

NEA-Alaska/Retired

Spring 2021 • Volume XXXII No. 2

Retiree Health Plan Advisory Board

The quarterly meeting of the Board was held (via Web-Ex) on February 4th. As usual it was preceded by the Quarterly Review of all the Retiree insurance plans the day prior to the meeting. Management employees from each of the different plans gave data relative to utilization, statistics on cost and outcomes, and trends to keep the Board and staff informed.

The **Long Term Care** Insurance program is an optional program with several levels of coverage and corresponding premium amounts that members can choose upon retirement. Amongst our retirees there are 22,000 policy holders. Just under 500 are currently in claims status. The program is managed by CHCS under terms set by AlaskaCare. According to state procurement requirements this program is up for review this year.

The **Medical** plan under AlaskaCare is administered by Aetna. Coverage for retirees over the age of 65 is through Medicare with Aetna as secondary insurance. This report was largely a detailing of how Covid had affected the claims levels for various types of conditions. The most significant decrease in utilization was in the area of optional services or those that could be deferred such as joint replacements.

Retiree **Pharmaceutical** insurance is managed by Optum Health. For the last three years this program has been under the umbrella of Medicare (EGWP). This program allows us to take advantage of subsidies through Medicare Part D. Although there were challenges in switching to EGWP it continues to provide substantial savings to AlaskaCare while serving members with high quality prescription service.

The last program reviewed on Wednesday, February 3rd, was the **Dental** insurance managed by Delta Dental. Covid restrictions caused a deferral of dental visits for the 2nd quarter of the year but has trended back towards normal during the 3rd quarter.

A much more thorough review of utilization and trends in all of our insurance programs can be viewed on the State of Alaska Division of Retirement and Benefits website. I challenge you to read the entire AlaskaCare Quarterly Report. It is somewhere between “fascinating” and “mind-numbing.”

On Thursday the RHPAB Board spent most of the day embarking on a study of whether or not a group Medicare Advantage program could be a useful way to offer our members an additional choice which could enhance the offerings of coverage and “modernize” our health insurance plan. Medicare Advantage plans combine Medicare Part A (hospital services) and Medicare Part B (physician services.) A very thorough consultant presentation on Medicare Advantage programs and a presentation from members of

Washington state’s Retirement Health Care Authority were informative and helpful.

We are at a very preliminary, early stage in these discussions, but we were encouraged by the potential and will continue to explore this topic in committee meetings and at our next regularly scheduled RHPAB in May. Before any changes are made, the Division will seek input from, and provide notice to, retirees. If you have suggestions for changes you would like to see in the plan, please send them in via email to AlaskaRHPAB@alaska.gov.

— Judy Salo, Chairperson

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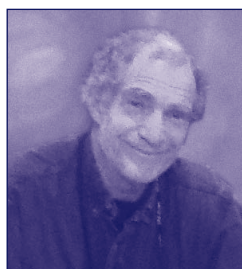
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President's Message

aka Kronberg's Corner



Dear Member:

Just a few days ago the New York Times had a lengthy article asserting that a large majority of supposed experts say it is past time for students to begin again to be taught in their classrooms instead of learning through some form of distance education. There is no denying that there is still work to be done before schools will be completely safe for students and the adults who work with them, particularly the teachers in their classrooms. The counterpoising reality is that learning has been significantly diminished since students shifted from in-class learning with teachers in the classroom to some form of distance learning.

Teachers in many cities have resisted returning to in-school instruction until the danger of acquiring COVID-19 in any of its various forms is virtually eliminated as a lethal danger to everyone in the building. Strikes have been threatened in some districts. The reporting on these threatened strikes has significantly lowered the public's positive attitude towards teachers and teacher unions. Now that vaccination for COVID-19 has accelerated by leaps and bounds, it is clearly much more reasonable to consider just what needs to happen before it will be safe to reopen schools...both for students and for the adults who work with them.

Among those things that need to take place are: (1) a vastly accelerated need to vaccinate public school teachers and other school staff, (2) an expanded effort to determine which students are potential carriers of COVID-19, and (3) full implementation of policies such as wearing masks whenever students and staff are in school. There also need to be policies removing students from class if they refuse to wear masks or refuse to observe appropriate social distancing.

Given the life and death issues involved, local associations should work assiduously with local school districts to put them all in place as quickly as is possible. State associations should do the same at the state level with Departments of Education and state legislatures. I would also ask all of our members to understand how hard school closures have been on so many families.

Sincerely,
– Rich Kronberg

**Remember that our newsletters are also
posted to the NEA-Alaska/Retired website.**

Editor: Barbara Stek

This newsletter is the official publication of NEA-Alaska/Retired, printed three times a year. 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.

NEA-Alaska Board of Directors Meeting

January 12, 2021 – Via Zoom

The meeting was called to order at 9 am Alaska time by President Tom Klaameyer.

- Most of the meeting centered on the upcoming virtual Delegate Assembly, including committee assignments, how elections will be handled, revision of standing rules to comply with the virtual DA format, and a motion which seated DA delegates.
- There was a report from the Budget and Audit committee on the investment policy for NEA-Alaska. At this time the committee recommends no change to the policy.
- Max Mertz, Mertz CPA and Advisor, provided the board with an overview of the 2019-2020 audit.

- Motion made to accept and file the audit. Motion carried.
- A discussion was held concerning positive radio advertisements being developed, funded, and broadcast in Region V (FEA and ESSA).
- Motion made to contribute \$10,000 to Region V to continue the positive ad campaign.

The meeting was adjourned at 1:15.

Submitted by Nancy Allen, Region R Director

Observations From 57 Years Of Investing

Dr. Jerry Mitchell, March 2021

Dr. Mitchell has been a member of the Investment Advisory Council for 26 years, first to the Alaska State Pension Investment Board and then to its successor board, the Alaska Retirement Management Board. He also serves as an advisor to the Permanent Fund Board and presented these 10 observations to them in 2014. He says nothing much has changed. Here are his 10 points for investing.



1. Own the US stock market – it is a sensible default and the average return of the S&P 500 is close to 10% over 100 years.
2. Remember – money managing is a business; managers are good salespeople and try to give good service, but they do want your money.
3. Forecasts – tell you almost nothing about long term results.
4. Market insights are temporary and self-correcting.
5. Higher risk does not always mean higher return; it is just a way to lose money.
6. Managers' presentations never show the 4th quartile, but some of them have to be there.
7. Have realistic return assumptions; don't try too hard.
8. Remember investment theory and models are just that – it's not physics.
9. Doing nothing is sometimes better than doing something.
10. The smartest person is not always the best investor – you need an innate talent.

Alaska Retirement Management Board Report

March 2021



The Board met using Microsoft Teams on March 18 and 19 with four committee meetings taking place the day before. Meeting on the 17th were the Audit, Defined Contribution, Actuarial, and Operations Committees. Most Board members serve on the Actuarial Committee which hears lengthy

presentations from both actuaries, Buck and GRS.

CIO Zach Hanna informed the Board that almost \$40 billion dollars is now invested in the 14 trust funds, close to \$16 billion is internally managed. For the first 7 months of FY'21, almost 16% of the increase in assets was due to investment income. Contracts since the beginning of the FY have reduced manager fees by \$4 million.

During the first 6 months of FY'21, 528 PERS and 107 TRS Direct Contribution members left the systems taking with them \$52 million dollars. 88% of these DC members were 100% vested which means they took all the money contributed by their employers. That is a lot of money leaving the state!

The Board approved a charter for the Actuarial Committee, extended, by one year, the contract of GRS the review actuary, and recommended a contract for an actuarial audit, required once every four years of the primary actuary, Buck. Also approved was reappointment of Dr. Jerry Mitchell to a three-year term on the Investment Advisory Council. Dr. Mitchell has served since '95 as an adviser, representing the position

of an experienced portfolio manager on the three-member council. His wisdom and advice are much appreciated and he treated us to a list of 10 observations from 57 years of investing – very good advice.

In other action the Board approved the change in benchmarks for 2 active managers, Fidelity and Pinebridge, and approved an additional sum, up to \$100 million, to Crestline Specialty Lending Fund III. Crestline already has \$660 million Assets Under Management (AUM) with the pension funds.

Callan, our investment advisor, presented, in addition to the fund performance information, the annual Capital Markets Assumptions. 2020 was a volatile year to say the least, with equity markets rebounding from a drop of 34% from February 19 to March 23, to a rebound of 70% by year's end. The S&P 500 had a remarkable 18.4% return. GDP and inflation forecasts are below average with inflation predicted at 1.75% to 2.0%. Shane Carson, one of our investment officers, gave an excellent presentation on how our team manages risk on both externally and internally managed portfolios. Risk encompasses both assets and liabilities and thousands of tests are performed daily on the funds to ensure compliance, security, and adherence to the benchmarks. We are fortunate to have a great investment team.

The next meeting of the ARM Board is scheduled for June 17 and 18 in Juneau, with committee meetings taking place on June 16. HAPPY SPRING!!!

– Gayle Harbo

News to Know

Rich is slowly inching his way to *full retirement* and has resigned from his position on the NEA-Alaska Board of Directors. He was on the NEA-Alaska Board for six years as a Region VI Director and for four years as the NEA Director. Rich also served on the Board four years as the NEA-Alaska President, one year as the past NEA-Alaska President, and five years as a Region R Director. Rich said, "It was never anything less than an honor to serve those 20 years on the NEA-Alaska Board of Directors."

As is directed in our bylaws, a recommendation for an interim replacement was made by Rich and forwarded to Tom Klaameyer, NEA-Alaska President. Chris Villano was chosen as Rich's replacement for the duration of his

term which ends in 2022 at the close of Representative Assembly. In January, at Delegate Assembly, that position will be open for nominations.

Nancy Allen, an NEA-Alaska Board member who served many years with Rich said, "Rich continuously stayed current on the topic of public education and was always ready with the relevant data needed to make informed decisions. He served our group with integrity!!"

We on the NEA-Alaska/Retired Board thank Rich for his dedication and excellent service as an NEA-Alaska Board member all these years!!

– Barbara Stek

NEA-Retired Annual Meeting

Our Democracy. Our Responsibility. Our Time!

I attended the virtual NEA-Retired Conference, March 14-16. Each year, more than 400 delegates from NEA-Retired gather for the annual conference held in March, to connect with their colleagues and discuss key retirement issues. Even though it was virtual, the attendance at this conference was at an all-time high.

NEA President, Becky Pringle, was the keynote speaker for the Retired Conference. She started her speech with this quote credited as an African Proverb:

“If you want to go fast, go alone. If you want to go far, go together.”

As President Pringle stated, this proverb expresses a universal truth. We are a community. Our community is more about collaboration and less about what we can do individually. Pringle said, “We have a moral responsibility to help every child discover their brilliance.” She charged retirees to stay active, be involved, share wisdom, and “hold on to what is good.”

There was a variety of interesting sessions from which to choose, such as:

- **Basic Parliamentary Procedure:** Participants reviewed the procedures designed to ensure and protect the democratic process and to facilitate an effective meeting.
- **Mindfulness Practices for Retired Educators:** A certified mindfulness trainer introduced attendees to mindful practices and techniques to better deal with stress, and reduce anxiety and depression.
- **Retired In Action:** Presenters shared a plan to organize a lobby day or days at state capitals and the best methods for contacting elected officials and working with them to impact legislation.
- **It’s Not Too Late; You Still Have Time!:** Presenter Nathaniel Turner is a nationally known TED Speaker and the author of several books. Nate believes that not only can we all do more, but also maintains that we *must* all do more. “Do more while you still have time.”
- **Exploring Your NEA Member Benefits:** This session demonstrated how to navigate the NEA MB website and reviewed the many programs and services accessible to NEA members.

- **Utilizing Retirees and NEA Grants and Recruiting Members:** This was a panel discussion by staff from several states who described how NEA Grants can be used to support, mobilize, and organize retirees. A general overview of grants and events was shared. The message: we need to thrive to survive. We need to not only recruit new members but also new leaders.
- **Organize! Activate! Let’s Protect Public Education and our Retirement Pensions/Benefits!:** Participants were introduced to basic organizational strategies, which can be used at the local/state levels to engage and empower members to counter the activities of the many, intertwined groups which use their power to sway public opinion with misleading propaganda that serves to undermine public education.

Participants were also invited to an evening of a New Orleans inspired cooking demonstration. Participants could cook along with Susie, of Susie’s Sunshine Kitchen, as she made cocktails and mocktails and an easy jambalaya with toasted baguettes.

It was a well-planned and organized virtual conference. There is much work to do NEA-Alaska/ Retired “Wisdom Warriors.” Let’s do what we can while we still have time!

As JK Rowling stated, “We do not need magic to transform the world. We carry all the power we need inside ourselves already. We have power to imagine better.”

Stay healthy. Stay active. Be involved. Share wisdom. Hold on to what is good.

– Roxanne Abajian



Please make sure we have your current email address. Contact Makana Bender at 274-0536 to make changes.

NEA-Alaska Board of Directors Meeting

March 26 and 27 via ZOOM

Continued on April 10 via ZOOM

The meeting began with the usual procedures.

- Christine Villano was approved as the replacement for Rich Kronberg on the NEA-Alaska Board of Directors. Chris will also take over as a member of the executive committee until July. Thank you Rich for all of your years of service to the association; your time as an association leader was done with professionalism and integrity.
- The ESP members who won the positions in the special election are Jasmine Adkins-Brown, Mary Parrish, and Barb Schneider; their terms will begin July 2021.
- Debbie Olmstead, NEA-Alaska Uniserv staff, will be retiring as of September 1, 2021.

The Board also passed the following two motions:

- that NEA-Alaska proceed with full separation from the Public Education Health Trust.
- that NEA-Alaska waive the travel status requirement for the virtual 2021 NEA RA and provide per diem meal allowances for the state delegates for any meals covered during the NEA RA meeting times, including state caucuses. NEA-Alaska will inform delegates of what is covered at the first state caucus meeting.
- The board reviewed and approved the NBIs which were developed at the virtual DA. Some changes were made including wordsmithing. There will be a summary report of the board action concerning the NBIs and it will be sent to each delegate.

The meeting was adjourned at 11:15.

– Respectfully submitted by Nancy Allen

Dear Retirees,

As 2021 marches on, I hope that this year finds all of you in good health and with much anticipation and hopefulness in the coming months for a time when we will be able to enjoy each other's company without being on Zoom! I am still very cautious, as you probably are also, following the guidelines of the state and city. I trust that you have been able to join the monthly town hall sessions put on by the Alaska Department of Retirement and Benefits. The moderators have been able to answer many questions regarding Covid and our AlaskaCare health plan. Remember that these meetings are recorded and can be found on the DRB website.

Take care! Stay safe!

– Barbara Stek



Gale Harbo Award

Gayle Harbo is an inspiration to everyone in our Fairbanks Education Association. Retirees, mathematics teachers, and educators throughout Alaska thank Gayle for her outstanding career and dedication to our professions. Her incredible work on behalf of our Association spans decades at the local, state, and national levels and includes many years of excellent work on the Alaska Retirement Management Board. Gayle has been our voice for years protecting our retirement. It was my pleasure to announce at the 65th NEA-Alaska Delegate Assembly the naming of the FEA building conference room, the Gayle Harbo Conference Room. We are proud to call her our friend and mentor!

– Christine Pearsall Villano,
FEA Board of Directors Retired Advisor

Congratulations Gayle Harbo!

The Gayle Harbo Conference Room



Delegate Assembly 2022 Nominations**

To be nominated for Delegate Assembly, **January 13-15, 2022**, please complete this form and include a brief biography. Delegates must attend each caucus meeting to include the Thursday afternoon meeting and all sessions to receive **up to \$50 per diem for each of the three days with \$8.00 deducted for each of the two breakfasts provided by NEA-Alaska**. NEA-Alaska/Retired reimburses delegates **up to half the cost of a hotel room for a maximum of three nights not to exceed the negotiated NEA-Alaska room rate**. NEA-Alaska will **reimburse airfare costs (up to \$500 for out-of-state transportation)** based on bargain/value airfare.

An on-line election will be held. You will be notified of the results as early as possible. Nominations for elected office as well as nominations for two-year appointments to the NEA-Alaska PACE Committee will be made during the caucus at DA.

To submit your nomination by email, send it to makana.bender@neaalaska.org. Be sure to include DA 2022 Retired Nomination in the subject line, along with the information asked for on the form. Emailed nominations must be received **no later than September 6, 2021**. If you mail the form, it must be received in the Anchorage office (at the address below) postmarked **no later than September 3, 2021**. Makana will send a confirmation upon receipt of your email or "snail" mail. It is your responsibility to ensure that your nomination form was received. If in doubt, call the NEA-Alaska office at 274-0536 and check.

DELEGATE ASSEMBLY NOMINATION FORM

Name: _____

Mailing Address: _____

City/State/Zip: _____

Email: _____

Phone: _____

CANDIDATE BIOGRAPHY: (Limit: 25 words)



Return form to:

NEA-Alaska/Retired, 4100 Spenard Rd., Anchorage, AK 99517

**** COVID issues may once again impact Delegate Assembly.**

Final decisions on whether to hold an in-person meeting or a virtual meeting will be made in the fall – perhaps early October. We will do our best to keep all nominees up to date. We believe you should submit your name if you so choose and be prepared for the possibility of a virtual DA.

Election News *You Need to Know*



Here are the election results from our February vote:

✓ **Director-at-Large:**

Gayle Harbo

✓ **Region R Directors:**

Roxanne Abajian and Judy Salo

✓ **Representative Assembly:**

Roxanne Abajian and Pam Lloyd

✓ **PACE:**

Pamela Lloyd and Howard Maxwell

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



4100 Spenard Road
Anchorage, AK 99517
www.neaalaska.org or
email: info@neaalaska.org

Check inside for election results and the 2022 Delegate Assembly Nomination Form!

Retired Membership Contest

Congratulations to winners Gerald Million from North Pole and Jill Niemeyer from Anchorage!

Because we had a virtual Delegate Assembly, and did not have our usual retired table with prizes and gift card incentives to encourage educators to join lifetime retired, we decided on a “Covid Membership Incentive.” Anyone who joins pre-retired or retired as a lifetime member will be entered in a monthly \$50 gift card drawing when we receive the application with a payment. Gerald and Jill were the January and February recipients of a \$50 gift card. The contest ends July 31, 2021. Please tell fellow teachers and support staff to join us now. Maybe they will be big winners too!

Thanks!

– Barb George, Retired Membership Chair



Calendar of Events

May	
28-29	May Board Retreat
June	
29-30	Retired Annual Meeting
July	
1	NEA-Retired Presidents Meeting
2-6	NEA Representative Assembly
September	
17-18	Board of Directors Meeting
October	
15-17	NEA-Alaska Fall Event
November	
12-13	Board of Directors Meeting