

# NEA-Alaska/Retired

Fall 2018 • Volume XXXI No. 1

## 2018 NEA Representative Assembly

June 27- July 5, 2018

I had the privilege of attending both the NEA-Retired Annual Meeting and NEA RA in Minneapolis this summer. Coincidentally, or perhaps not, the United States Supreme Court released its decision in the Janus vs. AFSCME case, in which it found that the collection of agency fees from non-members to cover their fair share of the costs of bargaining and other non-political union activities was in violation of the First Amendment. The impact that this decision will have on the NEA and all other public employee unions permeated and influenced every debate and vote.

As this was my first time attending the NEA retired meeting, I had much to learn. The first order of business was governance. Delegates at the annual meeting elect all NEA-Retired officers and NEA committee members. I did not realize this, but it does explain all the campaign materials I received at

home in the weeks leading up to the meeting. Elected positions include a President, Vice President, a Secretary, a six-member Executive Council, six directors for the NEA Board of Directors, plus three alternates, and a six-member NEA-Retired Resolutions Committee, plus four alternates. You can read about these committees and more at [NEA.org/Retired](http://NEA.org/Retired).

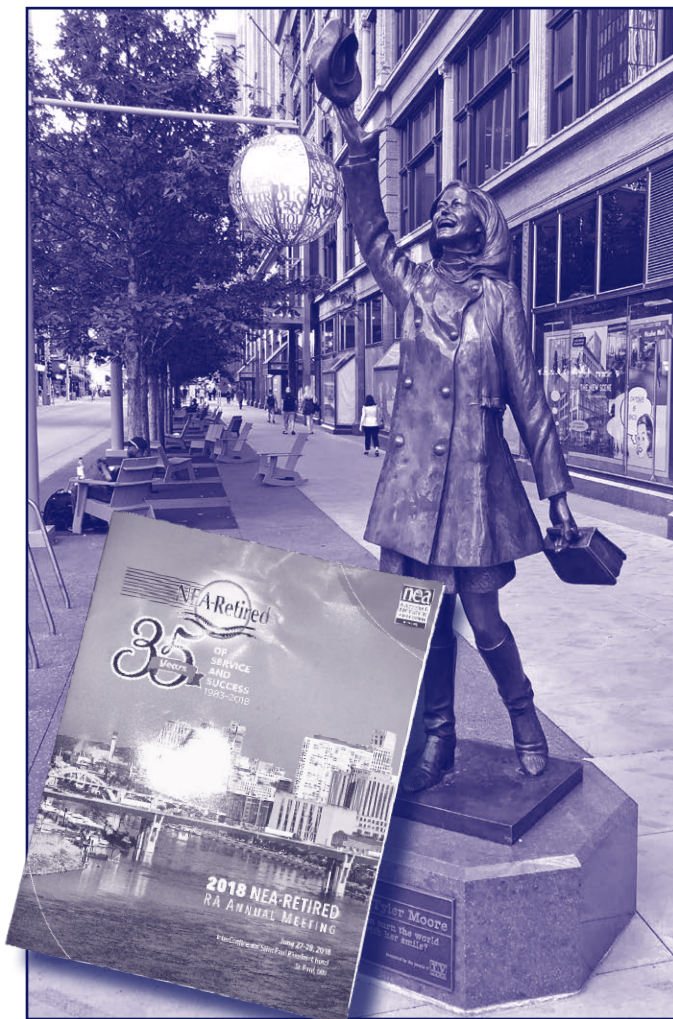
Retired delegates debated eight New Business Items at the annual meeting. One NBI passed with opposition to NEA Constitutional Amendment 5 which

would have made the NEA-RA solely responsible for primary and general presidential recommendations.

In this age of technology, the retired group passed an NBI which asked that NEA study the feasibility of using smart phones or tablets for floor voting at RA. And in an attempt to limit the massive amounts of campaign literature that are passed around, an NBI was passed which restricts campaign materials to the candidates' tables at the retired meeting.

NBI 2018-8, referred to the NEA-Retired Executive Committee, stated that the NEA-Retired Executive

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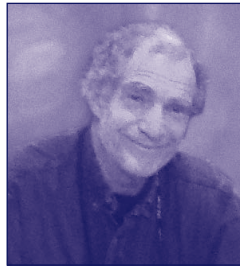
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**President's Message****aka Kronberg's Corner**

Many of our 2,000+ members no longer live where we taught. In fact, many of us no longer live in Alaska. But we all know how important it is to support our colleagues still working in Alaska's schools. I would suggest that we can all do our part to support active educators no matter where we live.

We can do this by campaigning and voting for candidates with proven records of support for public school educators, and making our voices known in support of educators when they bargain with their school districts where we live.

This point was driven home to me when the teachers in Tacoma went on strike. We have lived in Tacoma for three years, and this was the first time we have experienced bargaining in this district. Boy, did we have a lot to learn.

Here is the backstory on Washington school finances.

Washington has experienced teacher shortages due to the underfunding of public schools by the state legislature for years. About 9 years ago, the State Supreme Court ordered the legislature to significantly increase its budget for public schools. The decision is known as the McCready decision. For 8 years, the Republican controlled State Senate refused to appropriate significant new funding for public schools. Last year, a new legislature with a Democrat controlled State Senate appropriated two billion more dollars for public schools that was supposed to go to teachers. Most districts played by the rules and significantly increased teacher compensation through bargaining. Some districts had cliffhanger bargaining where the contracts were settled just before the start of school. The Seattle District, the state's largest, fell in this category. But 11 districts faced strikes. The cost of living anywhere within commuting distance to Seattle is very high. Teacher compensation needs to insure teachers are able to live in the same communities where they work.

Several districts in the Seattle area settled contracts where the teacher pay scale tops out at \$110,000 or more. This includes a double-digit pay increase in the just ratified agreements. In Tacoma, by contrast, the district only offered a misleading offer where they claimed the increase was more than 10% but when the union subtracted money that was already being paid to Tacoma teachers the increase was less than 7%. All this while the Tacoma superintendent was making more than \$343,000 a year and her top administrators have averaged 26% increases in pay over the past 4 years. Additionally, the percentage of revenue on a per pupil basis going to teachers declined by 4% over the past 4 years. Tacoma spends more on administration than any other large Washington district. This is a travesty. The information on how much Tacoma administrators are paid came out on a Thursday. That resulted in significant embarrassment for the School Board, and a Tentative Agreement was reached the very next evening. The ratification vote took place the day following the signing of the TA, and the new contract was approved with well over 90% of the vote.

My wife and I have both encouraged strikers on their picket line by our local

*Cont. on pg 3*

Editor: Barbara Stek

*This newsletter is the official publication of NEA-Alaska/Retired, printed three times a year: October, February, and July. 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" Cont.*

school. More importantly, we engaged in supporting Tacoma's teachers on several online platforms, particularly on NextDoor.com and in the comment sections of Seattle and Tacoma newspapers. We argued that the only school related factor that has ever been shown to impact student achievement in a statistically significant way is the quality of teaching, and the Law of Supply and Demand does not stop when you walk into a public school. Teacher compensation data and student performance data have shown that by and large the best teachers work in the districts with the best compensation and/or the best working conditions. In contrast, districts that overspend on school bureaucracy and underspend on teaching have poorer student performance.

By supporting Tacoma teachers we have done what we could for Tacoma's students as well. I would suggest that we all can do similar things to support educators wherever we live.

— *Rich Kronberg*

*"2018 Assembly" Cont.*

Committee and retired representatives on the Executive NEA Board recommend setting half dues for retired Education Support Professionals.

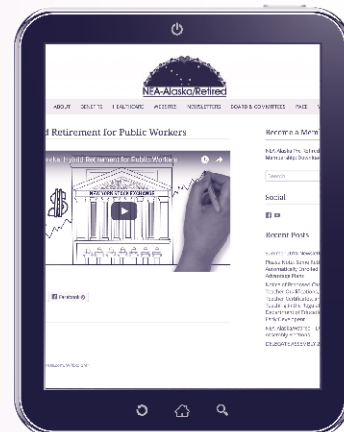
Fund raising for the NEA Fund for Children and Public Education and the NEA-Retired Jack Kinnaman Scholarship Award is also a focus of the meeting. The Jack Kinnaman Scholarships are awarded to NEA Aspiring Educators members, which I believe has an active Alaska chapter. For more information about the Aspiring Educators program, visit <http://www.nea.org/home/1600.htm>.

But again, the impact of the Janus decision on everything we do was the major focus of discussion. We can expect smaller budgets, fewer and smaller national meetings, and more difficulty raising funds. Although current members will take the lead in navigating this new terrain, NEA-Retired members can help in supporting membership, organizing, and fund raising. As the school year begins, we will be hearing more of these opportunities.

— *Joe Boyle*

## NEA-Alaska/Retired Website

It is now easier than ever to access the NEA-Alaska/Retired website. The communications team has been updating the site and trying to insure that all information is current and useful. The team is also hoping to increase the use of our Facebook account as well.



*2018 RA Alaska Delegates*



## Alaska Retirement Management Board Report

The ARM Board met in Anchorage, September 20-21, with four committee meetings held the previous day. The busy agenda included the adoption of the FY'20 budget proposal which adds money to hire more staff to manage al-

most 9 billion dollars internally at an anticipated savings of almost four million dollars annually. Total assets managed exceed \$30 billion dollars.

Director Ajai Desai reported on a 3-4 year project to update and streamline technology for the division.

The Board adopted employer contribution rates of 28.62% for PERS DB and 30.47% for TRS DB for FY'20. The experience study conducted this past year was presented by Buck (formerly Conduent), the actuary, but the Board tabled action on adoption of the new recommended assumptions until the December meeting.

The Real Assets portfolio was reviewed by investment manager Nicholas Orr and Townsend consultant Chris Cunningham prior to adoption of the FY'19 Real Assets plan and a revision of the guidelines for real estate, timber,

farmland, and infrastructure. Asset allocation for real assets is 17%, higher than most public pension funds, but the asset class provides valuable diversification.

Presentations were made by four managers of infrastructure, two for private investments and two for public investments. Infrastructure investments include toll roads, communication towers, ports, airports, and pipelines.

Resolutions directing staff to prepare RFPs for both the investment and the real estate consultants were approved. These are 3-year contracts with two one year extensions allowed. Staff will also work with Callan, our investment consultant, to prepare an asset/liability study to evaluate the financial condition of the pension plans under alternative investment scenarios. The last study was completed in FY'09.

The next meeting of the ARM Board will be December 13 and 14 in Anchorage. Committee meetings will be held December 12.

— Gayle Harbo

## Election News

### *You Need to Know*

**The following NEA-Alaska/Retired members will be representing you at Delegate Assembly 2018.**

Roxanne Abajian	Loretta Christie	Beverly Goad	Faith Lee	Judy Salo	<b>Alternates:</b>
Cindy Lou Aillaud	Steven Click	Daniel Greer	Pamela Lloyd	Barbara Stek	Emilia Eaton
Nancy Allen	Katie Curtis	Hank Harrison	Don Oberg	Kristina Tornqvist	A. Bryant
Henry Anderson	Pat DeSmet	Andy Holleman	Wendy Parsons	Graham Ward	Christenson
Bonnie Barber	Karen Eddy	Marlis Homeleski	Trish Patterson	Stephanie Winsor	Laura Wrenn
Sherry Barrett	Karla Gallagher	Nancy Hummel	Sharon Penttila	Christine Pearsall-	Ron Fuhrer
Joseph Boyle	Barbara George	Michael Husa	Trena Richardson	Villano	Betty Briggs Hertz

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



## EGWP News

The following *Information for High Income Earners* was excerpted from the Division of Retirement and Benefits documents with regard to enrollment in the enhanced Employee Group Waiver Program – EGWP.

### ***CMS (Centers for Medicare and Medicaid Services) charges a higher premium for high wage earners. How will I know if I will have to pay extra if I am enrolled in the enhanced EGWP?***

Certain high-income retirees will have to pay an extra surcharge, consistent with the extra surcharge applied to Medicare Part B today. Generally, if you are an individual earning more than \$85,000 per year or a married couple who earns more than \$170,000 per year, you will be charged an extra premium for being enrolled in an AlaskaCare EGWP because it is a group Medicare Part D plan. CMS refers to this as Income Related Monthly Adjustment Amounts (IRMAA). **If you are charged an IRMAA for your prescription drug coverage, the Division will cover the full cost of the premium. Contact the Division to learn about your options.**

Similar to Medicare Part B, the IRMAA premium amount will be deducted directly from your Social Security check if you qualify for Social Security or will otherwise be invoiced to you directly. The Social Security Administration (SSA) will send you a letter with your IRMAA premium amount and the reason for the determination. If you disagree with the IRMAA premium amount or your income has gone down, you should contact Social Security at 1-800-772-1213 to resolve the determination.

The Social Security Administration will use your Modified Adjusted Gross Income (MAGI) to determine if the income-related monthly adjustment amount (IRMAA) applies. MAGI is the sum of:

- Adjusted Gross Income (AGI), which can be found on the last line of your IRS 1040 tax form (line 37 on form 1040, line 21 on form 1040A, or line 4 on form 1040EZ), *plus*

- Any tax-exempt interest income (line 8b on form 1040).

To make this determination, SSA requests income information from the IRS for the tax year that is two years prior to the premium year. For example, Social Security will use your MAGI from 2017 to determine your 2019 IRMAA. IRMAA is automatically re-determined each year as long as you file an income tax return.

### ***Who can I call if I need more help in understanding this new plan?***

For general questions about how the plan works, or how your drugs are covered under the plan, call the OptumRx after you receive your welcome kit.

To find out if you will be subject to an extra surcharge because you earn a high income, you may contact Social Security at 1-800-772-1213.

<b>Individuals MAGI (based on 2016)</b>	<b>Couples MAGI (based on 2016)</b>	<b>2018 Extra Monthly Surcharge Amount</b>
Equal to or below \$85,000	Equal to or below \$170,000	\$0
\$85,001-\$107,000	\$170,001-\$214,000	\$13.00
\$107,001-\$133,500	\$214,001-\$267,000	\$33.60
\$133,501-\$160,000	\$267,001-\$320,000	\$54.20
Above \$160,000	Above \$320,000	\$74.80

*The table shows the IRMAA for 2018 and is for illustrative purposes only. The MAGI and IRMAA are subject to change.*

## Election Day is Near

I hope that everyone is ready to vote in November. The outcomes of whatever races are being run where you live will greatly affect the future of education, the environment, and the nation. Learn all you can before the big day!



# NEA-Alaska Board Meeting

**September 21-22, 2018**

Susan Stitham chaired a Board sub-committee to review the NEA-Alaska Policy manual. Executive Director Glenn Bafia provided an exhaustive overview, bringing a fresh eye and his experiences elsewhere to the collection of policies which had just grown over the years, like Topsy (allusion for readers of the classics). A revised document will be presented to the Board for action at the November meeting.

The Board has one-third new members and a new vice-president in Segue Grant and a real sense of urgency in the post-Janus world.

Judy Salo presented a report to the Board on the new seven member Retiree Health Plan Advisory Board, which she chairs and on which Gayle Harbo also serves. The new pharmacy benefit provider is Optum RX. There is also a new reimbursement process for drugs for retirees already in Medicare through Medicare Part D, called EGWP (Employer Group Waiver Program) which brings a much greater return to the state benefiting active members as well as retired. She also talked about the “modernization” initiatives that the department is considering that would be good for members but financially neutral. One focus is better coverage for preventative measures which are not now covered for retirees although most actives have such coverage. Judy and Gayle are keeping a sharp eye on what such efforts would actually look like in terms of impact on our benefits. Contact Rich Kronberg, NEA-Alaska/Retired President, members of RHPAB, or the Health Benefits Team for more information.

An organization funded by the Koch brothers has filed a lawsuit against NEA-Alaska, the Mat-Su district, Mat-Su associations, and the Alaska Labor Relations Agency using Alaska plaintiffs. The lawsuit has the same exact wording as those filed in a number of other states, including California. NEA is coordinating the multi-state defense and providing an NEA attorney, who was the attorney who successfully argued for SIEU in Janus that agency fee payers were not entitled to reimbursement. The argument in the Alaskan case is that since the Janus decision declared that agency fee was unconstitutional, the two agency fee member plaintiffs should receive their money back. Two former members who are also plaintiffs are arguing that they only joined the association because of the threat of agency fee and also are demanding to be given reimbursements.

NEA-Alaska successfully fended off an effort by a number of the larger districts to interpret Janus to require all

members to reauthorize dues deduction. Glad to report that status quo prevailed.

Districts where the local association has a major role in the orientation sessions before the school year begins have been more successful in signing up new members to replace those who have left or retired. NEA-Alaska will work with other locals to gain the ability to participate in those sessions.

Because the NEA-Alaska Board took a very conservative posture at the June meeting when they cut \$1.2 million in anticipation of potential revenue losses following the Janus decision on agency fee, at this meeting we were able to restore \$400,000. The four most significant restorations from my perspective were: (1) the funds to bring the seven full time release presidents (whose locals comprise 73% of the state membership) to the Board meetings; (2) to allow more travel to locals by the president and the staff; (3) to restore a Uniserv position; and (4) to return the March Board meeting to Anchorage rather than attempting to do it via Zoom. All four of these initiatives are vital in the light of our post-Janus world in which members must be recruited in the labor-intensive way that we all remember from the old days before agency fee. There may be further restorations in November.

Kenai is bringing to Delegate Assembly an NEA-Alaska bylaw change that would allow any school employee who is not a new hire and who joins after the beginning of the school year to pay pro-rated state dues for the rest of that membership year. They plan to submit a bylaw change to the Representative Assembly so that the same process would apply to national dues. Locals would be encouraged to adopt the same process for local dues.

Kenai is also planning to present an amendment to the DA Elections Policy that would add an expectation for RA delegates to remain for the next school year in the region from which they were elected.

Valerie Brooks, a director from Southeast, advised the Board of a successful New Business Item from Washington State Education Association which calls for a two-year moratorium on high stakes assessment. This discussion will be referred to the Leading the Professions committee to consider. Personal note: we were headed in just the right direction on assessment back in the 1990s with standards-based performance authentic assessment, but all that came to a screeching halt with HSGQE and NCLB.

*Cont. on pg 7*

*“NEA-Alaska Board Meeting” Cont.*

The role of the NEA-Alaska president has evolved over the years and in the post Janus world in which we live, it becomes even more imperative that we clarify our expectations for the role. The Board adopted a motion from Susan and Rich that calls for a task force to draft a policy statement expressing NEA-Alaska’s expectations for the state president, including primary residence, travel to locals, and involvement at the national level. The task force will also analyze alternatives for providing housing and retirement for the president in order to make it more possible for any member to consider running for state president. The task force will include several past presidents among other leaders and will seek input from a variety of state and local leaders, and report at the January Board meeting.

Bargaining is happening in all the major locals and already signs of difficulty are emerging across the state. The good news is that member morale is high and local leadership is prepared and energized. Recent NEA-Alaska staff hires have brought new expertise in organizing and “Wear Red for Ed” is being successfully utilized to increase member engagement. If you live in Anchorage, Kenai, Mat-Su, Fairbanks, or Ketchikan, check with the local to see if members could use your help in organizing.

– Respectfully submitted, Gayle Harbo,  
Rich Kronberg, and Susan Stitham



***Please make sure we have  
your current email address.  
Contact Tamara Monroe at  
274-0536 to make changes.***

## Retiree Health Plan Advisory Board

RHPAB met in Juneau on August 29th. The primary focus of the meeting was EGWP (Employee Group Waiver Program.) A decision to participate in this program is ultimately that of the Commissioner of Administration, however in an advisory capacity, we have participated in an exhaustive review of the benefits and ramifications of this change. We reviewed all public input received by the Division of Retirement and Benefits and gave additional public testimony opportunities at our meetings for members to voice opinions and concerns. Ultimately, we passed a resolution of support with a unanimous vote to recommend that the AlaskaCare retiree health plan adopt and implement an enhanced EGWP. The ARM Board is also in support.

The State has awarded the Pharmacy Benefit Management contract to OPTUM R/X. The award concluded an approximately 6 month long competitive process of seeking and evaluating proposals which is governed by the State Procurement Code. The four-member account management team was present at the RHPAB meeting to answer any questions regarding the transition. Along with the DRB Health Team, the OPTUM team has been working toward a smooth transition as they take over on January 1, 2019. As with the participation in EGWP, I am hopeful (bordering on confident) that the pharmaceutical changes will be non-disruptive to members and are overall positive to both members and the State.

Because of its age, the retiree health plan for defined benefit beneficiaries lacks some key benefit provisions common in most health plans. It also lacks common cost control mechanisms. The goal of the modernization project is to provide value to the member through incorporating common benefits not currently available while preserving the overall benefit of the plan and implementing cost saving mechanisms. A list of possible areas to explore in relation to these goals has been kept by DRB over the years and is the subject of current and future work of the RHPAB. The Modernization Sub-Committee was formed at the May RHPAB meeting and has met twice since then. They have done an in-depth exploration of adding Preventative Services and some travel benefits as well as removing or increasing the \$2M lifetime limit.

– Judy Salo, Chair





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**Look inside to see your elected representatives at Delegate Assembly!**

## AlaskaCare Retiree Plan

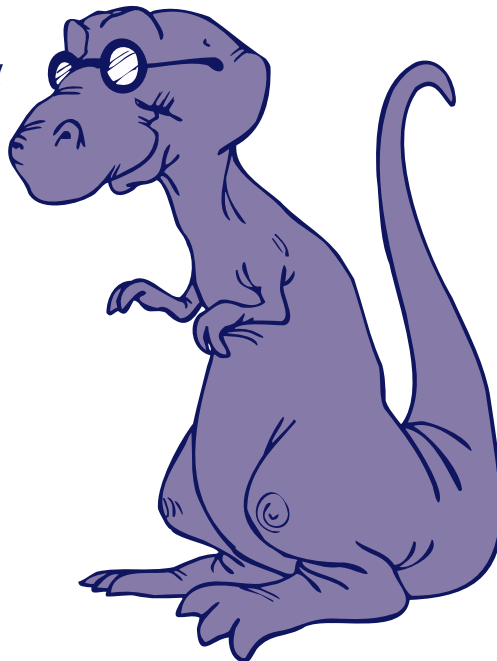
We hope that many of you were able to take advantage of the free lab tests and flu shots at the Alaska Coalition 2018 Health Fairs which were held in the Mat-Su, Fairbanks, Anchorage, and Juneau. In Anchorage, the event was held at the North Terminal of the airport. All of the volunteers were very helpful and organized.

## Don't Be A Dinosaur!!

*Don't be like a dinosaur and become extinct! Join NEA-Alaska pre-retired now!*

That will be our theme this year. If you will be attending Delegate Assembly, please bring items that we could use in our giveaways. Any dinosaur materials would also be appreciated.

See you in January!



## Calendar of Events

### November

2-3 NEA-Alaska Board Meeting  
12-16 American Education Week

### December

22-31 NEA-Alaska Office Closed

### January

1-2 NEA-Alaska Office Closed  
16-17 NEA-Alaska Board Meeting  
17-19 NEA-Alaska Delegate Assembly  
20 NEA-Alaska/Retired Board Meeting

### March

29-30 NEA-Alaska Board Meeting