

1 SB303
2 150261-3
3 By Senators Allen, Whatley and Marsh
4 RFD: Education
5 First Read: 07-MAR-13

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To amend Section 16-25-19, Code of Alabama 1975,
12 relating to the Board of Control of the Teachers' Retirement
13 System of Alabama, to alter the membership of the Board of
14 Control.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Section 16-25-19 of the Code of Alabama
17 1975, is amended to read as follows:

18 "§16-25-19.

19 "(a) The general administration and responsibility
20 for the proper operation of the retirement system and for
21 making effective the provisions of this chapter are hereby
22 vested in a board of trustees which shall be known as the
23 Board of Control and shall be organized immediately after a
24 majority of the trustees provided for in this section shall
25 have qualified and taken the oath of office.

26 "(b) The board shall consist of ~~14~~16 trustees as
27 follows:

1 "(1) The State Superintendent of Education, ex
2 officio~~;~~.

3 "(2) The State Treasurer, ex officio~~;~~.

4 "(3) The state Director of Finance, ex officio~~;~~ .

5 "(4) The Executive Secretary of the Alabama
6 Education Association, ex officio; and

7 "(5) ~~Ten~~ Twelve elected members of the retirement
8 system. ~~Of the 10 members of the retirement system,~~ Those
9 members shall consist of representatives elected from each of
10 the following categories: two shall be retired members, one
11 shall be a city or county superintendent, one shall be a
12 principal, one shall be a member from an institution of
13 postsecondary education that is part of the Alabama Community
14 College System two shall be members from a public four-year
15 institution of higher education, three shall be teachers who
16 are actively instructing students in grades K-12, and two
17 shall be educational support personnel from a grade K-12
18 school., ~~all of whom shall be elected by the members of the~~
19 ~~retirement system.~~ Each of the elected members shall be
20 elected only by members from the same category of the
21 retirement system. The ~~10~~ elected members shall be elected by
22 ~~the members of the retirement system~~ in a statewide election
23 conducted by ~~the retirement system~~ under a third party entity
24 that is not a participant of or affiliated with the Teachers'
25 Retirement System. All such elections shall be conducted in
26 accordance with accepted principles of fair election
27 practices. The third party entity shall be responsible for the

1 distribution and collection of ballots and tallying election
2 results. Other aspects of the election shall be handled
3 pursuant to such rules and regulations as the Board of Control
4 may adopt to assure that ~~each member~~ members will be eligible
5 to vote for ~~each~~ the applicable elected position as follows:

6 "a. Teacher Place #1 for a term of three years
7 beginning July 1, 1974~~7~~.

8 "b. Teacher Place #2 for a term of three years
9 beginning July 1, 1974~~7~~.

10 "c. Teacher Place #3 for a term of two years
11 beginning July 1, 1974~~7~~.

12 "d. Educational Support Personnel Place #1 for a
13 term of three years beginning July 1, 1986~~7~~.

14 "e. Educational Support Personnel Place #2 for a
15 term of two years beginning July 1, 1986;

16 "f. Retired Place #1 for a term of three years
17 beginning July 1, 1974~~7~~.

18 "g. Retired Place #2 for a term of three years
19 beginning July 1, 1987~~7~~.

20 "h. Superintendents' Place for a term of two years
21 beginning July 1, 1976~~7~~.

22 "i. Principals' Place for a term of three years
23 beginning July 1, 1976~~and 7~~.

24 "j. Postsecondary Place for a term of three years
25 beginning July 1, ~~1974~~ 2016, to be filled by the member
26 elected from an institution of postsecondary education that is
27 part of the Alabama Community College System.

1 "k. Higher Education Place #1 for a term of three
2 years beginning July 1, 2013, to be filled by a member elected
3 from a public four-year institution of higher education.

4 "l. Higher Education Place #2 for a term of three
5 years beginning July 1, 2015, to be filled by a member elected
6 from a public four-year institution of higher education. This
7 higher education position shall replace the Educational
8 Support Personnel Place #2 at the conclusion of the
9 incumbent's term June 30, 2015.

10 "Hereafter each member according to place number
11 shall be elected for three-year terms, according to such rules
12 and regulations as the Board of Control shall adopt to govern
13 such elections. The terms of these officers shall begin after
14 they have qualified and taken the oath of office.

15 "(c) The Board of Control of the Teachers'
16 Retirement System shall provide for annual elections to fill
17 the position of any trustee whose term has expired.

18 "(d) If a vacancy occurs in the office of a trustee,
19 the vacancy shall be filled for the remainder of the unexpired
20 term through appointment by ~~a simple majority vote of the~~
21 ~~Board of Control~~ the Governor.

22 "(e) The trustees shall serve without compensation
23 for their services as trustees, but they shall be reimbursed
24 from the expense fund for all necessary expenses that they may
25 incur through service on the Board of Control.

26 "(f) Each trustee shall, within 10 days after his
27 appointment or election, take an oath of office that, so far

1 as it devolves upon him, he will diligently and honestly
2 administer the affairs of the Board of Control and that he
3 will not knowingly violate or willingly permit to be violated
4 any of the provisions of law applicable to the retirement
5 system. Such oath shall be subscribed to by the member making
6 it, certified by the officer before whom it is taken and
7 immediately filed in the office of the Secretary of State.

8 "(g) Each trustee shall be entitled to one vote in
9 the Board of Control. Eight votes shall be necessary for a
10 decision by the trustees at any meeting of said board. In case
11 of a tied vote the decision shall fail.

12 "(h) Subject to the limitations of this chapter, the
13 Board of Control shall from time to time establish rules and
14 regulations for the administration of the funds created by
15 this chapter and for the transaction of its business.

16 "(i) The Board of Control shall elect from its
17 membership a chairman and by a majority vote of all the
18 members shall elect a Secretary-Treasurer, who shall serve as
19 chief executive officer of the retirement system. In addition
20 thereto, the Board of Control may engage such actuarial and
21 administrative officers and other special services as shall be
22 deemed necessary to transact the business of the retirement
23 system. The compensation and expenses of these actuarial and
24 administrative officers and other special services shall be
25 paid at such rates and in such amounts as the Board of Control
26 shall approve. All other employees not in these categories of

1 employment shall be employed under the provisions of the Merit
2 System Act.

3 "(j) The Board of Control shall keep in convenient
4 form such data as shall be necessary for actuarial valuation
5 of the various funds of the retirement system and for checking
6 the experience of the system.

7 "(k) The Board of Control shall keep a record of all
8 its proceedings which shall be open to public inspection. It
9 shall publish annually a report showing the fiscal
10 transactions of the retirement system for the preceding school
11 year, the amount of the accumulated cash and securities of the
12 system and the last balance sheet showing the financial
13 condition of the system by means of an actuarial valuation of
14 the assets and liabilities of the retirement system.

15 "(l) The Attorney General of the state shall be the
16 legal adviser of the Board of Control.

17 "(m) The Board of Control shall designate a medical
18 board to be composed of three physicians not eligible to
19 participate in the retirement system. If required, other
20 physicians may be employed to report on special cases. The
21 medical board shall arrange for and pass upon all medical
22 examinations required under this chapter, shall investigate
23 all essential statements and certificates by or on behalf of a
24 member in connection with an application for disability
25 retirement and shall report in writing to the Board of Control
26 its conclusions and recommendations upon all matters referred
27 to it.

1 "(n) The Board of Control shall designate an actuary
2 who shall be the technical adviser of the Board of Control on
3 matters regarding the operation of the funds created by the
4 provisions of this chapter and who shall perform such other
5 duties as are required in connection therewith.

6 "(o) Immediately after the establishment of the
7 retirement system, the actuary shall make such investigation
8 of the mortality, service and compensation experience of the
9 members of the system as he shall recommend and the Board of
10 Control shall authorize, and on the basis of such
11 investigation he shall recommend for adoption by the Board of
12 Control such tables and such rates as are required in
13 subdivisions (1) and (2) of subsection (p) of this section.
14 The Board of Control shall adopt tables and certify rates;
15 and, as soon as practicable thereafter, the actuary shall make
16 a valuation based on such tables and rates, of the assets and
17 liabilities of the funds created by this chapter.

18 "(p) In the year 1943, and at least once in each
19 five-year period thereafter, the actuary shall make an
20 actuarial investigation into the mortality, service and
21 compensation experience of the members and beneficiaries of
22 the retirement system and shall make a valuation of the assets
23 and liabilities of the funds of the system; and, taking into
24 account the results of such investigation and valuation, the
25 Board of Control shall:

26 "(1) Adopt for the retirement system such mortality,
27 service and other tables as shall be deemed necessary; and

1 "(2) Certify the rates of contributions payable by
2 the state under the provisions of this chapter.

3 "(q) On the basis of such tables as the Board of
4 Control shall adopt, the actuary shall make an annual
5 valuation of the assets and liabilities of the funds of the
6 system created by this chapter."

7 Section 2. This act shall become effective
8 immediately upon its passage and approval or its otherwise
9 becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Education..... 07-MAR-13

Read for the second time and placed on the calen-
dar..... 04-APR-13

Read for the third time and passed as amended 23-APR-13

Yeas 30
Nays 3

Patrick Harris
Secretary