

**ALASKA LEGISLATURE**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996**

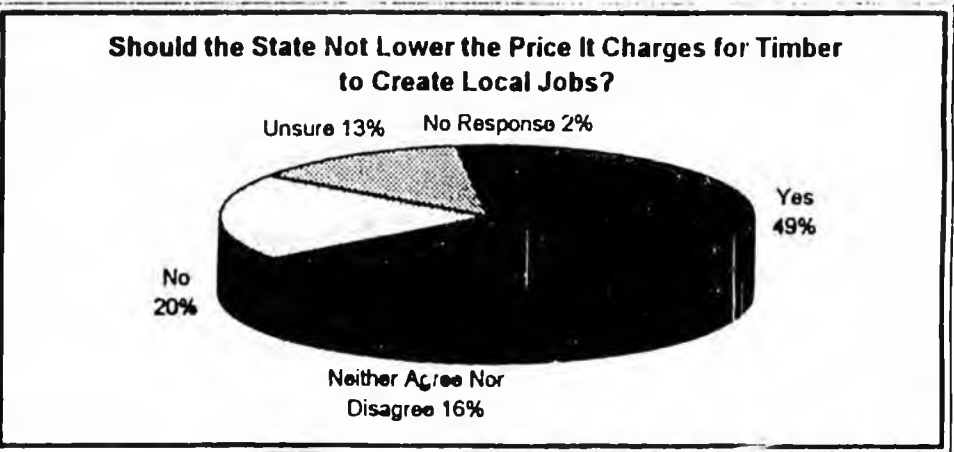
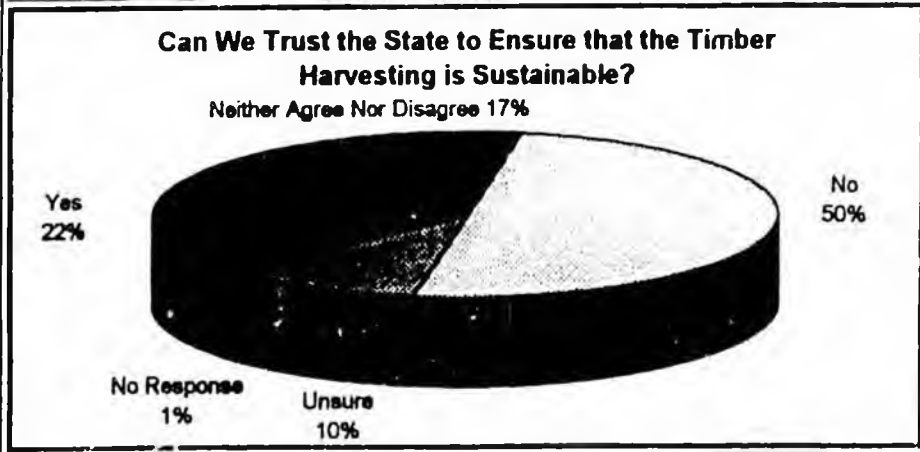
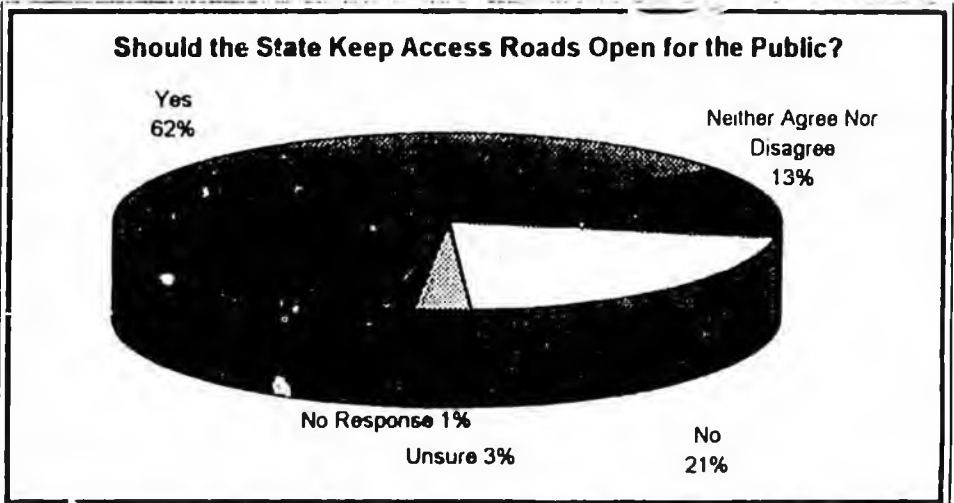
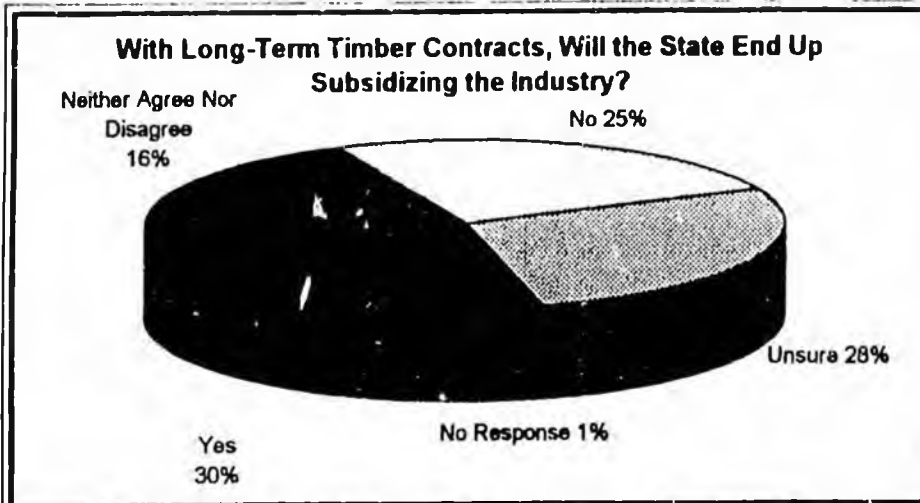
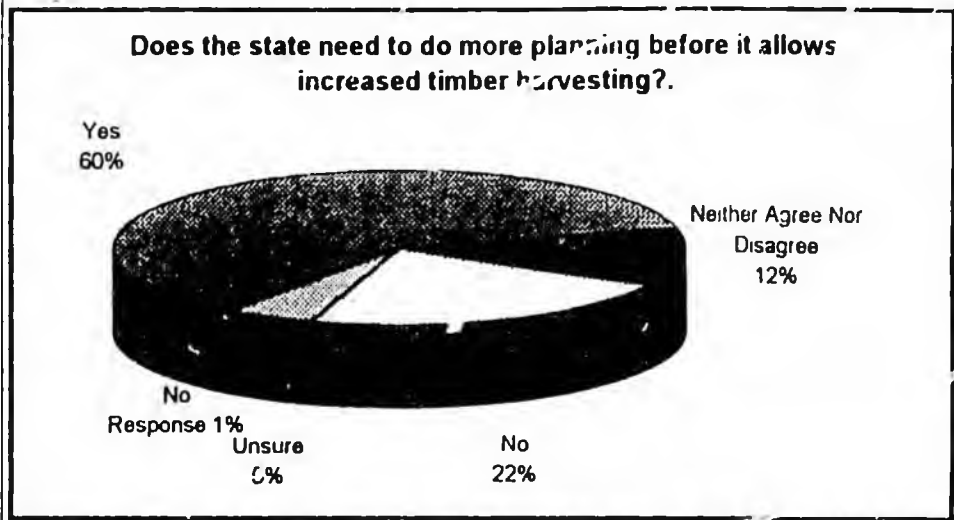
1349

**Questions**

**Regarding the State**

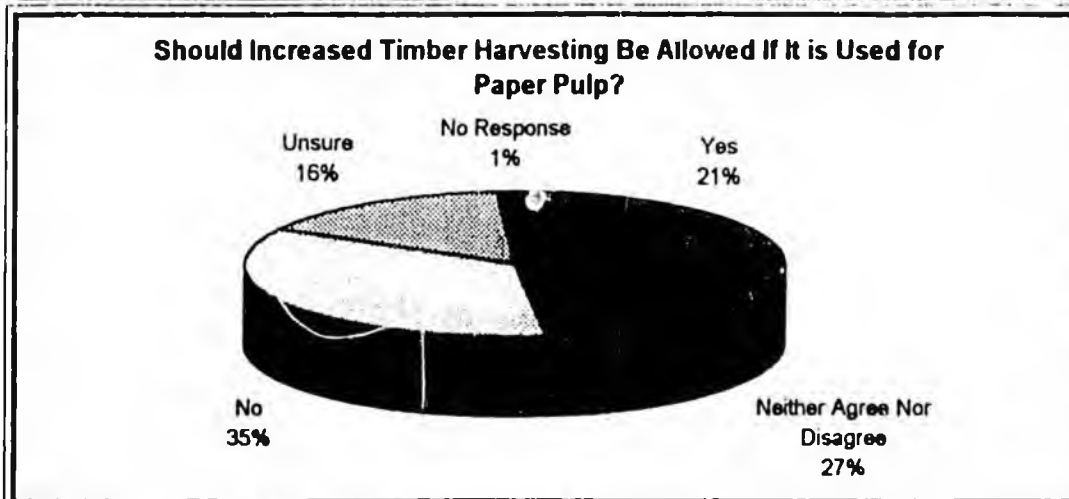
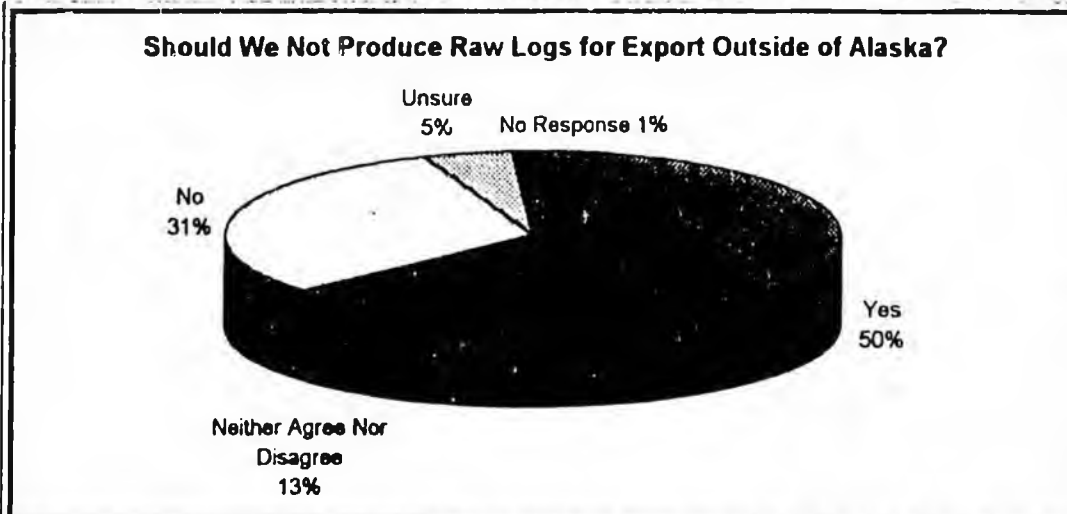
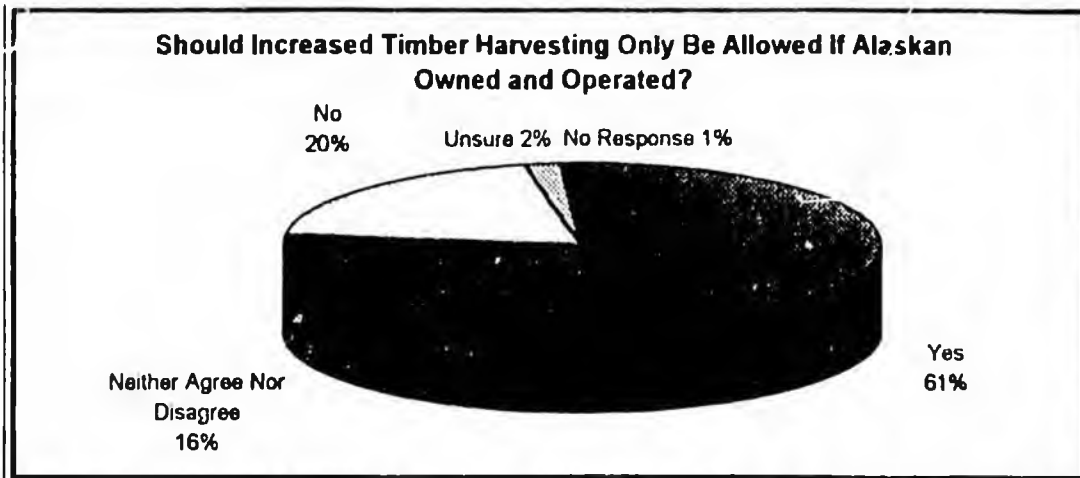
**and Timber Harvesting**

**in the Tanana Valley**

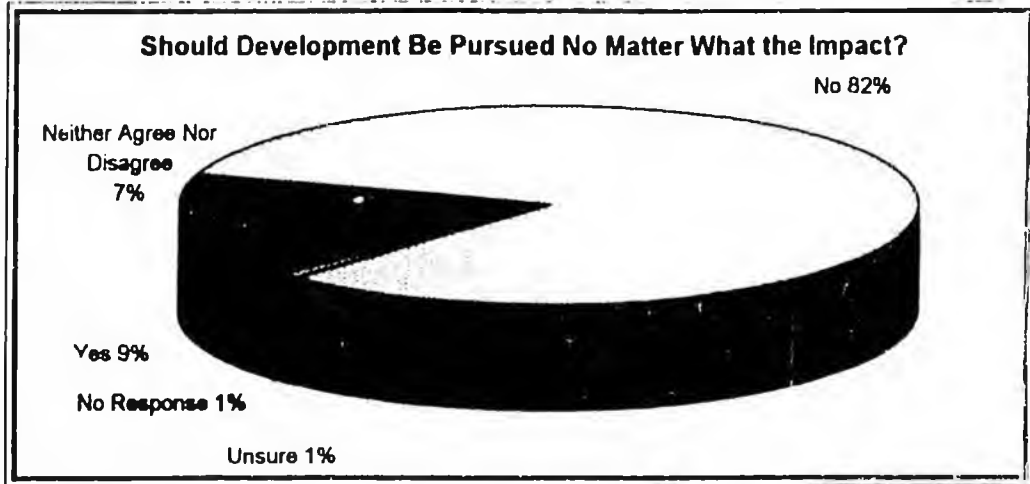
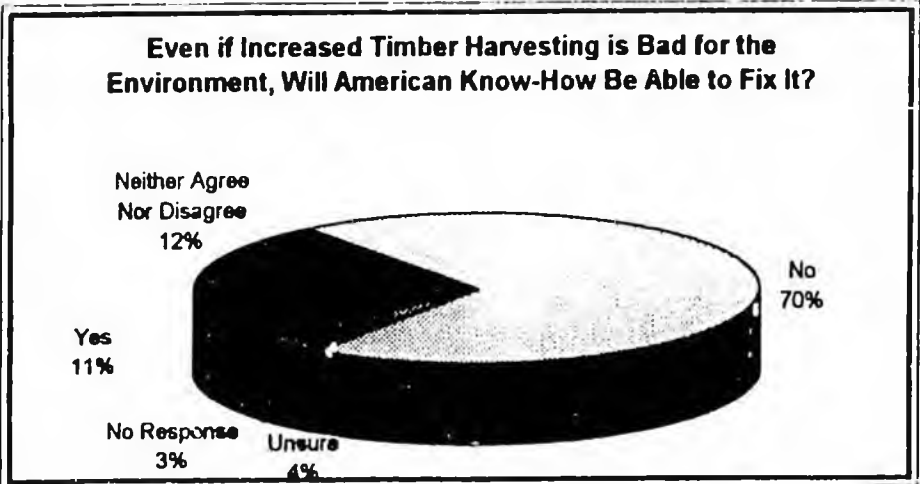
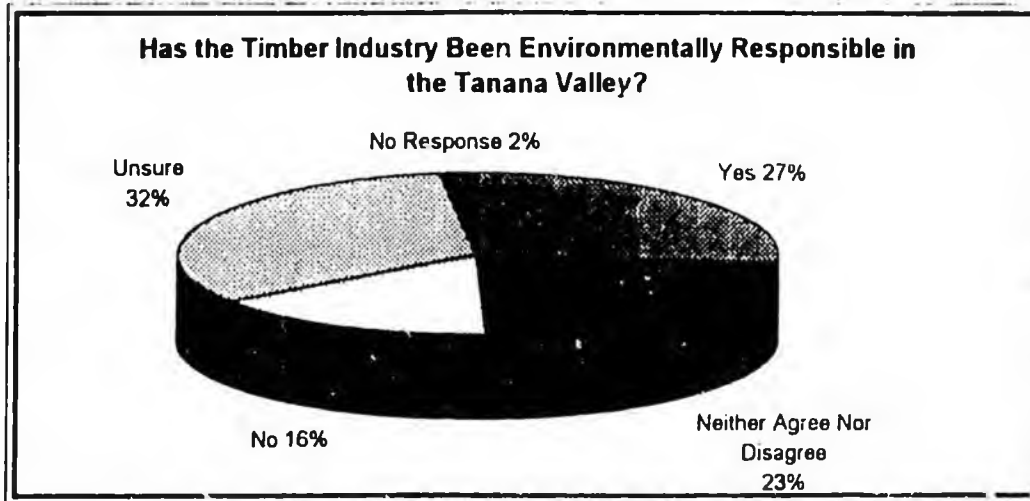
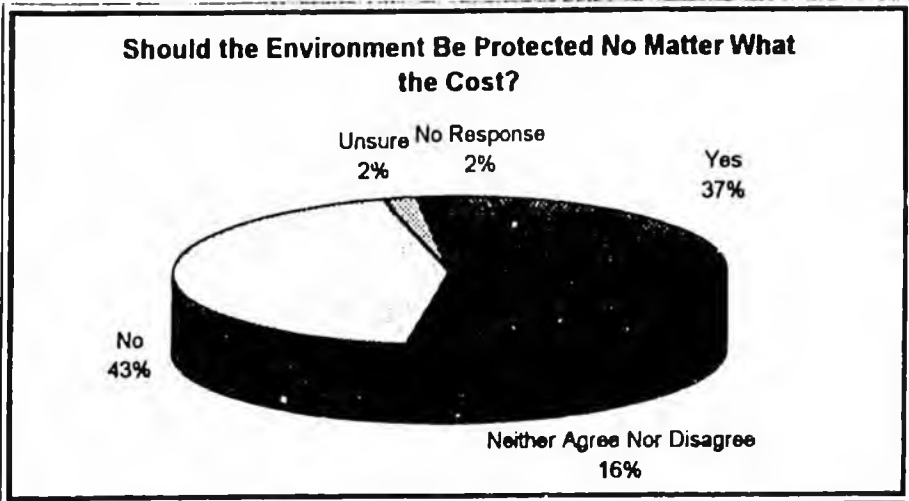
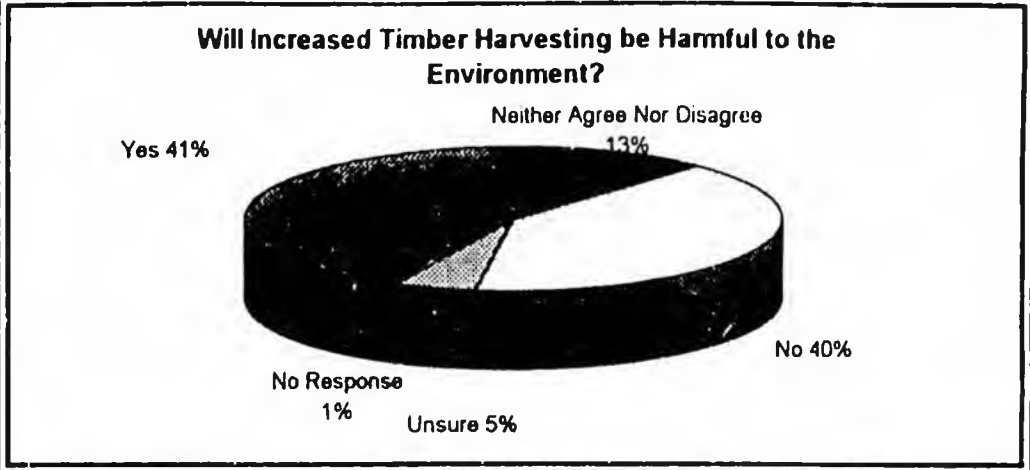


Graphs based on data from a random survey mailed to 1,584 voters in the Tanana Valley. 517 persons responded. UAF students prepared the study for the Fairbanks Industrial Development Corporation. Numbers may not add to 100% due to rounding.

**Questions Regarding  
Conditions Under Which  
Timber Harvesting in the  
Tanana Valley  
Should Be Allowed**

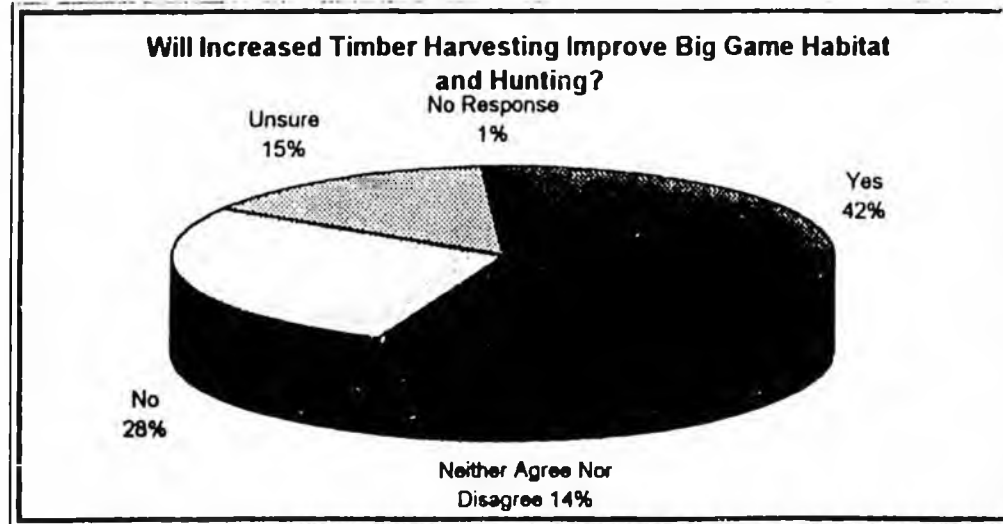
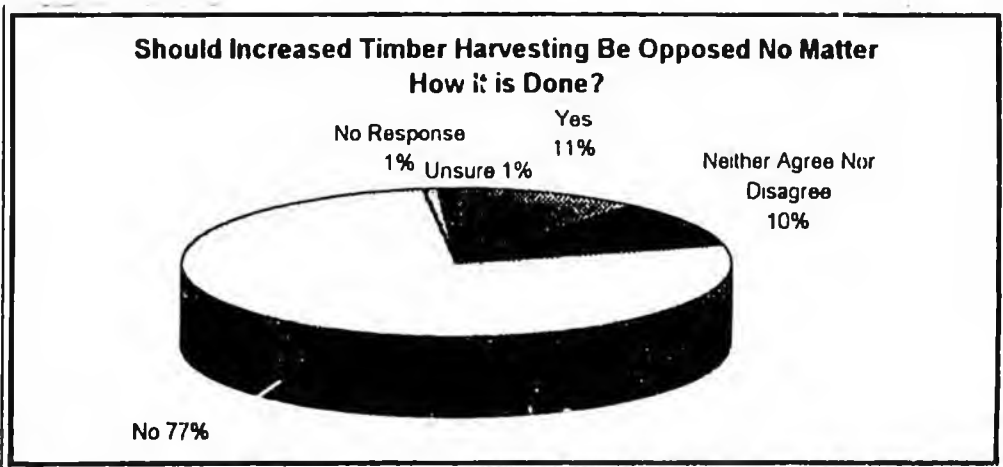
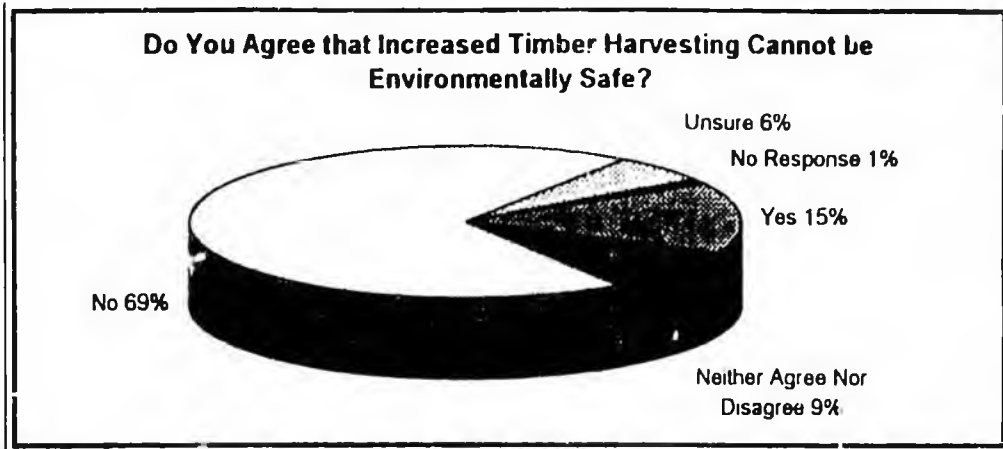


**Questions**  
**Regarding the Environment**  
**and Timber Harvesting**  
**in the Tanana Valley**



Graphs based on data from a random survey mailed to 1,584 voters in the Tanana Valley. UAF students prepared the study for the Fairbanks Industrial Development Corporation. Numbers may not be added to 100% due to

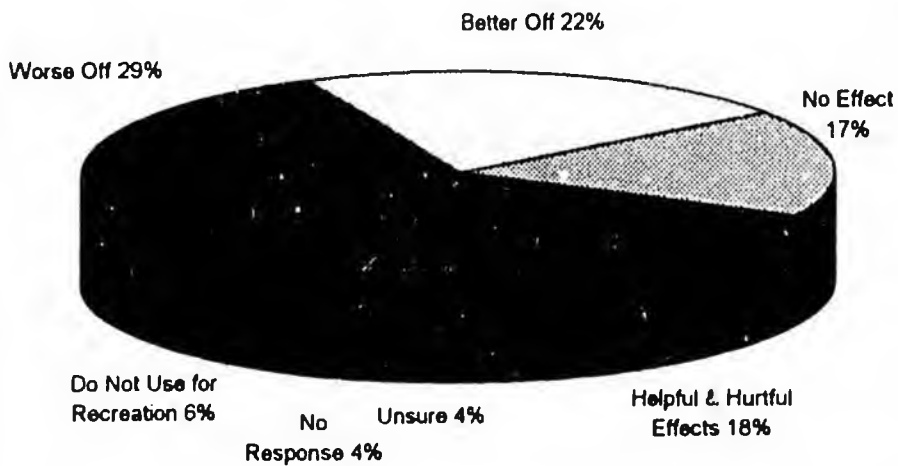
**Questions  
Regarding the Environment  
Continued**



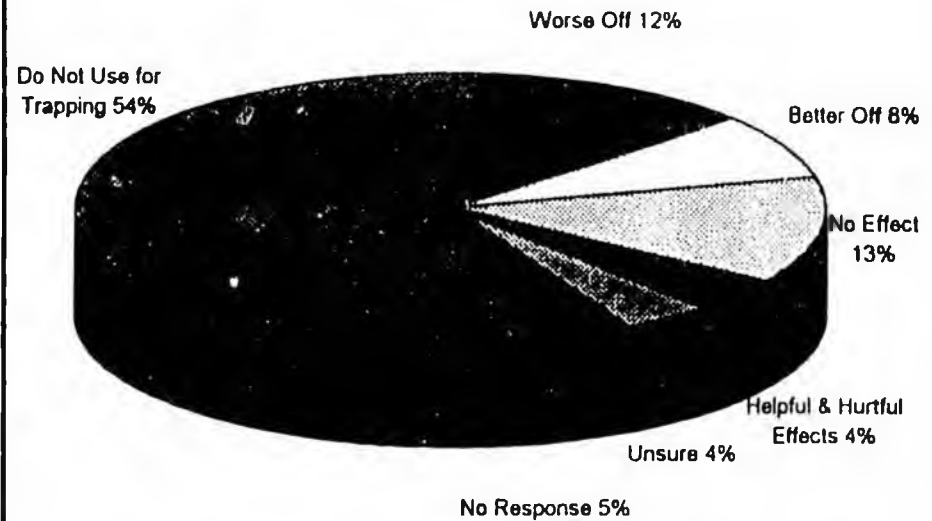
Graphs based on data from a random survey mailed to 1,584 voters in the Tanana Valley. UAF students prepared the study for the Fairbanks Industrial Development Corporation. Numbers may not be added to 100% due to rounding.

# Would Increased Timber Harvesting in the Tanana Valley Make You Better or Worse Off?

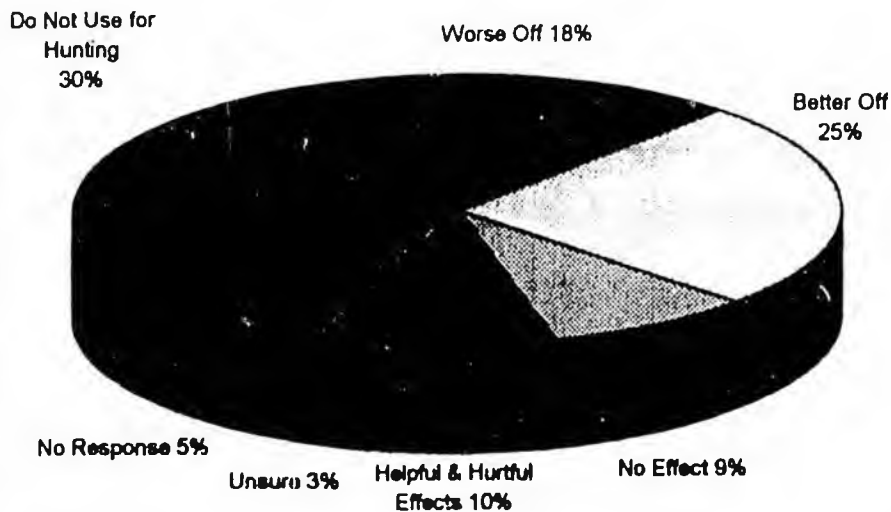
### Use Forest for Recreational Activities



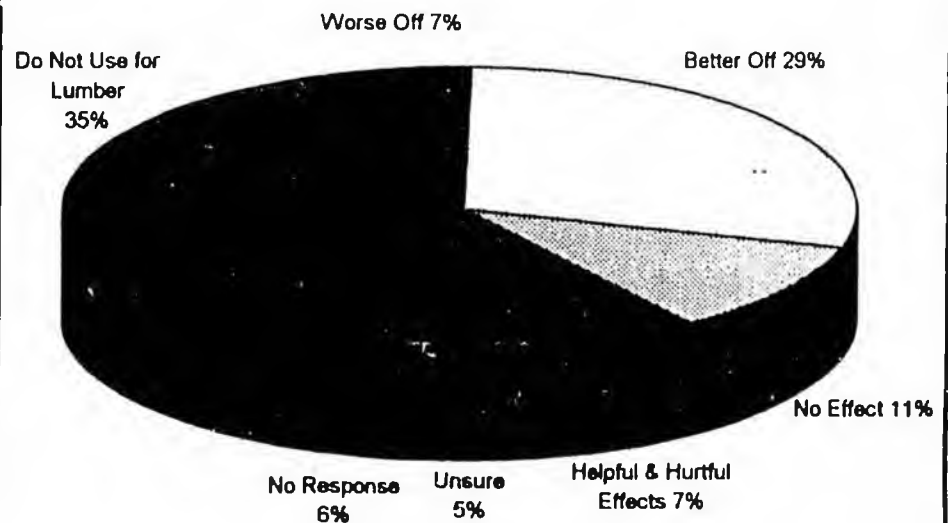
### Use Forest for Trapping



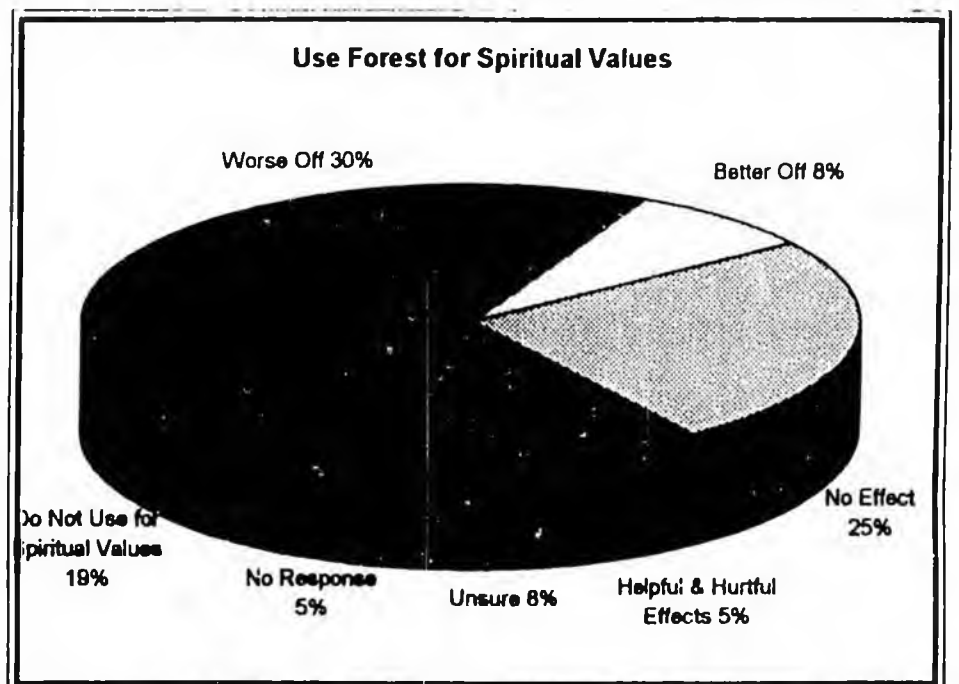
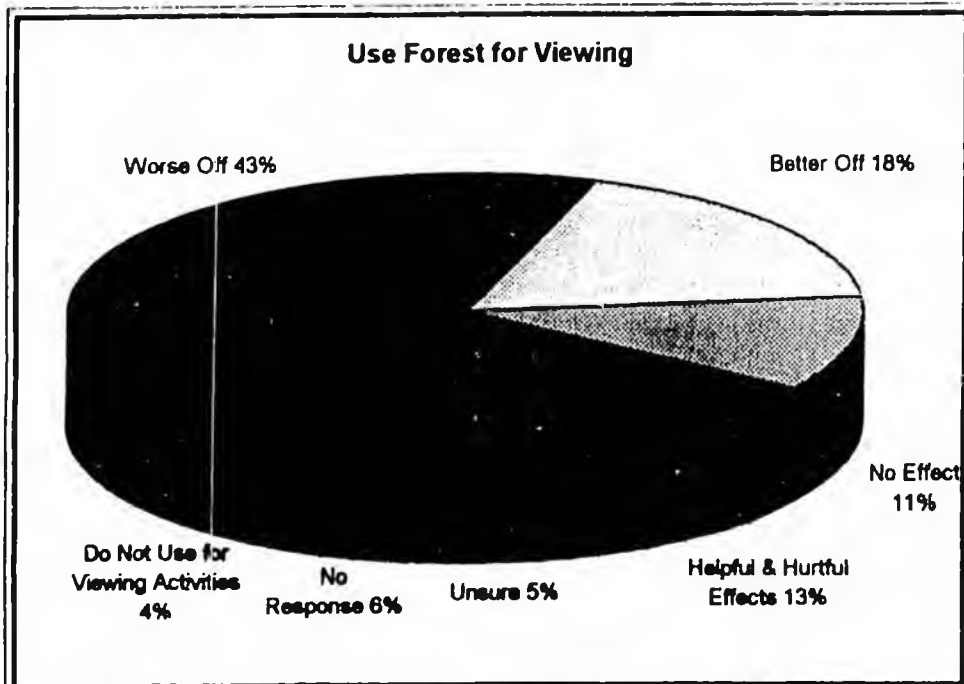
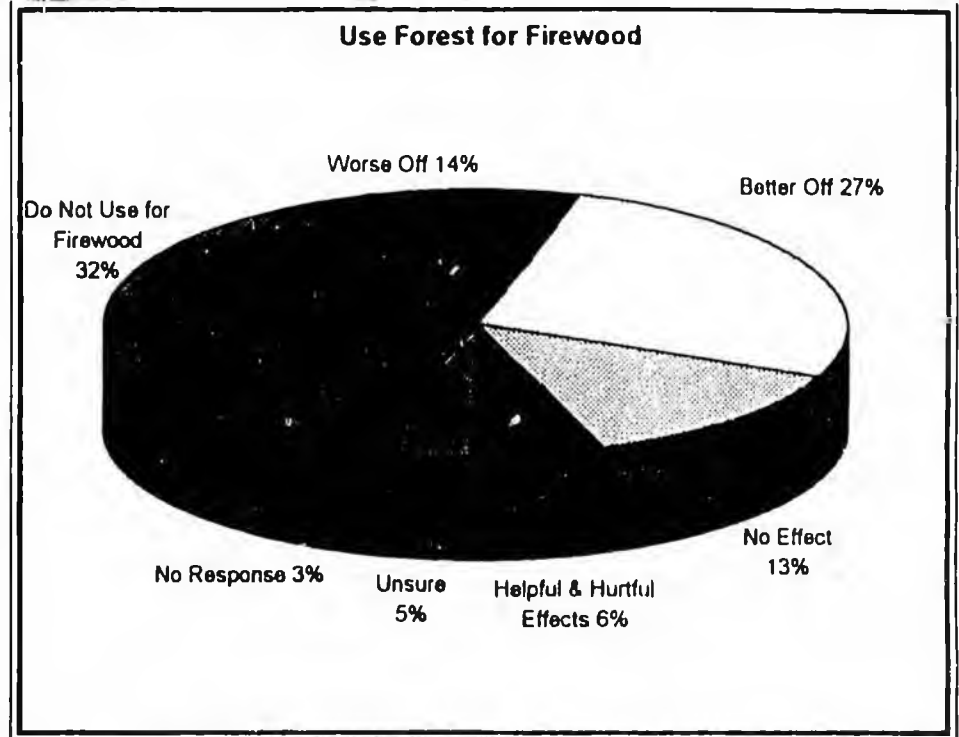
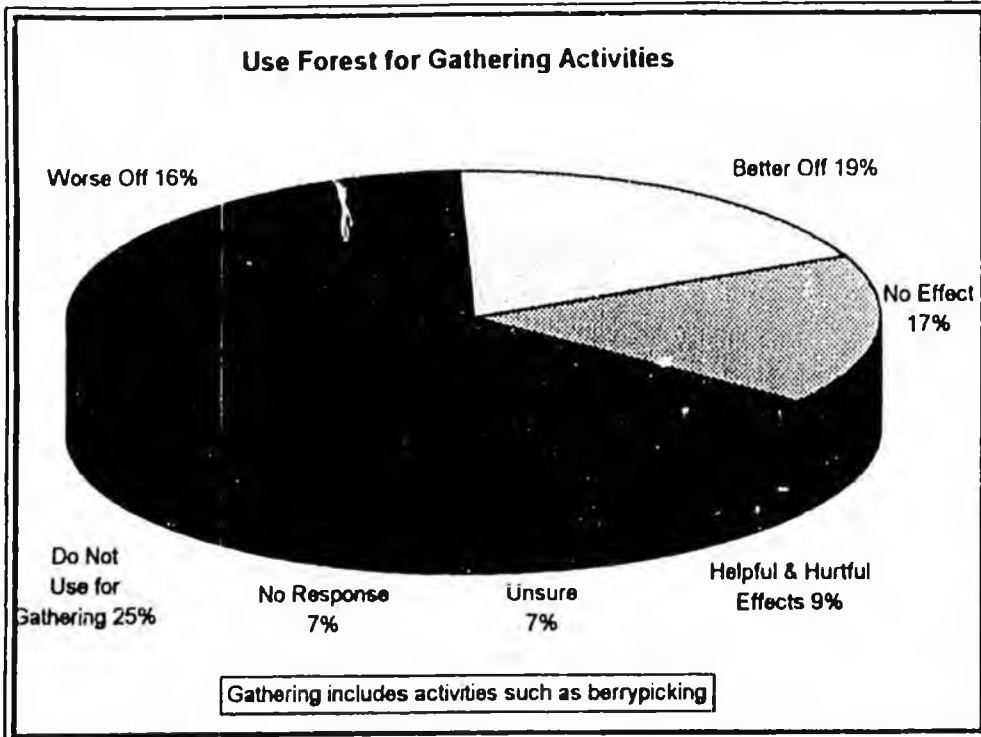
### Use Forest for Hunting



### Use Forest for Lumber



# Would Increased Timber Harvesting in the Tanana Valley Make You Better or Worse Off?



Graphs based on data from a random survey of 1,584 voters in the Tanana Valley. 517 persons responded. UAF students prepared the study for the Fairbanks Industrial Development Corporation. Numbers may not add to 100% due to rounding.

**HB**

**212**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/96

DATE TURNED INTO OFFICE: 4/4/96

The Finance Committee considered CS FOR HOUSE BILL NO. 212(FIN)

Relating to the management and sale of state timber and relating to the administration of forest land and classification of state land.

and recommends:

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous 5 CS CS HB 212 (145)

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

same title

new title

**House Bill:**

same title

technical change

new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Thain</i>	✓	<i>Reel &amp; Kelly</i>	✓		
		<i>Paul B. Hargis</i>	✓		
		<i>Walter D. Dwyer</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>Rick Halford</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

Department	Date	Zero	Fiscal
#9 DNR	2/5/96		(3.0)
#8 DEC	1/31/96	0	
#7 DP+G	1/30/96		19.6

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

No. 9  
 Bill Version: CSHB 212(FIN)  
 (H) Publish Date: 2/7/96

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

Revision Date: 5-Feb-96 Dept Affected Natural Resources  
 Title: An Act relating to the management and sale of BRU: Resource Development  
state timber and relating to the administration of forest land... Component: Forest Management & Development  
 Sponsor: House State Affairs  
 Requestor: House Rules Component Serial No. 435

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>
<b>CAPITAL EXPENDITURES</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>CHANGE IN REVENUES ( )</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>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>

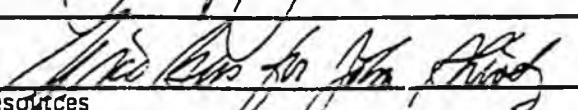
Estimate of any current year (FY96) cost: \$ none

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

The elimination of the need to prepare forest land use plans for very small sales, those of 10 acres or less, results in a small annual savings.

Prepared by: Tom Boutin, Director Phone: 465-3379  
 Division: Forestry Date: 5-Feb-96  
 Approved by Commissioner:  Date: 5-Feb-96  
 Agency: Natural Resources

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FISCAL NOTE

No. 8

Bill Version: CSHB 212 (FIN)

(H) Publish Date: 2/2/96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: 24-Jan-96  
Title: An Act relating to the management and sale of state timber...  
Sponsor: House State Affairs Committee  
Requestor: House Resources Committee

Department Affected: Environmental Conservation  
BRU: Air and Water Quality  
Component: Water Quality

COMPONENT SERIAL NO. 2062

Expenditures: Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

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 Receipt	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF:MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	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 (FY96) cost: \$ 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

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Len Verrelli  
Division: Director, Division of Air and Water Quality

Phone: 465-5260  
Date: 1/31/96

Approved by Commissioner: [Signature]  
Agency: Department of Environmental Conservation

Date: 1/31/96

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## ANALYSIS:

On 3/22/95, ADEC submitted a fiscal note for the original version of HB212 (dated 3/1/95). That fiscal note reflected the need for additional positions to address Section 9 of that version of the bill which stated, in part: "Commercial timber harvest may not be found to be an incompatible use or otherwise restricted unless the commissioner provides scientific data that clearly justifies the finding of incompatibility or restriction and demonstrates the benefits of the restriction."

Since ADEC is charged with ensuring that State Water Quality Standards are met, it was determined that additional positions would be required to fulfill this legal obligation, given the provisions of Section 9. In the current version of HB212, the language in that section (Section 10. in HB212b) has been modified, removing the need for additional positions to fulfill our legal requirements. Therefore, ADEC has submitted a "zero" fiscal note for this version of HB212.

# FISCAL NOTE

No. 7  
 Bill Version: CSHB 212(FIN)  
 (H) Publish Date: 2/2/96

STATE OF ALASKA  
 1996 LEGISLATIVE SESSION

Revision Date: 1/30/96 Dept. Affected: Fish and Game  
 Title: An Act relating to the management and sale of BRU: Habitat and Restoration  
state timber and relating to the administration of forest land Component: Habitat Protection  
 Sponsor: House STA  
 Requester: House Finance COMPONENT SERIAL NO. 2100

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

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES	15.1					
TRAVEL	1.5					
CONTRACTUAL	2.5					
SUPPLIES	0.5					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>19.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	19.6					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>19.6</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 (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	1					
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached sheet

Prepared by: Janet Kowalski  
 Division: Habitat and Restoration  
 Approved by Commissioner: Governor Bush  
 Agency: Department of Fish and Game

Phone: 465-4105  
 Date: 1/27/96  
 Date: 1/30/96

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FISCAL NOTE CONTINUATION PAGE  
STATE OF ALASKA BILL NO. CSHB212  
1996 LEGISLATIVE SESSION

**Analysis:** (continued)

HB212 would change the way state forests and sale offerings of state timber are managed. The purpose of the bill appears to be to increase availability of small state timber sales for smaller logging/sawmill operators.

If HB212 is adopted, we believe that over the next five years, that there would be an increase in the availability of small timber sales and would increase the annual cut in the areas of the state where they occur. This means more fish and wildlife habitat will be affected and more Title 16 reviews and forest practices inspections will be required if impacts to fish and wildlife habitat and production are to be minimized. Because pre-sale planning opportunities and pre-contract reviews may be minimized or eliminated under HB212, many impacts which would have formerly been addressed in the pre-sale planning process, will have to be addressed in the field. This will necessitate increased reliance on field monitoring and enforcement to protect anadromous fish habitat and wildlife habitat. Resolution of resource conflicts with small operators is expected to be much more difficult because of the relatively high economic costs. This would require increased field presence by ADF&G field staff to meet ADF&G statutory responsibilities under Title 16 and Title 41. Because of the expected increased number of small timber sales and likely accelerated harvest, increased Habitat Biologist and clerical support would be required as these new areas come on line.

4/4/96  
SFC-96

# Alaska State Legislature

REPRESENTATIVE  
**JEANNETTE JAMES**  
P.O. Box 56622  
North Pole, Alaska 99705  
(907) 488-1546  
FAX (907) 488-4271



While in Juneau  
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99801-1182  
(907) 465-3743  
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## House Of Representatives

House District 34

### HOUSE BILL 212 TIMBER MANAGEMENT

#### Sponsor Statement and Bill Analysis

3/12/96

The House State Affairs Committee introduced HB212 at the request of constituents from the timber industry in Fairbanks. These people are operators of small lumber businesses in the local communities. Their livelihoods have been impacted by the overly complicated procedures they must endure to secure timber from the state. It is not the lack of timber which has caused a problem, it is the inability of the Department of Natural Resources to allow the harvesting of this resource. Current statutes are such that the five-year planning and three year updates required by Title 38 make continuation of an ongoing industry very difficult.

Well-managed timber harvesting not only helps create and support jobs and a healthy economy, it creates and supports healthy forests. The Fairbanks community, as well as many other Alaskan communities, are being prohibited from developing the basic timber industries necessary for maintaining strong forest ecology and a strong economic environment.

HB 212 provides flexibility to the Commissioner of DNR and the Division of Forestry to meet the needs of small timber operators in a timely manner. It also makes small adjustments to Title 38 and Title 41 intended to help secure a sustainable forest products industry for Alaska's forests. Changes made in HB212 between March of 1995, when it was introduced, and the present, represent months of intense hearings with the House Resources Committee, the Department of Forestry, the Administration, the bill sponsor, and business people from the forestry industry. A truly cooperative effort resulted in the bill in its current form, which addresses the needs and wishes of all parties. A section-by-section explanation of the bill follows.

**SECTION 1** of the bill amends AS 38.05.112(a) to exempt 10 acre (or less) sales from the requirement of a Forest Land Use Plan. It also exempts salvage sales where the purpose is a land use conversion from forest to nonforest use.

**SECTION 2** of the bill amends the requirements for preparation of forest use plans under AS 38.05.112(b). It would now only require the commissioner to consider such information, whereas under current law he must base the decision on the plan.

**SECTION 3** of the bill amends AS 38.05.112(c) to insure that all state lands subject to timber harvest will be covered by a planning document subject to public review, and includes a reference to **silvicultural** practices and timber harvest as legitimate forest management techniques for wildlife habitat improvement.

**SECTION 4** of the bill amends AS 38.05.113 relating to the requirements of the five year schedule of timber sales; provides an exception for timber sales previously noticed in the five year sale schedules; and adds exceptions from the five year sale schedule listing requirements. The information the Department has to include is streamlined.

"Small sales" currently can be exempted by regulation from the required two listings on the five year schedule of timber sales. Section 4 also **defines "small sales"** as those of 160 acres or less and exempts them from being listed in a five year schedule.

**SECTION 5** of the bill adds a new subsection to AS 38.05.113 requiring that all **re-offers** will have to be made within two years of the original offering year or they will have to go back on the five year schedule of timber sales. This governs sales that were offered and not purchased and sales that were sold and not harvested.

**SECTION 6** of the bill amends AS 41.17.090(c) by providing that detailed plans of **timber operations on state land** do not have to be prepared and submitted to the state forester under the Forest Practices Act.

**SECTION 7** of the bill amends AS 41.17.200 by providing new **direction** for the commissioner of natural resources in the management of state forests. It puts timber resources more into the forefront while retaining the multiple use elements.

**SECTION 8** of the bill also amends AS 41.17.200 by adding a new subsection directing that the commissioner shall **restrict public use of the land** and its resources only when necessary to carry out the purposes of this chapter to promote multiple use of the forests.

**SECTION 9** is a **technical, conforming amendment** to AS 41.17.210(a) made necessary by sections 10 and 12 of the bill.

**SECTION 10** of the bill amends AS 41.17.230(a) by providing that the commissioner of natural resources must permit and allow the uses mentioned in AS 38.05.112(c) in state forest management plans and provides procedures for the commissioner to follow if it is found that a permitted use is **Incompatible** with other uses.

It also puts the existing language of AS 38.05.112(d) **Into Title 41** where it belongs. Title 41 governs Forest Management Plans, and this language sets forth requirements for identifying incompatible uses in Forest Management Plans. It does not belong in the section of statute governing Forest Land Use Plans (AS 38.05.112) but in AS 41.17.

**SECTION 11** of the bill adds a **wildlife management** objective for the Tanana State Forest. It would give the Lands Division as well as the Forestry Division the much-needed authority to manage timber in a manner which would improve and enhance wildlife habitat, for example creating shelter and browse for animals and pools for spawning and hatching fish.

**SECTION 12** provides a **repealer** to correspond to the change in Section 10 of the bill.

# FISCAL NOTE

No. 4  
 Bill Version: CSHB 212(RES)  
 (H) Publish Date: 1/24/96

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

Revision Date: 16-Jan-96 Dept Affected Natural Resources  
 Title: An Act relating to the management and sale of BRU: Resource Development  
state timber, administration of forest land and classification Component: Forest Management & Development  
 Sponsor: House State Affairs  
 Requestor: \_\_\_\_\_ Component Serial No. 435

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none anticipated

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

There is no anticipated fiscal impact associated with this legislation.

Prepared by: Tom Boutin, Director Phone: 465-2400  
 Division: Forestry Date: 16-Jan-96  
 Approved by Commissioner: \_\_\_\_\_ Date: 16-Jan-96  
 Agency: Natural Resources

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# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 2/13/96

FURTHER: Finance

DATE TURNED INTO OFFICE: 3/2/96

The Resources Committee considered CS FOR HOUSE BILL NO. 212(FIN)

Relating to the management and sale of state timber ~~and relating to the administration of forest land and classification of state land.~~

*P + FMS*

and recommends:

- be replaced with SEN CS HB 212 (RES)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Row 1</i>	<input checked="" type="checkbox"/>				
<i>Richard L. Taylor</i>	<input checked="" type="checkbox"/>				
<i>one page</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>Row A. Kumar</i>	<input checked="" type="checkbox"/>	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
DNR/FOREST MANAGEMENT	2/5/96		(3.0)
DEC/AIR & WATER QUALITY	1/31/96	<input checked="" type="checkbox"/>	
DNR/HABITAT PROTECTION	2/2/96		19.6

*Fiscal notes apply to Sen C.*

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

No. 9  
 Bill Version: CSHB 212(FIN)  
 (H) Publish Date: 2/7/96

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

Revision Date: 5-Feb-96 Dept Affected: Natural Resources  
 Title: An Act relating to the management and sale of BRU: Resource Development  
state timber and relating to the administration of forest land... Component: Forest Management & Development  
 Sponsor: House State Affairs  
 Requestor: House Rules Component Serial No. 435

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>
<b>CAPITAL EXPENDITURES</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>CHANGE IN REVENUES ( )</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>

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

The elimination of the need to prepare forest land use plans for very small sales, those of 10 acres or less, results in a small annual savings.

Prepared by: Tom Boutin, Director Phone: 465-3379  
 Division: Forestry Date: 5-Feb-96  
 Approved by Commissioner: [Signature] Date: 5-Feb-96  
 Agency: Natural Resources

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**COMMITTEE COPY**

# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 2/13/96

FURTHER Finance

DATE TURNED INTO OFFICE: 3/2/96

The Resources Committee considered CS FOR HOUSE BILL NO. 212(FIN)

Relating to the management and sale of state timber ~~and relating to the administration of forest land and classification of state land.~~

*P + FNS*

and recommends:

- be replaced with SEN CS HB 212 (RES)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Ad rank</i>	<input checked="" type="checkbox"/>				
<i>Adrian Taylor</i>	<input checked="" type="checkbox"/>				
<i>Inue Icarace</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>Lowell A. Luman</i>	<input checked="" type="checkbox"/>	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
DNR/FOREST MANAGEMENT	2/5/96		(3.0)
DEC/AIR + WATER QUALITY	1/31/96	<input checked="" type="checkbox"/>	
DEFC/HABITAT PROTECTION	2/2/96		19.6

*Fiscal notes apply to Sen CS*

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

**HB**

**216**

SFIN

FILE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO: CS HB 216(HES)

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: An Act establishing the Alaska education BRU: Revenue Operations  
technology program Component: Treasury  
 Sponsor: Kott, Brown  
 Requestor: (S) HES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ \_\_\_\_\_

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

The passage of this bill will not result in an immediate fiscal impact to the Treasury Division. However, the subsequent funding of the Alaska Education Technology Fund will result in custodial, safekeeping and audit expenditures by the Treasury Division, plus an allocation of current Treasury personnel time (no new personnel would be needed). Depending on the asset allocation of the fund (the mix between fixed income and equity securities), charges from Treasury are estimated to be from 7.5-12 basis points (or \$750-\$1,200 per \$1 million managed). The funding source would be the Fund itself.

Prepared by: Betty Martin, Comptroller *Betty Martin* Phone: 465-2350  
 Division: Treasury Date: April 8, 1996  
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: April 8, 1996  
 Agency: Department of Revenue

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Revision Date: March 14, 1996 Dept. Affected: Ray  
 Title: An Act establishing the Alaska education technology program BRU: Revenue Operations (S) Publish Date: 4/26/96  
 Sponsor: Kott, Brown Component: Treasury  
 Requestor: (H) HES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<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 (FY96) cost \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The passage of this bill will not result in an immediate fiscal impact to the Treasury Division. However, the subsequent funding of the Alaska Education Technology Fund will result in custodial, safekeeping and audit expenditures by the Treasury Division, plus an allocation of current Treasury personnel time (no new personnel would be needed). Depending on the asset allocation of the fund (the mix between fixed income and equity securities), charges from Treasury are estimated to be from 7.5-12 basis points (or \$750-\$1,200 per \$1 million managed). The funding source would be the Fund itself.

Prepared by: Betty Martin, Comptroller Phone: 465-2350  
 Division: Treasury Date: March 14, 1996  
 Approved by Commissioner: Wilson L. Condon *Paul G. Kenney* Date: March 14, 1996  
 Agency: Department of Revenue

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# FISCAL NOTE

No. 1  
 Bill Version: CSHB 216(HES)  
 (H) Publish Date: 3/22/96

STATE OF ALASKA  
 1996 LEGISLATIVE SESSION  
 Revision Date: March 21, 1996  
 Title: Establishing the Education Technology  
Fund and Program  
 Sponsor: Representative Kott  
 Requester: House HESS

Department Affected: Education  
 BRU: State Library  
 Component: Library Operations  
 COMPONENT SERIAL NO. 208

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
CHANGE IN REVENUES						

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF March						
1004 GF						
1005 GF/Program Receipts						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ 0.0

**ANALYSIS:**  
 CS HB 216 (HES) establishes the Alaska Education Technology Fund within the Department of Education (DOE). Deposits to the fund can be made from private, public or legislative appropriations. This legislation will create a funding mechanism which will enhance the quality and effectiveness of teaching and learning through technology and will enhance access to information. DOE will administer and award appropriations from the technology fund.

Prepared by: Kimberly Homme, Special Assistant Phone: 465-2803  
 Division: Commissioner's Office Date: March 21, 1996  
 Approved by Commissioner: *Richard S. Cross* Richard S. Cross, Deputy Commissioner  
 Agency: Education Date: March 21, 1996

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**COMMITTEE COPY**

# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 4/4/96

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/26/96

The HESS Committee considered CS FOR HOUSE BILL NO. 216(HES)

Establishing the Alaska education technology program; efd.

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS / . //	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
Mike Miller	✓				
J. G. Sals	✓				
Chris Elmer	✓				
Kerwin J. Herman	✓				
CHAIR: <u>Lynne Green</u>	✓	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
DOE	3/21/96	Ø	
Revenue	3/14/96	Ø	

← new

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

BILL: HB 216                      SHORT TITLE: EDUCATION TECHNOLOGY PROGRAM  
BILL VERSION: CSHB 216(HES)  
SPONSOR(S): REPRESENTATIVE(S) KOTT, BROWN, ROBINSON, BRICE, NAVARRE, GREEN  
NICHOLIA, G. DAVIS, ROKEBERG, B. DAVIS

CURRENT STATUS: (S) FIN

STATUS DATE: 04/25/96

TITLE: "AN ACT ESTABLISHING THE ALASKA EDUCATION TECHNOLOGY PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE."

03/01/95	530	(H)	READ THE FIRST TIME - REFERRAL(S)
03/01/95	531	(H)	HES, FINANCE
03/22/96	3266	(H)	HES RPT CS(HES) 4DP 1DNP 1NR
03/22/96	3266	(H)	DP: G.DAVIS, ROKEBERG, ROBINSON, BRICE
03/22/96	3266	(H)	DNP: VEZEY
03/22/96	3266	(H)	NR: TOOHEY
03/22/96	3266	(H)	ZERO FISCAL NOTE (DOE)
3/22/96	3290	(H)	COSPONSOR(S): ROBINSON, BRICE
3/28/96	3463	(H)	FIN REFERRAL WAIVED
3/28/96	3464	(H)	REFERRED TO RLS
04/03/96	3618	(H)	RULES TO CALENDAR 4/03/96
04/03/96	3618	(H)	READ THE SECOND TIME
04/03/96	3618	(H)	HES CS ADOPTED UNAN CONSENT
04/03/96	3618	(H)	ADVANCED TO THIRD READING UNAN CONSENT
04/03/96	3619	(H)	READ THE THIRD TIME CSHB 216(HES)
04/03/96	3619	(H)	PASSED Y34 E4 A2
04/03/96	3619	(H)	EFFECTIVE DATE(S) SAME AS PASSAGE
04/03/96	3629	(H)	COSPONSOR(S): NAVARRE
04/03/96	3629	(H)	TRANSMITTED TO (S)
04/04/96	3646	(H)	COSPONSOR(S): GREEN, NICHOLIA, G.DAVIS
04/04/96	3646	(H)	COSPONSOR(S): ROKEBERG
04/04/96	3062	(S)	READ THE FIRST TIME - REFERRAL(S)
04/04/96	3062	(S)	HES, FIN
04/10/96	3682	(H)	COSPONSOR(S): B.DAVIS
04/26/96	3591	(S)	HES RPT 5DP
04/26/96	3591	(S)	ZERO FISCAL NOTE (REV)
04/26/96	3591	(S)	PREVIOUS HOUSE ZERO FN (DOE)
04/26/96	3591	(S)	REFERRED TO FINANCE

**HB**

**217**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/95

FURTHER:

DATE TURNED INTO OFFICE: 5-6-95

Finance Committee considered CS FOR HOUSE BILL NO. 217(L&C) am(efd fld)  
 Teacher tenure, teacher layoff and rehire rights.

and recommends:

- be replaced with 3 CS CS HB 217 (Fin)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

*SCS (Fin) coming*

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Krier</i>	✓	<i>ROD &amp; ACC</i>			
<i>Bert Stump</i>	✓	<i>Chad F. Zhauff</i>		✓	
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>DOA (R+B)</i>	<i>5/5/95</i>		<i>315.5</i>

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>#2 DOE</i>	<i>4/21/95</i>	0	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 217 (L&C) a.m  
(EFD FLD)

Revision Date: \_\_\_\_\_  
Title: An Act relating to teacher tenure, teacher layoff and rehiring rights . . . and to retirement incentive programs . . .  
Sponsor: Representative Ivan  
Requestor: \_\_\_\_\_

Department Affected: Administration  
BRU: Retirement & Benefits  
Component: Retirement & Benefits  
COMPONENT SERIAL NO. 64

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	225.8	225.8	51.5	51.5	51.5	51.5
TRAVEL	3.0	3.0	0.0	0.0	0.0	0.0
CONTRACTUAL	12.9	11.4	2.8	2.8	2.8	2.8
SUPPLIES	6.0	1.5	.3	.3	.3	.3
EQUIPMENT	67.8	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
<b>TOTAL OPERATING</b>	<b>315.5</b>	<b>241.7</b>	<b>54.6</b>	<b>54.6</b>	<b>54.6</b>	<b>54.6</b>
<b>CAPITAL EXPENDITURES</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>CHANGE IN REVENUES ( )</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>

**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
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	315.5	241.7	54.6	54.6	54.6	54.6
<b>TOTAL</b>	<b>315.5</b>	<b>241.7</b>	<b>54.6</b>	<b>54.6</b>	<b>54.6</b>	<b>54.6</b>

Estimate of any current year (FY 95) cost: \$ zero \_\_\_\_\_

**POSITIONS:**

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	5	5	0	0	0	0

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

The actuarial costs to participating employers due to this program are to be paid up front and no additional costs to the systems are anticipated. An administrative charge for participating employers will cover the increased costs of administering the retirement incentive program.

Prepared by: Robert F. Stalnaker *Robert F. Stalnaker* Phone: 465-4470  
Division: Retirement & Benefits Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer *Mark Boyer*  
Agency: Department of Administration Date: 5/5/95

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FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 217 (L&C) am  
(EFD FLD)

ANALYSIS: (continued)

This bill creates a retirement incentive program for the Public Employees' (PERS) and Teachers' (TRS) Retirement System employees of school districts. Active school district employees could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a teacher or with 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction from their lifetime benefit for the indebtedness amount.

We estimate that one permanent full-time employee will be needed to manage the operations of the program and increased service demands into the future. Five long-term non-permanent employees will also be needed over the next two fiscal years. Personnel will handle increased counseling, address and beneficiary changes, account maintenance, and other services. Subsequent increases in the number of retirees will necessitate increased permanent employees to handle the increased demand for information and services.

We estimate that we will need to increase our normal number of counseling trips by two trips over the next two fiscal years to assure that members understand the options and requirements of the program.

The total estimated administrative cost to the division by fiscal year is as follows:

	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
<b>PERSONAL SERVICES</b>			
	<u>FY 1996</u>		
1 Retirement & Benefits Specialist I	\$ 51.5		
3 Retirement & Benefits Tech I/II (NP)	111.6		
1 Accounting Clerk III (NP)	33.6		
1 Admin Clerk I (NP)	<u>29.1</u>		
TOTAL FY 1996 COSTS .....		\$225.8	
	<u>FY 1997</u>		
1 Retirement & Benefits Specialist I	\$ 51.5		
3 Retirement & Benefits Tech I/II (NP)	111.6		
1 Accounting Clerk III (NP)	33.6		
1 Admin Clerk I (NP)	<u>29.1</u>		
TOTAL FY 1997 COSTS .....		\$225.8	
	<u>FY 1998</u>		
1 Retirement & Benefits Specialist I	\$ 51.5		
TOTAL FY 1998 COSTS .....			\$51.5

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 217 (L&C) am  
(EFD FLD)

	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
<b>TRAVEL</b>			
Traveling to various locations throughout the state to counsel prospective retirees and give seminars.	3.0	3.0	0.0
<b>CONTRACTUAL</b>			
Communication (Telephone, Postage)	6.6	6.6	1.6
Mainframe Computer Time	4.4	4.4	.8
Software Maintenance	1.5		
Training/Risk Management	<u>.4</u>	<u>.4</u>	<u>.4</u>
Total Contractual	12.9	11.4	2.8
<b>SUPPLIES</b>			
Office Supplies, Calculators, software	6.0	1.5	.3
<b>EQUIPMENT</b>			
Computer Workstations	20.0	0.0	0.0
File Cabinets (1)	.8	0.0	0.0
Office Chairs (5)	3.0	0.0	0.0
Microfiche Viewers (5)	3.0	0.0	0.0
Office Workstations	5.0	0.0	0.0
Computer/Network Printers	12.0	0.0	0.0
Computer Network Upgrades	21.4	0.0	0.0
Telephone Unit (5)	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>
Total Equipment	<u>67.8</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL OPERATIONS COST</b>	<b>\$315.5</b>	<b>\$241.7</b>	<b>\$54.6</b>

The retirement technicians, retirement specialists, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers, or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's local area network.

We are also proposing the purchase of two additional computer printers. The previous RIPs put a great demand on our existing printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our existing printers. After comparing the cost of leasing printers for two years, coupled with our existing needs, purchasing new printers would be more cost effective.

All administrative costs of the program will be paid in advance by participating employers as required by the bill.

Funding Source Breakdown for FY 1996:

1029	PERS	\$126.2
1034	TRS	<u>189.3</u>
		\$315.5

# FISCAL NOTE

No. 2

Bill Version: CSHB 217 (JUD)

(H) Publish Date: 4/22/95

**STATE OF ALASKA**

**1995 LEGISLATIVE SESSION**

Revision Date: April 21, 1995

Title: Employment Rights of Teachers

Sponsor: Representative Ivan

Requester: (H) HESS Committee

Department Affected: Education

BRU: Executive Administration

Component: Commissioner's Office

COMPONENT SERIAL NO. 185

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
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						
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</b>						
----------------	--	--	--	--	--	--

<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<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>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ 0.0

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

This legislation addresses the issue of teacher tenure, teacher layoff and rehire rights, and review of decisions of school boards concerning teachers. As written, this legislation will have no fiscal impact on the department.

The Section 7 of CSHB 217 (JUD) states if a school board reaches a decision unfavorable to a teacher, the teacher is entitled to mandatory, advisory arbitration and, then to judicial review based on the record instead of a de novo trial. This provision may result in savings to the local school districts.

Prepared by: Sheila Peterson, Special Assistant

Division: Commissioner's Office

Approved by Commissioner: \_\_\_\_\_

Agency: Education

Phone: 465-2803

Date: April 21, 1995

Shirley J. Holloway, Ph. D.

Date: April 21, 1995

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For further distribution information call the Governor's Legislative Office

# A FAX

## Alaska State Legislature

Date: 5-6-95

To: Legal Services Attn: Peggy

Fax #: 2029 Phone #: 3867

From: Kathy - Senate Finance

Phone #: 2618

Re: Please incorporate the attached amendment into work draft 9-LS0821 D to produce a final SCS CSHB 217 (Fix) and return to Rm. 520, Capitol Bldg.

Following this page, please find 1 page(s). If this does not reach you in full, please inform us ASAP.



# THANK YOU

*Fixed  
7:00pm*

Adopted + #8

Amended By Rieger  
5/6/95

Amendment

Page 2, Lines 20-23

Delete all material and replace with:

" (c) The district shall provide an evaluation of a non-tenured teacher in each year of employment. For purposes of this subsection, "evaluation" includes at least two formal observations and one written evaluation. ~~and, if necessary, shall include~~<sup>should</sup> a plan for improvement <sup>if necessary,</sup> it shall be developed in cooperation with the teacher, established mentors,  and appropriate administrators   
 if any

✓  
if any,

SENATE FINANCE  
 COMMITTEE  
 Amendment Number: CS-1  
 Bill Number: HB 217  
 Sponsor: Helfferich Date: 5/5/95  
 Logged In By: [Signature]

9-LS0821ND  
 Cramer  
 5/5/95

SENATE CS FOR CS FOR HOUSE BILL NO. 217(FIN)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
 Referred:

Sponsor(s): REPRESENTATIVE IVAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to teacher tenure, teacher layoff and rehire rights, public access  
 2 to information on public school collective bargaining, and to the right of tenured  
 3 teachers to judicial review of decisions of nonretention or dismissal; and relating  
 4 to retirement for certain employees of school districts, regional resource centers,  
 5 the state boarding school, and regional educational attendance areas."

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

7 \* Section 1. AS 14.20.147(b) is amended to read:

8 (b) When a school operated by a federal agency is transferred to or absorbed  
 9 into a new or existing school district, the teachers shall also be transferred in mutually  
 10 agreed by the teacher or teachers and the school board of the new or existing district.  
 11 A teacher transferred from a federal agency school that [, WHICH] does not have an  
 12 official salary schedule or teacher tenure in the same manner as a public school district  
 13 in the state [,] shall be placed on a position on the salary schedule of the absorbing

1 district; the salary may not be less than the teacher would have received in the federal  
2 agency school. If the teacher taught four [TWO] or more years in the federal agency  
3 school and, at the time of transfer, had a valid Alaska teaching certificate, that teacher  
4 shall be placed on tenure in the absorbing district.

5 \* Sec. 2. AS 14.20.150 is amended to read:

6 Sec. 14.20.150. ACQUISITION OF TENURE RIGHTS. (a) A teacher  
7 acquires tenure rights in a district when the teacher

8 (1) possesses a standard teaching certificate; and

9 (2) has been employed as a teacher in t' e same district continuously  
10 for four [TWO] full school years and is reemployed for the school year immediately  
11 following the four [TWO] full school years; or has been employed as a teacher in  
12 the same district continuously for a period equal in length to four full school  
13 years, whether or not the period begins on the first day of the school year, and  
14 is reemployed on the school year day immediately following completion of the  
15 four-consecutive-school-year period.

16 (b) The tenure rights acquired under (a) of this section become effective on the  
17 first day the teacher performs teaching services in the district during the school year  
18 immediately following the four-consecutive-school-year period [TWO FULL SCHOOL  
19 YEARS].

20 (c) By the end of the second year of employment, the district shall provide  
21 a non-tenured teacher a written evaluation and, if necessary, shall develop a plan  
22 for improvement in cooperation with the teacher, established mentors and  
23 appropriate administrators.

24 \* Sec. 3. AS 14.20.160 is amended to read:

25 Sec. 14.20.160. LOSS OF TENURE RIGHTS. Tenure rights are lost when the  
26 teacher's employment in the district is interrupted or terminated. However, a teacher  
27 on layoff status does not lose tenure rights during the period of layoff except as  
28 provided under AS 14.20.177.

29 \* Sec. 4. AS 14.20.175(b) is amended to read:

30 (b) A teacher who has acquired tenure rights is subject to nonretention for the  
31 following school year only for the following causes:

32 (1) incompetency, which is defined as the inability or the unintentional

1 or intentional failure to perform the teacher's customary teaching duties in a  
2 satisfactory manner;

3 (2) immorality, which is defined as the commission of an act that,  
4 under the laws of the state, constitutes a crime involving moral turpitude; or

5 (3) substantial noncompliance with the school laws of the state, the  
6 regulations or bylaws of the department, the bylaws of the district, or the written rules  
7 of the superintendent [; OR

8 (4) A NECESSARY REDUCTION OF STAFF OCCASIONED BY A  
9 DECREASE IN SCHOOL ATTENDANCE].

10 \* Sec. 5. AS 14.20 is amended by adding a new section to read:

11 Sec. 14.20.177. LAYOFFS. (a) A school district may place a tenured teacher  
12 on layoff status but only after the district has nonretained all nontenured teachers and  
13 only if the district needs to reduce the number of teachers because of a decrease in  
14 school enrollment or because the basic need of a school district determined under  
15 AS 14.17.021(b) and adjusted under AS 14.17.225(b) decreases by one percent or more  
16 from the previous year. A nontenured teacher is not entitled to layoff rights under this  
17 section.

18 (b) For a period of three years after layoff, a teacher is on layoff status and is  
19 entitled to a hiring preference in the district or regional educational attendance area  
20 where the teacher had been employed. The hiring preference applies only to vacant  
21 teaching positions for which the teacher is qualified. If a teacher is offered a teaching  
22 position for which the teacher is qualified under this subsection and the teacher declines  
23 the offer, the teacher is no longer considered to be on layoff status and is no longer  
24 entitled to a hiring preference under this section unless the teacher declines the offer  
25 because the teacher is contractually obligated to provide professional services to another  
26 private or public educational program in Alaska.

27 (c) In making layoff and rehire decisions under this section, a school district may  
28 give preference to a primary school teacher who has less seniority than a secondary  
29 school teacher in order to preserve the primary school program. The district may also  
30 give preference to a secondary school teacher over a primary school teacher with more  
31 seniority in order to preserve secondary school programs.

32 (d) Notwithstanding any provision of AS 23.40, the terms of a collective

1 bargaining agreement entered into between a school district or regional educational  
2 attendance area and a bargaining organization representing teachers on or after the  
3 effective date of this section may not be inconsistent with the provisions of this section.

4 (e) A teacher on layoff status is not entitled to be reemployed under  
5 AS 14.20.145 and does not accrue leave. However, layoff status does not constitute a  
6 break in service for

7 (1) retaining acquired tenure rights; or

8 (2) retaining accrued sick leave.

9 (f) A teacher on layoff status may choose whether or not to treat the layoff as  
10 a termination for purposes of receiving a refund of the balance of the teacher's member  
11 contribution account in the teachers' retirement system under AS 14.25.150.

12 \* Sec. 6. AS 14.20.180(b) is amended to read:

13 (b) The tenured teacher may, within 15 days immediately following receipt of  
14 the notification, notify the employer in writing that a hearing before the school board is  
15 requested or, within 60 days after receipt of the notification, bring suit in superior  
16 court. If the tenured teacher notifies the school board that the teacher is requesting  
17 a hearing before the school board, the [ THE TENURED] teacher may require in the  
18 notification that the hearing be either public or private and that the hearing be under oath  
19 or affirmation. The notification may also require that the right of cross-examination be  
20 provided and that the tenured teacher be represented by counsel and have the right to  
21 subpoena a person who has made allegations that are used as a basis for the decision of  
22 the employer.

23 \* Sec. 7. AS 14.20.205 is amended to read:

24 Sec. 14.20.205. JUDICIAL REVIEW. If a school board reaches a decision  
25 unfavorable to a teacher after a hearing under AS 14.20.180, the teacher is entitled to  
26 judicial review based on the record [A DE NOVO TRIAL] in the superior court.  
27 However, a teacher who has not attained tenure rights is not entitled to judicial review  
28 under [ACCORDING TO] this section.

29 \* Sec. 8. AS 14.20.220 is amended by adding new subsections to read:

30 (h) A school district may establish a career path for teachers that includes  
31 advancement based on teaching performance. An evaluation under this subsection may  
32 be performed by other teachers employed in the same school district and by the school

1 district.

2 (i) A school district may establish teaching positions that have instructional  
3 mentoring responsibilities to other teachers and may allow reduced direct instructional  
4 workloads for those positions.

5 \* Sec. 9. AS 23.40 is amended by adding a new section to read:

6 Sec. 23.40.185. INITIAL PROPOSALS AND FINAL AGREEMENTS OF  
7 SCHOOL NEGOTIATIONS ARE PUBLIC DOCUMENTS. The initial proposals  
8 exchanged by the parties to negotiations between a school district or a regional  
9 educational attendance area and a bargaining organization representing its employees and  
10 the final agreements reached by the parties are public records.

11 \* Sec. 10. FINDINGS AND PURPOSE AS TO SECTIONS 11 - 18. Many school districts  
12 are facing the need to restructure their operations and their work forces in order to reduce  
13 expenditures and balance budgets. Retirement incentives are management tools that have been  
14 used extensively by the private sector, the federal government, and other state and local  
15 governments across the country. The purpose of secs. 11 - 18 of this Act is to make this  
16 management tool temporarily available to the public schools and regional resource centers of the  
17 state. Sections 11 - 18 of this Act will enable these entities to be more efficient and cost-  
18 effective by eliminating certain nonessential positions, and producing a net reduction in  
19 personnel costs.

20 \* Sec. 11. RETIREMENT INCENTIVE PROGRAM. (a) A school district, regional  
21 educational attendance area, regional resource center, or the state boarding school may adopt a  
22 retirement incentive plan under sec. 12 of this Act and designate categories of employees eligible  
23 to participate in that plan. An employer need not extend the incentive plan to all employees who  
24 would otherwise be eligible, but may choose to extend the plan only to employees

25 (1) in specific budget or administrative components of the employer;

26 (2) in specific job classifications;

27 (3) in specific geographic locations; or

28 (4) on the basis of any combination of factors under (1) - (3) of this subsection.

29 (b) An employee is eligible to participate in a retirement incentive plan under secs. 10 -  
30 18 of this Act only if the

31 (1) employee is a vested member of the public employees' retirement system or  
32 the teachers' retirement system;

1 (2) employee will be qualified to retire under AS 14.25.110 or AS 39.35.370  
2 after receipt of the credit described in (f) of this section;

3 (3) savings to the employer in personal services costs for the employee's position  
4 will exceed the costs to the employer for that position within three years after the employee is  
5 appointed to retirement.

6 (c) An employer shall file its proposed retirement incentive plan with the commissioner  
7 of administration. The commissioner shall approve the plan if the plan meets the requirements  
8 of secs. 10 - 18 of this Act. A proposed plan filed under this section must

9 (1) identify job classifications of employees, and specific budget or  
10 administrative components, eligible to participate in the plan;

11 (2) include a reimbursement agreement that

12 (A) requires the employer, for each employee who retires under the plan,  
13 to reimburse the appropriate retirement system, within three years after the end of the  
14 fiscal year in which the employee is appointed to retirement, in an amount equal to

15 (i) the actuarial equivalent of the difference between the benefits  
16 the participant receives after the addition of the credit under (f) of this section  
17 and the amount the participant would have received without the credit, less the  
18 amount the participant has paid on the indebtedness determined under (d) or (e)  
19 of this section; and

20 (ii) an appropriate share of the administrative costs of the  
21 program; and

22 (B) provides that contributions from the employer under this section take  
23 priority over other obligations of the employer to the maximum extent permitted by law.

24 (d) A member of the teachers' retirement system who participates in an approved  
25 retirement incentive plan under secs. 10 - 18 of this Act is indebted to that system for an amount  
26 calculated under this subsection. The indebtedness is 25.95 percent of the member's actual  
27 compensation for the school year in which the member terminates employment, or the calculated  
28 school year compensation for a member who works less than the entire school year. An  
29 outstanding indebtedness at the time a member is appointed to retirement under an approved  
30 retirement incentive plan requires an actuarial adjustment to the benefits payable to that member.

31 (e) A member of the public employees' retirement system who participates in an  
32 approved retirement incentive plan under secs. 10 - 18 of this Act is indebted to that system for

1 an amount calculated under this subsection. The indebtedness is 20-1/4 percent of the member's  
2 actual annual compensation for the year in which the member terminates employment, or the  
3 calculated annual compensation for a member who works fewer than 12 months. An outstanding  
4 indebtedness at the time a member is appointed to retirement under an approved retirement  
5 incentive plan requires an actuarial adjustment to the benefits payable to that member.

6 (f) An employee who participates in an approved retirement incentive plan under  
7 secs. 10 - 18 of this Act receives a credit of three years. The three years must be applied in the  
8 following order until exhausted:

9 (1) to meet the age or service required for eligibility for normal retirement under  
10 AS 14.25.110 or AS 39.35.370, as appropriate;

11 (2) to meet the age required for early retirement under AS 14.25.110 or  
12 AS 39.35.370, as appropriate;

13 (3) to reduce the actuarial adjustment required for early retirement under  
14 AS 14.25.110 or AS 39.35.370, as appropriate;

15 (4) as years of credited service for calculating retirement benefits.

16 \* Sec. 12. AUTHORIZATION FOR RETIREMENT INCENTIVE. (a) An employer may  
17 adopt, and file with the commissioner of administration for approval, a proposed retirement  
18 incentive plan for its employees. A plan adopted under this section must provide that the  
19 application period for participation in the retirement incentive plan is June 30, 1995, through  
20 December 31, 1995.

21 (b) The commissioner of administration may not accept the application of an employee  
22 to participate in an approved retirement incentive plan adopted under this section unless the  
23 employee will be appointed to retirement on or before August 1, 1996. The employer, in a plan  
24 adopted under this section, may set an earlier date by which an employee must be appointed to  
25 retirement in order to participate in the plan.

26 \* Sec. 13. RECOVERY OF EMPLOYER DELINQUENCIES. To recover a delinquency  
27 owed by an employer other than the state under an agreement entered into under sec. 11(c)(2)  
28 of this Act, the Department of Administration may

29 (1) direct that the amount of the delinquency or a lesser amount be withheld  
30 from any money payable to the employer by a state department or agency and that the amount  
31 withheld be credited to the delinquency; and

32 (2) bring an action against the employer.

1     \* Sec. 14. REEMPLOYMENT INDEBTEDNESS; PROHIBITION ON REEMPLOYMENT.

2     (a) If an individual is reemployed as a member of the public employees' retirement system  
3     under AS 39.35, the teachers' retirement system under AS 14.25, the judicial retirement system  
4     under AS 22.25, or the optional university retirement program under AS 14.40.661 - 14.40.799  
5     after appointment to retirement under secs. 10 - 18 of this Act, that individual forfeits the  
6     incentive credit received under sec. 11(f) of this Act and is indebted to the system under which  
7     the individual took retirement. The indebtedness is 110 percent of the amount the individual  
8     received as a result of participation in a retirement incentive plan under secs. 10 - 18 of this Act  
9     and to which the individual would not otherwise have been entitled, including the cost of health  
10    insurance. The amount that the individual has paid under sec. 11(d) or (e) of this Act will be  
11    applied as a credit toward the reemployment indebtedness. Interest on the reemployment  
12    indebtedness accrues from the date of reemployment until the date that the individual either is  
13    appointed to retirement and accepts an actuarial adjustment to the individual's future benefits or  
14    repays the indebtedness in full. The rate of interest is that established by regulation for the  
15    public employees' retirement system by the public employees' retirement board and for the  
16    teachers' retirement system by the teachers' retirement board.

17         (b) An individual who was appointed to retirement under secs. 10 - 18 of this Act may  
18    not be employed by, or enter into a contract for personal services with, a state agency or the  
19    University of Alaska within the three years after the date of appointment to retirement, except  
20    that

21                 (1) the University of Alaska may enter into a personal services contract with the  
22    individual for teaching or research; and

23                 (2) the individual may accept employment with the legislature during a  
24    legislative session if the employment is on an hourly basis and does not entitle the individual  
25    to receive retirement, health, or leave benefits.

26         (c) Notwithstanding the prohibition in (b) of this section, a state agency or the  
27    University of Alaska may enter into a personal services contract with an individual who was  
28    appointed to retirement under secs. 10 - 18 of this Act if the Board of Regents, for the  
29    University of Alaska, or the commissioner of administration, for a state agency, determines that  
30    there is a compelling reason to do so because of the individual's specialized or extensive  
31    experience that relates to a particular program or project of the state agency or university.

32     \* Sec. 15. OFFICE OF MANAGEMENT AND BUDGET. The office of management and

1 budget shall submit a report to the legislature on the retirement incentive program under secs. 10  
2 - 18 of this Act on April 15, 1997. The report must provide the information necessary for the  
3 legislature to evaluate the effectiveness of the programs in achieving their objectives.

4 \* Sec. 16. PROGRAM CHANGES. (a) An individual employee does not have a vested or  
5 contractual right to a benefit under secs. 10 - 18 of this Act until an agreement is executed with  
6 the administrator that specifically authorizes that employee to participate in the retirement  
7 incentive program under secs. 10 - 18 of this Act. The legislature reserves the right to change  
8 any aspect of the retirement incentive program as it relates to employees for whom participation  
9 agreements have not yet been executed with the administrator or with the commissioner of  
10 administration.

11 (b) In this section, "administrator" means the administrator of the public employees'  
12 retirement system for employees who are members of that system, and the administrator of the  
13 teachers' retirement system for employees who are members of that system.

14 \* Sec. 17. REGULATIONS. The commissioner of the Department of Administration may  
15 adopt regulations under AS 44.62 (Administrative Procedure Act) to implement and interpret  
16 secs. 10 - 18 of this Act.

17 \* Sec. 18. DEFINITIONS. (a) Unless provided otherwise in secs. 10 - 18 of this Act, the  
18 definitions set out in AS 14.25.220 apply to provisions in secs. 11- 14 of this Act that relate to  
19 the teachers' retirement system and members of the teachers' retirement system.

20 (b) Unless provided otherwise in secs. 10 - 18 of this Act, the definitions set out in  
21 AS 39.35.680 apply to provisions in secs. 11 - 14 of this Act that relate to the public employees'  
22 retirement system and members of the public employees' retirement system.

23 (c) In secs. 10 - 18 of this Act,

24 (1) "employer" means a school district, regional educational attendance area,  
25 regional resource center, or the state boarding school;

26 (2) "office of management and budget" means the office of management and  
27 budget in the Office of the Governor;

28 (3) "public employees' retirement system" means the Public Employees'  
29 Retirement System of Alaska (AS 39.35);

30 (4) "teachers' retirement system" means the Teachers' Retirement System of  
31 Alaska (AS 14.25).

32 \* Sec. 19. The amendments made by secs. 1 and 2 of this Act apply to teachers first hired

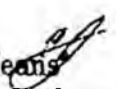
- 1 by a school district on or after the effective date of this Act.
- 2 \* Sec. 20. Sections 11 and 12 of this Act are repealed July 1, 1997.

**MEMORANDUM**State of Alaska  
Department of Education

To: Thomas Wright  
Representative Ivan Ivan

Date: April 26, 1995

File:

From: Eddy Jean   
Project Assistant

Subject: Foundation Program  
Basic Need

This is a follow-up to our telephone conversation regarding the foundation program and the types of revenues included in "Basic Need." Alaska Statute 14.17.021(a) indicates that to arrive at state foundation aid, the required local contribution under AS 14.17.025(a) and 90 percent of the eligible federal impact aid for that year is subtracted from basic need. Basic need is the product of all instructional units times the district's area cost differential times the unit value as established by AS 14.17.056.

**(Basic Need) - (Required Local Effort) - (90% Eligible Federal Impact Aid) = State Aid**

**(Instructional Units) x (Area Cost Differential) x (Unit Value) = Basic Need**

failed ①  
5/6/95

AMENDMENT

OFFERED IN THE SENATE  
SCS CSHB 217(fin) ~~am(cfd=fd)~~

BY ZHAROFF

Page 5, line 20 through Page 9, line 31

Delete all material

Page 10, line 2

Delete all material

*jaib* 5/6/95 (2)

AMENDMENT

OFFERED IN THE SENATE  
SCSHB 217(L&C) ~~am(efd- fld)-~~  
(FW)

BY ZHAROFF

Page 1, line 7, through page 2, line 4:

Delete all material.

Page 2, line 5:

Delete "Sec. 2. AS 14.20.150 is amended to read:"

Insert "Sec. 1. AS 14.20.150(a) is amended to read:"

Page 2, line 10:

Delete "four [TWO]"

Insert "two"

Page 2, line 11:

Delete "four [TWO]"

Insert "two"

Page 2, line 11 after the word years through line 15

Delete all material

Insert after the word years "."

Page 2, line 18-19:

Delete "four-consecutive-school-year period [TWO FULL SCHOOL YEARS]

Insert "two full school years"

AMENDMENT

Failed (3)  
5/6/95

OFFERED IN THE SENATE  
SCSHB 217(L&C) am(ed) =  
(FIN)

BY ZHAROFF

Page 1, line 7, through page 2, line 4:

Delete all material.

Page 2, line 5:

Delete "Sec. 2. AS 14.20.150 is amended to read:"

Insert "Sec. 1. AS 14.20.150(a) is amended to read:"

Page 2, line 6:

Delete "Sec. 14.20.150. ACQUISITION OF TENURE RIGHTS. (a) A"

Insert "(a) Unless the school board votes to extend the period of nontenure as provided in (c) - (i) of this section, a

Page 2, line 10:

Delete "four [TWO]"

Insert "two"

Page 2, line 11:

Delete "four [TWO]"

Insert "two"

Page 2, line 11 after the word "years" through line 15

Delete all material

Insert after the word years "."

Page 2, lines 16 - 19:

Delete all material.

Insert a new bill section to read:

"\*Sec. 2. AS 14.20.150 is amended by adding new subsections to read:

(c) A school district that has a nontenured teacher evaluation program that satisfies the requirements of this section may extend the probationary period of a nontenured teacher by one year if the district finds, after observation, that the teacher is not performing at a level that warrants granting tenure but the district evaluator believes that the teacher's performance may improve sufficiently after an additional year of nontenured status to warrant granting the teacher tenure at that time.

(d) A school district shall establish procedures for evaluating procedures for evaluating the performance of nontenured teachers. The procedures must provide the teacher with at least two evaluations each year. An evaluation under this subsection consists of a preobservation conference, a formal observation at the teacher's instruction site to observe the teacher while the teacher is teaching, and a post-observation conference to discuss the teacher's instructional delivery, planning, interpersonal skills, knowledge of the subject matter, and other professional qualities and abilities. the evaluation shall be conducted by an evaluator who meets the requirements of (g) of this section.

(e) The provisions of (a) and (b) of this section apply to nontenured teachers whose nontenured status has been extended under (c) of this section, except that the teacher does not acquire tenure rights unless the teacher is reemployed for the school year immediately following the three full continuous school years of employment.

(f) If an evaluator determines that a nontenured teacher is not performing successfully, the evaluator shall identify specific measurable and relevant objectives that the nontenured teacher must achieve before being granted tenure.

(g) To qualify as an evaluator under this section, the person shall demonstrate that the person received in-service training on the evaluation policy and procedure of the school district.

(h) A school district shall invite, obtain, and consider community comments and suggestions, including the comments and suggestions of students, parents, teachers, and administrators, in the design of the procedures for and the content of teacher evaluations."

Withdrawn (4)  
5/6/95

AMENDMENT

OFFERED IN THE SENATE  
S CSHB 217(L & C) ~~amended~~  
(FIN)

BY ZHAROFF

Page 2, line 24, Insert new subsection:

(d) Notwithstanding AS 14.20.150 a school district may withhold full tenure for up to two years, for a teacher whose performance has been formally observed and evaluated as needing improvement. Nothing in this section prohibits a school board from granting tenure to a teacher after two years of satisfactory service. If in the third year, the teacher's evaluation indicates satisfactory performance, tenure will be offered. If the teacher is retained for a fourth year, but the teacher is not fully tenured, tenure rights become effective as prescribed in AS 14.20.150 (b). Non-retention during this second two year period may only be for just cause.

(5)

AMENDMENT

Failed  
5/6/95

OFFERED IN THE SENATE

TO: SCSHB 217(<sup>FIN</sup>~~ESCS~~ am-~~ccid~~-fld)

1 Page 3, line <sup>11</sup>~~12~~, after "(a)":  
2 Insert "A school district may place a nontenured teacher on layoff status."

3 Page 3, line <sup>12</sup>~~13~~, after "nontenured":  
<sup>non retained</sup>

4 Insert "or placed on layoff status"

5 Page 3, lines <sup>16-17</sup>~~17-18~~:  
<sup>" A non-tenured teacher is not entitled to layoff rights under this section."</sup>

6 Delete "~~This section does not apply to a teacher who has not acquired tenure rights.~~"

7 Page 3, line <sup>27</sup>~~28~~, through page 4, line <sup>3</sup>~~4~~

8 Delete all material and insert:

9 "(c) A tenured teacher placed on layoff status has the same rights to a hearing  
10 and appeal under AS 14.20.180 and 14.20.205 as if the teacher had been nonretained."

11 Reletter the following subsections accordingly.

*This amendment will allow a school district to layoff a non tenured teacher instead of flatly non retaining non tenured teachers*

*Provides for a hearing and appeal of the layoff decision as currently provided a teacher when there is a decrease in ~~student~~ school attendance.*

*Provides an opportunity for a tenured teacher to question layoff before a neutral decision maker.*

6

Failed  
5/6/95

AMENDMENT

OFFERED IN THE SENATE  
SCSHB 217(L&C) ~~am(efd-Hd)~~  
FIN

BY ZHAROFF

Page 4, line 7, after "(e)"

Insert "A teacher on layoff status accrues credited service under the teachers' retirement system (AS 14.25) during the period of layoff."

②

Withdrawn  
5/6/95

AMENDMENT

OFFERED IN THE SENATE  
SCSHB 217(L&C) ~~am(cfd=ftd)~~  
(FIN)

BY ZHAROFF

Page 4, line 8:

Delete "However, layoff"

Insert " A teacher on layoff status is entitled to have the teacher's health benefits continued during the period of layoff at the expense of the school district. Layoff"

#8

Amendment

By Rieger

Page 2, Lines 20 - 23

Delete all material and replace with:

"(c) The district shall provide an evaluation of a non-tenured teacher in each year of employment. For purposes of this subsection, "evaluation" includes at least two formal observations and one written evaluation and, if necessary, shall include a plan for improvement in cooperation with the teacher, established mentors, and appropriate administrators.

SENATE FINANCE  
COMMITTEE

9-LS0821ND  
Cramer  
5/5/95

Amendment Number: CS-1  
Bill Number: HB 217  
Sponsor: H. H. Ford Date: 5/5/95  
Logged In By: JAK

SENATE CS FOR CS FOR HOUSE BILL NO. 217(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE IVAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to teacher tenure, teacher layoff and rehire rights, public access  
2 to information on public school collective bargaining, and to the right of tenured  
3 teachers to judicial review of decisions of nonretention or dismissal; and relating  
4 to retirement for certain employees of school districts, regional resource centers,  
5 the state boarding school, and regional educational attendance areas."

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

7 \* Section 1. AS 14.20.147(b) is amended to read:

8 (b) When a school operated by a federal agency is transferred to or absorbed  
9 into a new or existing school district, the teachers shall also be transferred if mutually  
10 agreed by the teacher or teachers and the school board of the new or existing district.  
11 A teacher transferred from a federal agency school that [, WHICH] does not have an  
12 official salary schedule or teacher tenure in the same manner as a public school district  
13 in the state [,] shall be placed on a position on the salary schedule of the absorbing

1 district; the salary may not be less than the teacher would have received in the federal  
2 agency school. If the teacher taught four [TWO] or more years in the federal agency  
3 school and, at the time of transfer, had a valid Alaska teaching certificate, that teacher  
4 shall be placed on tenure in the absorbing district.

5 \* Sec. 2. AS 14.20.150 is amended to read:

6 Sec. 14.20.150. ACQUISITION OF TENURE RIGHTS. (a) A teacher  
7 acquires tenure rights in a district when the teacher

8 (1) possesses a standard teaching certificate; and

9 (2) has been employed as a teacher in the same district continuously  
10 for four [TWO] full school years and is reemployed for the school year immediately  
11 following the four [TWO] full school years; or has been employed as a teacher in  
12 the same district continuously for a period equal in length to four full school  
13 years, whether or not the period begins on the first day of the school year, and  
14 is reemployed on the school year day immediately following completion of the  
15 four-consecutive-school-year period.

16 (b) The tenure rights acquired under (a) of this section become effective on the  
17 first day the teacher performs teaching services in the district during the school year  
18 immediately following the four-consecutive-school-year period [TWO FULL SCHOOL  
19 YEARS].

20 (c) By the end of the second year of employment, the district shall provide  
21 a non-tenured teacher a written evaluation and, if necessary, shall develop a plan  
22 for improvement in cooperation with the teacher, established mentors and  
23 appropriate administrators.

24 \* Sec. 3. AS 14.20.160 is amended to read:

25 Sec. 14.20.160. LOSS OF TENURE RIGHTS. Tenure rights are lost when the  
26 teacher's employment in the district is interrupted or terminated. However, a teacher  
27 on layoff status does not lose tenure rights during the period of layoff except as  
28 provided under AS 14.20.177.

29 \* Sec. 4. AS 14.20.175(b) is amended to read:

30 (b) A teacher who has acquired tenure rights is subject to nonretention for the  
31 following school year only for the following causes:

32 (1) incompetency, which is defined as the inability or the unintentional

1 or intentional failure to perform the teacher's customary teaching duties in a  
2 satisfactory manner;

3 (2) immorality, which is defined as the commission of an act that,  
4 under the laws of the state, constitutes a crime involving moral turpitude; or

5 (3) substantial noncompliance with the school laws of the state, the  
6 regulations or bylaws of the department, the bylaws of the district, or the written rules  
7 of the superintendent [; OR

8 (4) A NECESSARY REDUCTION OF STAFF OCCASIONED BY A  
9 DECREASE IN SCHOOL ATTENDANCE].

10 \* Sec. 5. AS 14.20 is amended by adding a new section to read:

11 Sec. 14.20.177. LAYOFFS. (a) A school district may place a tenured teacher  
12 on layoff status but only after the district has nonretained all nontenured teachers and  
13 only if the district needs to reduce the number of teachers because of a decrease in  
14 school enrollment or because the basic need of a school district determined under  
15 AS 14.17.021(b) and adjusted under AS 14.17.225(b) decreases by one percent or more  
16 from the previous year. A nontenured teacher is not entitled to layoff rights under this  
17 section.

18 (b) For a period of three years after layoff, a teacher is on layoff status and is  
19 entitled to a hiring preference in the district or regional educational attendance area  
20 where the teacher had been employed. The hiring preference applies only to vacant  
21 teaching positions for which the teacher is qualified. If a teacher is offered a teaching  
22 position for which the teacher is qualified under this subsection and the teacher declines  
23 the offer, the teacher is no longer considered to be on layoff status and is no longer  
24 entitled to a hiring preference under this section unless the teacher declines the offer  
25 because the teacher is contractually obligated to provide professional services to another  
26 private or public educational program in Alaska.

27 (c) In making layoff and rehire decisions under this section, a school district may  
28 give preference to a primary school teacher who has less seniority than a secondary  
29 school teacher in order to preserve the primary school program. The district may also  
30 give preference to a secondary school teacher over a primary school teacher with more  
31 seniority in order to preserve secondary school programs.

32 (d) Notwithstanding any provision of AS 23.40, the terms of a collective

1 bargaining agreement entered into between a school district or regional educational  
2 attendance area and a bargaining organization representing teachers on or after the  
3 effective date of this section may not be inconsistent with the provisions of this section.

4 (e) A teacher on layoff status is not entitled to be reemployed under  
5 AS 14.20.145 and does not accrue leave. However, layoff status does not constitute a  
6 break in service for

7 (1) retaining acquired tenure rights; or

8 (2) retaining accrued sick leave.

9 (f) A teacher on layoff status may choose whether or not to treat the layoff as  
10 a termination for purposes of receiving a refund of the balance of the teacher's member  
11 contribution account in the teachers' retirement system under AS 14.25.150.

12 \* Sec. 6. AS 14.20.180(b) is amended to read:

13 (b) The tenured teacher may, within 15 days immediately following receipt of  
14 the notification, notify the employer in writing that a hearing before the school board is  
15 requested or, within 60 days after receipt of the notification, bring suit in superior  
16 court. If the tenured teacher notifies the school board that the teacher is requesting  
17 a hearing before the school board, the [ THE TENURED] teacher may require in the  
18 notification that the hearing be either public or private and that the hearing be under oath  
19 or affirmation. The notification may also require that the right of cross-examination be  
20 provided and that the tenured teacher be represented by counsel and have the right to  
21 subpoena a person who has made allegations that are used as a basis for the decision of  
22 the employer.

23 \* Sec. 7. AS 14.20.205 is amended to read:

24 Sec. 14.20.205. JUDICIAL REVIEW. If a school board reaches a decision  
25 unfavorable to a teacher after a hearing under AS 14.20.180, the teacher is entitled to  
26 judicial review based on the record [A DE NOVO TRIAL] in the superior court.  
27 However, a teacher who has not attained tenure rights is not entitled to judicial review  
28 under [ACCORDING TO] this section.

29 \* Sec. 8. AS 14.20.220 is amended by adding new subsections to read:

30 (h) A school district may establish a career path for teachers that includes  
31 advancement based on teaching performance. An evaluation under this subsection may  
32 be performed by other teachers employed in the same school district and by the school

1 district.

2 (i) A school district may establish teaching positions that have instructional  
3 mentoring responsibilities to other teachers and may allow reduced direct instructional  
4 workloads for those positions.

5 \* Sec. 9. AS 23.40 is amended by adding a new section to read:

6 Sec. 23.40.185. INITIAL PROPOSALS AND FINAL AGREEMENTS OF  
7 SCHOOL NEGOTIATIONS ARE PUBLIC DOCUMENTS. The initial proposals  
8 exchanged by the parties to negotiations between a school district or a regional  
9 educational attendance area and a bargaining organization representing its employees and  
10 the final agreements reached by the parties are public records.

11 \* Sec. 10. FINDINGS AND PURPOSE AS TO SECTIONS 11 - 18. Many school districts  
12 are facing the need to restructure their operations and their work forces in order to reduce  
13 expenditures and balance budgets. Retirement incentives are management tools that have been  
14 used extensively by the private sector, the federal government, and other state and local  
15 governments across the country. The purpose of secs. 11 - 18 of this Act is to make this  
16 management tool temporarily available to the public schools and regional resource centers of the  
17 state. Sections 11 - 18 of this Act will enable these entities to be more efficient and cost-  
18 effective by eliminating certain nonessential positions, and producing a net reduction in  
19 personnel costs.

20 \* Sec. 11. RETIREMENT INCENTIVE PROGRAM. (a) A school district, regional  
21 educational attendance area, regional resource center, or the state boarding school may adopt a  
22 retirement incentive plan under sec. 12 of this Act and designate categories of employees eligible  
23 to participate in that plan. An employer need not extend the incentive plan to all employees who  
24 would otherwise be eligible, but may choose to extend the plan only to employees

25 (1) in specific budget or administrative components of the employer;

26 (2) in specific job classifications;

27 (3) in specific geographic locations; or

28 (4) on the basis of any combination of factors under (1) - (3) of this subsection.

29 (b) An employee is eligible to participate in a retirement incentive plan under secs. 10 -  
30 18 of this Act only if the

31 (1) employee is a vested member of the public employees' retirement system or  
32 the teachers' retirement system;

1 (2) employee will be qualified to retire under AS 14.25.110 or AS 39.35.370  
2 after receipt of the credit described in (f) of this section;

3 (3) savings to the employer in personal services costs for the employee's position  
4 will exceed the costs to the employer for that position within three years after the employee is  
5 appointed to retirement.

6 (c) An employer shall file its proposed retirement incentive plan with the commissioner  
7 of administration. The commissioner shall approve the plan if the plan meets the requirements  
8 of secs. 10 - 18 of this Act. A proposed plan filed under this section must

9 (1) identify job classifications of employees, and specific budget or  
10 administrative components, eligible to participate in the plan;

11 (2) include a reimbursement agreement that

12 (A) requires the employer, for each employee who retires under the plan,  
13 to reimburse the appropriate retirement system, within three years after the end of the  
14 fiscal year in which the employee is appointed to retirement, in an amount equal to

15 (i) the actuarial equivalent of the difference between the benefits  
16 the participant receives after the addition of the credit under (f) of this section  
17 and the amount the participant would have received without the credit, less the  
18 amount the participant has paid on the indebtedness determined under (d) or (e)  
19 of this section; and

20 (ii) an appropriate share of the administrative costs of the  
21 program; and

22 (B) provides that contributions from the employer under this section take  
23 priority over other obligations of the employer to the maximum extent permitted by law.

24 (d) A member of the teachers' retirement system who participates in an approved  
25 retirement incentive plan under secs. 10 - 18 of this Act is indebted to that system for an amount  
26 calculated under this subsection. The indebtedness is 25.95 percent of the member's actual  
27 compensation for the school year in which the member terminates employment, or the calculated  
28 school year compensation for a member who works less than the entire school year. An  
29 outstanding indebtedness at the time a member is appointed to retirement under an approved  
30 retirement incentive plan requires an actuarial adjustment to the benefits payable to that member.

31 (e) A member of the public employees' retirement system who participates in an  
32 approved retirement incentive plan under secs. 10 - 18 of this Act is indebted to that system for

1 an amount calculated under this subsection. The indebtedness is 20-1/4 percent of the member's  
2 actual annual compensation for the year in which the member terminates employment, or the  
3 calculated annual compensation for a member who works fewer than 12 months. An outstanding  
4 indebtedness at the time a member is appointed to retirement under an approved retirement  
5 incentive plan requires an actuarial adjustment to the benefits payable to that member.

6 (f) An employee who participates in an approved retirement incentive plan under  
7 secs. 10 - 18 of this Act receives a credit of three years. The three years must be applied in the  
8 following order until exhausted:

9 (1) to meet the age or service required for eligibility for normal retirement under  
10 AS 14.25.110 or AS 39.35.370, as appropriate;

11 (2) to meet the age required for early retirement under AS 14.25.110 or  
12 AS 39.35.370, as appropriate;

13 (3) to reduce the actuarial adjustment required for early retirement under  
14 AS 14.25.110 or AS 39.35.370, as appropriate;

15 (4) as years of credited service for calculating retirement benefits.

16 \* Sec. 12. AUTHORIZATION FOR RETIREMENT INCENTIVE. (a) An employer may  
17 adopt, and file with the commissioner of administration for approval, a proposed retirement  
18 incentive plan for its employees. A plan adopted under this section must provide that the  
19 application period for participation in the retirement incentive plan is June 30, 1995, through  
20 December 31, 1995.

21 (b) The commissioner of administration may not accept the application of an employee  
22 to participate in an approved retirement incentive plan adopted under this section unless the  
23 employee will be appointed to retirement on or before August 1, 1996. The employer, in a plan  
24 adopted under this section, may set an earlier date by which an employee must be appointed to  
25 retirement in order to participate in the plan.

26 \* Sec. 13. RECOVERY OF EMPLOYER DELINQUENCIES. To recover a delinquency  
27 owed by an employer other than the state under an agreement entered into under sec. 11(c)(2)  
28 of this Act, the Department of Administration may

29 (1) direct that the amount of the delinquency or a lesser amount be withheld  
30 from any money payable to the employer by a state department or agency and that the amount  
31 withheld be credited to the delinquency; and

32 (2) bring an action against the employer.

1     \* Sec. 14. REEMPLOYMENT INDEBTEDNESS; PROHIBITION ON REEMPLOYMENT.

2     (a) If an individual is reemployed as a member of the public employees' retirement system  
3     under AS 39.35, the teachers' retirement system under AS 14.25, the judicial retirement system  
4     under AS 22.25, or the optional university retirement program under AS 14.40.661 - 14.40.799  
5     after appointment to retirement under secs. 10 - 18 of this Act, that individual forfeits the  
6     incentive credit received under sec. 11(f) of this Act and is indebted to the system under which  
7     the individual took retirement. The indebtedness is 110 percent of the amount the individual  
8     received as a result of participation in a retirement incentive plan under secs. 10 - 18 of this Act  
9     and to which the individual would not otherwise have been entitled, including the cost of health  
10    insurance. The amount that the individual has paid under sec. 11(d) or (e) of this Act will be  
11    applied as a credit toward the reemployment indebtedness. Interest on the reemployment  
12    indebtedness accrues from the date of reemployment until the date that the individual either is  
13    appointed to retirement and accepts an actuarial adjustment to the individual's future benefits or  
14    repays the indebtedness in full. The rate of interest is that established by regulation for the  
15    public employees' retirement system by the public employees' retirement board and for the  
16    teachers' retirement system by the teachers' retirement board.

17       (b) An individual who was appointed to retirement under secs. 10 - 18 of this Act may  
18    not be employed by, or enter into a contract for personal services with, a state agency or the  
19    University of Alaska within the three years after the date of appointment to retirement, except  
20    that

21           (1) the University of Alaska may enter into a personal services contract with the  
22    individual for teaching or research; and

23           (2) the individual may accept employment with the legislature during a  
24    legislative session if the employment is on an hourly basis and does not entitle the individual  
25    to receive retirement, health, or leave benefits.

26       (c) Notwithstanding the prohibition in (b) of this section, a state agency or the  
27    University of Alaska may enter into a personal services contract with an individual who was  
28    appointed to retirement under secs. 10 - 18 of this Act if the Board of Regents, for the  
29    University of Alaska, or the commissioner of administration, for a state agency, determines that  
30    there is a compelling reason to do so because of the individual's specialized or extensive  
31    experience that relates to a particular program or project of the state agency or university.

32     \* Sec. 15. OFFICE OF MANAGEMENT AND BUDGET. The office of management and

1 budget shall submit a report to the legislature on the retirement incentive program under secs. 10  
2 - 18 of this Act on April 15, 1997. The report must provide the information necessary for the  
3 legislature to evaluate the effectiveness of the programs in achieving their objectives.

4 \* Sec. 16. PROGRAM CHANGES. (a) An individual employee does not have a vested or  
5 contractual right to a benefit under secs. 10 - 18 of this Act until an agreement is executed with  
6 the administrator that specifically authorizes that employee to participate in the retirement  
7 incentive program under secs. 10 - 18 of this Act. The legislature reserves the right to change  
8 any aspect of the retirement incentive program as it relates to employees for whom participation  
9 agreements have not yet been executed with the administrator or with the commissioner of  
10 administration.

11 (b) In this section, "administrator" means the administrator of the public employees'  
12 retirement system for employees who are members of that system, and the administrator of the  
13 teachers' retirement system for employees who are members of that system.

14 \* Sec. 17. REGULATIONS. The commissioner of the Department of Administration may  
15 adopt regulations under AS 44.62 (Administrative Procedure Act) to implement and interpret  
16 secs. 10 - 18 of this Act.

17 \* Sec. 18. DEFINITIONS. (a) Unless provided otherwise in secs. 10 - 18 of this Act, the  
18 definitions set out in AS 14.25.220 apply to provisions in secs. 11- 14 of this Act that relate to  
19 the teachers' retirement system and members of the teachers' retirement system.

20 (b) Unless provided otherwise in secs. 10 - 18 of this Act, the definitions set out in  
21 AS 39.35.680 apply to provisions in secs. 11 - 14 of this Act that relate to the public employees'  
22 retirement system and members of the public employees' retirement system.

23 (c) In secs. 10 - 18 of this Act,

24 (1) "employer" means a school district, regional educational attendance area,  
25 regional resource center, or the state boarding school;

26 (2) "office of management and budget" means the office of management and  
27 budget in the Office of the Governor;

28 (3) "public employees' retirement system" means the Public Employees'  
29 Retirement System of Alaska (AS 39.35);

30 (4) "teachers' retirement system" means the Teachers' Retirement System of  
31 Alaska (AS 14.25).

32 \* Sec. 19. The amendments made by secs. 1 and 2 of this Act apply to teachers first hired

- 1 by a school district on or after the effective date of this Act.
- 2 \* Sec. 20. Sections 11 and 12 of this Act are repealed July 1, 1997.



Official Business

# Alaska State Legislature

Chairman - International Trade & Tourism

REPRESENTATIVE  
BEVERLY MASEK

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H.C. 89, Box 251  
Willow, Alaska 99688  
(907) 495-6812

State Capitol  
Juneau, AK 99801-1182  
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COMMITTEES:  
Vice-Chairman, Transportation  
Member:  
Labor & Commerce

## MEMORANDUM

TO: SUZANNE LOWELL / CHIEF CLERK  
FROM: REP. BEVERLY MASEK *BM*  
DATE: MAY 6, 1995  
RE: CSHB-217

\*\*\*\*\*

For the record I am documenting via this memo that I was not present at the Committee hearing when CSHB-217 passed out of Committee.

I signed my recommendation on the Committee Report after it passed out of Committee and I do not want that signature to be construed as my being present when the bill passed out.

Having done extensive work on this legislation while it was in Committee I feel my recommendation is entirely appropriate and seek only to eliminate any confusion my signing the report might have caused.



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### A G E N D A

SATURDAY, MAY 6, 1995

9:00 A.M.

- HELD  SB 167 - DAY FINES & INFO FOR COLLECTING FINES
- ↓  HB 159 - DWI LAWS/ MINOR IN POSSESSION LAWS
- HB 191 - MANAGEMENT OF STATE LAND AND RESOURCES
- ✓ HB 32 - PFD ADMINISTRATIVE PROCEEDINGS
- ✓ HB 107 - RESTRICTED LIMITED ENTRY PERMITS
- HB 44 - GAMING PROCEEDS/DEFINE CHARITABLE ORG'NS
- HB 315 - FINANCING TECHNOLOGICAL PROJECTS
- HB 217 - EMPLOYMENT RIGHTS OF TEACHERS
- HB 78 - PUBLIC ASSIST. DEMO PROJECT & DECREASE
- SB 71 - DEEP FREEZE CLASSIC
- HB 38 - SENTENCING; 3RD SERIOUS FELONY OFFENDER
- BILLS PREVIOUSLY SCHEDULED

Alaska State House of Representatives  
House District 39



Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942

Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

**SPONSOR STATEMENT - CSHB 217 (L&C) am**

I introduced House Bill 217 to allow our school districts some flexibility when dealing with increased costs associated with our educational system.

Committee Substitute for House Bill 217 (L&C) am would allow school districts to lay off teachers who have acquired tenure rights, but only if the school district finds it necessary to reduce the number of teachers due to declining enrollment or declining revenues.

The bill also increases tenure from two to four years and removes the costly trial de novo portion of our statutes which allows a school district employee who, if not satisfied with a district led investigation, to go to the court system to begin an entirely new trial. The district's investigation, most often, must be recreated. The deletion of the trial de novo provides our educators the same protections as provided to other state employees. Tenured teachers are given the option of bypassing the school board and bring suit in superior court if a decision is made to dismiss or nonretain. The other option available is to ask for a hearing in front of the school board if a decision of nonretention or dismissal is made and then to superior court if the school board upholds the decision. However, the record established during the school board hearings will be available for use if a suit is filed in superior court.

A retirement incentive program is included in the bill. This program is optional for school districts and if a teacher or school employee decides to take advantage of the program, a cost savings over a three year period must be shown before an early retirement is given. A plan must be submitted to the Department of Administration and approved by the commissioner before implementation.

Sections 1 and 2 of CSHB 217 (L&C) am apply only to those teachers who are hired after the bill is signed into law. The remaining sections of the bill dealing with loss of tenure rights, layoffs and elimination of trial de novo go into effect after the bill is signed and will have an effect on all teachers.

Alaska State House of Representatives  
House District 39

Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
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Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

**SECTIONAL ANALYSIS - CSHB 217 (L&C) am**

The following is a sectional analysis of Committee Substitute for House Bill 217 (L&C) am :

**Section 1:** Amends AS 14.20.147(b), Transfer or absorption of attendance area or federal agency school. Changes tenure from two to four years for those teachers who taught in a school operated by a federal agency and has transferred to or is absorbed into a new or existing school district.

**Section 2:** Amends AS 14.20.15C, Acquisition of tenure rights. Changes tenure from two to four years. The teacher gains tenure after completing four full years of employment with the same school district, whether or not the period begins on the first day of the school year and is reemployed on the school year day immediately following completion of the four consecutive year period. The district must also provide a non-tenured teacher with a written evaluation by the end of the second year of employment. If necessary, the district will develop a plan for improvement in cooperation with the teacher, established mentors and appropriate administrators.

**Section 3:** Amends AS 14.20.160, Loss of tenure rights. Clarifies that a teacher on layoff status does not lose tenure rights during the layoff period except as provided by AS 14.20.177 (Section 5 of this bill).

**Section 4:** Amends AS 14.20.175(b), Non retention. Removes subsection (b)(4) which allows non retention of a teacher due to a decrease in school attendance and places it in Section 5.

**Section 5:** Amends AS 14.20, Teachers' Retirement, by adding a new section. This new section provides for layoff of a tenured teacher when there is a decrease in school attendance or because of a financial emergency verified by the commissioner of education. Procedures under which a district may layoff tenured teachers, the length of time that a teacher retains hire rights after a layoff, the circumstances

under which a teacher may lose rehire rights after a layoff and other provisions are provided under this section. This section also allows a teacher on layoff status to receive a refund of the balance of the teacher's member contribution account in the teachers' retirement system. In the event a teacher is offered a teaching position in another school district while on layoff status, the teacher may remain on the layoff list for retention within the school district where tenure was acquired.

**Section 6:** Amends 14.20.180(b), Procedure and hearing upon notice of dismissal or nonretention. Allows a tenured teacher, following receipt of notification of dismissal or nonretention, to request a hearing before the school board or to bring suit before superior court without the school board hearing.

**Section 7:** Amends AS 14.20.205, Judicial review. Eliminates a de novo trial whenever a school district reaches an unfavorable decision to a teacher. This section adds language which allows judicial review of the decision based on the previously established record if the school board reaches a decision unfavorable to the teacher after a hearing under AS 14.20.180.

**Section 8:** Adds a new section to AS 23.40, Labor Organizations. States the initial proposals exchanged by the parties to negotiations between a school district or a regional educational attendance area and a bargaining organization representing its employees and final agreements reached by the parties are public records.

**Section 9:** Findings and purpose for Sections 10-17, Retirement Incentive Programs. States the purpose of these sections is to make retirement incentives available as a management tool to assist local school districts in restructuring their operation and work forces in order to most appropriately reduce expenditures and balance budgets.

**Section 10:** Retirement Incentive Program. Authorizes school districts, REAA's, a regional resource center and a state boarding school to adopt a retirement incentive program and designate categories of employees eligible to participate in the program. The program may be extended, at the employer's discretion, to employees:

- (1) in specific budget or administrative components of the employer,
- (2) in specific job classifications,
- (3) in specific geographic locations, or
- (4) on the basis of any combination of these factors.

The intent of this language is to allow school districts to design a RIP which is tailored to their budget and staffing requirements, if an across the board RIP does not meet their needs. Subsection (b) also states requirements for employees to be eligible

to participate in a RIP. these requirements are similar to the prior RIP programs, except the savings to the employer for a participating employee must exceed the costs of the RIP within three years.

This section also mandates contributions by both employers and employees participating in the RIP to the retirement systems to pay for the additional retirement benefits provided by the RIP. These payments include the contributions for the retirement incentive years and actuarial adjustments to the benefit. A share of the program's administrative costs is also assigned to the employer.

This section provides the same retirement incentive as prior programs: three years of age or service credit under the TRS and PERS retirement plan.

**Section 11: Authorization for RIP.** Authorizes school districts, REAA's, an educational resource center and a state boarding school to establish a RIP, with an application period of June 30, 1995, through December 31, 1995. Employees must retire by August 1, 1996.

**Section 12: Recovery of Employer Delinquencies.** Provides for recovery of delinquent amounts owed by employers participating in the RIP.

**Section 13: Reemployment Indebtedness.** Requires individuals who participate in the RIP and then return to work under PERS, TRS or judicial retirement systems to forfeit the incentive credit and repay 110% of the amount received under the RIP.

Also prohibits participants in the RIP from being employed or hired under contract by a state agency or the university for three years with certain exceptions.

**Section 14: Office of Management and Budget.** Requires the Office of Management and Budget to evaluate the effectiveness of the RIP programs and report to the legislature by April 15, 1997.

**Section 15: Program Changes.** Provides that employees do not have a vested or contractual right to a benefit under the act until an agreement for their participation is approved. Also reserves the legislature's right to change any aspect of the program in the future.

**Section 16:** Allows the commissioner of administration to adopt regulations to implement the act.

**Section 17: Definitions.** Defines terms used in the act.

**Section 18:** States that the changes made in sections 1 and 2 of this bill apply to teachers first hired on or after the effective date of the bill.

**Section 19: Repealer.** The RIP enabling provisions of this act are limited to July 1, 1997.

**Section 20:** Establishes an immediate effective date for Sections 9 through 17.

# ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510  
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## POSITION PAPER

### TENURE ACQUISITION

For public school educators

The Association of Alaska School Boards recommends to the Legislature that AS 14.20.150 (a) and (b) be amended to require five years of probation to obtain tenure in the school systems of the State of Alaska.

The quality of teaching is important in the development of strong educational programs for our children. Within a two year time frame, which is in current statute, school districts must evaluate teachers, help improve their skills, and determine whether or not to retain them. Two years is simply insufficient time to comprehensively evaluate teachers and allow for their successful improvement.

With districts under increased pressure to reduce administrative costs, not only will there be fewer administrators to conduct teacher evaluations but with an added workload, administrators will be under greater pressure to evaluate and determine whether or not to retain a teacher, and will have much less time to develop the skills of a potentially good teacher.

Extending tenure acquisition would allow districts time to provide a comprehensive plan for improvement which would help strengthen and develop the employee's teaching skills. With five years, new teachers would have the opportunity to grow in an environment conducive to professional development rather than under the pressure of deadlines of notice of non-retention.

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## TENURE ACQUISITION MAJOR ISSUES & KEY POINTS

School districts have shared their concerns about how difficult it is to conduct sound evaluations of their teachers within the current two year period of time in which teachers can be awarded tenure.

### INSUFFICIENT TIME FOR EVALUATION

#### 1. FAIRNESS TO TEACHERS

- Two years is too short for meaningful evaluation and improvement.
- Forces the non-retention question of a non-tenured teacher rather than encouraging a district to work with the individual to develop their potential talent.

#### 2. FAIRNESS TO KIDS

- Forces a district to tenure marginal teachers who later may prove unsatisfactory.
- To tenure marginal teachers who can't or won't improve—cheats kids.

#### 3. ADMINISTRATIVE WORKLOAD

- Budget cuts force remaining administrators to take on more responsibilities, and makes less time available for quality teacher evaluations.

### FIVE-YEAR TENURE WILL

1. Grant sufficient time to evaluate non-tenured staff by moving from two to five years.
2. Not add increased costs to the districts to implement.
3. Not mandate increased statutory requirements on local school districts.
4. Grant sufficient time for professional improvement.

**FIVE YEAR TENURE SERVES THE NEEDS OF SCHOOL DISTRICTS, TEACHERS, AND ULTIMATELY CHILDREN.**

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POSITION PAPER

**NONRETENTION REVISION**

LAYOFF PROVISIONS DUE TO FISCAL CIRCUMSTANCES

The Association of Alaska School Boards supports amending AS 14.20.175 (b) to layoff tenured staff for budgetary and fiscal reasons.

If reductions in the work force are required in Alaska's schools due to fiscal circumstances, layoff provisions must allow the educational program needs of our youth, and not tenure, to be the primary determining factor.

Current law allows nonretention of tenured staff for reasons of: (1) incompetence, (2) immorality, (3) substantial noncompliance, and (4) a decrease in enrollment. Schools may NOT layoff tenured employees due to funding shortfalls (not associated with declining enrollments).

AASB supports legislation for layoff that addresses fiscal circumstances with rehire provisions to accommodate district program needs.

AASB believes program needs of students should drive the staffing patterns of schools. Current law leaves schools in a position of having to make program cuts and fill the remaining positions with teachers who may be less qualified but are guaranteed employment because of tenure. It often places teachers in grade levels or subject areas for which they have insufficient preparation. Legislation should direct the State Board of Education to adopt subject area endorsements to improve the quality of instruction.

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### An Educational Perspective Support for Non-retention in the Event of a Reduction in Revenue

Under current law, even if a reduction in revenue to a school district necessitates programmatic cutbacks, including reductions in the number of certificated teaching positions, tenured teachers cannot be non-retained for the following school year unless one of the four categories set forth in A.S. 14.20.175 can be proven. Basically, those categories are incompetency, immorality, substantial non-compliance, and a reduction in force required by a decrease in school attendance.

Apparently, the rationale for protecting tenured teachers—even in the face of funding reductions—appears to be that reductions in the number of certificated teachers can be accomplished by attrition and/or the non-retention of non-tenured teachers.

However, that argument is not logical, reasonable, or appropriate when viewed from an educational perspective. Some examples will prove that point:

1. As a result of decreased funding, a school district is required to reduce some music/art elective high school courses. A third year teacher in the district, hired to teach music, and with no prior experience teaching English, is reassigned to teach high school English while an exceptional first year teacher, heavily recruited because of his or her prior teaching experience in English and/or education background in English, must be non-retained.
2. A disproportionate number of the district's non-tenured (first and second year) teachers are special ed. Because the tenured teacher ranks are protected from non-retention because of decreased funding in the absence of decreased enrollment, non-retentions must come from the non-tenured staff. Cutbacks in the number of special ed teachers jeopardizes the district's ability to comply with the Individualized Educational Plan (IEP) requirements of state and federal law.
3. Because more Alaska Natives are graduating from the University of Alaska, a school district has hired most of its Alaska Native teachers over the past two years. Those Alaska Native teachers will be non-retained.
4. A large influx of non-English speaking students has required a district to hire many English-as-a-Second-Language (ESL) teachers over the past two years. Those teachers must now be non-retained.
5. The district has expended substantial money over the past two years recruiting well-qualified chemistry and physics teachers. Those teachers are non-tenured, and must be non-retained.
6. A ten year physical education teacher who has never taught high school math is reassigned to teach high school math.

In all of these examples, staffing decisions are being made on the basis of whether a teacher is tenured or non-tenured. Those decisions are not being made on what is in the best educational interests of students.

When revenues decline, a school board must ultimately make budgetary decisions regarding the allocation of resources. Unfortunately, under A.S. 14.20.175(b), a school board acts with the proverbial one hand tied behind its back. Decisions regarding the allocation of human resources are not based upon who is the best, brightest, most competent, most energetic, most qualified, and most effective teacher, but rather on whether someone has taught for only one or two years in the district as opposed to having taught for three, four or more years.

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## POSITION PAPER

### DE NOVO TRIALS

JUDICIAL REVIEW OF DECISIONS OF SCHOOL BOARDS  
RELATING TO NON-RETENTION OR DISMISSAL OF TEACHERS

Under AS 14.20.205 JUDICIAL REVIEW a school district is obligated to submit to a trial de novo (a new trial) if a decision by the school board is unfavorable to a teacher, and the teacher appeals the decision by the board to non-retain or dismiss them. This is an extraordinary standard that has not been extended to any other group of employees.

When a teacher appeals the findings of a district hearing, the school district must repeat the process again before the court, usually at a much later date, and incur the financial cost once again.

AASB views this requirement to be both duplicative and extremely costly. The history of de novo trials in various school districts has established a pattern of unnecessary legal expenses. In addition, de novo law has a substantial chilling effect on school districts, due to costs, when deciding whether or not to attempt the dismissal of a tenured teacher.

The judicial review of dismissal proceedings should be treated no differently than other State agencies. Review should be "on the record" pursuant to the Administrative Procedures Act. This would provide an opportunity for the superior court to review the established record of the local hearing.

Furthermore, a teacher will still be able to appeal a school board's decision to the superior court.

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### DE NOVO TRIALS SAMPLE COSTS

On March 22, 1994 the House HESS Committee took testimony from representatives of five school districts in support of legislation affecting de novo trials. School officials offered testimony on seven recent cases of non-retention—total cost \$721,453.

#### ***NORTH SLOPE BOROUGH SCHOOL DISTRICT***

Tom Everitt, Director of Personnel

Example 1: A teacher was terminated for striking a child. The board incurred costs of \$126,000 in addition to hearing costs for the "de novo" trial

Example 2: A tenured teacher was terminated for incompetence. As in the first example, the teacher requested and received a hearing. The legal fees for the district attorney and hearing officer were substantial. The preparation for the trial and settlement negotiations involved another \$29,000 in legal fees. In addition, the district's insurance company paid the ex-teacher \$59,500 as a settlement to avoid the legal expenses of a trial.

Total legal expense to the district: \$217,500.

#### ***FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT***

Barbara M. Martin, Assistant Superintendent

Example 1: A case is currently being appealed to the Alaska Supreme Court by a terminated employee. Hearing costs in this case were \$44,512 and the trial costs to date are \$38,095, for a total of \$82,607.

Example 2: Another case is scheduled for trial in superior court in January 1995. Hearing costs in this case were \$82,920 and the trial costs to date are \$30,010, for a total of \$112,930.

Total combined costs to the district: \$195,537.

#### ***ANCHORAGE SCHOOL DISTRICT***

Larry Wiget, Director of Government

In a recent case in Anchorage the district spent roughly \$20,000 to prevail before a hearing officer. It was forced to expend an additional \$100,000 to achieve the same result in the Superior court.

Total cost to the district: \$120,000.

#### ***KENAI PENINSULA BOROUGH SCHOOL DISTRICT***

Richard Swarner, Executive Director of Business Management

Kenai has recently gone through a trial de novo for the non-retention of a tenured teacher and the district's legal costs were \$74,000. This is an exorbitant, but normal, price to pay for an employee who's performance is not satisfactory.

Total cost to the district: \$74,000.

#### ***SITKA SCHOOL DISTRICT***

John Holst, Superintendent

In a recent termination case in the Sitka School District the district paid \$39,963. This included the original hearing before the board. At that point an attorney and legal firm was appointed by our insurance carrier and handled the case from that point on. The cost of the de novo trial was \$ 50,386 and the cost associated with the appeal to the Supreme Court was another \$ 42,067. Since this case has been remanded to Superior Court, we do not know at this time what the cost will be to process the next step.

Total cost to the district: \$114,416.

Sec. 14.17.225

CONSTRUCTION AND IMPLEMENTATION OF CHAPTER.

(a) This chapter does not create a debt of the state. Each district shall establish, maintain, and operate under a balanced budget. The state is not responsible for the debts of a school district.

(b) Money to carry out the provisions of AS 14.17.010 - 14.17.190 may be appropriated annually by the legislature into the public school foundation account. If amounts in the account are insufficient to meet the allocations authorized under AS 14.17.010 - 14.17.190 for a fiscal year, each district's basic need shall be reduced pro rata as necessary to make the funds available sufficient to meet the allocations for that fiscal year.

History -

(Sec. 8 ch 95 SLA 1969; am Sec. 1 ch 79 SLA 1971; am Sec. 12 ch 90 SLA 1977; am Sec. 51 ch 6 SLA 1984; am Sec. 17 ch 91 SLA 1987)

Sec. 14.17.021

STATE FOUNDATION AID.

(a) The amount of state foundation aid for which a school district may qualify in a fiscal year is calculated by subtracting from the basic need defined in (b) of this section the required local contributions under AS 14.17.025(a) and 90 percent of eligible federal impact aid for that fiscal year. The department may make adjustments to a district's state foundation aid for a fiscal year to correct underpayments made in previous fiscal years.

(b) The basic need of a school district is determined by multiplying the area cost differential of the district under AS 14.17.051 by the number of instructional units in the district under AS 14.17.031 and then multiplying that product by the instructional unit value in AS 14.17.056.

History -

(Sec. 4 ch 238 SLA 1970; am Sec. 1, 2 ch 81 SLA 1975; am Sec. 1, 2 ch 173 SLA 1976; am Sec. 2, 3 ch 90 SLA 1977; am Sec. 3, 4 ch 26 SLA 1980; am Sec. 2 ch 75 SLA 1986; am Sec. 2 ch 91 SLA 1987; am Sec. 1 ch 149 SLA 1990)

Amendment Notes -

The 1990 amendment, effective June 22, 1990, added the second sentence in subsection (a).

Decisions -

That the legislature has seen fit to delegate certain educational functions to local boards - in order that Alaska schools might be adapted to meet the varying conditions of different localities does not diminish constitutionally mandated state control over education under Alaska Const., art. VII, Sec. 1. *Macauley v. Hildebrand*, 491 P.2d 120 (Alaska 1971).