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HB 485     "An Act requiring the state to pay one-half of the employer contribution under the teachers' retirement system; and providing for an effective date."

Proposed CS for HB 485 (HES) (green)

Sponsor Statement (gold)

Fiscal Note (blue)

1.    Association of Alaska School Boards Position Statement
2.    NEA-Alaska Position Paper
3.    Statutes
4.    Letters of Support

# Chatham School District

MR. ROBERT M. MUTCH  
DISTRICT SUPERINTENDENT



BOARD OF EDUCATION

MR. WALLY FRANK SR.  
MS. ANDREA EAMES  
MS. SALLY KOOKESH  
MS. LOIS NIXON  
MR. BRUCE TEDTSEN

P.O. BOX 109

ANGOON, ALASKA 99820

PHONE: 788-3302 or 788-3682

FAX: 788-3252

February 27, 1992



Representative Ari L. Davis  
P.O. Box V  
State Capitol Building  
Juneau, Alaska 99811

Dear Representative Davis:

We just received your FAX this morning telling us about HB 485. We want to go on record that we agree wholeheartedly with your amendment which asks that the state pay one-half of the annual school district's portion of the Teacher's Retirement contributions.

With declining revenues, school districts are watching their funds go down considerably. Many of us are involved in restructuring efforts to build better schools. This takes increased funding to complete. Our children are being challenged to compete in a global society that requires increased knowledge and skills. Our schools are being challenged, too, to provide the type of learning environment that produces more effective schooling. All of these things cost additional money. The list of increased spending that is necessary to bring about better schools is very lengthy.

Therefore, an amendment such as the one you are proposing would be very cost effective for school districts and would allow them to continue to offer the kinds of programs and schools desired by our parents and communities. We certainly appreciate your efforts in our students' behalf.

Respectfully yours,

Mr. Wally Frank, Sr., Board Chairman  
Chatham School District

c: Mr. Robert M. Mutch, Supt.  
Mr. Bruce Tedtsen, Board member  
Mrs. Lois Nixon, Board member  
Mrs. Sally Kookesh, Board member  
Mrs. Andrea Eames, Board member

—SCHOOLS—

Phone 907-826-3274  
Fax. 907-826-3322

# CRAIG SCHOOL DISTRICT

John Holst  
Superintendent  
Bob Whicker  
Principal

February 27, 1992

RECEIVED  
3-2-92

Representative Cheri Davis  
PO Box V  
State Capitol Building  
Juneau, AK 99811

Dear Cheri,

We received your FAX yesterday regarding HB 485. While I have not discussed this bill with our Board, I believe that their reaction will be "unbridled enthusiasm!!"

The bill would clearly assist all districts and would soften the blow of any future increases.

If I can be of assistance, feel free to contact me.

Sincerely,

  
John Holst



## Matanuska-Susitna Borough School District

125 WEST EVERGREEN — PALMER, ALASKA 99645 — (907) 746-9200

Dr. Ell B. Sorenson, Superintendent



February 28, 1992

The Honorable Representative Cheri L. Davis  
PO Box V  
State Capitol Building  
Juneau, AK 99811

Dear Representative *Cheri* Davis:

On behalf of the Mat-Su Borough School Board, the District's staff, students, parents and community, I would like to commend you for advocating for our public schools. HB485 takes a long-term view of the problem which we certainly appreciate. As you know, the increase for the District's contribution next year will require one-half of the currently proposed increase to the instructional unit.

The increase to the instructional unit is essential to begin to address the loss in purchasing power through inflationary costs since the mid-eighties. Therefore, our respect for your understanding of education and its funding in Alaska has once again been strengthened through your development of HB485.

Without question, we are supportive and applaud your efforts.

Sincerely,  
MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD

Diana L. Herschbach, President

rje

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 FAX TRANSMITTAL MEMO  
 TO: Cheri Davis  
 FROM: Wrangell Schools  
 NO. OF PAGES: 1  
 FAX #: 465-2294  
 PHONE: 907-2347  
 FAX #: 907-3137  
 Post-Net brand fax transmittal memo 7871



WRANGELL

**PUBLIC SCHOOLS**  
**DISTRICT OFFICE**

P.O. BOX 2319

WRANGELL, ALASKA 99929

Telephone (907) 874-2347

LINWOOD LAUGHY, Superintendent

GATEWAY TO THE STIKINE



March 12, 1992

Representative Cheri Davis  
 Alaska State Legislature  
 State Capitol  
 Juneau, Alaska 99801-1182

Re: Public School Foundation Funding

Dear Representative Davis:

For five years the instructional unit value has remained at \$60,000.

Has the cost of personnel remained the same?

Has the cost of equipment and supplies remained the same?

Has the cost of utilities or insurance or maintenance remained the same?

Of course not.

Meanwhile PERS costs are up, TRS costs are up, new federal and state requirements for school districts have increased, greater numbers of children with social/emotional problems walk through the school house doors, and parents and legislators are demanding higher student performance.

Add to this perspective state statutes that grant teachers tenure after 15 months of service and make it nearly impossible to lay off a tenured teacher — regardless of a district's revenues or the educational priorities of the community.

Legislators — It's time for a \$63,000 instructional unit, or relief for the ever-increasing TRS contributions, or legislation that will allow a district to operate in a fiscally and educationally responsible manner. Please do not continue to put Alaska's school boards in a position in which meaningful change is so difficult, high student success so unlikely.

Sincerely,

William T. Messmer, President  
 Wrangell School Board

LL:lh

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300  
TELEFAX: (907) 465-2389

March 11, 1992

The Honorable Cheri Davis  
Alaska State Legislature  
State Capitol Building, Rm. 118

Dear Representative Davis:

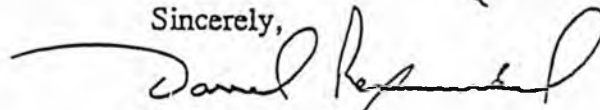
In looking over House Bill 485, An Act requiring the state to pay one-half of the employer contribution under the teacher's retirement system..., it occurs to me that parties who are interested in this legislation may not recall the history of the employer match for TRS.

From the time TRS was created until 1986, the State of Alaska paid an employer match amount into the Teacher's Retirement System. In its final year, that amount was \$26,856,000. In 1988, state law was enacted which eliminated the match and rolled the calculated amount into the education foundation formula. Thus, instead of calculating a match amount and appropriating it separately, the employer match is being appropriated when the education foundation formula amount is appropriated.

I have attached the chart from the 1990 Annual Report for the State of Alaska which displays this point.

Accordingly, we do not feel additional appropriations should be made to the Teacher's Retirement System.

Sincerely,



Darrel J. Rexwinkel  
Commissioner

Enclosure

cc: Chief-of-Staff Max Hodel, Office of the Governor  
Paul Fuhs, Office of the Governor  
Commissioner Jerry Covey, Department of Education  
Commissioner Nancy Bear Usera, Department of Administration  
Representative Nillo Koponen, Alaska State Legislature  
Representative Gene Kubina, Alaska State Legislature  
Senator Jim Duncan, Alaska State Legislature  
House Finance Committee  
Senate Finance Committee

DJR:mm

92-059



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE  
ANCHORAGE, ALASKA 99503  
(907) 274-0536  
FAX: (907) 274-0551

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3090  
FAX: (907) 586-2744

## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435  
FAX: (907) 456-2159

MARCH 19, 1992

## NEA ALASKA POSITION PAPER

### HB 485

NEA Alaska enthusiastically supports the passage of HB 485 to require the state to pay one-half of the employer contribution to the teachers' retirement system. This change in the law will make TRS cost sharing the same as it was prior to 1987.

The public schools of Alaska are experiencing difficulty adjusting budgets to meet the instructional needs of students, to implement more regulations and mandates requiring greater service to students and to fund the increased cost of operating the schools. It is estimated that HB 485 will have the effect of providing \$35.7 million more from the foundation program in FY 93 for program support. HB 485 will require that half of the annual employer contribution to TRS will be shared by state government at a time when Alaska's schools are in need of additional funding in order to provide an adequate education program for children.

HB 485 and an accompanying appropriation, SB 426 will provide school districts some relief at this critical time. We respectfully urge passage of HB 485 and the appropriation bill.

Sincerely,

Vernon Marshall  
Executive Director

Don Oberg  
President

# ALASKA STATE LEGISLATURE

## ELECTIVE DISTRICT 1

HYDER  
KETCHIKAN  
KUPREANOF  
MEYERS CHUCK  
PETERSBURG  
SAXMAN  
WRANGELL



## IN KETCHIKAN

352 FRONT ST.  
KETCHIKAN, AK 99901  
PHONE 225-9449

## DURING SESSION

P.O. BOX V  
STATE CAPITOL BUILDING  
JUNEAU, AK 99811  
PHONE 465-3424

Representative Cheri L. Davis

## SPONSOR STATEMENT FOR HB 485

Good morning and thank you for hearing House Bill 485 today.

Under this legislation, the state would pay one-half of the employer's portion of the Teacher's Retirement contribution.

Current law requires the school districts pay the entire amount of the employer's contribution to the TRS program from existing revenues. When the current state law was enacted, and the state stopped contributing to TRS, school district revenues were high and increases readily available. With the current fiscal situation, decreasing revenues and the lack of an increase in the instructional unit, school districts just don't have the where-with-all to pay the entire employer portion of the TRS, without using money intended for the classroom.

TRS is a state retirement program and HB 485 would alleviate some of the financial burden facing the school districts by having the state pay half of the employer portion of the contribution to the program. By paying half of the contribution the state would allow the districts to put some much needed money back into the education of our young people.

Again thank you for hearing this bill this morning and I will be glad and try to answer any questions you may have.

# HOUSE COMMITTEE REPORT

(7) Date Referred: February 18, 1992 FURTHER REFERRALS: Finance

Date of Committee Action: 3/19/92

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 485

HOUSE BILL NO. 485 STATE SHARE OF TRS EMPLOYER CONTRIBUTION

"An Act requiring the state to pay one-half of the employer contribution under the teachers' retirement system; and providing for an effective date."

RECOMMENDATIONS:  
 be replaced with CS HB 485 (HES)  the same title  
 a new title  
 have attached amendments(s)  
 do pass  
 do not pass  
 no recommendations  
 individual recommendations  
 additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)  
 fiscal impact Admin- 3/12/92  fiscal note(s) \_\_\_\_\_  
 zero fiscal note D.O.C. 3/18/92  zero fiscal note(s) \_\_\_\_\_

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Cheri Davis</i>	✓				
		<i>Mark Rowley</i>	X		
		<i>Joe Soyak</i>		✓	
<i>Patricia King</i>		<i>Betsy Davis</i>		X	
		<i>Mary Miller</i>	X		

*Patricia King*  
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. HB 485

Revision Date: \_\_\_\_\_  
Title: An Act Requiring the State to pay one-half of the employer contribution under TRS  
Sponsor: Representative C. Davis  
Requestor: House Hess

Department Affected: Education  
BRU: K-12 Support  
Component: Foundation Program

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
<b>TOTAL</b>	0	0	0	0	0	0

POSITIONS:

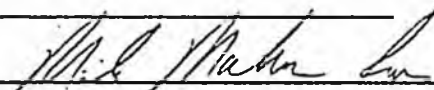
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.) The Department of Administration, Division of Retirement and Benefits has established the FY93 costs of this legislation to be \$35,693.9 contingent on a House HESS committee substitute which amends Section 14.25.070 by adding a new line to read: The state shall contribute an amount equal to the employer contributions.

Prepared by: Mike Maher Phone: 465-2800

Division: Commissioner's Office Date: 3-18-92

Approved by Commissioner:  Jerry Covey

Agency: Education Date: 3-18-92

FISCAL NOTE

BILL NO. CSHB 485(HESS)

" DRAFT "

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: An act requiring that the state pay 1/2 of the TRS annual employer contributions.

Department Affected: Administration  
BRU: Retirement and Benefits

Sponsor: C Davis  
Requestor: House HESS Committee

Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	35,693.9	36,764.7	37,867.7	39,003.7	40,173.8	41,379.0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	35,693.9	36,764.7	37,867.7	39,003.7	40,173.8	41,379.0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	35,693.9	36,764.7	37,867.7	39,003.7	40,173.8	41,379.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	35,693.9	36,764.7	37,867.7	39,003.7	40,173.8	41,379.0

POSITIONS

FULL-TIME:	0	0	0	0	0	0
PART-TIME:	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact: Zero

ANALYSIS: (attach a separate page if necessary.)  
  
See Attached

Prepared By: Gary Bader *Gary M. Bader*  
Division: Retirement and Benefits

Phone: 465-4470  
Date: March 12, 1992

Approved by Commissioner: Nancy Bear Usura *Nancy Bear Usura*  
Agency: Department of Administration

Date: 3/17/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

HESS Committee Substitute for House Bill 485  
Analysis of Fiscal Implications to the Retirement Fund  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 12, 1992

Analysis: This bill would reestablish the requirement for the state to fund 1/2 of the annual employer contributions to the Teachers' Retirement System. This would place an additional formula funded program in the Department of Administration. The requirement for a "state match" of employer contributions existed in the TRS prior to 1987.

The TRS employer contribution rate for FY 93 is 15.69%. We estimate the TRS salaries to be \$454,988,695 in FY 93 and to increase by 3% each year thereafter.

The general fund cost to the state for FY 93 is estimated to be \$35,693.9 calculated as follows:

FY 93 estimated TRS salaries....	\$454,988,695
TIMES.1/2 of the FY 93 TRS employer rate (15.69%)	<u>7.845%</u>
FY 93 TRS State Match...	<u>\$35,693.863</u>

As long as the appropriations are made to fully fund this obligation, this bill is not expected to impact the unfunded liabilities or the funding ratio of the TRS.

7-LS2006D ✓  
Cramer  
3/5/92

CS FOR HOUSE BILL NO. 485 (HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES C.DAVIS, Koponen, Kubina

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring the state to pay one-half of the employer contribution under the  
2 teachers' retirement system; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 14.25.070 is amended to read:

5           Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall contribute to  
6 the system an amount equal to one-half the percentage, as certified by the administrator, of the  
7 sum total of the base salaries of all teachers that is required in addition to teacher contributions  
8 to provide the benefits of this chapter times the sum total of the base salaries paid to teachers by  
9 the employer. The state shall contribute an amount equal to the employer contribution.

10 \* Sec. 2. This Act takes effect July 1, 1992.

POSITION PAPER  
DEPARTMENT OF ADMINISTRATION

Contact: Gary Bader

Bill Number: CSHB 485 (Hes)


Phone #: 415-4470

Bill Title: "An act requiring the state to pay one-half of the employer contribution under the teachers' retirement system; and providing for an effective date."

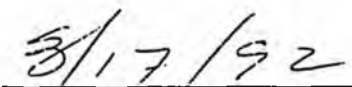
This bill would require that the state contribute one-half of the total annual employer contribution necessary to fund the Teachers' Retirement System. Under current law, the school districts are responsible for paying the full cost of the retirement contributions for their teachers. This is important since teachers' salaries and other conditions of employment are negotiated at the school district level.

State assistance to school districts is currently provided through the education foundation formula. The funding mechanism proposed would fragment the process. This bill also places responsibility for this funding with the Department of Administration. It may be more appropriately placed with the Department of Education.

The department is opposed to this bill because it places a financial burden on the state that should appropriately continue to be borne by the school districts.



Nancy Bear Usera  
Commissioner



Date

HESS Committee Substitute for House Bill 485  
Analysis of Fiscal Implications to the Retirement Fund  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 12, 1992

Analysis: This bill would reestablish the requirement for the state to fund 1/2 of the annual employer contributions to the Teachers' Retirement System. This would place an additional formula funded program in the Department of Administration. The requirement for a "state match" of employer contributions existed in the TRS prior to 1987.

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TIMES.1/2 of the FY 93 TRS employer rate (15.69%)	<u>7.845%</u>
FY 93 TRS State Match...	<u><u>\$35,693,863</u></u>

As long as the appropriations are made to fully fund this obligation, this bill is not expected to impact the unfunded liabilities or the funding ratio of the TRS.

7-LS2006D ✓  
Cramer  
3/5/92

CS FOR HOUSE BILL NO. 485 (HES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES C.DAVIS, Koponen, Kubina

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring the state to pay one-half of the employer contribution under the  
2 teachers' retirement system; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 14.25.070 is amended to read:

5           Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall contribute to  
6 the system an amount equal to one-half the percentage, as certified by the administrator, of the  
7 sum total of the base salaries of all teachers that is required in addition to teacher contributions  
8 to provide the benefits of this chapter times the sum total of the base salaries paid to teachers by  
9 the employer. The state shall contribute an amount equal to the employer contribution.

10 \* Sec. 2. This Act takes effect July 1, 1992.

SENATE BILL NO. 425  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATOR DUNCAN

Introduced: 2/18/92  
Referred: HES, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring the state to pay one-half of the employer contribution under the  
2 teachers' retirement system; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 14.25.070 is amended to read:

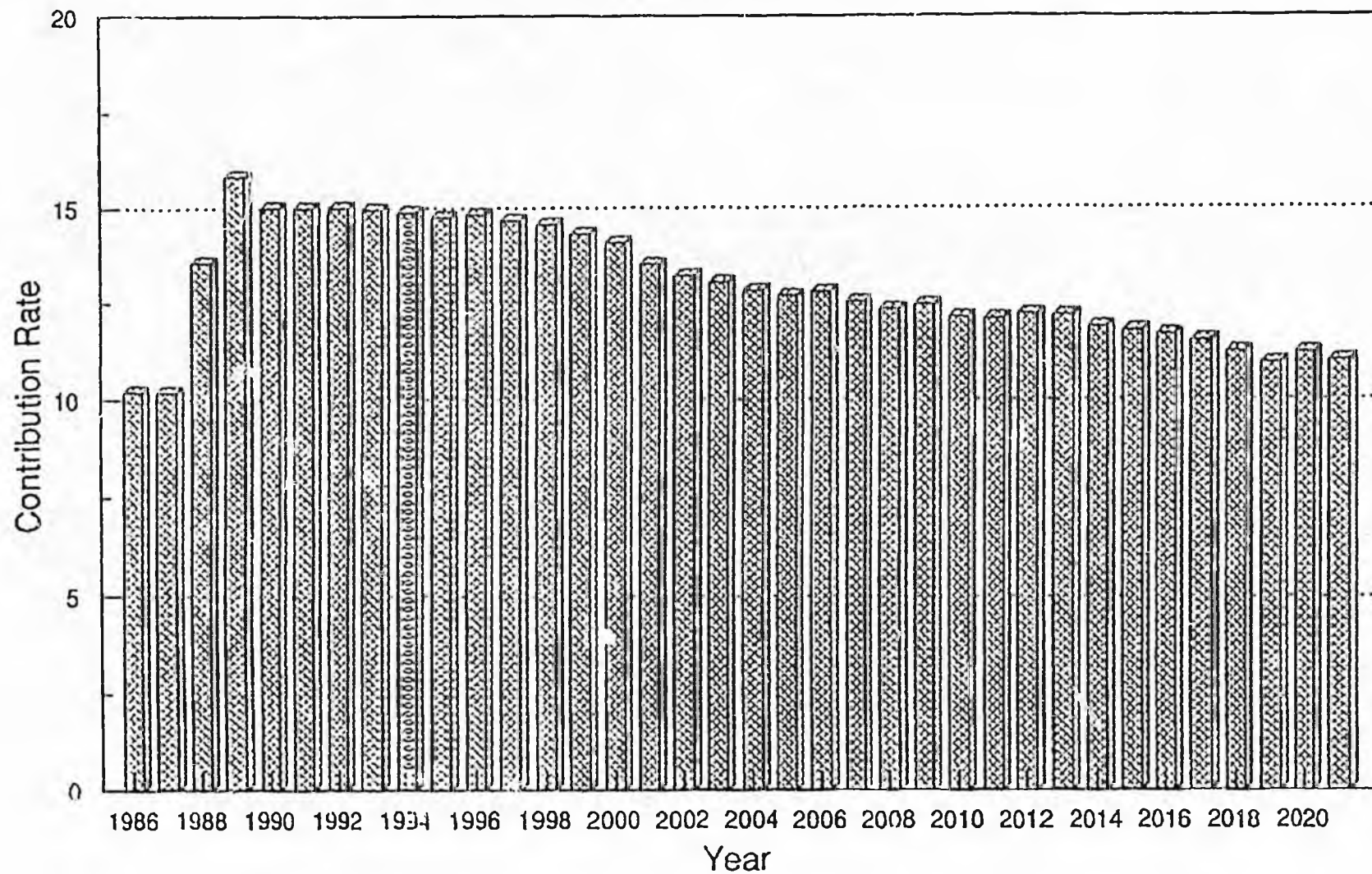
5       Sec. 14.25.070. CONTRIBUTIONS BY EMPLOYER. An employer shall contribute to  
6 the system an amount equal to one-half the percentage, as certified by the administrator, of the  
7 sum total of the base salaries of all teachers that is required in addition to teacher contributions  
8 to provide the benefits of this chapter times the sum total of the base salaries paid to teachers by  
9 the employer. The state shall contribute an amount equal to the employer contribution.

10 \* Sec. 2. This Act takes effect July 1, 1992.

# State of Alaska

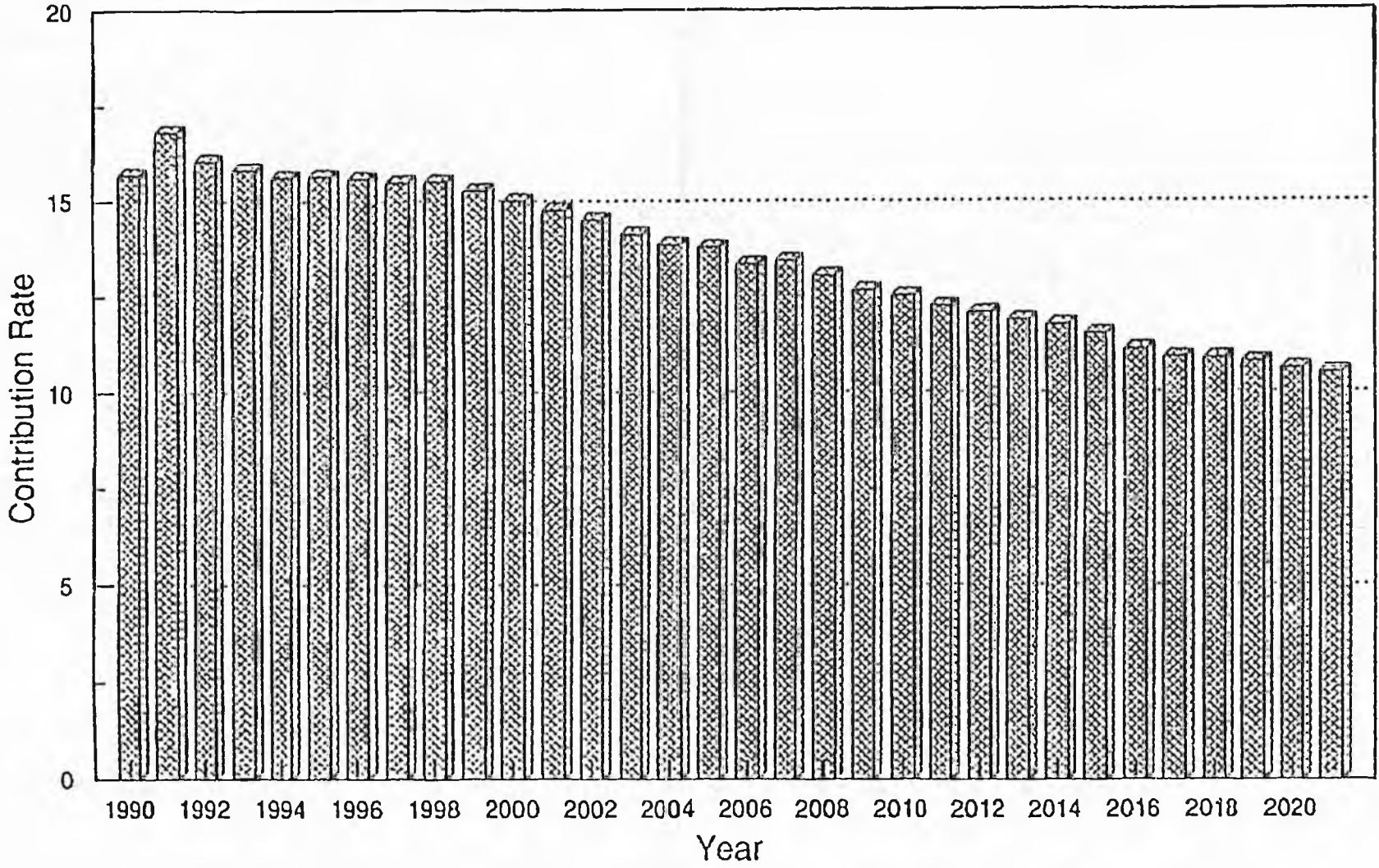
## Public Employees' Retirement System

### Projected State Contribution Rates



NOV 11 2004  
11:41 AM  
ALASKA STATE ARCHIVES

**State of Alaska**  
**Teachers' Retirement System**  
**Projected Contribution Rates**



**Sec. 14.25.220. Definitions.** In this chapter, unless the context requires otherwise,

(1) "active member" means a member who is employed by an employer, is receiving compensation on a full-time or part-time basis and is making contributions to the system, or a member making contributions under AS 14.20.330 or 14.20.345;

(2) "actuarial adjustment" means equality in value of the aggregate expected payments under two different forms of pension payments, considering expected mortality and interest earnings on the basis of tables adopted from time to time by the board;

(3) "administrator" means the person appointed by the commissioner of administration under AS 14.25.015;

(4) "annuitant" means a retired member or a disabled member who is receiving a benefit under this system;

(5) "average base salary" means the result obtained by dividing the sum of the member's three highest years' base salary by three, or if a member does not have three years base salary, then by dividing the sum of all base salaries by the number of years of base salary; the base salary for a year in which credit is granted for disability totaling more than one-third of a year may not be used in the computation of the average base salary; the base salary in a school year for which the member receives compensation for less than two-thirds of a year may not be used in the computation of the average base salary; if compensation is received for more than two-thirds of a year, the full base salary for that school year shall be used in the computation of the average base salary;


(B) has the same meaning as "compensation" under AS 39.35.680(8) when applied to a state legislator who elects membership under AS 14.25.040(b);

(7) "beneficiary" means a person designated by a member to receive benefits that may be due from the system upon the member's death;

(8) "BIA service" means service, including partial years, as a teacher, a certificated person employed in a full-time position requiring a teaching certificate as a condition of employment, or a Bureau of Indian Affairs professional educator in a school or school system operated by the Bureau of Indian Affairs in Alaska;

(9) "board" means the Alaska Teachers' Retirement Board established under AS 14.25.035.

(10)

reduced  (c), and the amount deferred under an

unless the context re-  
employed by an em-  
part-time basis and  
or making contribu-

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pension payments,  
ings on the basis of

ed by the commis-

abled member who

ed by dividing the  
ry by three, or if a  
en by dividing the  
se salary; the base  
ility totaling more  
omputation of the  
ear for which the  
irds of a year may  
salary; if compen-  
ear, the full base  
omputation of the

contract for a full  
the contract;  
ion" under AS  
lects membership

member to receive  
member's death;  
tial years, as a  
e position requir-  
nt, or a Bureau of  
hool system oper-

ent Board estab-

paid under con-  
ool year, includ-  
that is actually  
nber's wages are  
ferred under an

employer-sponsored deferred compensation plan or the tax shelter an-  
nuity plan approved by the Department of Education, but does not  
include retirement benefits, welfare benefits, per diem, expense allow-  
ances, workers' compensation payments, or payments for leave not  
used by the member, whether those leave payments are scheduled  
payments, lump-sum payments, donations, or cash-ins; for purposes of  
AS 14.25.050, compensation paid includes any payment made after  
June 30 of a school year for services rendered before the end of the  
school year;

(11) "credited service" means

(A) all membership service as defined in this section, territorial  
employment as defined in this section, plus outside, military, and  
Alaska BIA service, with outside and military service limited to 10  
years except under the conditions set out in AS 14.25.100;

(B) for purposes of eligibility for benefits under this chapter, service  
for which no indebtedness is owed;

(12) "deferred vested member" means an inactive member who  
meets the service requirements of a vested member.

(13) "dependent child" means an unmarried child of a member, in-  
cluding an adopted child, who is dependent upon the member for sup-  
port and who is either (A) less than 19 years old, or (B) less than 23  
years old and registered at and attending on a full-time basis an  
accredited educational or technical institution recognized by the De-  
partment of Education; the age limits set out in this paragraph do not  
apply to a child who is totally and permanently disabled;

(14) "disabled member" means a member who is terminated, who  
has not received a refund from the system, and who is receiving a  
disability benefit from the system;

(15) "early retirement" means retirement under AS 14.25.110(b);

(16) "employer" means a public school district, the Board of Regents  
of the University of Alaska, the Department of Education, the Na-  
tional Education Association of Alaska, the Regional Resource Cen-  
ters or the state legislature with respect to a state legislator who  
elects membership under AS 14.25.040(b);

(17) "former member" means a member who is terminated and who  
received a total refund of the balance of the mandatory contribution  
account, or who has requested in writing a refund of the balance of the  
mandatory contribution account;

(18) "full-time teacher" means a teacher occupying a position re-  
quiring teaching on a regular basis for the normal work period per day  
or week at a teaching assignment, excluding teaching as an assistant  
or graduate assistant or teaching on a substitute, temporary, or per  
diem basis;

(19) "inactive teacher or member" means a member who is termi-  
nated and who has not received a refund from the system or a member

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public school within the United States, or in a school outside the United States supported by funds of the United States;

(C) in a full-time position requiring academic standing in an out-of-state institution of higher learning accredited by a nationally recognized accrediting agency as listed in the Education Directory — Colleges and Universities by the National Center for Education Statistics;

(D) as a full-time teacher in an approved or accredited nonpublic institution of higher learning in Alaska;

(27) "part-time teacher" means a teacher occupying a position requiring teaching on a regular basis for at least 50 percent of the normal workweek at a teaching assignment, excluding teaching as an assistant or graduate assistant, or teaching on a substitute, temporary, or per diem basis;

(28) "permanent disability" means a physical or mental condition which, in the judgment of the administrator, based upon medical reports and other evidence satisfactory to the administrator, presumably prevents a member from satisfactorily performing the member's usual duties for the member's employer or the duties of another position or job which an employer makes available for which the member is qualified by training or education;

(29) "prescribed rate of interest" means the rate of interest used for computing employer contributions, for preparing actuarial tables used by the system, for crediting interest to members' contributions, and for charging interest on members' indebtedness accounts;

(30) "public school" means a school operated by publicly elected or appointed school officials in which the program and activities are under the control of those officials and which is supported by public funds;

(31) "qualified domestic relations order" means a divorce or dissolution judgment under AS 25.24, including an order approving a property settlement, that

(A) creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a member;

(B) sets out the name and last known mailing address, if any, of the member and of each alternate payee covered by the order;

(C) sets out the amount or percentage of the member's benefit, or of any survivor's benefit, to be paid to the alternate payee, or sets out the manner in which that amount or percentage is to be determined;

(D) sets out the number of payments or period to which the order applies;

(E) does not require any type or form of benefit or any option not otherwise provided by this chapter;

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STATE OF ALASKA  
 STATE AID AND SHARED REVENUE TO DISTRICT SCHOOLS  
 Last Ten Fiscal Years  
 June 30, 1990  
 (Stated in Thousands)

TABLE 5

Fiscal Year	Education Foundation Program (a)	Cigarette Tax	Transportation Aid	Debt Retirement	Non-Resident Pupil Tuition	Teachers' Retirement (a)	Other Aids (b)	Total	Average Daily Membership (1st Qtr) (c)	State Aid Cost Ratio Per Pupil (c)
1991	\$ 275,301	\$ 2,003	\$ 16,622	\$ 32,390	\$ 2,739	\$ 18,444	\$ 3,327	\$ 356,816	85,263	4,156
1982	340,826	2,500	18,814	38,262	2,722	26,538	4,015	433,677	89,848	4,827
1983	415,211	7,000	19,980	56,170	2,962	27,236	5,427	533,986	87,930	6,073
1984	428,772	2,500	20,802	90,487	2,889	32,229	5,255	582,934	91,695	6,357
1985	466,675	2,500	24,689	94,735	3,318	33,832	5,690	631,439	100,235	6,300
1986	491,159	2,500	23,131	106,316	3,761	32,639	5,245	664,751	103,159	6,444
1987	414,729	3,500	23,713	115,845	2,125	26,856	5,677	592,445	103,116	5,745
1988	437,438	3,500	21,269	109,473	2,616	-0-	3,803	578,099	101,142	5,716
1989	456,496	3,500	25,121	109,034	2,604	-0-	3,524	600,279	103,040	5,826
1990	494,018	2,700	24,737	110,675	2,222	-0-	3,423	637,775	105,662	6,036

(a) Teachers' Retirement:

In 1988 the legislature passed a law which changed the way the teachers' retirement was reported. The employer is now responsible and the funding is put directly into the Education Foundation Program.

(b) Other Aids includes:

1. Instructional Services in handicapped schools	\$ 2,562
2. Instructional programs for youth in detention	750
3. Support of children attending school in Canada	111
	<u>\$ 3,423</u>

(c) Not stated in thousands of dollars.