

1 SB303
2 153150-3
3 By Senators Allen, Whatley and Marsh
4 RFD: Education
5 First Read: 07-MAR-13

1 SB303

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4 ENROLLED, An Act,

5 To amend Section 16-25-19, Code of Alabama 1975,
6 relating to the Board of Control of the Teachers' Retirement
7 System of Alabama, to alter the membership of the Board of
8 Control.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 16-25-19 of the Code of Alabama
11 1975, is amended to read as follows:

12 "§16-25-19.

13 "(a) The general administration and responsibility
14 for the proper operation of the retirement system and for
15 making effective the provisions of this chapter are hereby
16 vested in a board of trustees which shall be known as the
17 Board of Control and shall be organized immediately after a
18 majority of the trustees provided for in this section shall
19 have qualified and taken the oath of office.

20 "(b) The board shall consist of ~~14~~ 15 trustees as
21 follows:

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

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

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

1 ~~"(4) The Executive Secretary of the Alabama~~
2 ~~Education Association, ex officio; and~~

3 ~~"(5) Ten~~ (4) Twelve ~~elect~~ ed members of the
4 ~~retirement system. Of the 10 members of the retirement system,~~
5 ~~Those 11 members shall consist of representatives elected from~~
6 ~~each of the following categories:~~ two shall be retired
7 ~~members, one shall be a city or county superintendent, one~~
8 ~~shall be a principal, one shall be a member from an~~
9 ~~institution of postsecondary education that is part of the~~
10 ~~Alabama Community College System two shall be members from a~~
11 ~~public four-year institution of higher education, three shall~~
12 ~~be teachers who are actively instructing students in grades~~
13 ~~K-12, and two shall be educational support personnel from a~~
14 ~~grade K-12 school., all of whom shall be elected by the~~
15 ~~members of the retirement system. Each of the elected members~~
16 ~~shall be elected only by members from the same category of the~~
17 ~~retirement system. The 10~~ 12 ~~elect~~ ed members shall be elected
18 ~~by the members of the retirement system~~ in a statewide
19 ~~election conducted by the retirement system under a third~~
20 ~~party entity that is not a participant of or affiliated with~~
21 ~~the Teachers' Retirement System. All such elections shall be~~
22 ~~conducted in accordance with accepted principles of fair~~
23 ~~election practices. The third party entity shall be~~
24 ~~responsible for the distribution and collection of ballots and~~
25 ~~tallying election results. Other aspects of the election shall~~

1 be handled pursuant to such rules and regulations as the Board
 2 of Control may adopt to assure that ~~each member~~ members will
 3 be eligible to vote for ~~each~~ the applicable elected position
 4 as follows:

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

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

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

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

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

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

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

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

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

23 "j. Postsecondary Place for a term of three years
 24 beginning July 1, ~~1974~~ 2016, to be filled by the member

1 elected from an institution of postsecondary education that is
2 part of the Alabama Community College System.

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

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

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

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

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

24 "(e) The trustees shall serve without compensation
25 for their services as trustees, but they shall be reimbursed

1 from the expense fund for all necessary expenses that they may
2 incur through service on the Board of Control.

3 "(f) Each trustee shall, within 10 days after his
4 appointment or election, take an oath of office that, so far
5 as it devolves upon him, he will diligently and honestly
6 administer the affairs of the Board of Control and that he
7 will not knowingly violate or willingly permit to be violated
8 any of the provisions of law applicable to the retirement
9 system. Such oath shall be subscribed to by the member making
10 it, certified by the officer before whom it is taken and
11 immediately filed in the office of the Secretary of State.

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

16 "(h) Subject to the limitations of this chapter, the
17 Board of Control shall from time to time establish rules and
18 regulations for the administration of the funds created by
19 this chapter and for the transaction of its business.

20 "(i) The Board of Control shall elect from its
21 membership a chairman and by a majority vote of all the
22 members shall elect a Secretary-Treasurer, who shall serve as
23 chief executive officer of the retirement system. In addition
24 thereto, the Board of Control may engage such actuarial and
25 administrative officers and other special services as shall be

1 deemed necessary to transact the business of the retirement
2 system. The compensation and expenses of these actuarial and
3 administrative officers and other special services shall be
4 paid at such rates and in such amounts as the Board of Control
5 shall approve. All other employees not in these categories of
6 employment shall be employed under the provisions of the Merit
7 System Act.

8 "(j) The Board of Control shall keep in convenient
9 form such data as shall be necessary for actuarial valuation
10 of the various funds of the retirement system and for checking
11 the experience of the system.

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

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

22 "(m) The Board of Control shall designate a medical
23 board to be composed of three physicians not eligible to
24 participate in the retirement system. If required, other
25 physicians may be employed to report on special cases. The

1 medical board shall arrange for and pass upon all medical
2 examinations required under this chapter, shall investigate
3 all essential statements and certificates by or on behalf of a
4 member in connection with an application for disability
5 retirement and shall report in writing to the Board of Control
6 its conclusions and recommendations upon all matters referred
7 to it.

8 "(n) The Board of Control shall designate an actuary
9 who shall be the technical adviser of the Board of Control on
10 matters regarding the operation of the funds created by the
11 provisions of this chapter and who shall perform such other
12 duties as are required in connection therewith.

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

1 "(p) In the year 1943, and at least once in each
2 five-year period thereafter, the actuary shall make an
3 actuarial investigation into the mortality, service and
4 compensation experience of the members and beneficiaries of
5 the retirement system and shall make a valuation of the assets
6 and liabilities of the funds of the system; and, taking into
7 account the results of such investigation and valuation, the
8 Board of Control shall:

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

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

13 "(q) On the basis of such tables as the Board of
14 Control shall adopt, the actuary shall make an annual
15 valuation of the assets and liabilities of the funds of the
16 system created by this chapter."

17 Section 2. This act shall become effective
18 immediately upon its passage and approval or its otherwise
19 becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB303

Senate 23-APR-13

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Amended and passed 09-MAY-13

Senate concurred in House amendment 09-MAY-13

By: Senator Allen