that contribution is the only obligation for the rehired retiree or will they have to roll over sick leave.

[8:34:11 AM](#)

CHAIR STEVENS said his understanding is that sick leave would not be accrued by a retired rehired teacher.

[8:34:19 AM](#)

SENATOR HUGHES said the second issue is about the 12.56 contribution to TRS for those hired at more than 49 percent. She wants to make it clear that districts do not have to make the 12.56 contribution for teachers hired at 49 percent or less.

[8:35:23 AM](#)

CHAIR STEVENS said he would also want to clarify that tenure does not continue to accrue.

SENATOR HUGHES said whether rehired retired teachers would have tenure is the third issue. The concern is that new teachers would not be bumped out of a school they want to be in if a rehired retiree has tenure and has first dibs on a position. Mat-Su recommends that rehired retirees not have that ability.

[8:36:54 AM](#)

MR. LAMKIN said 14.21.065 terminates tenure when teachers leave the system. Kathy Lea can address the other questions.

[8:37:35 AM](#)

KATHY LEA, Deputy Director/Chief Pension Officer, Division of Retirement and Benefits, Department of Administration (DOA), answered questions on SB 185. She said that regarding sick leave, since the member is not contributing to their own increased benefits during the rehired period, any sick leave accrued cannot be claimed to increase their retirement benefit. There would be no effect on benefits if the school district

allowed or did not allow unused sick leave to accrue. The 49 question goes back to what is a part-time and full-time teacher in TRS. Membership in TRS depends on work of at least 50 percent of the regularly scheduled work week. A 49 percent contract is below the requirement and these people are not eligible for TRS, so no employer contribution would be required.

[8:39:09 AM](#)

CHAIR STEVENS asked if the issue of tenure was outside of her responsibility.

[8:39:15 AM](#)

MS. LEA said yes.

[8:39:20 AM](#)

SENATOR HUGHES said that clarification needs to get on the record. She asked if a district could choose to not give sick leave to a rehired retiree and just give vacation and personal days or are they bound to offer sick days.

[8:40:01 AM](#)

MS. LEA said she cannot respond.

[8:40:14 AM](#)

SENATOR MICCICHE said this bill does not affect negotiations. If districts choose to negotiate sick leave into the contract, they will.

[8:40:37 AM](#)

CHAIR STEVENS closed public testimony.

[8:41:34 AM](#)

CHAIR STEVENS entertained a motion to move SB 185 out of committee.

SENATOR COGHILL moved SB 185 as amended with individual recommendations and indeterminate fiscal note.

[8:41:51 AM](#)

There being no objection, CSSB 185(EDC) moved from the Senate Education Standing Committee.

[8:42:00 AM](#)

At ease.

SCR 15-MARCH 27, 2018:AK EDUCATION & SHARING DAY

[8:43:43 AM](#)

CHAIR STEVENS announced the consideration of SCR 15.

SENATOR HUGHES said she would appreciate the committee moving the bill forward since March 27 is Education and Sharing Day. She hoped communities, schools, places of worship, and families will be having discussions as a result of the resolution and it might help young people be engaged and responsible citizens.

[8:44:34 AM](#)

CHAIR STEVENS asked if there were any additional public testimony.

[8:44:54 AM](#)

CHAIR STEVENS closed public testimony. He noted the bill has a zero fiscal note.

[8:45:06 AM](#)

CHAIR STEVENS entertained a motion to move SCR 15 out of committee.

[8:45:10 AM](#)

SENATOR COGHILL moved SCR 15 Version U from committee with individual recommendations and zero fiscal note.

[8:45:18 AM](#)

There being no objection, SCR 15 moved from the Senate Education Standing Committee.

[8:45:27 AM](#)

At ease.

[8:45:31 AM](#)

There being no further business to come before the committee, Chair Stevens adjourned the Senate Education Standing Committee at 8:45 a.m.