

HB 266

SENATE FINANCE COMMITTEE REPORT

DATE: 2/26/92

FURTHER:

DATE TURNED INTO OFFICE: 4-28-92

The Finance Committee considered

HOUSE BILL NO. 266 am

"An Act including service in a Bureau of Indian Affairs contract school as BIA service in the teachers' retirement system."

and recommends:

- [] replace with CS (FINANCE)
or [] adopt previous CS
[] attaches amendment(s)

- [] same title
[] new title
[] technical title change (HB only)

- [] adopts Letter of Intent
[] further referral to the

- [x] do pass
[] do not pass
[] no recommendation
[] individual recommendations

NEW FISCAL NOTES: Dept/Date

[x] zero fiscal notes (with new analysis) DDA 4-27-92

[] fiscal notes

[] appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

[x] zero fiscal notes DOE 1-16-92

[] fiscal notes

DO PASS:

Handwritten signatures of committee members.

OTHER RECOMMENDATIONS:

Blank lines for other recommendations.

1. Co-Chair: Signature/Recommendation

2. Co-Chair: Signature/Recommendation

FISCAL NOTE

BILL NO. HB 266 a.m

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: April 27, 1992
Title: An act granting TRS BIA credit for service with a former BIA contract school.
Sponsor: Navarre
Requestor: Senate Finance Committee

Department Affected: Administration
BRU: Retirement and Benefits
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	0	0	0	0	0	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	0	0	0	0	0	0

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	0	0	0	0	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.) There is no measurable increase to the Teachers' Retirement System employer contribution rate with the passage of this bill. We estimate that the accrued liabilities would increase by \$112,000 with passage. There would be no measurable impact to the TRS funding ratio.

Prepared By: Garv Bader *Garv Bader*
Division: Retirement and Benefits
Approved by Commissioner: Nancy Bear Usura *Nancy Bear Usura*
Agency: Department of Administration

Phone: 465-4470
Date: April 24, 1992
Date: 4/27/92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: January 16, 1992 Department Affected: Education
 Title: An Act including Bureau of Indian Affairs Contract Schools BRU: Education Finance & Support Service
 Component: Teacher Certification
 Sponsor: Rep. Navarre
 Requestor: _____ COMPONENT SERIAL NO.

1	2	4	0
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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						
TOTAL OPERATING	-0-					

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

GENERAL FUND	-0-					
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	-0-					

POSITIONS:

FULL-TIME	-0-					
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
 Fiscal Impact will be to the State Retirement System and School Districts.

Prepared By: Mike Maher Phone: 465-2800
 Division: Commissioners Office Date: 1/16/92
 Approved by Commissioner: Karen R. Cooney for Jerry Covey
 Agency: Education Date: 1/16/92

HOUSE BILL NO. 266 am
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE NAVARRE

Amended: 1/15/92

Introduced: 4/10/91

Referred: Health, Education & Social Services, State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act including service in a Bureau of Indian Affairs contract school as BIA service
2 in the teachers' retirement system."

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

4 * Section 1. AS 14.25.220(8) is amended to read:

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

9 * Sec. 2. A member of the teachers' retirement system who has claimed service in a Bureau of Indian
10 Affairs contract school as outside service under AS 14.25.060 may convert the claimed BIA contract
11 school service to BIA service by filing an application with the administrator. The conversion is effective
12 on the first day of the month after the application is received by the division of retirement and benefits.
13 If the arrearage indebtedness paid by the member for the BIA contract school service when that service
14 was considered outside service is greater than the arrearage indebtedness for that service when it is

1 considered BIA service, the division shall refund the difference to the member.

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

SPONSOR STATEMENT

January 16, 1992

TO: Senator Pat Pourchot, Chairman, Senate Finance Committee

FROM: Representative Mike Navarre *Mike*

SUBJECT: House Bill 266, An Act relating to Bureau of Indian Affairs contract employment.



House Bill 266, an Act relating to the Bureau of Indian Affairs (BIA) contract employment, will provide the necessary corrective measures for a small group of former BIA staff members. To provide a historical perspective, when the BIA was removing itself from providing educational opportunities in Alaska some areas of the state felt more comfortable with a known entity, the BIA, rather than with the replacement organization, REAA. In response, the BIA by contract to a few local school boards continued to operate for a period of time. The employees of this BIA contract arrangement were not incorporated into the roll-over to the state retirement system. HB 266 will allow approximately ten to fifteen teachers to pay into and use their contract BIA years vesting purposes in the Teacher Retirement System.

I have enclosed a summary of a typical BIA contract situation presented by one of the affected teachers. I believe that the enclosed summary pretty succinctly states the inequities of the BIA contract dilemma.

On January 15, 1992 the House of Representatives amended and passed HB 266 by a vote of 38-0. The amendment reduces the language of the original bill and provides an opportunity to correct any future BIA TRS problems. In my research I have not been able to discover where there may be future needs for this legislation, but, if HB 266 is needed the Legislature will not have to reinvent the wheel.

The fiscal impact of HB 266 is expected to be minimal, thus a zero fiscal note.

Contact person for HB 266 is Tom Ackerly at 3779 in Capital 515.

DISTRICT 5
34824 K-Beach Road • Soldotna, Alaska 99669 • (907) 262-7842

KENAI PENINSULA EDUCATION ASSOCIATION

P.O. Box 1252
Soldotna, Alaska 99669



May 1, 1991

MAY 8 1991

Representative Mike Navarre
Pouch V
Juneau, Alaska 99811

Dear Mike:

At our recent Executive Board meeting the Kenai Peninsula Education Association unanimously passed a resolution supporting the passage of House Bill No. 266 and we ask that you please give this bill your full support. There are a number of teachers in our school district as well as throughout the state of Alaska who worked in Bureau of Indian Affairs contract schools and have yet to be credited with these teaching years. Passage of House Bill No. 266 will allow these teachers to claim credit towards retirement. Of course these teachers will be subject to past payment and interest accrued. Most all of the contract schools were those institutions attempting to seek their own autonomy yet operated with State or Federal money. Teachers were required to hold a valid teaching certificate as a condition of employment.

Please give this bill your utmost attention. Thank you for your time and consideration. KPEA also wishes to thank you for supporting the \$63,000 foundation unit for education.

Sincerely,

A handwritten signature in cursive script that reads "Hal Smalley".

Hal Smalley
President KPEA

SOLDOTNA HIGH SCHOOL

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

425 W. Marydale Ave.
Soldotna, AK. 99669

262-7411

FAX (907) 262-4288

FRANK C. GARRITY
PRINCIPAL

MARLENE BENSON
ASSISTANT PRINCIPAL

THOMAS G. THORPE
ASST. PRINCIPAL-ACTIV. DIR.



"Excellence in Education"

April 5, 1990

Sally Smith, Director
Alaska Teachers' Retirement System
P.O. Box CR
Juneau, AK 99811-0203

Dear Ms. Smith,

I am writing to you out of frustration after speaking with several Retirement Field Representatives and corresponding with them over the past school year. My wife and I are in a unique situation and I need your help to sort this out as it is extremely important to us. Here is the situation.

In June of 1982 my wife and I were hired as full time certificated teachers for the Kashunamuit School District in Chevak, Alaska. When we arrived in the village we discovered that this public school was a BIA Contract School. The BIA financed the school and provided maintenance on the building but the local School Board ran the district. We taught in this district for three years.

In June of 1985 we moved to Trapper Creek, Alaska where we received employment in the Matanuska-Susitna Borough School District. At that time I inquired with the TRS to find out how to buy in the three years we had just spent in Chevak. I received a letter dated 5/6/86 from Beverly Reeves stating that I could buy the three years as BIA service. Several years passed before I decided to begin paying in to the TRS to buy these years.

My wife and I are currently employed with the Kenai Peninsula Borough School district and this past fall I decided we both should buy in these three years. I began making phone calls to the TRS and found out something very disturbing. They considered Chevak to be a private school.

Not only would we have to purchase these years at the higher outside service rate but these three years would not count towards the twenty years of service needed to be eligible to retire nor towards the eight years of service it takes to become vested. It is this last part I find most difficult to accept.

Please understand that I am aware that there are rules and regulations that the TRS representatives are using to make this determination. This however does not stop me from believing that three years spent in an Alaska Public School should count towards the twenty that are required for retirement and towards the eight required for vesting. The issue of having to buy them at the outside service rate also seems unfair but would be tolerable if they applied towards the twenty or the eight. Do you feel that this is fair? I feel that this is a very small oversight affecting very few people in a system that in general does an outstanding job in its fairness and accuracy to its' members. It is an oversight because here is a group of Alaska teachers who have not been accommodated or rewarded for their service.

What can you do to help me? What can I do? Any help will be greatly appreciated. Your interest in and empathy to our situation will give us hope. Enclosed you will find copies of the related correspondence I have received from the TRS to facilitate your speedy understanding of the situation. Thank you in advance.

Sincerely,

Frederick W. Esposito, Assistant Principal
Soldotna High School
425 W. Marydale Ave.
Soldotna, Alaska 99669
262-7411