



KETCHIKAN GATEWAY BOROUGH

Assembly Member Agenda Item Sponsor Statement

Received in Clerk's Office:
Time and Date February 14, 2024, 11:00 a.m.

Meeting Date: February 26, 2024

Assembly Member Austin Otos- Sponsor

Assembly Member Kathy Bolling- Co-Sponsor

Title

A Resolution of the Assembly of the Ketchikan Gateway Borough addressing the State of Alaska Teachers Retirement System

REQUESTED ACTION

"I move to adopt the resolution urging the Governor and Legislature of the State of Alaska to Make Improvements to the Teachers Retirement System (TRS)"

SUMMARY OF ISSUE

In recent years, The State of Alaska has seen significant challenges in hiring and turn over rates of educators. Reclassification of the State's Tier plan in the Public Employees Retirement System (PERS) and Teacher Retirement System (TRS) has created barriers to retaining and recruiting public employees. More importantly, Alaska School Districts are at a competitive disadvantage compared to other states with retirement systems that provide long-term benefits for educators. In 2006, the State of Alaska ended the defined benefit plan in favor of a basic 401k-style retirement package. This departure from a traditional defined benefits plan made Alaska the only state in the country to not provide public employees at the eligible age of retirement a pension or health insurance. Currently, the Alaska State Legislature is assessing to form a new public-sector pension program in Senate Bill 88. The bill addresses long-standing employment issues created from the 2006 measure to end public sector retirement benefits. The Ketchikan Gateway Borough and the Ketchikan Gateway Borough School District would benefit from returning to a defined benefits plan that would ensure retention and recruitment of municipal workers and educators.

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. ____

A Resolution of the Assembly of the Ketchikan Gateway Borough, Urging the Governor and Legislature of the State of Alaska to Make Improvements to the Teachers Retirement System (TRS)

RECITALS

- A. WHEREAS**, Alaskan teachers are the only educators in the country with no defined retirement benefits including the lack of a long term pension plan and Social Security upon retirement; and
- B. WHEREAS**, Teachers Retirement System (TRS) employees are excluded from the Supplemental Annuity Plan (SBS-AP) that other public employees are automatically enrolled in as part of their retirement; and
- C. WHEREAS**, the Public Employees Retirement System (PERS) employee (14.125%) and employer (11.125%) contributions total over 25% of wages for retirement investment. However, the TRS totals 15%, with 8% from the employee and 7% "match" from the employer, highlighting the disparity in the state retirement system between different public employees; and
- D. WHEREAS**, many employees in the TRS lack financial security when the educators are eligible for retirement age; and
- E. WHEREAS**, the Ketchikan Gateway Borough School District has faced a decreasing number of applicants for teaching positions because of diminishing pay and the lack of retirement pensions.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH as follows:

Section 1. The Ketchikan Gateway Borough Assembly finds that the State of Alaska's failure to provide adequate benefits within the Teacher's Retirement System (TRS) undermines the ability of school districts statewide to provide compensation needed to adequately recruit and retain teachers.

Section 2. The Ketchikan Gateway Borough Assembly strongly urges the Alaska State Legislature and the Governor to significantly and appropriately increase the retirement compensation program to all educators in order to decrease teacher turnover and improve teacher quality.

Section 3. The Ketchikan Gateway Borough Assembly urges the Alaska Legislature and the Governor to implement a mechanism to provide increased retirement security in TRS through a pension, and/or to increase retirement funding in amounts no less than retirement funding for other public employees (PERS).

Section 4. Effective Date. This resolution shall be effective upon adoption.

ADOPTED this ____ day of _____, 2024.

Rodney Dial, Borough Mayor

ATTEST:

Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:

Glenn Brown, Borough Attorney