

HB

277

SFIN

FILE

HB 277

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

SENATE FINANCE
COMMITTEE
Amendment Number: #1
Bill Number: CS HB 277 (FIN)
Sponsor: Green Date: 04-19-00
Logged In By: Dree

Amendment

TO: HB277

Offered By Senator Green

Page 2, Line 21 after the word "reemployment."

Insert:

, except that no school district employee who retired under a retirement incentive program approved by the State of Alaska shall be eligible to receive benefits under this section for a period of five years from the time of retirement.

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM



REPRESENTATIVE ANDREW HALCRO

District 12

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HB 277

SPONSOR STATEMENT

The pool of qualified teachers in Alaska is shrinking dramatically. The situation is particularly dire in the area of special education. To address this shortage I have sponsored HB 277.

This legislation would allow teachers who have retired to return to teaching in the public schools without forfeiting their retirement benefits. Retired teachers would be able to be re-employed by a school district. They would continue to receive their retirement benefits, thus reducing the cost to school districts, but compensating experienced teachers through a combination of pay and benefits.

Presently, teachers, once retired, may only work 40% of full-time in a school district without forgoing their retirement benefits. HB 277 would provide school districts with the opportunity to rehire experienced teachers at a lower cost to the public.

HB 277 April 19, 2000 note for testimony
Guy Bell, Division of Retirement and Benefits

- ◆ Speaking from the perspective of the Teachers' Retirement Fund.
- ◆ The Division submitted a fiscal note with an indeterminate fiscal impact, because the cost to the retirement system will depend on how many retirees are rehired under the provisions of HB 277.
- ◆ Approximately 1,200 of 9,400 active Alaska teachers have 20 or more years of TRS service
- ◆ If a significant number of these people retire and are rehired under the provisions of HB 277, there will be a material cost to the TRS fund. Cost increases to the TRS fund result in increased employer rates.
- ◆ On the other hand, if school districts make a determination of shortage for only a handful of teacher positions and, therefore, only rehire a few retirees, the fiscal impact on TRS will be immaterial.

BERING STRAIT SCHOOL DISTRICT

DISTRICT OFFICE • P.O. BOX 225 • UNALAKLEET, ALASKA 99684-0225 • (907) 624-3611 • FAX 624-3099

BREVIG MISSION • DIOMEDE • ELIM • GAMBELL
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GOLOVIN • KOYUK • SAINT MICHAEL • SAVOONGA
UNALAKLEET • WALES • WHITE MOUNTAIN

24 January, 2000

The Honorable Andrew Halcro
State Capitol, Room 418
Juneau, AK 99801-1182

Re: HB 277: Retirement benefits re-employed teachers

Dear Representative Halcro,

Thank you listening to me regarding HB 277. I feel this is productive legislation and should enjoy the support of your colleagues. As stated in my comments to you, I feel certain issues, if addressed, would make this more productive for everyone. Here are a few ideas for your consideration.

- Allow retired TRS members to return to the classroom and continue to collect their retirement stipend.
- Do not make TRS contribution - contribute to Social Security.
- Let school districts decide how to pay - do not legislate.
- Retired TRS members should not earn tenure.
- Allow Districts to issue multi-year (two) contracts.
- Returning TRS members should not earn additional years in TRS.

These changes will allow the teacher pool to increase and save Districts money.

Your efforts with issues addressing education are important and should you require information or assistance, please instruct your staff to contact me as needed. I hope this session is productive for you and I look forward to meeting you again.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Davis".

Dr. John A. Davis
Superintendent

cc. J. Walsh

"OUR MISSION"

The Mission of the Bering Strait School District is to educate students to become self-sufficient productive citizens in a changing world, recognized for their social, academic, and marketable skills, by providing standards of excellence, quality programs, and a supportive environment for both traditional Native and Western styles of learning.

ACSA

Alaska Association of Elementary Schools Principals
Alaska Association of Secondary School Principals
Alaska Association of School Administrators
Sponsor of the Alaska Staff Development Network

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Alaska Council of School Administrators

Excerpt from the *ACSA Education Bulletin* January 2000 Issue

Where are the Teachers?

**WE NEED
A MORE POWERFUL
MAGNET!**

By Darroil Hargraves,
Executive Director, ACSA

What's the problem?

What's getting the attention?

Interesting isn't it? During the past few years, public attention has been focused on funding, construction, standards, and testing. Each of these issues is important. However, whenever superintendents get together to talk about immediate and future concerns, another issue tops the agenda—the need to recruit, hire, and keep certified and qualified teachers and administrators.

The recent announcement by the University of Alaska that a five-year program will be required for certification will further reduce the number of Alaskans to fill positions in our schools.

Alaska is not alone. In fact, teacher shortages are entering a critical stage across the nation. U.S. Secretary of Education Richard Riley consistently expresses a concern about the ability of our schools to attract the very brightest and best into education careers. As student enrollments continue to climb nationally, demand is outstripping supply at a time when the hurdles are being lifted even higher. For example, the shortage is becoming even more acute because many states are increasing their standards

for teachers and some are requiring them to have majors in the subjects they teach or to pass qualifying tests. The recent announcement by the University of Alaska that a five-year program will be required for certification will further reduce the number of Alaskans to fill positions in our schools.

Salaries have not kept pace with what talented people can make outside the classroom. A recent Quality Counts 2000, 50-state survey, conducted by *Education Week*, found that one in five college graduates who began teaching in 1993-94 left within three years. The brightest novice teachers, as measured by their college-entrance exams, were the most likely to leave, the study revealed.

**There was a time,
not so long ago, when Alaska
was a magnet for educators.**

What's at stake here? The immediate concern for many educators is having excellent teachers in the classroom—preparing students to pass exit exams that are looming in their future. Even more importantly, they are concerned about preparing students for life in the 21st century.

There was a time, not so long ago, when Alaska was a magnet for educators. Our salaries were the highest in the nation. Our recruiters could promise adventure, good hunting and fishing, and a lifestyle that attracted exceptional talent. Let's face it. What worked in the past is not getting us the number and level of certified, qualified educators we need today and will need in the future.

While average teacher salaries in Alaska are still above the national average, we are now caught in what the *New York Times* calls a bidding war. That war has spread from coast to coast, and we are not winning. In fact, we are being out-manuevered as never before. Take, for example, the incentives being offered in several states. California is offering \$10,000

interest-free loans for buying a home, \$30,000 bonuses for attaining advanced certification, and \$11,000 to repay college loans. In Texas, \$2,000 signing bonuses are becoming commonplace. Southern states such as Florida, Georgia and Mississippi have districts paying bonuses of up to \$6,000 to retain quality teachers.

As crises show signs of becoming catastrophes, some state legislatures and state departments of education have gotten the ball rolling on bringing retired teachers and administrators back into the system. Those early retirement incentives that were sold, in some case, as a way to remove the "dead wood" are now looking more like they've caused a "brain drain."

Salaries are a major problem, both for teachers and administrators. Alaska's largest districts provide an example of how noncompetitive our salaries are. These districts have budgets, enrollments, numbers of employees, physical plants, and demands comparable to large districts outside the state that are paying their superintendents nearly double. In fact, an Alaska board member recently admitted to the media that their superintendent is underpaid and speculated that if the present superintendent left and had to be replaced, it would require an additional \$50,000. Even that level of an increase would be low compared to salaries paid in comparable districts outside.

Granted, we need to pay attention to standards, facilities, and a number of other critical issues. At the same time, let's not forget that our ability to attract and keep outstanding teachers and administrators is basic to everything we hope to accomplish. Alaska needs a constant flow of quality, certifiable educators. While the problem may not be completely solved during this session of the Legislature, we simply must make sure that it receives the attention it deserves. The future of our kids depends on it.

4.5 ADDRESSING TEACHER, SPECIALIST, AND ADMINISTRATION SHORTAGE

The Association of Alaska School Boards does hereby urge the Alaska State Legislature, Alaska State Board of Education, and Teacher Education Programs in Alaska's universities to address the severe shortage of teachers, specialists, and administrators in the State of Alaska.

Rationale. It has been painfully demonstrated that a severe shortage of teachers, specialists, and administrators is being experienced in the school districts in every region of Alaska. Because of the "flat" funding of school districts imposed by the Alaska State Legislature, districts have been forced to hold salary levels of teachers and administrators at an equally "flat" level, resulting in actual decreases in salary levels. Such decreasing salary levels are highly detrimental to attracting new teachers to Alaska and detrimental to recruiting people into education.

It is equally difficult under the funding structure imposed over the last 10 years to offer district incentives to attract teachers and administrators. At the same time, standards for teachers have been raised significantly, making it more difficult for prospective teacher to gain certification in Alaska. Incentives need to be provided by universities to attract new candidates and by the State Board of Education to attract new teachers to the state, both to be funded by the State Legislature. In addition, the State Legislature needs to provide funding for district incentives to attract new teachers.

Adopted 1999

SENATE FINANCE COMMITTEE

SIGN-IN

HB 277-RETIREMENT BENEFITS FOR REHIRED TEACHERS

NAME: Joh Gr Subject/Bill No: 277
Co./Dept./Title: NBA-AK Phone: 586-3090
Address: Jamean Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: Guy Bell Subject/Bill No: 277
Co./Dept./Title: Retirement? Benefits Phone: 465-2292
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Kathi Gillespie Subject/Bill No: K13 277
Co./Dept./Title: Anchorage School District Phone: 345-5335
Address: 3116 Das Pizale Zip: 99501
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

HB 277-RETIREMENT BENEFITS FOR REHIRED TEACHERS

NAME: Guy Bell / Bill Church Subject/Bill No: 277
Co./Dept./Title: Retirement : Benefits Phone: 465-2292
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NAME: Darrell Hargraves Subject/Bill No: 277
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Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions