

**Remarks of Norm Wooten
Executive Director, AASB
Senate Finance Committee
April 7, 2016**

Thank you, Madame Chair. For the record I am Norm Wooten, executive director of the Association of Alaska School Boards. Our member school districts will be testifying to the expected impacts of Senate Bill 207 on their schools and students. I would like to address the overall impacts of this legislation on Alaska's K-12 education system.

First, let me say that the education community has been firmly in favor of the Alaska Legislature adopting a long-range fiscal plan to address the major revenue problems of state government. But never did we imagine that any bill would get serious consideration if it proposed – like SB 207 – to transfer more than \$2 billion dollars from K-12 schools operations to the Teachers Retirement System. And not until today were we asked for our input on how this would affect operations of Alaska's 500 public schools.

The actuarial report from Buck Consultants dated April 3rd calculates that if SB 207 is enacted, it will mean the diversion of \$2.1 billion over the next 23 years from school districts to the T.R.S. Where will this money come from? School districts do not have taxing authority and local governments do not own oil wells. So, the \$2.1 billion will have to come from local taxpayers and/or our children's classrooms. That is neither wise nor fair, in my opinion.

SB 207 is unwise because it borrows from our future – the education of the next generation of Alaskans. And it's unfair because the unfunded liability of T.R.S. was created by actions at the state and national level, not local school districts.

Passage of SB 207 could have many unintended consequences, among them the layoff of teachers and the removal of other caring adults from the lives of our

children. Many schools districts already have difficulty in recruiting teachers. The average salary of teachers statewide dropped 1.9 percent this year, according to our surveys, probably because of retired teachers being replaced by new ones.

School boards have been wrestling with tight budgets for most of a decade, but passage of SB 207 will make that deficit a permanent fixture for K-12 education for the next two decades. I urge you to put this bill aside.