

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

March 22, 2021

9:03 a.m.

MEMBERS PRESENT

Senator Roger Holland, Chair
Senator Shelley Hughes
Senator Tom Begich

MEMBERS ABSENT

Senator Gary Stevens, Vice Chair
Senator Peter Micciche

COMMITTEE CALENDAR

SENATE BILL NO. 10

"An Act establishing a grant program to provide to essential workers the tuition and fees to attend a state-supported postsecondary educational institution."

- MOVED CSSB 10(EDC) OUT OF COMMITTEE

SENATE BILL NO. 80

"An Act relating to mental health education."

- MOVED CSSB 80(EDC) OUT OF COMMITTEE

SENATE BILL NO. 6

"An Act relating to retirement incentives for members of the defined benefit retirement plan of the teachers' retirement system and the defined benefit retirement plan of the Public Employees' Retirement System of Alaska; and providing for an effective date."

- MOVED CSSB 6(EDC) OUT OF COMMITTEE

SENATE BILL NO. 72

"An Act relating to civics education, civics examinations, and secondary school graduation requirements; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 20

"An Act relating to recognition of certificates of out-of-state teachers."

- BILL HEARING CANCELLED

PREVIOUS COMMITTEE ACTION

BILL: SB 10

SHORT TITLE: FREE/REDUCED TUITION FOR ESSENTIAL WORKER

SPONSOR(s): SENATOR(s) BEGICH

01/22/21	(S)	PREFILE RELEASED 1/8/21
01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	L&C, EDC, FIN
02/08/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/08/21	(S)	Moved SB 10 Out of Committee
02/08/21	(S)	MINUTE(L&C)
02/10/21	(S)	L&C RPT 4DP 1NR
02/10/21	(S)	NR: COSTELLO
02/10/21	(S)	DP: GRAY-JACKSON, STEVENS, HOLLAND, REVAK
03/17/21	(S)	EDC AT 9:00 AM BUTROVICH 205
03/17/21	(S)	Heard & Held
03/17/21	(S)	MINUTE(EDC)
03/22/21	(S)	EDC AT 9:00 AM BUTROVICH 205

BILL: SB 80

SHORT TITLE: PUBLIC SCHOOLS: MENTAL HEALTH EDUCATION

SPONSOR(s): SENATOR(s) GRAY-JACKSON

02/12/21	(S)	READ THE FIRST TIME - REFERRALS
02/12/21	(S)	EDC, HSS, FIN
03/10/21	(S)	EDC AT 9:00 AM BUTROVICH 205
03/10/21	(S)	Heard & Held
03/10/21	(S)	MINUTE(EDC)
03/19/21	(S)	EDC AT 9:00 AM BUTROVICH 205
03/19/21	(S)	-- Invited & Public Testimony --
03/22/21	(S)	EDC AT 9:00 AM BUTROVICH 205

BILL: SB 6

SHORT TITLE: RIP FOR PUBLIC EMPLOYEES/TEACHERS

SPONSOR(s): SENATOR(s) KAWASAKI

01/22/21	(S)	PREFILE RELEASED 1/8/21
01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	EDC, L&C, FIN
03/15/21	(S)	EDC AT 9:00 AM BUTROVICH 205
03/15/21	(S)	Heard & Held

03/15/21 (S) MINUTE (EDC)
03/22/21 (S) EDC AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

ED KING, Staff
Senator Roger Holland
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Co-presented the changes in the committee substitute for SB 10.

LOKI TOBIN, Staff
Senator Tom Begich
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Co-presented the changes in the committee substitute for SB 10.

SANA EFIRD, Executive Director
Alaska Commission on Postsecondary Education
Juneau, Alaska

POSITION STATEMENT: Available for questions about the fiscal note.

ED KING, Staff
Senator Roger Holland
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the changes in the committee substitute for SB 80.

ED KING, Staff
Senator Roger Holland
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the changes in the committee substitute for SB 6.

SENATOR SCOTT KAWASAKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 6.

JOHN HOLST, Superintendent
Sitka School District
Sitka, Alaska

POSITION STATEMENT: Described Sitka's experience with a retirement incentive.

JOE HAYES, Staff
Senator Kawasaki
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions about SB 6.

ACTION NARRATIVE

[9:03:36 AM](#)

CHAIR ROGER HOLLAND called the Senate Education Standing Committee meeting to order at 9:03 a.m. Present at the call to order were Senators Hughes, Begich, and Chair Holland.

At ease

SB 10-FREE/REDUCED TUITION FOR ESSENTIAL WORKER

[9:05:30 AM](#)

CHAIR HOLLAND reconvened the meeting and announced the consideration of SENATE BILL NO. 10 "An Act establishing a grant program to provide to essential workers the tuition and fees to attend a state-supported postsecondary educational institution."

He solicited for a motion to adopt the committee substitute (CS).

[9:05:42 AM](#)

SENATOR HUGHES moved to adopt the work draft CS for SB 10, work order 32-LS0127\G, as the working document.

[9:05:58 AM](#)

CHAIR HOLLAND objected for purposes of discussion.

[9:06:08 AM](#)

ED KING, Staff, Senator Roger Holland, Alaska State Legislature, Juneau, Alaska, explained the changes in the committee substitute for SB 10:

Change #1:

On page 1, line 8 of version A, the word "undergraduate" is deleted to account for trade

school students. Graduate school is still disallowed by subsection (a) paragraph (8).

MR. KING said change #2 is a substantial change that expands the eligible pool to include anyone who was laid off due to the pandemic.

Change #2:

Subsection (a) paragraph (2) is adjusted to allow any worker that was laid off to be eligible for a grant.

Version A:

(2) was employed as an essential worker in the state when the federal government declared a public health emergency on January 31, 2020, and

(A) maintains employment as an essential worker for the duration of the public health emergency; or

(B) was temporarily or permanently laid off;

Version G:

(2) was,

(A) employed as an essential worker in the state when the federal government declared a public health emergency on January 31, 2020; or

(B) temporarily or permanently laid off in the state as a direct consequence of the public health emergency declared by the federal government on January 31, 2020;

MR. KING deferred to the sponsor to speak to change #3.

SENATOR BEGICH asked his staff to explain change #3.

[9:07:49 AM](#)

At ease

[9:08:09 AM](#)

LOKI TOBIN, Staff, Senator Tom Begich, Alaska State Legislature, Juneau, Alaska, said that this change disqualifies someone from receiving additional funding once the person has completed a program.

Change #3:

Inserts a paragraph (4) under subsection (b), which disqualifies a student from additional funding once they complete the curriculum,

degree, or program for which they received a grant for the previous term.

SENATOR BEGICH added that someone cannot use four years to get two different degrees. It is only the opportunity for one degree.

MR. KING said #4 changes the definition of essential workers. Instead of being an enumerated list, the definition will be developed as described below.

Change #4:

A new subsection is added under section 1 (subsection (e) of version G), which directs the commission on Postsecondary Education to consult with HSS and use the Alaska Essential Services and Critical Workforce Infrastructure Order to define an "essential worker." The definition of "essential worker" in version A (on page 3, lines 6-17) was deleted.

Change #5:

The words "or private" are deleted from the definitions of "half-time" and "full-time" student (page 3, lines 22 and 26 of version A), as only state-supported institutions are authorized by this bill (page 1, line 8).

Change #6:

Changes to a hard repeal date of December 31, 2025 (previously set to expire at the end of the federal declaration).

[9:10:08 AM](#)

CHAIR HOLLAND removed his objection. He asked if there was further objection.

SENATOR HUGHES asked why this program does not allow the funds to be used at a private institution when it is allowed in the student loan program.

SENATOR BEGICH replied the primary reason is that the student loan program is a loan program that is designed to be paid back and this is a grant program. It would violate the constitution to provide the money with no element to pay it back. His office initially intended to have this apply to all institutions but Legislative Legal said that would not be possible because of the

constitutional prohibition on using public money for a private institution.

SENATOR HUGHES said that does make sense, but she still has a problem with those essential workers who worked the entire time during the declaration period vs. the restaurant worker who did not get laid off. The essential workers are eligible for the grant whereas the restaurant workers who might be able to pull themselves up to a better state if given this opportunity are not eligible. She said that is a problem but she would be part of the quorum to move the bill from committee.

CHAIR HOLLAND asked if there was further objection to adopting version G. Finding no further objection, version G was adopted.

SENATOR BEGICH advised that his office made an error in the report date on page 4, line 11, and requested the committee change it to December 31, 2026. As it reads now, the report will be produced the day after the grant program ends, which would not provide time to calculate things like whether people completed their degrees.

[9:14:43 AM](#)

At ease

[9:14:51 AM](#)

CHAIR HOLLAND reconvened the meeting and solicited a motion.

[9:15:27 AM](#)

SENATOR BEGICH moved conceptual Amendment [1].

Page 4, line 11:

Delete "January 1, 2025."

Insert: "December 31, 2026."

[9:15:48 AM](#)

CHAIR HOLLAND found no objection and conceptual Amendment [1] was adopted.

SENATOR BEGICH thanked the chair for hearing the bill.

SENATOR HUGHES asked if the bill title should be adjusted in the next committee of referral since the committee substitute allows a nonessential worker who was temporarily unemployed or permanently laid off to participate. She added that she believes all workers are critical and essential. She would be more apt to

vote for the bill if subparagraph (A) on page 1 were removed. She said her individual recommendation on the committee report will be to amend the bill as she described.

CHAIR HOLLAND asked Sana Efird if she had any comment as invited testimony.

[9:18:00 AM](#)

SANA EFIRD, Executive Director, Alaska Commission on Postsecondary Education, Juneau, Alaska, said she was asked to be available to answer questions on the fiscal notes.

[9:18:42 AM](#)

CHAIR HOLLAND found no questions, comments, or amendments and he solicited a motion.

[9:18:56 AM](#)

SENATOR HUGHES moved to report the work draft committee substitute (CS) for SB 10, work order 32-LS0127\G as amended, from the committee with individual recommendations and attached fiscal note(s).

CHAIR HOLLAND found no objection, CSSB (10)EDC as amended was reported from the Senate Education Standing Committee.

[9:19:30 AM](#)

At ease

SB 80-PUBLIC SCHOOLS: MENTAL HEALTH EDUCATION

[9:21:10 AM](#)

CHAIR HOLLAND announced the consideration of SENATE BILL NO. 80 "An Act relating to mental health education."

He noted the proposed committee substitute (CS) and solicited a motion.

[9:21:24 AM](#)

SENATOR HUGHES moved to adopt the work draft CS for SB 80, work order 32-LS0514\B, as the working document.

[9:21:38 AM](#)

CHAIR HOLLAND objected for purposes of discussion.

[9:21:46 AM](#)

ED KING, Staff, Senator Roger Holland, Alaska State Legislature, Juneau, Alaska, stated that committee members recommended the

changes that appear in version B. during the last hearing. He reviewed the following changes from version A to version B for SB 80:

Change #1:

Within the intent language of section 1, the list of mental health organizations is replaced with a more general reference.

- Page 1, Lines 5-10 of version A, are amended to read:

LEGISLATIVE INTENT. It is the intent of the legislature that the Board of Education and Early Development develop guidelines for instruction in mental health in consultation with **the department of Health and Social Services, regional tribal health organizations, and representatives of national and state mental health organizations.** [REPRESENTATIVES OF MENTAL HEALTH ORGANIZATIONS AND REGIONAL TRIBAL HEALTH ORGANIZATIONS, INCLUDING THE NATIONAL COUNCIL FOR BEHAVIORAL HEALTH, PROVIDENCE HEALTH AND SERVICES ALASKA, THE SOUTHCENTRAL FOUNDATION, ANCHORAGE COMMUNITY MENTAL HEALTH SERVICES, INC., THE NORTH STAR BEHAVIORAL HEALTH SYSTEM, AND THE NATIONAL ALLIANCE ON MENTAL ILLNESS ALASKA.]

Change #2:

Within AS 14.30.360(b), section 3 of the bill, the added language was adjusted for clarity and consistency with the intent language, and to address the concern of developmentally appropriate curriculum.

- On page 2, line 7 of version A, the phrase "Health guidelines must provide standards for instruction in mental health" is changed to "Guidelines for instruction in mental health" to match the intent language. The words "developmentally appropriate" are also inserted.
- On page 2, line 9 of version A, the words "regional tribal health organizations" are inserted to match the intent language.

SENATOR BEGICH said the bulk of the suggestions were made by staff to the Mental Health Board, the Suicide Prevention Council, and the Alcohol and Substance Abuse Prevention Council because they are more consistent with current policy.

[9:23:18 AM](#)

CHAIR HOLLAND removed his objection. There being no further objection, version B was adopted.

SENATOR HUGHES observed that the bill now states that the Department of Health and Social Services (DHSS) will be consulted to ensure curriculum is developmentally appropriate. The Department of Education and Early Development (DEED) is also involved in providing technical assistance. She expressed hope that DEED will be involved with technical assistance regarding what is developmentally appropriate, but she acknowledged that the way the language is written it falls on DHSS. She asked if anyone from DEED can speak to that.

SENATOR BEGICH said fiscal note speaks to that in the last paragraph on page 2. It says, "Transition language provides the State Board of Education and Early Development two years to develop mental health guidelines." DEED is the primary mover, but will consult with DHSS. The consultation language was in the original bill as well.

SENATOR HUGHES said that is in the intent language, but in Section 3, the guidelines are with DHSS. She is confident that they will work together, but there is some disconnect because one is intent language and the other says DHSS will establish guidelines.

MR. KING said that in Section 3 of the bill, the first sentence of that refers to the state board of DEED that will work in consultation with DHSS and the other organizations. The transition language states that the DEED state board shall develop the mental health guidelines, so in the bill it does fall on DEED.

SENATOR HUGHES said that is helpful and reassuring. It is good to get the discussion on the record so that it is clear that the committee is expressing the importance of both departments being involved.

[9:27:43 AM](#)

CHAIR HOLLAND solicited a motion.

[9:27:50 AM](#)

SENATOR HUGHES moved to report the proposed committee substitute (CS) for SB 10, work order 32-LS0514\B from committee with individual recommendations and attached fiscal note(s).

CHAIR HOLLAND found no objection and CSSB 10 (EDC) was reported from the Senate Education Standing Committee.

[9:28:11 AM](#)

At ease

SB 6-RIP FOR PUBLIC EMPLOYEES/TEACHERS

[9:29:45 AM](#)

CHAIR HOLLAND reconvened the meeting and announced the consideration of SENATE BILL NO. 6 "An Act relating to retirement incentives for members of the defined benefit retirement plan of the teachers' retirement system and the defined benefit retirement plan of the Public Employees' Retirement System of Alaska; and providing for an effective date."

He noted that there was a work draft committee substitute (CS) and solicited a motion.

[9:30:07 AM](#)

SENATOR HUGHES moved to adopt the work draft CS for SB 6, work order 32-LS0028\B, as the working document.

[9:30:20 AM](#)

CHAIR HOLLAND objected for purposes of discussion.

[9:30:24 AM](#)

ED KING, Staff, Senator Roger Holland, Alaska State Legislature, noted two changes in the committee substitute.

Change #1:

To address the concern regarding losing teachers in districts already facing teacher shortages, language was added to direct the commissioner of administration to deny an application by a teacher if doing so would create undue hardship for the school district. The change is in section 2, subsection (b), which appears on page 2, lines 14-15 of version B.

Change #2:

To acknowledge the fact that there may be financial benefits even in situations that do not result in a permanent reduction to positions, the last line of the intent language was deleted.

MR. KING noted that Senator Micciche expressed concern that allowing teachers to retire in school districts that already have recruitment and retention problems might be problematic, so language was added to attempt to address that.

9:31:26 AM

CHAIR HOLLAND removed his objection. There being no further objection, version B was adopted. He invited bill sponsor Senator Kawasaki to address the committee.

9:31:41 AM

SENATOR SCOTT KAWASAKI, Alaska State Legislature, Juneau, Alaska, sponsor of SB 6, thanked the committee for bringing the bill forward. He said retirement incentive programs have been used since the '80s in both the private and public sectors. In Alaska, RIP bills were used in '86, '89, and '96. A bill in 2004 did something similar to what SB 6 proposes. The cost savings are tremendous. In '86 the estimated savings was over \$25 million in year one. According to Legislative Audit, the '89 retirement incentive program demonstrated \$23 million in savings, representing 1,700 employees. In '96, the fiscal note for an identical bill showed a \$41 million savings in year one. He said this is a time to find savings and prevent layoffs, and SB 6 does that.

SENATOR HOLLAND invited John Holst, the Sitka superintendent, to testify.

9:33:40 AM

JOHN HOLST, Superintendent, Sitka School District, Sitka, Alaska, said that he has read through the bill several times. It is similar to bills in the past, but it seems unduly complicated. Sitka is in the middle of a reduction and is offering a bonus of \$10,000 that is not connected to the Teacher Retirement System (TRS). Four teachers are going to take advantage of that. It is a simple and straightforward thing for Sitka. The bill could allow for more local control if the legislature instructed TRS to count any bonuses as earned income. Right now, a bonus the district offers is outside of TRS and does not qualify as earned income. That one change would help Sitka immensely. People always want to know if a bonus will count for retirement. The intent of this bill is aimed at the right target. In the past these bills were related to a significant downturn in population and as such allowed removal of positions in an orderly fashion. The current situation is the need for pruning budgets and making reductions in positions. In

most situations, the people taking the bonus will have to be replaced. Inside the bill, in at least once case, it says the position cannot be filled and must remain vacant.

CHAIR HOLLAND clarified that Mr. Holst is invited testimony.

[9:37:43 AM](#)

SENATOR BEGICH pointed out that the bill says the retirement incentive program is not mandated, it is a "may." Sitka has the wherewithal to go beyond this retirement program, so it is doing so. The bill is provided as a tool to give guidance to districts that cannot offer a substantial bonus. The bill will have no material effect on Sitka if it chooses not to enter this particular state retirement incentive program.

SENATOR BEGICH described the following as a critical component of the bill: "RETIREMENT INCENTIVE PROGRAM (a) An employer including a state agency, a political subdivision of the state, a public organization, and the University of Alaska may elect to adopt a retirement incentive program under this Act." It is not designed to negatively impact the Sitka School District. It is designed to provide a tool for those districts that don't have the tax base or wherewithal that Sitka enjoys. There are "shall" retirement incentive programs that are dangerous for local jurisdictions that he would never support. This is not one of those.

[9:39:35 AM](#)

MR. HOLST said he understands this is voluntary. Whenever teachers want to tack on three years to their service in order to retire and get a larger benefit, the pressure will be on the district to participate. If it is a year of negotiation with the teacher union, it will be on the table for discussion and may be part of the agreement. There are significant financial impacts on districts. The intent is wonderful, but it is unduly complicated and going to create problems for local districts. He understands it is a choice to participate, but the pressure will come from teachers and their unions to force districts to participate.

SENATOR HUGHES questioned the need for the bill if a district can choose to participate and structure the program in a way that works for the particular district.

[9:41:33 AM](#)

SENATOR KAWASAKI answered that it seems that Sitka is offering a one-time \$10,000 payment to retire. By contrast, the school

district in Fairbanks has a \$25 million deficit next year and there may be 200 layoffs throughout the system, from custodial staff to certified teachers. Fairbanks does not have the cash to pay an incentive to retire.

SENATOR HUGHES asked, should become law, if the Sitka superintendent could continue to offer a monetary incentive to retire or if that district would have to follow the process structured in the bill.

SENATOR KAWASAKI answered that nothing prevents a school district from offering a signing bonus or retirement incentive. SB 6 codifies the retirement incentive program for school districts, the university, and state service. It includes everyone in the TRS or PERS (Public Employee Retirement System).

SENATOR HUGHES recalled that either last year or the year before, Senator Micciche introduced a bill to rehire retired teachers. She asked how that law would mesh with SB 6 and if it had a two-year wait period like SB 6.

SENATOR KAWASAKI responded that the retiree rehire bill, which was Senate Bill 185, passed the Senate 19-1. Its conditions are different from SB 6. A retired educator can be rehired if they have been retired for at least six months and are 62 years of age or younger. If older than age 62, they have to wait for 60 days. If people want to retire with the retirement incentive program in SB 6, they would be under a different part of law than the retire rehire system. He deferred to Mr. Hayes to discuss the particulars.

9:45:02 AM

JOE HAYES, Staff, Senator Scott Kawasaki, Alaska State Legislature, explained that under SB 6, the district can bring educators back under contract or as substitute teachers, but they cannot come back under TRS.

SENATOR HUGHES recalled that under Senator Micciche's bill, retired educators cannot return under TRS. She noted the different waiting periods for the two bills and asked, since there is a teacher shortage, if it would make more sense to bring the early retired teachers back in six months rather than two years.

SENATOR KAWASAKI advised that under Senator Micciche's bill, retirees have to come back under TRS and school districts will be required to pay 12.56 percent of base salary to TRS.

CHAIR HOLLAND noted that the next committee of referral is Labor and Commerce and then Finance. The committee has resolved the education aspect of the bill. There will be time for additional discussion.

SENATOR HUGHES asked the sponsor to entertain the idea of shortening the waiting period for teachers because the problem is not going to go away, especially in rural communities.

[9:47:56 AM](#)

CHAIR HOLLAND opened public testimony on SB 6; finding none, he public testimony. He solicited a motion.

[9:48:22 AM](#)

SENATOR HUGHES moved to report the work draft CS for SB 6, work order 32-LS0028\B, from committee with individual recommendations and attached fiscal note(s).

CHAIR HOLLAND found no objection and CSSB 6(EDC) was reported from the Senate Education Standing Committee.

[9:49:07 AM](#)

There being no further business to come adopted, Chair Holland adjourned the Senate Education Standing Committee at 9:49 a.m.