

Helen Phillips

From: Jennie Hafele
Sent: Wednesday, April 02, 2014 4:43 PM
To: House Finance; House Finance Legislation
Cc: Barbara Barnes; Brenda Hewitt; Brittany Hutchison; Brodie Anderson; Bruce Campbell; Chad Hutchison; Clifton Coghill; Erik Hernandez; Hans Rodvik; Heather Shadduck; Heidi Redmond; James Armstrong; Jane Pierson; Jessie Peterson; John Manly; Jordan Shilling; Joseph Byrnes; Julie Morris; Karisse Ackerman; Katherine Eldemar; Kelli Pelham; Linda Hay; Lynette Bergh; Meredith Cameron; Michael Paschall; Michael Smith; Nathan Solorio; Patricia Walker; Peter Fellman; Riley Leonard; Ron Clarke; Ross Soboleff; Rynniva Moss; Sandy Burd; Sharon Clark; Theresa Woldstad; Thomas Studler; Tim Grussendorf
Subject: Constituent Testimony/HB278

Please enter into the record the testimony below to HB 278 in the House Finance Committee dated 4/2/2014.

Thank you,

Jennie Hafele

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From: Garry Hutchison
Sent: Wednesday, April 02, 2014 1:35 PM
To: LIO Fairbanks

Members of the House Finance Committee

April 2, 2014

Regarding HB 278 Substitute

Ladies and Gentlemen:

I understand that it is not an April Fool's joke that House Finance is considering to radically change the method used to pay teacher retirements. The proposal, I understand, is to convert to a pay-as-you-go method, from the current actuarially based method of measuring retirement liabilities and funding investments to retire present and future obligations.

I am a certified public accountant, non-government employee, and have been watching the State measure and fund public employee retirement obligations for over 30 years. I have often said Alaska was ahead of the nation

in trying to understand what it was obligating public money for, and in dealing with a horrible retirement burden, even if it is acting later that it should.

The states I was comparing Alaska to were the states still using the pay-as-you-go method. These states find themselves today, in some of the worst financial messes.

Pay-as-you-go would be a huge step-backward, and would add to Alaska's spending woes. We would be sticking our heads in the sand, so we can pretend the unfunded pension obligation didn't exist. Eliminating investments currently used to finance current and past-service pension costs, is as wrong as draining the Permanent fund.

Sincerely,

Garry Hutchison

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