

**SB**

**149**

HFIN

FILE



# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SSSB 149(FIN)  
 (S) Publish Date: 4/24/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: "An Act relating to employment incentives  
for teachers and health care providers, to reemployment..." BRU: Centralized Admin. Services  
 Sponsor: Senator Leman Component: Retirement & Benefits  
 Requester: Senate HESS Component Number: 64

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	50.0	20.0	20.0	20.0	20.0	20.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Teachers' Ret 1034)	50.0	20.0	20.0	20.0	20.0	20.0
<b>TOTAL</b>	<b>50.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

\$50.0 will be needed in the first year for the development and distribution of enrollment, educational, informational material, and for systems programming. We estimate \$20.0 will be necessary in succeeding years. See page 2 for additional analysis.

Prepared by: Guy Bell, Director Phone 465-4471  
 Division: Retirement and Benefits Date/Time 03/30/01  
 Approved by: Jim Duncan, Commissioner Date 03/30/01  
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

This legislation amends the Teachers' Retirement System statute to address employee retention.

1. Retiree Return Incentive—brings retirees back into the workforce. This proposal has no fiscal impact.

This retiree return incentive removes a disincentive for retirees to return to full time employment. Currently, a retiree who wishes to return to permanent public employment must forego retirement benefit payments during their period of return. The proposed change would, in the event of a declared teacher shortage, allow a retiree to elect to continue receiving benefit payments after returning to full-time teaching. To keep this proposal cost-neutral, the employee would not accrue additional retirement credit during the period of return.

2. Improvements to TRS Tier II medical benefits:
  - Add full system paid retiree medical benefits at age 60 and minimum service of 8 years.
  - Add full system paid medical benefits for Tier II members upon reaching 25 years of service.

The fiscal impact associated with this change would be 0.17% of annual payroll each year. The total value of Alaska teacher salaries is approximately \$470 million. The annual cost of this increase to TRS employers would therefore be approximately \$800.0. Given that there are approximately 9,300 active teachers, this equates to an annual cost of about \$86.00 per teacher.

We believe this change would make a significant difference in employee retention. Teachers can retire after 20 years. A 45 year old school teacher with 20 years service can retire and pursue a second career and they often do because there is a disincentive for them to continue to work for the system. With this enhancement to the Tier II and III plans, we believe more of these individuals would stay the additional five years to qualify for system-paid medical coverage.

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSSSSB 149(HES)  
(S) Publish Date: 4/24/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Development  
Title: An Act relating to reemployment of retired BRU: Teaching & Learning Support  
teachers. to eligibility for major medical insurance coverage . . . Component: Quality Schools  
Sponsor: Senator Lemar  
Requester: S HESS Component Number: 2147

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill contains many provisions for re-employing retired teachers, recognizing certificates of out-of-state teachers in the same areas of endorsement, and granting preliminary teacher certificates to those who meet the requirements in Section 3. This bill allows school districts to employ retired teachers because of shortages.

In Section 8, please note that teachers hired under Tier II of TRS would receive a major medical benefit provided they continue teaching for a minimum of 25 years. Additional costs for the employer would, according to estimates by TRS, amount to approximately \$60 per year, per eligible teacher. These increased annual costs wouldn't start for several years and are considered small compared to the opportunity to retain these qualified teachers.

Prepared by: Barbara Thompson, Deputy Director Phone 465-8727  
Division: Teaching & Learning Support Date/Time 4/23/01 12:00 AM  
Approved by: Bruce Johnson, Deputy Commissioner of Education Date 4/23/01  
Agency: Alaska Department of Education & Early Development

For distribution information, call the Governor's Legislative Office

22-LS0769\W  
Cramer  
5/1/01

adopted N/O

HOUSE CS FOR CS FOR SS FOR SENATE BILL NO. 149( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS LEMAN, Davis

REPRESENTATIVES Wilson, Stevens, Dyson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reemployment of retired teachers, to eligibility for major medical  
2 insurance coverage for beneficiaries of the teachers' retirement system, and to teacher  
3 certificates; and providing for an effective date."

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

5 \* Section 1. AS 14.20.010 is amended to read:

6       Sec. 14.20.010. **Teacher certificate required.** A person may not be  
7 employed as a teacher in the public schools of the state unless that person possesses a  
8 valid teacher certificate except that a person who has made application to the  
9 department for a teacher certificate, including a preliminary teacher certificate  
10 under AS 14.20.015, or renewal of a teacher certificate that has not been acted upon  
11 by the department may be employed as a teacher in the public schools of the state until  
12 the department has taken action on the application, but in no case may employment  
13 without a certificate last longer than three months.

14 \* Sec. 2. AS 14.20 is amended by adding new sections to read:

1           **Sec. 14.20.015. Recognition of certificates of out-of-state teachers.** (a) The  
2 department shall issue a preliminary teacher certificate to an out-of-state teacher who  
3 meets the requirements of this section. To be eligible for a preliminary teacher  
4 certificate, a person shall

5                   (1) have received at least a baccalaureate degree from an institution of  
6 higher education accredited by a recognized regional accrediting association or  
7 approved by the commissioner;

8                   (2) hold a valid teacher certificate issued by another state;

9                   (3) have submitted fingerprints to the department to be used for a  
10 criminal history background check and been found by the department to be suitable for  
11 employment as a teacher under AS 14.20.020(f);

12                   (4) have paid the fee required by the department under  
13 AS 14.20.020(c).

14           (b) An out-of-state teacher who has been issued a preliminary teacher  
15 certificate under this section shall pass the competency examination designated by the  
16 board under AS 14.20.020(i) within one year after the date the preliminary teacher  
17 certificate was issued. If the teacher does not pass the examination, the department  
18 shall immediately revoke the teacher's preliminary teacher certificate.

19           (c) The preliminary teacher certificate issued under this section must contain  
20 the same endorsements as those on the current valid teacher certificate issued by the  
21 other state.

22           (d) A teacher holding a preliminary teacher certificate issued under this  
23 section may be employed to provide instructional services for a school district or  
24 regional educational attendance area only if the teacher certificate issued by the other  
25 state is valid at the time the teacher commences to provide instructional services for  
26 the school district or regional educational attendance area.

27           (e) Employment under a preliminary teacher certificate shall be considered in  
28 determining whether a teacher qualifies for tenure under AS 14.20.150. However, a  
29 teacher may not be granted tenure unless the teacher holds a teacher certificate issued  
30 under AS 14.20.020.

31           (f) A preliminary teacher certificate and any endorsements issued under this

1 section are valid for three years and may not be renewed. The department may not  
2 issue a provisional certificate or a temporary certificate to a teacher who has held a  
3 preliminary teacher certificate.

4 **Sec. 14.20.017. Grace period for issuance of regular teacher certificates to**  
5 **previously certificated teachers.** (a) The department shall issue a teacher certificate  
6 as described in AS 14.20.020, subject to revocation, to a teacher who meets the  
7 requirements of this section. To be eligible for a revocable teacher certificate under  
8 this section, a person shall

9 (1) have held a valid teacher certificate issued under AS 14.20.020 that  
10 expired more than 12 months before the teacher applied for a certificate under this  
11 section;

12 (2) have paid the fee required by the department under  
13 AS 14.20.020(c).

14 (b) A revocable teacher certificate issued under this section is valid for one  
15 year, during which the teacher shall complete any requirements for the issuance of a  
16 regular teacher certificate under AS 14.20.020 that the teacher has not already met.  
17 The department shall expedite the procedures required of teachers holding revocable  
18 teacher certificates who are seeking certification under AS 14.20.020.

19 (c) A teacher holding a revocable teacher certificate under this section who  
20 previously passed the competency examination designated by the board under  
21 AS 14.20.020(i) is not required to retake the examination before being eligible for a  
22 regular certificate under AS 14.20.020. A teacher holding a revocable teacher  
23 certificate who did not previously take or pass the competency examination shall take  
24 and pass the examination within one year after the date the revocable teacher  
25 certificate was issued. If the teacher does not pass the examination, the department  
26 shall immediately revoke the revocable teacher certificate.

27 (d) A teacher holding a revocable teacher certificate under this section may  
28 not receive a teacher certificate issued under AS 14.20.020 until the teacher submits  
29 fingerprints to the department to be used for a criminal history background check and  
30 the teacher has been found by the department to be suitable for employment as a  
31 teacher under AS 14.20.020(f).

1 (e) The revocable teacher certificate issued under this section must contain the  
2 same endorsements as those on the teacher's expired teacher certificate.

3 (f) Employment on the basis of a revocable teacher certificate issued under  
4 this section shall be considered in determining whether a teacher qualifies for tenure  
5 under AS 14.20.150.

6 (g) A revocable teacher certificate and any endorsements issued under this  
7 section are valid for one year and may not be renewed under this section. The  
8 department may not issue a provisional certificate or a temporary certificate to a  
9 teacher who has held a teacher certificate issued under this section.

10 \* Sec. 3. AS 14.20 is amended by adding a new section to read:

11 **Sec. 14.20.135. Employment of retired teachers because of shortages.** (a)  
12 A school district or regional educational attendance area that has or anticipates having  
13 a shortage of teachers qualified to teach in a particular discipline or specialty may, by  
14 resolution, adopt a policy that permits the employment of retired teachers who are  
15 qualified to teach in the discipline or specialty in accordance with this section. The  
16 policy must describe the circumstances that constitute the shortage. If a shortage of  
17 teachers exists as described in the policy, the district or attendance area shall notify the  
18 administrator of the teachers' retirement system (AS 14.25) that it is hiring retired  
19 teachers under this section.

20 (b) A teacher who retired under AS 14.25.110(a) and is subsequently  
21 reemployed under this section may, within 30 days after the date of reemployment,  
22 elect to continue receiving retirement benefit payments under AS 14.25 during the  
23 period of reemployment by filing a waiver of coverage as set out in AS 14.25.043(b).

24 (c) A school district or regional educational attendance area may not employ a  
25 teacher, principal, or administrator who participated in a retirement incentive program  
26 under ch. 26, SLA 1986, ch. 89, SLA 1989, ch. 65, SLA 1996, ch. 4, FSSLA 1996, or  
27 ch. 92, SLA 1997, under this section.

28 (d) A retired teacher employed under this section is not eligible to acquire,  
29 maintain, or reacquire tenure under AS 14.20.150.

30 \* Sec. 4. AS 14.25.040(a) is amended to read:

31 (a) Unless a teacher or member has elected to participate in the optional

1 university retirement program under AS 14.40.661 - 14.40.799 or has filed an  
2 election under AS 14.25.043(b), a teacher or member contracting for service with a  
3 participating employer is subject to this chapter.

4 \* Sec. 5. AS 14.25.040(a) is amended to read:

5 (a) Unless a teacher or member has elected to participate in the optional  
6 university retirement program under AS 14.40.661 - 14.40.799 [OR HAS FILED AN  
7 ELECTION UNDER AS 14.25.043(b)], a teacher or member contracting for service  
8 with a participating employer is subject to this chapter.

9 \* Sec. 6. AS 14.25.043 is amended to read:

10 **Sec. 14.25.043. Reemployment of retired members.** (a) If a retired member  
11 again becomes an active member, benefit payments may not be made during the  
12 period of reemployment unless the teacher makes an election under (b) of this  
13 section. The retirement benefit must be suspended for the entire school year if the  
14 teacher is reemployed as an active teacher for a period equivalent to a year of service.  
15 During the period of reemployment, the member is subject to AS 14.25.050 and  
16 deductions from the member's salary will be made in accordance with AS 14.25.050.

17 (b) A school district or regional educational attendance area that has  
18 adopted a policy that permits the employment of retired teachers in accordance  
19 with AS 14.20.135 shall notify the administrator that it is hiring retired teachers  
20 under AS 14.20.135. A teacher who retired under AS 14.25.110(a) and  
21 subsequently becomes an active member under a policy adopted in accordance  
22 with AS 14.20.135 may, within 30 days of the date of reemployment, elect to  
23 continue receiving benefit payments during the period of reemployment by filing  
24 a waiver of coverage with the administrator on a form provided by the  
25 administrator. An election under this subsection waives coverage for the period  
26 of reemployment and is irrevocable during the period of reemployment.  
27 Deductions from the member's salary may not be made under AS 14.25.050  
28 during the period of reemployment, and the member may not receive credited  
29 service for the period of reemployment. A member who participated in a  
30 retirement incentive program under ch. 26, SLA 1986, ch. 89, SLA 1989, ch. 65,  
31 SLA 1996, ch. 4, FSSLA 1996, or ch. 92, SLA 1997, is not eligible to make an

1           **election under this subsection.**

2           (c) Upon subsequent retirement, the retired member is entitled to receive an  
3 additional benefit based on the credited service and the average base salary during the  
4 period of reemployment in accordance with AS 14.25.110. If the initial benefit  
5 payments to which the retired member is eligible have been actuarially reduced  
6 because the member retired early under AS 14.25.110(b), the member shall also  
7 receive an incremental benefit based on the amount of the actuarial reduction imposed  
8 by AS 14.25.110(j) on the first benefit and the length of time that the employee was  
9 reemployed and not receiving retirement benefits. The amount of the incremental  
10 benefit is equal to the difference between the normal retirement benefit to which the  
11 member would have been entitled had the member taken a normal retirement and the  
12 early retirement benefit that the member has been receiving based on the member's  
13 initial period of employment multiplied by the total number of months that the  
14 member did not receive retirement benefits because of reemployment and that amount  
15 actuarially adjusted to be paid over the expected lifetime of the member.

16 \* Sec. 7. AS 14.25.043(a) is amended to read:

17           (a) If a retired member again becomes an active member, benefit payments  
18 may not be made during the period of reemployment [UNLESS THE TEACHER  
19 MAKES AN ELECTION UNDER (b) OF THIS SECTION]. The retirement benefit  
20 must be suspended for the entire school year if the teacher is reemployed as an active  
21 teacher for a period equivalent to a year of service. During the period of  
22 reemployment, [THE MEMBER IS SUBJECT TO AS 14.25.050 AND] deductions  
23 from the member's salary will be made in accordance with AS 14.25.050.

24 \* Sec. 8. AS 14.25.168(d) is amended to read.

25           (d) A benefit recipient may elect major medical insurance coverage in  
26 accordance with regulations and under the following conditions:

27                   (1) a person who has less than 25 years of membership service and  
28 who is younger than 60 years of age must pay an amount equal to the full monthly  
29 group premium for retiree major medical insurance coverage:

30                   (2) [A PERSON WHO IS AT LEAST 60 YEARS OF AGE BUT IS  
31 YOUNGER THAN 65 YEARS OF AGE MUST PAY AN AMOUNT EQUAL TO

1 ONE-HALF OF THE FULL MONTHLY GROUP PREMIUM FOR RETIREE  
2 MAJOR MEDICAL INSURANCE COVERAGE;

3 (3)] a disabled member, a disabled member who is appointed to  
4 normal retirement, [OR] a person 60 [65] years of age or older, or a person who has  
5 at least 25 years of membership service is not required to make premium payments.

6 \* Sec. 9. AS 14.20.135 and AS 14.25.043(b) are repealed July 1, 2005.

7 \* Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 REPORT TO LEGISLATURE. Annually, beginning in 200? and ending in 2006, the  
10 administrator of the teachers' retirement system shall report to the legislature by the 30th day  
11 of the regular legislative session concerning the effect of this Act on the retirement system.

12 \* Sec. 11. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 REGULATIONS FOR RETIRED TEACHERS. Notwithstanding sec. 14 of this Act,  
15 the Alaska Teachers' Retirement Board may immediately proceed to adopt regulations  
16 necessary to implement changes made by secs. 4, 6, and 8 of this Act. The regulations take  
17 effect under AS 14.25.022, but not before July 1, 2001.

18 \* Sec. 12. Section 11 of this Act takes effect immediately under AS 01.10.070(c).

19 \* Sec. 13. Sections 5, 7, and 9 of this Act take effect July 1, 2005.

20 \* Sec. 14. Except as provided in secs. 12 and 13 of this Act, this Act takes effect July 1,  
21 2001.

During Session, January - May:  
State Capitol, Room 115  
Juneau, Alaska 99801  
(907) 465-2095  
465-3810 fax



During Interim, June - December:  
710 W. 4th Ave., Suite 320  
Anchorage, Alaska 99501  
(907) 269-0240  
269-0242 fax

Senator Loren Leman

## **Sponsor Statement - House CS for CS for SSSB 149(HES): TEACHER INCENTIVES**

**“An Act relating to reemployment of retired teachers, to eligibility for major medical insurance coverage for beneficiaries of the teachers’ retirement system, and to teacher certificates; and providing for an effective date.”**

SB 149 responds to Alaska’s current teacher shortage. It establishes a multi-pronged approach to increase and retain personnel in this critical staffing area.

To increase the teacher supply in Alaska, SB 149 creates a new teacher certification that will allow the State to recognize the credentials of teachers certified out-of-state. The “preliminary teacher certificate” will include the same endorsements as those on a teacher’s current, valid certificate issued out-of-state.

SB 149 also eases recertification requirements for teachers previously certified in Alaska through the creation of a transitional teaching certificate. This certificate will be valid for one year during which the teacher shall complete requirements for the issuance of a regular teacher certificate.

SB 149 promotes employment of retired teachers through the creation of a retirement benefits election option. Under election, retired members continue to receive benefit payments upon reemployment, but do not accrue additional years of service or additional benefits. If no election is made, upon reemployment retired members have their benefit payments suspended, but additional years of service continue to accrue. The election option will be available for a three-year period beginning July 1, 2001, and ending July 1, 2005.

SB 149 promotes teacher retention by improving coverage and easing qualifications to receive major medical benefits. Under SB 149 a teacher can qualify for 100% medical coverage by: years of service (25 years), age (60 instead of 65), or if disabled and appointed to normal retirement.

Staff contact: Paul Roetman 465-3712  
Last updated: May 1, 2001



Senator Loren Leman

## **Sectional Analysis – House CS for CS for SSSB 149(HES): TEACHER INCENTIVES**

**“An Act relating to reemployment of retired teachers, to eligibility for major medical insurance coverage for beneficiaries of the teachers’ retirement system, and to teacher certificates; and providing for an effective date.”**

The following is a sectional analysis of House CS for CS for Sponsor Substitute for Senate Bill 149 (draft #22-LS0769\W) which proposes several amendments to Title 14 (Education, Libraries, and Museums), Chapter 20 (Teachers and School Personnel) and Chapter 25 (Teachers Retirement).

**Section 1.** Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) Section 10 (Teacher certificate required) by adding a new teacher certification allowing a person from out-of-state to be employed in Alaska as a teacher in a public school under a “preliminary teacher certificate” created under section 2.

**Section 2.** Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) Section 15 (Recognition of out-of-state teachers) that lists the requirements under which teachers certified out-of-state may have their credentials recognized in Alaska.

Once an out-of-state teacher has been issued a preliminary teacher certificate, he/she is required to pass a competency examination within one year from the date the preliminary teaching certificate was issued. A preliminary teacher certificate is issued by the department with the same endorsements as those on the current, valid certificate issued by the other state.

Tenure may not be granted to a teacher employed under a preliminary teacher certificate. A preliminary teacher certificate is valid for three years and is not renewable.

Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) by creating Section 17 (Grace period for issuance of regular teacher certificates to previously certificated teachers) that allows teachers whose certification has lapsed to return to the classroom through a revocable teaching certificate. The certificate is valid for one year during which the teacher shall complete any requirements for the issuance of a regular teacher certificate that the teacher has not already met. The certificate will contain the same endorsements as those on the teacher’s previous teaching certificate.

**Section 3.** Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) by creating Section 135 (Employment of retired teachers because of shortages), specifying that a school district having or anticipating a shortage of teachers may by resolution adopt a policy that permits the employment of retired teachers.

Retired members have 30 days from the date of reemployment to elect to continue receiving retirement benefits. If election is made, no deductions will be made from the reemployed member's salary and no credit service will be given for the period of reemployment.

A teacher, principal, or administrator who participated in a retirement incentive program (RIP) under 1986, 1989, 1996 or 1997 is not eligible to make an election under this section.

**Section 4.** Amends Title 14 (Education, Libraries, and Museums) Chapter 25 (Teachers Retirement) Section 40 (Membership) by creating an election option, specified in section 6, exempting a retired member from Chapter 25.

**Section 5.** Repeals the election provision referenced in AS 14.25.040(a), on July 1, 2005.

**Section 6.** Amends Title 14 (Education, Libraries, and Museums) Chapter 25 (Teachers Retirement) Section 43 (Reemployment of retired members) by providing an incentive for a retired teacher to return to full time teaching for a TRS employer. With this change, a retired teacher who took normal retirement may elect a new option under (b) of this section when reemployed. The new option:

- Is subject to a declaration or shortage by a school district;
- Allows the teacher to elect continuation of retirement benefit payments during reemployment;
- Would stop additional retirement benefit accrual;
- Must be selected within 30 days of reemployment; and
- Is not available to RIP participants

If no election is made, the current method would apply and the teacher would:

- Stop receiving a retirement benefit during reemployment; and
- Accrue additional retirement benefit during period of reemployment

**Section 7.** Repeals the election provision referenced in AS 14.25.043(a), on July 1, 2005.

**Section 8.** Amends Title 14 (Education, Libraries, and Museums) Chapter 25 (Teachers Retirement) Section 168 (Medical Benefits) by improving medical coverage benefits. Currently, Tier II retirees are eligible for 50 percent coverage once they reach age 60. No benefit accrues for years of service.

Under this section, a teacher who stays five years beyond the normal retirement service requirement of twenty years or who is 60 years old, will be eligible for full system paid medical coverage.

**Section 9.** Repeals the election provisions of section 3 and section 6 on July 1, 2005.

**Section 10.** Requires the administrator of the teachers' retirement system to give an annual report to the Legislature detailing the effect of this Act on the retirement system.

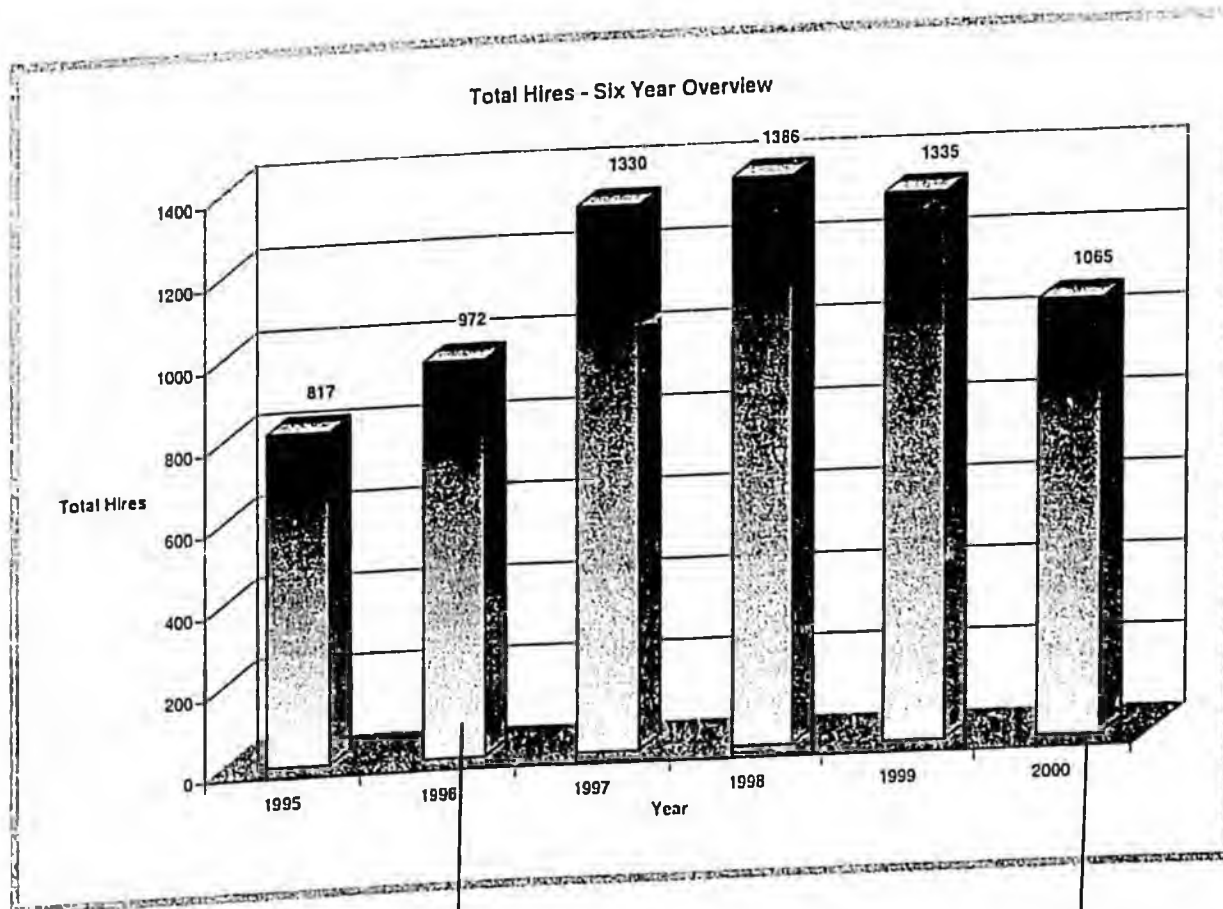
**Section 11.** Authorizes the Alaska Teachers' Retirement Board to adopt regulations necessary to implement changes made by sections 4, 6, and 8 of this Act.

**Section 12.** Specifies that Section 11 takes effect immediately upon signing by the governor.

**Section 13.** Specifies that Sections 5, 7, and 9 take effect July 1, 2005.

**Section 14.** Specifies that this Act, with the exception of sections 12 and 13, takes effect July 1, 2001.

Staff contact: Paul Roetman 465-3712  
Last updated: May 1, 2001

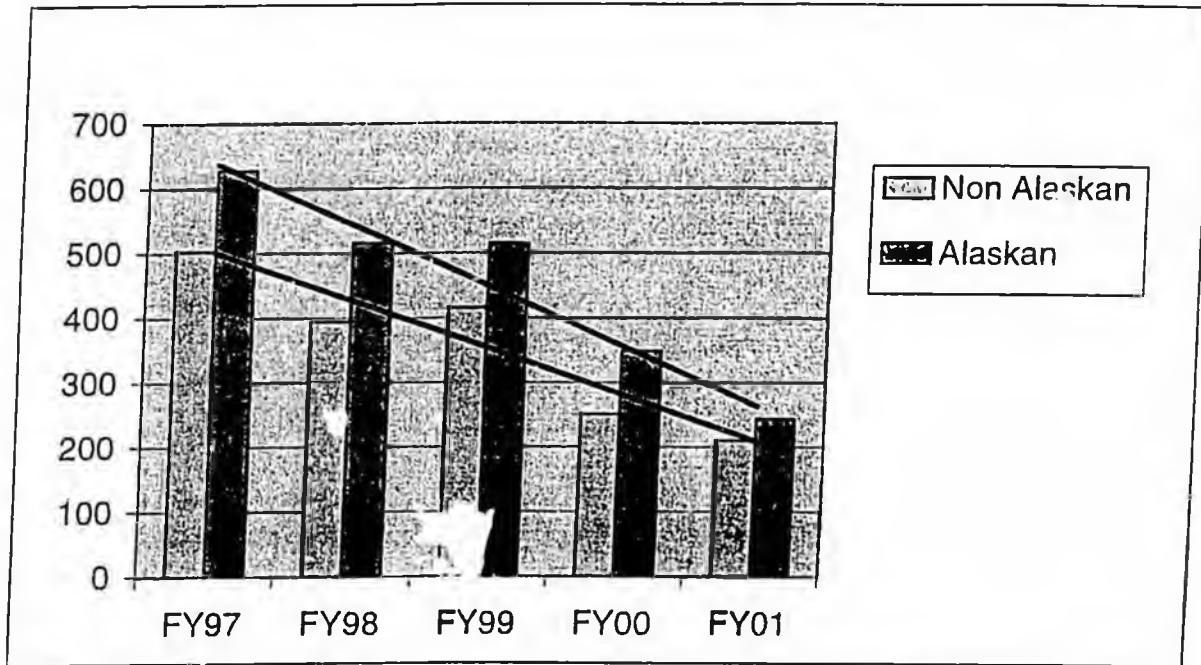


Just a few years ago it seemed everyone wanted to teach in Alaska, now that has changed as the Lower 48 has increased reciprocity and lessened the red tap on certification requirements. In addition adding higher salaries and signing bonuses has drawn many teachers to the Lower 48.

The American Federation of Teachers at <http://www.aft.org/> has some excellent data on salaries and cost of living.

Don't let this number fool you. 88.7 vacancies went unfilled at the start of the school year. Of those 88.7 vacancies 60.2 of them were in Special Education areas.

# Job Fair Attendance Trends



This graph includes the total number of educators that attended all the ATP Educator Job Fairs combined for that year. The gradual decline of interest across the board is evident. The severity of the teacher shortage in Alaska has greatly impacted many of the rural districts (those off the road system).

Year	Non Alaskan	Alaskan	Total
FY97	503	628	1131
FY98	395	516	911
FY99	416	515	931
FY00	251	349	600
FY01	210	244	454

**adn.com**

Anchorage Daily News

## STATE SEEKS WAYS TO KEEP TEACHERS

By Rosemary Shinohara

(Published June 21, 2000)

Faced with a national teacher shortage and aggressive recruiting by other states, Alaska education officials are considering incentives ranging from gym memberships to forgiveness of state student loans to attract teachers and keep them in Alaska.

Alaska used to draw plenty of teachers because of high salaries and an excellent retirement plan, said Bruce Johnson, deputy state commissioner of education.

"Now we have mediocre salaries and a high cost of living," he said. "You leave your extended family (to come to Alaska) and have all the costs of going out to see them."

In rural Alaska, harsh living conditions, especially poor housing, drive teachers out, say union representatives and people who hire for the Bush.

Alaska districts hired 1,335 new teachers during the last school year, but had 84 unfilled positions on the first day of school, and some of them remained open for months, state officials report.

Openings for special education teachers, math teachers and speech pathologists were especially hard to fill.

Because they can't find qualified applicants, districts are hiring more people who don't meet state requirements for teachers. State records show that 20 people taught with emergency certificates in 1998-1999, up from just seven the year before. Twelve people who hadn't completed coursework to teach children with disabilities got waivers to be special education teachers, vs. one the year before. The 1999-2000 statistics have yet to be completed.

The state issues one-year emergency certificates when districts can't find anyone who has the legal credentials - such as a degree in education. The teachers with waivers are qualified as teachers, but not as special ed teachers.

The shortage comes at a time when the state is imposing new academic standards and tests to graduate from high school.

That's true in many other states as well.

Two states, Oklahoma and Texas, recently have given teachers across-the-board raises of \$3,000 each, and a half-dozen other Southern states are planning to raise pay, according to Education Week newspaper. The

New York State Legislature approved a package of incentives that includes scholarships of up to \$3,400, and also bonuses of up to \$30,000 over three years for top teachers who agree to work in schools with poor academic records.

The San Francisco Unified School District will break ground this fall on a 43-unit apartment building to offer subsidized housing to some of its teachers, and make it more possible for teachers to live in the high-rent community.

Santa Clara County, Calif., even sent recruiters to Alaska in an effort to stem its own shortage. The recruiters attended the April teacher job fair in Anchorage, offering signing bonuses of \$4,000 for special education teachers with particular qualifications, such as training to teach autistic children. The county also offers \$1,000 bonuses to certain other teachers.

Alaska education officials say the state needs to give enough money to districts so that

they can increase teacher pay. Just five years ago, Alaska offered the highest average teacher salary in the country, according to the Association of Alaska School Boards. Last year, the state ranked sixth, but the cost of living in remote areas of the state can be astronomical compared to most parts of the Lower 48.

The average salary of Alaska teachers last year was \$46,170.

Rich Kronberg, president-elect of National Education Association-Alaska, said in urban Alaska, "The issue is attracting people to the district. Once they're here, most of the time they stay."

Competitive pay and benefits, and community support probably will be enough to keep good teachers, Kronberg said.

In rural Alaska, rapid turnover of teachers is getting in the way of academic improvements. Pay is an issue there, too.

Decent housing, running water, flush toilets and realistic expectations about life in the Bush are important to rural teachers, said Johnson, the deputy state commissioner.

"The pioneer notion that you can use an outdoor bathroom and live in a log cabin is not very appealing to people in the 21st century," he said.

Mike Husa, union president for the Lower Kuskokwim District, said a teacher in Kwigillingok, on the Kuskokwim Bay, left this year partly because she was forced to live in the school. "There was a house, but it wasn't livable. It had no Arctic entry. When the wind blew, it came right through the door."

The state Department of Education has yet to narrow down what incentives would be most effective, but is considering some that would take legislative approval, and some that the state Board of Education can get going.

State administrators plan to make recommendations to the board this fall.

Johnson said the list of possibilities includes:

Increasing salaries.

Forgiving state student loans for teachers who work in rural areas.

Paying some moving expenses.

Offering signing bonuses in fields where there are shortages.

Giving higher salaries to teachers who are certified by a national board.

Improving rural housing for teachers.

Offering orientation so that new Bush teachers know what they're getting into before they go.

Offering computers and gym memberships.

"Private industry offers gym memberships, why shouldn't we?" said Johnson. "They're not huge costs. If they're sick three or four days fewer per year, you've more than paid for the gym membership."

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