

HB

20

23-LS0130\D
Craver
2/17/03

CS FOR HOUSE BILL NO. 20(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STEVENS, Gatto

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reemployment of and benefits for retired teachers or employees,
2 including those who participated in retirement incentive programs, and to the
3 employment as teachers of members of the public employees' retirement system who
4 participated in a retirement incentive program; and providing for an effective date."

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

6 * Section 1. AS 14.20.135(a) is amended to read:

7 (a) If the Department of Education and Early Development, a [A] school
8 district, or a regional educational attendance area [THAT] has or anticipates having a
9 shortage of teachers qualified to teach or work in a particular educational discipline
10 or specialty, the department, district, or attendance area may[, BY
11 RESOLUTION,] adopt a policy that permits the employment of retired teachers or
12 employees who are qualified to teach or work in the educational discipline or
13 specialty in accordance with this section. The policy must describe the circumstances
14 that constitute the shortage. If a shortage of teachers exists as described in the policy,

1 the department, district, or attendance area shall notify the administrator of the
2 teachers' retirement system (AS 14.25) that it is hiring retired teachers under this
3 section.

4 * Sec. 2. AS 14.25.043(b) is amended to read:

5 (b) The Department of Education and Early Development, a [A] school
6 district, or a regional educational attendance area that has adopted a policy that
7 permits the employment of retired teachers in accordance with AS 14.20.135 shall
8 notify the administrator that it is hiring retired teachers under AS 14.20.135. A
9 teacher who retired under AS 14.25.110(a) and subsequently becomes an active
10 member under a policy adopted in accordance with AS 14.20.135 may, within 30 days
11 of the date of reemployment, elect to continue receiving benefit payments during the
12 period of reemployment by filing a waiver of coverage with the administrator on a
13 form provided by the administrator. An election under this subsection waives
14 coverage for the period of reemployment and is irrevocable during the period of
15 reemployment. Deductions from the member's salary may not be made under
16 AS 14.25.050 during the period of reemployment, and the member may not receive
17 credited service for the period of reemployment. A member who participated in a
18 retirement incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA
19 1996; ch. 4, FSSLA 1996; or ch. 92, SLA 1997, who makes [IS NOT ELIGIBLE TO
20 MAKE] an election under this subsection does not lose the incentive credit provided
21 under the applicable retirement incentive plan and is not subject to any related
22 reemployment indebtedness.

23 * Sec. 3. AS 14.25.043 is amended by adding a new subsection to read:

24 (d) A member of the public employees' retirement system who participated in
25 a retirement incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65,
26 SLA 1996; ch. 4, FSSLA 1996; or ch. 92, SLA 1997, who subsequently becomes a
27 teacher under a policy adopted in accordance with AS 14.20.135(a) may become an
28 active member under AS 14.25.040 without losing the incentive credit provided under
29 the applicable retirement incentive plan and is not subject to any related reemployment
30 indebtedness.

31 * Sec. 4. The uncodified law of the State of Alaska enacted in sec. 12, ch. 57, SLA 2001, is

1 amended to read:

2 Sec. 12. AS 14.20.135, as amended by sec. 1 of this 2003 Act;
3 AS 14.25.043(b), as amended by sec. 2 of this 2003 Act; AS 14.25.043(d), added by
4 sec. 3 of this 2003 Act; AS 39.35.120(b)(2), 39.35.150(b), and 39.35.150(c) are
5 repealed July 1, 2005.

6 * Sec. 5. AS 14.20.135(c) is repealed.

7 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 20
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title An Act relating to reemployment of
and benefits for retired teachers.....
 Sponsor Rep Stevens
 Requester House State Affairs

Dept. Affected: Administration
 BRU Centralized Admin Services
 Component Retirement & Benefits
 Component No. 64

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends the Teachers' Retirement System (TRS) statutes to:

- * expand the provision allowing school districts to hire retired teachers to include those teachers who previously elected to retire under a Retirement Incentive Program (RIP);
- * grant authority to the Department of Education and Early Development to hire retired teachers; and
- * remove the RIP penalties for Public Employees' Retirement System (PERS) retirees who are hired under the provisions of AS 14.20.135(a).

Prepared by: Guy Bell
 Division: Retirement & Benefits
 Approved by: Mike Miller by P. Edwards
 Agency: Department of Administration

Phone _____
 Date/Time 2/6/03 7:02 AM
 Date 2/6/03

Alaska State Legislature

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Representative Gary Stevens

SPONSOR STATEMENT-HB 20

HB 20, "An Act relating to reemployment of and benefits for retired teachers and principals who participated in retirement incentive programs and to the employment as teachers of members of the public employees' retirement system who participated in a retirement incentive program; and providing for an effective date."

Alaska, like the rest of the nation, is experiencing a severe shortage of qualified teachers and principals. Research has shown that a qualified teacher in the classroom is the single most important school-based factor in a student's success. It is incumbent upon the Legislature to provide additional tools to Alaskan school districts to ameliorate the current teacher shortage and thus continue to assist school districts in their efforts to improve student learning.

HB 20 would allow schools experiencing a shortage of education professionals to reemploy teachers and principals who had retired under a Retirement Incentive Program (RIP). This bill would not require any school district to reemploy any particular retired individual; it would only give them the option to do so.

School districts would be required to certify that they are experiencing a shortage in order to reemploy a RIP-retired teacher or principal. Those reemployed under this provision would not be required to pay back their retirement incentive and could elect to either continue receiving their retirement benefits or to accrue new Teacher Retirement System (TRS) credited service during the re-hire period. The Department of Education would also be able to hire RIP-retired teachers and principals for Alyeska Central School, Mt. Edgecumbe, the Alaska State School for the Deaf and Hard of Hearing, and the Alaska Vocational Technical Center.

Statute allowing school districts to hire any retired personnel without penalty sunsets on July 1, 2005; school districts would not be able to reemploy any additional retirees after that date.

Hb-20 would provide one more tool to school districts suffering from the shortage of education professionals, and I hope that you will give it your support.

Alaska State Legislature

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Representative Gary Stevens

Memorandum

Date: January 30, 2003

To: Representative Bruce Weyrauch
Chair, Special Committee on Education

Fr: Representative Gary Stevens

Re: HB 20

I respectfully request a committee hearing be scheduled at your earliest possible convenience for HB 20, "An Act relating to reemployment of and benefits for retired teachers and principals, including those who participated in retirement incentive programs, and to the employment as teachers of members of the public employees' retirement system who participated in a retirement incentive program; and providing for an effective date."

I would like to add the Kodiak LIO to the list of communities available for teleconferencing.

Thank you for consideration of this request.

Best regards,

A handwritten signature in black ink, appearing to read "Gary Stevens".

Gary

From: "Karen Pennington" <penningtonkaren@hotmail.com>
To: Representative_Gary_Stevens@legis.state.ak.us

Dear Representative Stevens:

I write to you from Moscow, Russia, where at times I feel exiled. Well, one has to have a sense of humor about these things..

I am actually writing to ask how I can support your HB 20 which would allow teachers who retired under the RIP program to teach again in Alaska. I would like to come home.

I lived in Ketchikan for 35 years. In 1990 I retired from the Ketchikan Gateway Borough School District with 20 years experience. At the time I had 2 small sons, ages 1 and 3--one who had severe asthma problems. I wanted to stay home with them. As they grew, I went back to work in part time positions doing consultant work for the district in early entry kindergarten and preschool screening. For three years I worked as the Activities/Athletic Director for the District on a personal contract and also substituted at all levels.

In 1998, not by my choice, I found myself divorced and the sole provider for my two sons. I also found that I could not support them in Alaska because I could not go back to work in education which is my chosen profession. I joined the Foreign Service. I now am Administrative Assistant/Office Manager for Ambassador Alexander Vershbow, US Ambassador to Russia, and I have lived in Moscow for four years. I must say that this is an interesting and always exciting job, and it has given my sons and me an opportunity to see many parts of the world.

However, Alaska is my home. Like many of you, I was born in another state but moved there with my family when I was young. I feel disappointed that my sons cannot be Alaskan. My oldest is now in 10th grade, and I would like for him to spend his last 2 years in Ketchikan. There are opportunities for me to work there now, but (1) I cannot by law and (2) I could not afford to because of the repayment. Thus, I would like to do whatever I can to see HB 20 passed this year.

While I do not have the figures, I would imagine there are few retirees who actually WANT to go back to work full time. I just happen to be only 55 years old and feel that I have another 10 years that I would like to be employed. It is my understanding that there would be restrictions on being able to acquire MORE years of service towards retirement so my working would not actually financially impact the TRS.

I also feel that the break in service afforded by my retirement has been a