

HOUSE BILL REPORT

HB 1048

As Passed Legislature

Title: An act relating to increasing the number of hours that teachers' retirement system plan retirees may work in an eligible position to eight hundred forty without a reduction in their retirement benefits.

Brief Description: Increasing the number of hours that teachers' retirement system plan retirees may work in an eligible position to eight hundred forty without a reduction in their retirement benefits.

Sponsors: By Representatives Lambert, Doumit, Cox, Mulliken, H. Sommers, Clements, Talcott, Pearson, Alexander, Conway, Kagi, Ruderman, Hunt, McIntire, Hurst, Haigh, Kenney, Edmonds, Keiser and Simpson; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 1/23/01, 3/7/01 [DP].

Floor Activity:

Passed House: 3/13/01, 94-0.

Passed Senate: 4/10/01, 48-0.

Passed Legislature.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">· Increases the post-retirement maximum employment allotment for Teachers Retirement System plan 1 retirees to 840 hours.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

Staff: Andrea Hardy (786-7349).

Background:

The Teachers' Retirement System (TRS) plan 1 includes teachers and school administrators first hired prior to October 1, 1977. In general, TRS retirees could work no more than 75 days (525 hours) each school year in a public educational institution without a reduction in retirement benefits.

The Legislature has gradually expanded the amount that TRS 1 retirees can work in certain settings without a reduction in their benefits. In a school district that has passed a resolution declaring a shortage of substitute teachers, a TRS 1 retiree can work an additional 315 hours, for a total of 840 hours or about 120 days, as a substitute teacher. Only persons who substitute on a day-to-day basis are eligible for this extended period of employment. Persons who sign contracts for a school year are still limited to the 525-hour cap. A resolution declaring a shortage of substitutes is valid only for the school year in which it is adopted, and a copy of the resolution, with a list of retirees who have been hired, must be provided to the Department of Retirement Systems (DRS).

In a school district that has passed a resolution declaring an inability to find a replacement administrator to fill a vacancy, a TRS 1 retiree may serve as a substitute administrator for an additional 105 hours, for a total of 630 hours or about 90 days. In 1999 the limit was also amended to provide that a retired principal working for a school district with a shortage of principals may work an additional 315 hours as a substitute principal. The ability to work these additional hours without a reduction in retirement benefits is available only to TRS 1 retirees who work as substitute teachers, substitute principals, or substitute administrators, and only in those school districts that have passed the required resolution.

Summary of Bill:

All TRS 1 retirees are permitted to work up to 840 hours per school year in any public education institution without a reduction in their retirement benefits. The DRS must provide the state actuary with data on to TRS Plan 1 post-retirement employment for the Joint Committee on Pension Policy.

Appropriation: None.**Fiscal Note:** Available.**Effective Date:** Ninety days after adjournment of session in which bill is passed.**Testimony For:** There is a widespread teacher shortage in Washington. School districts throughout the state have experienced shortages and difficulty in obtaining qualified

substitute teachers. The average daily need for substitute teachers is 2,500 substitutes per day. These increased needs are magnified by the lack of qualified teachers. On average, school districts are without sufficient numbers of substitutes one day out of every four, and must make other arrangements for students.

Alternatively, school districts may elect to meet needs with less qualified people because there are not enough certificated teachers available. This bill provides greater overall access to the most qualified substitutes (those with more than 30 years of service), less reliance on under-qualified teachers (those with emergency certificates), and gives districts higher quality and more reliable replacement rolls for long-term substitute needs. It removes much of the disincentive for teachers and administrators to return to work by allowing the retiree to work up to 840 hours without suffering an annuity penalty.

Testimony Against: None.

Testified: Leland Goeke, Jr., Vancouver School District; Cheryl Stephani, Department of Social and Health Services; Ike Ikerd, Washington Public Employees Association; John Kvamme, Washington Association of School Administrators and Washington Association of School Principals; Pat Hoban, Washington State Retired Teachers Association; Bob Maier, Washington Education Association; Ken Kanikeberg, Office of the Superintendent of Public Instruction; and Dave Andrew, Cowlitz County Public Utility District.