

NEA-Alaska/Retired

Fall 2016 • Volume XXXI No. 1



DC Doin's

Washington, DC, early July - the season where one can take a refreshing shower before our 7:00 am NEA-Alaska caucus meeting, head to the convention center at 9:00 am, and be ready for another shower before noon. But, on the other hand, the blue and gold, Big Dipper starred Alaskan parkas have come in very handy in years where our Alaskan delegation might be sitting under the sub-arctic air conditioning system!

Barb Stek and I were your two NEA-Alaska/Retired delegates to this year's NEA Representative Assembly (RA), July 1-8. Our state delegation of sixty-three was one of fifty-two delegations that totaled over 7,000 credentialed delegates, along with another 5,500+ non-delegates. The NEA RA is the largest democratic, deliberative assembly in the world.

NEA committees and caucus groups meet preceding the full body assembly. Some of these committees, such as the Resolutions Committee, meet face-to-face only once during the year and that is during the RA. Delegates have the opportunity to join with folks from special interest groups, attend hearings, and visit the vendor exhibits for updated curricular programs and the various NEA Member Benefits sponsored providers.

A new campaign that NEA Retired members can help with is called "Get Ready to Unite, Inspire and LEAD!" It was brought up more than once that current members should take on the responsibility of mentoring new hires, not only mentoring them in the job they were hired to do, but also mentoring the new hire with regard to joining NEA and becoming involved in our Association. Across the United States, there will be over 173,000 new hires this fall. Now is the time for all of us to have one-on-one conversations with new educators to help build a strong relationship with the next generation of educators and provide them with the support that they need to succeed and serve their students. To learn more about this program, visit: neweducatorsupport@nea.org.

Doing the business of the Association is taken very seriously. Each day of the RA, a set amount of time is scheduled for discussion and debate of New Business Items (NBI). Much like our own Delegate Assembly each January, floor strategies often involve making sure that the speaker you support gets to the microphone before debate on an item is closed and there is a vote.

During the last few RAs, some delegates have tried to "bundle" NBIs together for a single vote and have the items referred to the appropriate NEA committee for consideration. The idea is to speed things along and shorten the amount of time for debating individual NBIs. That effectively closes debate on items that were not to be discussed until a later time and often items are bundled without the maker's

knowledge. In January, at our own Delegate Assembly, we passed an NBI that we would propose a Standing Rule amendment allowing the makers of each of the bundled items to have one minute to speak in favor or against the bundling. Our Standing Rule Amendment 3B was debated and adopted by the RA. We followed these new guidelines during the rest of the RA.

However, there was another change in the process of debating and voting on NBIs that came about for the first time - that of bundling NBIs not to be sent to a committee, but to bundle together "similar" NBIs and move that they be approved as a total group, without the opportunity of speaking for or against the items (please refer to the previous paragraph for the similar situation.) The RA did approve some of these bundling motions, but did not approve the majority of times that someone tried to bundle items for swift passage. It looks like we will need to

Cont. on pg 3

In This Issue

DC Doin's	1
President's Message	2
NEA Board Meeting	4
Pensionomics 2016	4
529 Plans	5
Unite, Inspire, Lead	5
Election News	6
Health Benefits Team	6
Alaska Retirement Management Board Update	7
Membership Numbers	8
Calendar of Events	8

NEA-Alaska/Retired Board**President**

Rich Kronberg (2018)
 6824 19th St. West • PMB #314
 University Place, WA 98466
 253-212-1969 • 520-907-5285
 richkronberg@gmail.com

Vice President

Judy Salo (2018)
 48392 Big Horn Dr. • La Quinta, CA 92253
 907-252-4672
 jandrsalo@icloud.com

Secretary

Barbara Stek (2018)
 6101 Eastwood Court • Anchorage, AK 99504
 907-338-2288
 bwstekak@yahoo.com

Directors-at-Large

Pat DeSmet (2018)
 PO Box 529 • Hot Springs, SD 57747
 605-891-8148
 pdsalaska@yahoo.com

Rod McCoy

(2017)
 7749 Old Harbor Ave. • Anchorage, AK 99504
 907-317-1610
 rodmccoy123@gmail.com

Barb George

(2018)
 PO Box 1089 • Kasilof, AK 99610
 907-750-0970
 lady_loon@hotmail.com

Region R Directors

Rich Kronberg (2018)
 6824 19th St. West • PMB #314
 University Place, WA 98466
 253-212-1969 • 520-907-5285
 richkronberg@gmail.com

Gayle Harbo

(2017)
 PO Box 10201 • Fairbanks, AK 99710
 907-457-7815
 sjharbo@yahoo.com

Susan Stitham

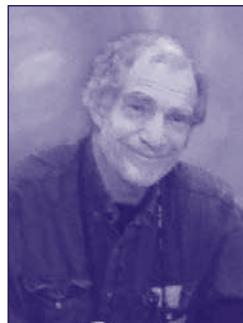
(2017)
 PO Box 337 • Ashland, OR 97520
 907-347-1218
 omm1961@gmail.com

Editor: Barbara Stek

This newsletter is the official publication of NEA-Alaska/Retired, printed three times a year: October, February, and June. Retired members are encouraged to submit articles, as well as voice comments and concerns. Articles should be sent in Word via email to bwstekak@yahoo.com no later than the 1st of the publication month.

President's Message

aka Kronberg's Corner



My guess is that I don't even need all my fingers and toes to count the number of retired members of NEA-Alaska who became Alaskan educators because they felt they only had skills or abilities that limited them to getting jobs in Alaskan public schools. We all believed that we, as educators, had positive impacts on the students we taught or counseled or otherwise helped to become contributing members of society. Now that we are retired, we still have the opportunity to make a positive difference for Alaskan students, even if we never see the inside of another classroom or school. We

can make a difference by advocating for the best possible compensation and working conditions for those younger - perhaps I should say "less veteran"- colleagues who are now working in Alaskan schools and grappling with whether they will work their entire careers here or move on to another state that is not facing historical cuts to the state budget on top of one of the least attractive pension systems for hiring and retaining new to the profession educators.

Every piece of research, including some very recent studies, shows that teacher turnover has an inverse correlation with student learning. The greater the teacher turnover in a school or a school district the less likely students in that school or district are going to be successful learners. In addition, constant turnover in a school district adds significant financial costs to district budgets. That translates into money that cannot be used to purchase technology or even classroom supplies or hire additional teachers or aides. The problems of teacher turnover are especially noticeable in rural Alaska where new-to-the-district teachers often are dealing with a slew of other challenges, from students from a different culture to poor housing to being away from home for extended periods of time for the first time in their lives. On a national basis, the costs of replacing teachers who left teaching in their first few years are in the billions of dollars. Too many Alaskan legislators disregarded the significant impact of swapping one of the country's best pension systems for arguably the worst because they foolishly believed it would not make a difference in efforts to attract and retain quality teachers. Those who voted that way almost certainly were absent from school when their teachers taught the law of supply and demand.

Those of us who have already retired have retirement plans far better than the pension plans of those coming into Alaskan schools. If we care about the future of the education system we built then here are a few things we can do. (1) We can read about the differences quality pensions for public educators make in the communities where we live. According to research done by the National Institute on Retirement Security the positive impact on local economies is significantly greater when public employees have defined benefit pensions. The data on educator turnover, both classified and certificated, in Alaska since the change to the defined contribution systems for new to Alaska public employees, including educators, is crystal clear. More people are leaving Alaskan public schools far earlier and taking all the skills they learned in the few years they worked in Alaska with them to other states. (2) We can support the efforts of active school employees to get better

Cont. on pg 3

"President's Message" Cont.

compensation and better working conditions. Our parents and grandparents paid their fair share of taxes to make sure we all received a good education. We should not join those whose knee-jerk response to tax increases needed for education is always, "Heck no, I am already paying too much in taxes, and my kids are already out of school." The flip side of this is (3.) We should pay attention to how our school districts spend money. Too much district revenue is often spent on expensive administrators and untested programs that promise the "silver bullet du jour" for our kids and grandkids. There are only two variables that reach the level of statistical significance when it comes to making a difference in student learning. One of them is the quality of a child's parenting, and there is little we can do about that. The other is the quality of the teaching students receive in school. If we understand the law of supply and demand, we "get it" that the supply of quality teaching, like any other economic good in short supply, can only be increased by paying or doing more to beat out our competitors. In other words, if we need more high quality teachers, then we need to increase the compensation and improve the working conditions (and pensions) to attract a greater pool of applicants. Applicants for jobs generally follow a normally distributed curve. There are a few who are great, a few who are awful, and big groups in the middle who are competent, and may over time, reach greatness. *By increasing compensation, securing a better pension system, and improving working conditions, Alaskan public schools can increase the size of the applicant pool and find the great teachers who will successfully teach our children, grandchildren, and even our great grandchildren.*

— Rich Kronberg

*"DC Doin's..." Cont.*

debate a possible new standing rule for the next RA.

NEA-Alaska, through our "governance body of affiliates" status, proposed New Business Item 1 - "NEA will develop and implement a secure, digital membership form and an online process for members to join." We must have really done a fine job debating this item as it was easily approved by the delegates.

By far, one of the most exciting events of this year's RA was our special guest on Tuesday, July 5th. We did not have our usual 7:00 am state caucus because we were already on the Metro heading to the convention center. Security was extremely tight - we were told to take only necessities and have them in a clear plastic bag - hand-wanding, metal detectors, full-body scanners, etc. But it was worth the early hour commute to be on hand to welcome the now Democratic candidate for President, Hillary Clinton. In anticipation, we practiced using our "thundersticks" and listened to encouraging words from our two wonderful leaders, NEA Vice President Becky Pringle and NEA President Lily Eskelsen Garcia.



Hillary (we're on a first-name basis now) gave an excellent speech, insuring that there would be a place at the education table for NEA. Hillary indicated that she understands our concerns, and will work towards addressing them. Delegates voted to recommend Hillary Clinton as President: 5,474-Yes (84.10%), 1,035-No (15.90%).

And, yes, our NEA-Alaska delegation did the important work for all of us in the united education profession, from morning to night. For additional information on everything RA, please visit: www.nea.org/ra.

Washington DC is an exciting city. Many of us had a chance to see the sights – when our sessions adjourned! We also had a good time during our Alaska Night get-together on July 2nd at the Lucky Strike bowling alley.

— Steve Click

NEA-Alaska Board Meeting

September 8-10, 2016

Beginning with a training session the evening of September 8, Tim Parker's first board meeting saw Board members, full time release local presidents, and Uniserv staff fan out throughout Anchorage schools on a listening tour, asking teachers to identify both their issues of concern as well as the trusted and respected leaders in their buildings.

The Board meeting convened on Friday at 3 pm and after a debriefing from the listening tour, the Board members, presidents, and staff moved into seven committees which are intended to function all year, providing guidance to other leadership groups in the following areas: ESP, Leading the Profession, Special Education, Building Local Capacity and Member Engagement, Government Relations and Community Outreach, Communications, and Ethnic Minority Affairs.

The majority of Saturday was spent in board training with Dennis McMillan. We have two new statewide officers and ten new directors. This board's primary task will be hiring a new Executive Director. The Executive Committee (consisting of one person per region – Susan Stitham is the retired representative) will be functioning as the search committee, and the ambitious goal is to have Lydia Garcia's replacement on board by Delegate Assembly 2017. The hope is to have the job description out by the end of September. In the training, it was made clear that from the time that applications are received, the Search Committee will be functioning under confidentiality so the only information that will be shared will be on the process rather than specific applicants. The Board brainstormed a list of qualities for the ideal new Executive Director as an initial step in preparing the advertisement.

The Board voted to (1) submit a bylaw change to DA to reauthorize the special assessment for public relations; (2) contribute \$10, 000 in order to receive \$250,000 from NEA to the campaign for voter registration connected to the PFD; and (3) to urge the president to schedule the next meeting of the Search Committee to coincide with the November Board meeting in order to save money.

Tim discussed potential changes to the Executive Director's evaluation process, and is seeking input to increase Board participation. He will work with Lydia on some ideas, and discuss the process with the newly hired Executive Director before its final adoption.

In conclusion, this first Board meeting led by the new statewide leadership team was very productive and went very smoothly, despite the great loss of Barb Young and her organizational memory. The new Executive Assistant is Mary Nibbelink and she has definitely hit the ground running!

When President/Director Rich Kronberg reported to the Board that we are about to conclude the first year in which the NEA-Alaska/Retired "local" funded itself entirely, the news was received by a round of applause from the Board.

– Susan Stitham, Gayle Harbo, Rich Kronberg

Pensionomics 2016

The Positive Effect of Pensions

Dollars in the Community

The National Institute of Retirement Security issued many data driven publications. Among the first was *A Better Bang for the Buck*, a comparison of the cost of Defined Benefit vs. Defined Contribution plans, published in 2008. This publication was updated in 2014. *Pensionomics: Measuring the Economic Impact of State and Local Pension Plans* was first published in '09, updated in '12, and now the new 2016 version is out based on data from 2014.

The publication has lots of data, but also a great appendix listing publications with great information on the benefits and cost savings of DB plans. Pensionomics shows how private and public pension benefits paid out in communities support over 7 million American jobs. Money earned from these jobs is in turn spent in communities thus creating a ripple effect of positive economic impact.

Tables show the employment and economic output on a state by state basis and also the pension expenditure multiplier. In the US for 2014 the multiplier was \$2.21, which means that every dollar paid in DB pension benefits generated \$2.21 of total output in the national economy. If you like numbers and good data, you might want to look up this publication and some of the others listed on the NIRS website: www.nirsonline.org.

– Gayle Harbo

529 Plans - A Great Way to Save for College Expenses!!!

Attending college has become a very expensive proposition. There are many ways to reduce costs, but a four year degree still requires considerable expense. To reduce or eliminate the necessity of a student loan, investing in a 529 offers a way for a parent, a grandparent, or anyone to put money aside for the purpose of school expenses, including tuition, books, housing, etc., be it college, tech school, or community college.

Most states have their own plan, but the person setting up an account can go to any plan they choose. The plan sponsor with the lowest fees is usually one that uses Vanguard as the fund manager. The maximum deposit for a year under gift giving is \$14,000, but a plan can be front-loaded up to 5 years at a time even though some restrictions apply. The beauty of the plans is that the person contributing to a beneficiary remains in control of the funds and can transfer the funds to another beneficiary, if necessary, as long as they are used for school. If the account is owned by a grandparent or anyone other than a parent, it does not have to be included as an asset on the original financial aid application. Only if dollars are received during a school year do they have to be disclosed the following year.

These plans have been in existence for about 12 years and have been very successful in funding education. There are many websites with exact information and more detail, but if you want to help someone achieve a college education, debt free, a 529 plan is a wonderful way to do it.

— Gayle Harbo

UNITE. INSPIRE. LEAD!

And with those words, the two-day NEA-Retired Annual Meeting began in Washington, DC, on June 29. There are over 300,000 members in our retired group, however, we are always encouraging new member participation. Unfortunately, no new financial support from NEA is forthcoming.

Lily Eskelsen Garcia spoke to us on the first day - her 30th Representative Assembly - and reminded us that everything we have fought for could easily disappear if we are not vigilant. We heard remarks from Becky Pringle and Princess Moss with praise for ESSA (Every Student Succeeds Act) and thanks for NCLB's death.

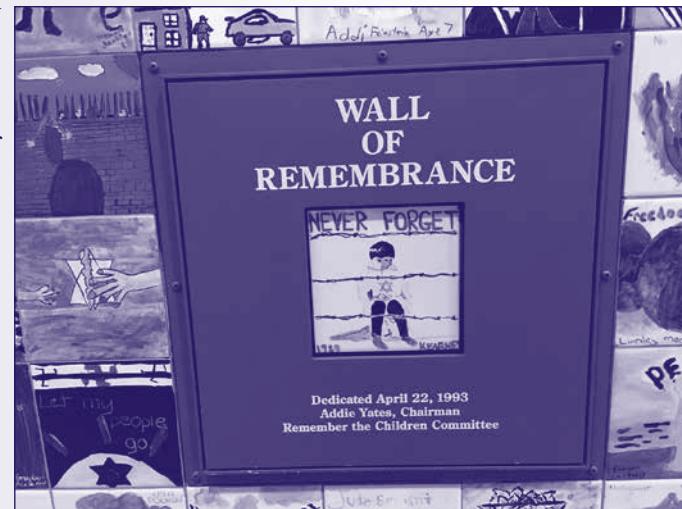
Eleven NBIs were passed. New Business Item A determined that the hyphen really does belong in NEA-Retired. NBI 1 specified that the Center for Advocacy along with the NEA-Retired Executive Council will plan a national retirement security advocacy day on Capitol Hill to be held in the spring of 2017. The focus would be on positive Social Security reform to include the repeal of the Government Pension Offset and the Windfall Elimination Provision. Two other NBIs passed which referenced GPO/WEP. NBI 9 moved that NEA-Retired submit a proposal to the NEA Constitution and Bylaws Committee to amend the dues structure for retired education support professionals to one-half of certified retired dues.

Elections were held with several run-offs to make things interesting. John Jensen was reelected as vice president in a close contest, separated from Jean Dobashi by only six votes.

NEA-Retired once again broke records on fundraising for the Fund for Children and Public Education. We raised \$35,919 at the annual meeting, while the quilt giveaway at RA raised over \$21,000. Wow!!

There was once again a gap day between the close of the retired meeting and the start of RA. I was able to visit the Holocaust Memorial Museum with a retired friend from Florida. Included are newer exhibits reflecting on genocide in such places as Sudan and Cambodia. The entire experience was quite moving. As the front cover of the museum guide states: *This museum is not an answer. It is a question. What you do matters.*

— Barbara Stek



Election News

You Need to Know

The following NEA-Alaska/Retired members will be representing you at Delegate Assembly 2017.

Roxanne Abajian	Bill Bjork	LaDawn Druce	Don Hadley	Trena Richardson	Alternates:
Nancy Allen	Cid Blasé	Karen Eddy	Hank Harrison	Judy Salo	Valeda Blockolsky
Henry Anderson	Mary Bohanan	William Ernst	Andy Holleman	Kristina Tornqvist	Donna Williams
Bonnie Barber	Loretta Christie	Karla Gallagher	Mike Husa	Graham Ward	Nancy Hummel
Sherry Barrett	Steven Click	Barb George	Rod McCoy	Ed Viscardi	Lynn Johnson
Mary Ann Bensur- Adams	Katie Curtis	Beverly Goad	Don Oberg	Jody Viscardi	A Bryant Christensen
	Pat DeSmet	Daniel Greer	Trish Patterson	Stephanie Winsor	Emilia Eaton

The NEA-Alaska/Retired Board thanks you for taking the time to vote!

Health Benefits Team

Many of our members have received letters from the Retired Public Employees of Alaska (RPEA) asking us to join that organization. The letter contains some assertions that are questionable at best. The reason we are being asked to spend our money supporting an organization that does not represent educators is, ostensibly, because RPEA is the only organization that represents the interests of retired Alaskan public employees. We should understand that NEA-Alaska financed, almost entirely, the lawsuit known as the Bradner case, where the Alaska Supreme Court held that the state could not create an overall diminishment of our retirement benefits. They can reduce some benefits as long as they increase others so that the overall impact cannot be a reduction of benefits. NEA-Alaska spent a half million dollars to litigate that case.

Currently our Health Benefits Team, co-chaired by Rod McCoy and Barbara Stek, has assisted many members with their problems dealing with Aetna's administration of AlaskaCare, a "rigged" appeals process, and a final stage of the appeal process that involves a hearing before an administrative law judge. We have applied for an NEA grant to pay for training an additional cadre of members from around the state to significantly increase our capacity to assist members with health insurance issues. We will hold that training regardless of whether or not we win an NEA grant; however, the grant would enable us to train more members than our budget alone permits.

We are also fully engaged with efforts to return to a Defined Benefit pension system for all Alaskan public employees. It is especially critical for school districts' retention of quality educators to treat the tiers in Defined Contribution (DC) pension systems -Tier 3 for TRS and Tier 4 for PERS - as costly mistakes. The lack of a "real" pension has led to big increases in educator turnover and has contributed to stagnant student test scores. The research is clear that increased teacher turnover leads to decreased student learning. This is a politically potent argument with the Alaskan public, and now that we have almost a decade of data proving the DC systems have been a costly mistake we are ready to make the case even more strongly that the effectiveness of public schools is dependent upon attracting and retaining the quality teachers all Alaskan students deserve. One other area of concern which we have been addressing is the health plan being developed for retirees from these DC plans. A quality pension system is a definite factor in the ability of districts to attract and retain those quality educators. Our members strongly support maintaining the quality public education system they built. Joining RPEA is not going to help realize that goal.

RPEA, in its recruitment letter, asserts it is the largest organization representing the interests of retired Alaskan public employees. Though their website does not mention the number of actual members, they have reported a total of about 1,900 members. If that is correct, then NEA-Alaska/Retired is the largest group representing the interests of retired Alaskan

Cont. on pg 7

"Health Benefits Team" Cont.

education employees. Our membership numbers topped 2,000 just this past spring. Rest assured, NEA-Alaska/Retired is the one organization that will fight for your interests as retirees, as we also fight for quality public schools. We built an excellent education system, and with a quality pension and health care program, we will be able to attract and retain the educators, both certificated and classified, necessary to make sure all Alaskan students learn up to their potential.

— Rich Kronberg

Alaska Retirement Management Board Update



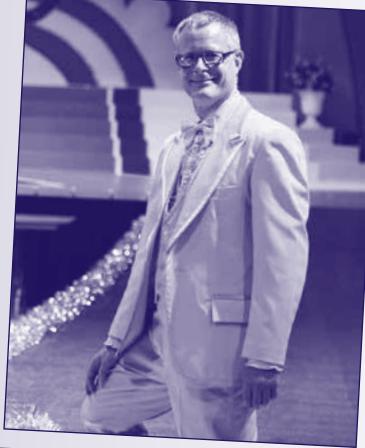
The one-day board meeting, June 24 in Anchorage, was preceded by two committee meetings on the 23rd. The Audit Committee met in the morning and elected Rob Johnson, a trustee representing PERS, as chair. He replaces Martin Pihl who retired from the board in April and who had served as chair since the ARM Board was established in 2005.

A new representative from KPMG, the auditor, Dan Mitchell will replace Mike Hayhurst who has been an excellent resource to the committee. Main issues related to standards 67 and 68 and also the issue of employer audits. The new GASB standards require employers to now book the pension obligations and the other benefits such as health care. There is no change as to how payments are made, only the new reporting. The new auditor for Retirement and Benefits has done an excellent job this year, completing many audits of major employers.

The Actuary Committee met in the afternoon. This committee, under the leadership of Chair Kris Erchinger, has done a superb job of doing a more thorough questioning of the actuaries and of working to resolve the questions the Board's actuary GRS has raised regarding the findings of the administration's actuary, Buck Consultants. Of major concern at the April meeting was Buck's claim of over 1 billion dollars in savings in health care claims cost, much of this using proxy data. The trustees insisted that Buck add wording to their introduction of the FY'15 valuation regarding this procedure.

During the meeting on the 24th, the Board adopted the FY'15 valuations presented by Buck and reviewed by GRS

"Orange you glad you joined pre-retired!"



Pat DeSmet and Barbara George will be organizing the retired table at DA 2017. The theme for our retired table will be all things orange. So those of you who will be attending DA, please bring orange items for our table giveaways. We thank you for your participation and support!!

P.S. Sorry you cannot see that Pat's suit is bright orange!!

and accepted the employer contribution rates for FY'17, PERS 26.14%, TRS 20.02% and FY '18, PERS 23.23%, TRS 24.12%. The contribution rates are significantly lower than previous years because of the \$3 billion of state assistance during FY'15 and the lower health care claims cost.

The Board approved investment into two asset classes that will be managed in house, the S&P 600 and Scientific Beta. The contract for Investment Advisory Council member Robert Shaw was extended for 3 years and the Board, because of transparency concerns expressed at the April meeting, returned to an asset allocation with 8 rather than 5 classes.

The Board also passed a resolution regarding SB 256 which requested a report to the legislature about the feasibility of transferring management of the pension funds (a state entity) to the Permanent Fund (a corporation). The resolution asked the Governor to veto the intent statement.

As of March 31, 2016, more than half the 35,785 PERS active employees are in the DC plan, while slightly less than half of the 10,586 TRS active employees are DC. *There is significant turnover in DC, however, and those employees leaving are taking almost 4 million dollars each month, or almost 48 million dollars a fiscal year, out of the funds and most likely out of the state as they look for jobs with better, more stable benefits.*

The next meeting of the ARM Board was held in Anchorage, September 29 and 30 with committee meetings on the 28th. The meeting was at the Captain Cook Hotel. The September meeting has traditionally been held in Fairbanks, but because of budget concerns it was moved to save on travel costs.

— Gayle Harbo



4100 Spenard Road
Anchorage, AK 99517

www.nea.alaska.org or
email: info@nea.alaska.org

Delegate Assembly election results inside!

Membership Numbers

As of September 13, 2016, there are 1706 retired members and 302 pre-retired members. We are always hoping to increase our membership so that others may reap the benefits of continuing under the NEA umbrella. Please help us by updating your information – especially email addresses and phone numbers – so that we are able to keep you informed.



Some Helpful Resources

You may find the following resources provided in a recent MetLife bulletin useful.

- Elder Care Locator: eldercare.gov
- National Institutes of Health (NIH) Senior Health/Long-Term Care: <http://nihseniorhealth.gov/longtermcare/payingforlongtermcare/01.html>
- Traveler's Checklist, U.S. Passports and International Travel: travel.state.gov

Calendar of Events

October

14-16 Fall Event

17 Alaska Day

November

5 NEA-Alaska Board Meeting

14-18 American Education Week

16 National ESP Day

December

23-31 NEA-Alaska Offices Closed

January

1-2 NEA-Alaska Offices Closed

11-12 NEA-Alaska Board Meeting

12 PARSA

13-14 Delegate Assembly

14 PACE Meeting

15 NEA-Alaska/Retired Board Meeting

17 Legislative Session Begins

February

16 Elizabeth Peratovich Day

March

2 Read Across America Day