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STATE OF ALASKA
THE LEGISLATURE

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Hess

April 8, 1987



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 16, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the Teachers' Retirement System. This bill would eliminate state contributions to the system in situations in which the state is not the employer, and would make the teacher's employer responsible for all, rather than merely half, of the contributions other than those made by the teacher.

Section 1 of the bill deletes the word "one-half" from AS 14.25.070. That section now requires employers to contribute to the retirement fund one-half the percentage of the teachers' salaries which is required, in addition to teacher contributions, in order to provide the benefits of the system. With the deletion of the words "one-half," employers would be required to pay all of the percentage required, in addition to teacher contributions, in order to provide the benefits of the system.

Section 2 of the bill repeals AS 14.25.080, the section that now authorizes the state to pay the other half of the percentage required, in addition to teacher contributions, to provide the benefits of the system.

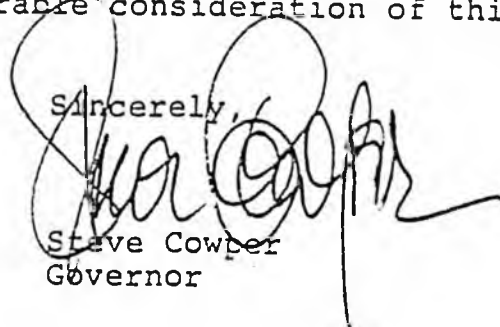
Because the cost of contributions to the Teachers' Retirement System is largely beyond the control of the state, and should be a cost considered by districts and other employers when negotiating contracts with teachers, it makes sense to have those contributions paid by the employers. Consideration of this transfer of responsibility has been anticipated in my budget proposal for FY 88. Money that would otherwise have been budgeted to pay the state's contribution has been considered instead in setting the funding levels for the public school foundation program, the university, and the Department of Education.

Hon. Ben Grussendorf

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I urge your prompt and favorable consideration of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,". The signature is stylized and somewhat cursive.

Steve Cowper
Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: HB 188
Publish Date: HOUSE 3/18/87

Revision Date: _____
Title: An Act relating to the Teachers' Retirement System...
Sponsor: Governor
Requestor: Governor

Agency Affected: Education
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)


GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The bill has no fiscal impact on this department.

Prepared by: Steve Hole 
Division: Commissioner's Office

Phone: 465-2800
Date: March 10, 1987

Approved by Commissioner: Marshall L. Lind
Agency: Education

Date: March 10, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460

2600 DENALI ST. SUITE 401
ANCHORAGE, ALASKA 99503
PHONE (907) 277-7504

Public Employees Retirement System
Teachers Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees Voluntary Dental Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

STEVE COWPER, GOVERNOR

March 17, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

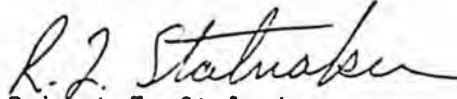
Dear Representative Grussendorf: HB188

Re: Law Log #773-87-0107

In accordance with AS 24.08.036, I am providing the analysis below on Law Log #773-87-0107. The analysis includes the long-term and short-term costs to the state if the bill is adopted and the impact the bill will have on the actuarial soundness of the Teachers' Retirement System (TRS) funds. Required changes to the appropriation for the Division of Retirement and Benefits are discussed in a separate fiscal note.

This bill would repeal the TRS State Match contribution, thereby eliminating the state share of direct contributions to the TRS when the state is not the employer. This would change the funding vehicle from the specific appropriation from the State's General Fund to appropriations to the school districts under the foundation formula program. Because the effect of this legislation is to change the funding vehicle, there should be no long-term or short-term costs to the state. There will not be any impact on the actuarial soundness of the retirement systems funds if this bill becomes law.

Sincerely,


Robert F. Stalnaker
Deputy Director

RFS/cam/7

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Law Log: #773-87-0107
Bill Version: HB 188
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: An Act relating to the
Teachers' Retirement System
Sponsor: Governor
Requestor: _____

Agency Affected: Administration
BRU: Retirement and Benefits
Components: Retirement and Benefits

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER I/A & PGM RCPTS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

An analysis of the impact of this bill on the actuarial soundness of the Teachers' Retirement System (TRS) funds is provided in the attached letter to House Speaker Grussendorf.

Prepared By: *R. F. Stalnaker*
Robert F. Stalnaker
Division: Retirement and Benefits

Phone: (907) 465-4470
Date: March 16, 1987

Approved by Commissioner: *Garrey Peska*
Agency: Department of Administration

Date: 3/18/87

Distribution (by preparer):
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