

HB

266

FISCAL NOTE

BILL NO. HB 266am

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____
Title: An act granting TRS BIA credit for service with a former BIA contract school
Sponsor: Navarre
Requestor: _____

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 financial impact to the Teachers' Retirement System with passage of this bill.

Prepared By: Gary Bader
Division: Retirement and Benefits

Phone: 465-4170
Date: January 16, 1992

Approved by Commissioner: Nancy Bear Usera
Agency: Department of Administration

Date: 1/16/92

19 '81 16:40 BCHI 307 292 4888

Story line for reference in support of HB266

My wife and I were hired by the Kashunamuit School District in August 1982. This school district consisted of one K - 12 school located in Chevak, Alaska. At the time we were told that this district was a "BIA Contract" school district. When we inquired as to what that meant we were informed that simply referred to the fact that the BIA gave the people of Chevak the money to run their own school. The history ran like this:

Chevak had a BIA school for quite a number of years and felt very good and comfortable with the way the school was run. When, in the late 1970's, the BIA began to pull out of running schools in Alaska, Chevak and the villages of Chefornak and Tuluksak (K - 8 schools only) negotiated with the BIA an arrangement by which the villages could retain control over their schools while the BIA provided operating funds and building maintenance.

The village of Chevak elected a school board and the Kashunamuit School District was formed. The school district functioned as any other single site district in Alaska. The school board was publicly elected and they in turn hired a superintendent, office staff, cooks, teachers, and aids. The district applied for and received several grants through the Alaska Department of Education and received funds under several Title programs such as Title 2. Teachers with the school participated in state-wide, Alaska Department of Education sponsored inservices, workshops, programs, etc.. The Alaska Department of Education came out to the school and evaluated programs and curriculum as they would any other public school in Alaska. The district allowed all students in the attendance area to attend the school regardless of sex, creed, race, or religion and their hiring policy was the same.

This arrangement lasted until 1986 when the BIA announced they would not provide funds to operate the school for the following 1986-87 school year. At that time the school district lobbied for and received from the legislature funds to become an REAA school district. Lana and I left the school district in 1986 and subsequently became employed in the Kenai Peninsula Borough School District and still are. When we contacted the Teacher Retirement System about purchasing our three years spent teaching in Chevak we were informed in a letter from Sally Smith, TRS Director, that due to the fact that there were very few of these schools and that they were around for only a short period of time that the TRS had never included them. She indicated to me that the only way to correct this

oversight was through legislation which she encouraged me to do.

Currently there are 10 teachers in Alaska that I know would qualify to purchase these years should the legislation pass. I strongly encourage you to consider rectifying this situation which penalizes a few Alaskans for service in our rural Alaskan schools.

Frederick William Esposito
Activity Director, Soldotna High School



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street • Soldotna, AK 99669 • Phone 907/262-5846 • Fax 907/262-9645

April 22, 1991

Representative Mike Navarre
Box V
Juneau, Alaska 99811

Dear Representative Navarre,

I would like to thank you for submitting HB 266 to the legislature for passage. This is a bill that greatly effects myself and my husband as we taught for three years in Chevak, Alaska while it was a BIA contract school. Your effort to correct this inequity in the system is greatly appreciated.

Sincerely,

Lana Esposito

Lana G. Esposito
Special Services Teacher
Kenai Peninsula Borough School District
148 N Binkley St.
Soldotna, Alaska 99669



Soldotna High School

425 W. Marydale Ave.
Soldotna, AK 99669
(907) 262-7411
FAX (907) 262-4288

Ken Meacham
Principal
Mark Norgren
Assistant Principal
David McCard
Athletic Activities

Kenai Peninsula Borough School District

April 22, 1991

Representative Mike Navarre
Box V
Juneau, Alaska 99811

Dear Representative Navarre,

I would like to thank you for submitting HB 266 to the legislature for passage. This is a bill that greatly effects myself and my wife as we taught for three years in Chevak, Alaska while it was a BIA contract school. There is no reason why this service should not be covered by the Teachers Retirement System. These schools were public Alaskan schools subject to the same curriculum and graduation requirements as any other they just were funded 100% by the federal government. According to Jim Griffin, retired BIA Contract Officer, who over saw these contract schools they were no different than the BIA day schools which are covered by the TRS. Your efforts to correct this inequity in the system is greatly appreciated.

Sincerely,

Frederick W. Esposito
Vocational Coordinator
Kenai Peninsula Borough School District
148 N Binkley St.
Soldotna, Alaska 99669

Sue Skiman-Jones
1325 Mendenhall Penn. Rd.
Juneau, AK 99801

April 21, 1991

Mr. Navarre,

Please support H.B. 266.

I am writing to express my concern for the passage of this bill. Since I am directly affected by the outcome of this bill, I strongly urge you to also support this bill.

I taught in Chevak (Kashun' Auit School District), from 1982-1984. At this time it was a BIA contracted school and not involved in the Teacher Retirement System of Alaska. The passage of H.B. 266, will very easily correct an unjust and unfair situation for a small amount of teachers who have taught in Alaska under a BIA contracted system.

Your interest and support in passing H.B. 266 is greatly appreciated.

Sincerely,



Sue Skiman-Jones

Lisa Oberle
P.O. Box 22707
Juneau AK 99802

April 21, 1991

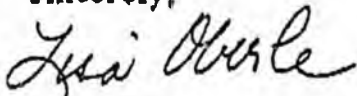
Mr. Navarre,

I am writing to express my concern and support for H.B. 266. As I am directly effected by the outcome of this bill, I strongly urge you to also support this bill. For the past 4 years, I have been buying in my three teaching years from a B.I.A. contracted school. I taught in Chevak (Kashunimuit School District), from 1982-1985 and was under the impression from the Teacher Retirement System, that it was instate experience and will count toward years for retirement. Now I find out this is not true.

The passage of H.B. 266, will very easily correct an unjust and unfair situation for a small amount of teachers who have taught in Alaska under a BIA contracted system.

Your interest and support in passing H.B. 266 is greatly appreciated.

Sincerely,



Lisa Oberle

APR 30 1991

Nathan Tabor
Box 92
Holy Cross, AK 99501

Mr. Mike Mavorre
Pouch V
Cuneau, AK 99871

4 16 91

Mr. Mavorre:

I am writing in regard to House Bill 266. I was employed at Chevak B.I.A. School during the 1982-83 and 83-84 school years as a school teacher. I have always felt the Teachers Retirement System should honor those years and allow us to buy them off as vestment years. The B.I.A. contract schools should not be considered as outside service.

Many of my colleagues from the Chevak B.I.A. Contract School are hoping this bill will pass. Most of were first year teachers unaware of the value of T.R.S. I would appreciate your support on this bill.

Thank you:

Nathan Tabor

Nathan Tabor



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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Vice President
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Fairbanks, AK 99707

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Mary Lou Brent
Region V Director
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Gayle Harbo
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Region VI Director
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Region VI Director
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Region R Director
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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
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FAIRBANKS REGIONAL OFFICE

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

April 25, 1991

TO: Reps. Georgianna Lincoln and Pat Carney, Co-Chairs, and Members of House HESS

FROM: Don Oberg

RE: HB 266; An Act including service in a Bureau of Indian Affairs contract school as BIA service in the teachers' retirement system.

This bill affects only a small number of teachers who were caught in a time warp between BIA operation and school district or REAA formation. It covers those employees who worked for a BIA contract school during that interim period.

Clearly the service of that teacher was as valid under the contracted school as it was under BIA or the newly formed district and they should not be penalized for a system change beyond their control.

We urge you to correct this inequity and to vote in favor of passage of HB 266.

LE04/Biatimer/dl

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

FISCAL NOTE

BILL NO. HB 266

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: An act granting TRS BIA credit for service with a former BIA contract school.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: Navarre
Requestor: _____

Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	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	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 financial impact to the Teachers' Retirement System with passage of this bill.

Prepared By: Garv Bader *Bob Stetson*
Division: Retirement and Benefits

Phone: 465-4460

Date: 4/23/91

Approved by Commissioner: Millett Keller
Agency: Department of Administration

Date: 4/25/91

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

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 266

Revision Date: _____ Department Affected: Education

Title: Including Service in a Bureau of Indian Affairs contract School BRU: _____

Sponsor: Navarre Component: _____

Requestor: HESS COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Mary Hakala Phone: 465-2806

Division: Commissioner's Office Date: 4/25/91

Approved by Commissioner: Steve Hole, Acting Commissioner

Agency: Education Date: 4/25/91

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

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

DEPARTMENT OF ADMINISTRATION
DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460
Fax# 465-3086

701 EAST TUDOR ROAD, SUITE 240
ANCHORAGE, ALASKA 99503-7445
PHONE: (907) 563-5885

STEVE COWPER, GOVERNOR

Public Employees Retirement System
Teachers Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees Voluntary Dental-Vision-A.I.D.O. Plan
Supplemental Benefits System
Group Health Life Insurance Benefits
Disability Compensation Plan
Public Employees Social Security Contributions

April 20, 1990

Mr. Frederick Esposito
Soldotna High School
425 W. Marydale Ave.
Soldotna, AK 99669

TKS: 041-40-4992

Dear Mr. Esposito:

Your frustration regarding your teaching service with Kashunamuit School District in Chevak, Alaska is understandable, although I have no latitude in this case.

The three years that you are claiming cannot be treated as Bureau of Indian Affairs (BIA) service since the Kashunamuit School District was under the Indian Reorganization Act from July 1, 1980 through June 30, 1985, and not operated by the BIA. According to Teacher's Retirement System statute, service for the Kashunamuit School must be treated as Alaska private school service and claimed as Outside Service.

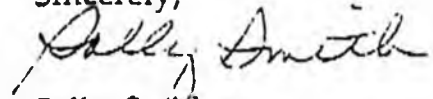
You have claimed that the May 6, 1986 letter from Beverly Reeves stated that you could buy in the three years as BIA service. In reviewing the letter, it appears that Ms. Reeves was simply notifying you of your indebtedness amount plus interest for the "outside service and/or BIA service". Ms. Reeves is an accountant and as such, does not make the determinations of service qualification. She also recommended that you contact Caramel Walder, the Anchorage office supervisor, if you had any questions.

Since the TRS laws are very clear on this issue, it appears that the only remedy available to you is through statutory revision. I suggest that you contact your local legislative representatives and discuss any remedy with them.

Mr. Frederick Esposito
April 20, 1990
Page 2

I can certainly sympathize with your circumstance, and wish you well in seeking a legislative solution.

Sincerely,



Sally Smith
Director

SS/ksl

25 April 1991

Representative Mike Navarre
Alaska State Legislature
P.O. Box 1
Juneau, Alaska 99801

Dear Representative Navarre:

I am writing you in support of HB 866. Having taught 2 years in Chevak when it was a contract school, I find it very discouraging to have my service considered "Outside" Service for retirement purposes. I was in Alaska, had my permanent residence in Chevak and was eligible for a Permanent Fund Dividend check yet for TRS purposes it was as if I was teaching in New York City. IT JUST ISN'T FAIR!

Thank you for trying to change this situation for all of us "Alaskans" who are being penalized. I appreciate your effort and hope you are successful.

Sincerely,

Ernie Mangie, Principal,
Annie Anapak Memorial School
Chevak, AK 99680
(907) 236-2417/2413

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

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

MEMORANDUM

January 28, 1992

TO: Senator Pat Rodey, Chairman, Senate State Affairs Committee

FROM: Representative Mike Navarre *M.N.*

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

.....

I, respectively request that the Senate State Affairs Committee hear House Bill 266 at their earliest convenience. HB 266 provides an equitable solution to a small group of BIA contract teachers, who have been excluded from using their BIA teaching experience in the Teacher Retirement System.

DISTRICT 5

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



PRINTED ON RECYCLED PAPER

SPONSOR STATEMENT

January 16, 1992

TO: Senator Arliss Sturgulewski, Chairman, Senate HESS Committee

FROM: Representative Mike Navarre

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.