

S B

4 2 6



# Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:

VICE CHAIR –  
FINANCE

VICE CHAIR –  
STATE AFFAIRS

RULES

BUDGET & AUDIT

ETHICS REFORM

## MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair  
Senate Health, Education, and Social Services Committee

FROM: Senator Jim Duncan

DATE: February 26, 1992

SUBJECT: Hearing, Senate Bills 425 and 426.

I request that you schedule a hearing for Senate Bills 425 and 426, "relating to the state paying one-half of the employer contribution and making an appropriation to the teachers' retirement system, and providing for an effective date," for a hearing in the Senate HESS committee at your earliest convenience.

Senate Bills 425 and 426 will reduce the cost of operations for Alaska school districts. These bills call for a return to the old method of paying teachers' retirement system obligations. The employers' obligation is to be paid one-half by the school district and one-half by the state.

The foundation program and the school districts share of the contribution to the retirement system were changed five years ago. Since those changes to the foundation program and the retirement system five years of inflation have eaten away at the \$60,000 base instructional unit value. In addition, the teachers' retirement system contribution rate increased from 7% of the base salary to 8.65% in January of 1990, and the employer (school district) rate has increased from 15.16% to 19.65% causing further problems for school district finances.

I thank you in advance for your favorable consideration of this request.