

SB

193

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 16, 1987

The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.C. Box V  
Juneau, AK 99811

Dear Senator Faiks:

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.

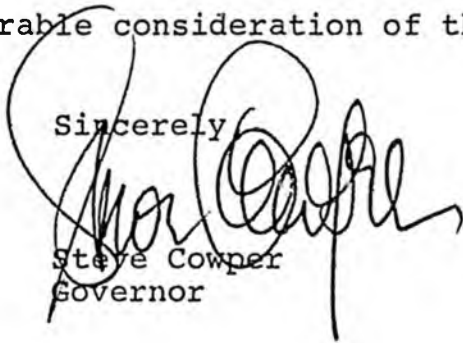
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Hon. Jan Faiks

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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 typed name and title.

Steve Cowper  
Governor

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_  
 Revision Date: 5/19/87  
 Title: An Act relating to the Teachers' Retirement System...  
 Sponsor: Governor  
 Requestor: Governor

Bill Version: 773-87-0107  
 Publish Date: \_\_\_\_\_

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						
<b>TOTAL OPERATING</b>		0	0	0	0	0

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :**

The bill has no fiscal impact on this department.

Prepared by: Steve Hole *Steve Hole* Phone: 465-2800  
 Division: Commissioner's Office Date: March 10, 1987

Approved by Commissioner: Marshall L. Lind Date: March 10, 1987  
 Agency: Education

- Distribution (by preparer):  
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