

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2767

equivalent) student count, weighting both half-day kindergarten and preschool students at one-half, which is consistent with their programs.

In order to project student enrollment, District staff works closely with the Municipality of Anchorage in utilizing the Municipality's Geographic Information System. The following schedule summarizes the actual or projected student enrollment information for FY 2002-2003 through FY 2005-2006 on both a full count and FTE basis.

	Actuals 2002-2003 <u>9/30/02</u>	Actuals 2003-2004 <u>9/30/03</u>	Actuals 2004-2005 <u>9/30/04</u>	Projected 2005-2006 <u>9/30/05</u>
Total Number	50,029	49,663	49,454	49,289
Change over previous year		(366)	(209)	(165)
FTE (Full-Time Equivalent)	49,791	49,431	49,239	49,071

Variable General Fund expenditures will be revised periodically for changes in enrollment projections. We will review projected enrollment to determine if we need to make adjustments before the Preliminary Budget is submitted to the School Board in January 2005.

## GENERAL FUND

The General Fund, consisting of each school's and department's budgets, accounts for the majority of the District's operations and activities. Therefore, this memorandum and most of the subsequent discussion and decisions on balancing the budget for next year will focus primarily on estimated revenues and expenditures of the General Fund.

### Revenues

**Alaska Public School Funding Program**—The largest single revenue source to the District comes from the Alaska Public School Funding Program. The School Board and the Administration appreciate the Governor's recognition of the need for increased K-12 education funding, and the additional need to mitigate the extraordinary increases in Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) employer contributions. The District appreciates the prominent placement of early and increased K-12 education funding on the Governor's legislative agenda. Hopefully, during this upcoming legislative session, the Legislature will continue to advocate for the students in our communities with early approval of the Governor's educational funding package and also advocate for additional increases in revenues supporting public education so as to ensure solid education programs continue.

This Program is expected to provide approximately 56 percent of the District's General Fund revenues. The Governor's November 5<sup>th</sup> educational funding proposal to increase the per pupil amount to \$4,869 (an increase of \$293 over FY 2004-2005) and continuation of the Quality School Grant at \$16 per pupil, provides for more State revenues for FY 2005-2006. Based on current enrollment projections, the amount of funding for FY 2005-2006 is \$242.433 million, which is \$12.452 million more than the current FY 2004-2005 budget. Three other factors also impacted the projected level of funding: (1) lower anticipated enrollment, (49,499 budgeted for FY 2004-2005 and 49,289 projected for FY 2005-2006); (2) a change in the State regulations of identifying Level III intensive special needs students results in a \$3.165 million loss of revenue; and (3) the \$1.4 billion increase in State assessed property valuation for the Municipality. This increase in assessed valuation results in larger required deductions causing a loss of approximately \$3.1 million in the Public School Funding formula calculation.

The Alaska Public School Funding program is based on the average daily membership (ADM)—determined by the District's enrollment and special education intensive count—processed through a school size factor and special needs formulae to establish the District's "basic need." The required local share and a percentage of the Federal Impact Aid funding that the District receives for Federally-connected students is then subtracted from the "basic need" to determine revenue. The Alaska Public School Funding formula defines the required local share as being the lesser of 45 percent of "basic need" or 4 mills times one-half of the annual increase in assessed valuation compared to the 1999 base year of total State assessed full and true valuation of local real estate, inventory and other taxed personal property for the second preceding year, added to the prior year's calculated assessed valuation. An increase to the assessed valuation reduces the potential amount of Public School Funding revenue. The Alaska Department of Community and Economic Development has notified the District that the assessed valuation for Anchorage has increased from \$21.215 billion to \$22.651 billion.

**Local Property Taxes**—Local property tax contribution is the District's second largest General Fund revenue source. Projected local property tax revenue for FY 2005-2006 is based on requesting the full amount of taxes available under the local property tax limitation. The local property tax limitation provides for an annual adjustment for inflation, five-year Anchorage population change, operation and maintenance on new voter approved facilities and new construction.

The projected inflation rate used for planning purposes is 2.80 percent. This preliminary estimate is the rate being used by both the District and the Municipality of Anchorage in the property tax limitation calculations. The

official Consumer Price Index will not be available until February 2005. As determined by the State Department of Community and Regional Affairs, the five-year Anchorage municipal population change used for planning purposes is 1.16 percent, with the official percentage growth not available until January 2005. The projected combined rate of 3.96 percent for FY 2005-2006 is .10 percent more than the current rate of 3.86 percent for FY 2004-2005.

Included in the revenue projections are taxes associated with the opening of Eagle River High School, and the completion of Phase 2A – West Classroom Wing, Renovation/ Addition at Service I High School.

It is anticipated that these increases—and increased taxes allowed on new construction or property improvement—will increase the amount of taxes available in the General Fund by approximately \$10.8 million. However, the Anchorage Assembly must first consider and approve the District's local property tax request.

**Federal Impact Aid**—The initial revenue projection for Federal Impact Aid has been projected at 100 percent of projected entitlement, an anticipated \$12.8 million. Uncertain at this time is the scheduling of the movement of the Stryker Brigade, the formation of the new Alaska Airborne Brigade, and the deployment of military personnel and the relocation of their families. The outcome of these military decisions will have an impact on future funding.

The amount of Federal Impact Aid revenue each year is uncertain because it is subject to pro-ration based on the annual funding appropriated by Congress. In addition, the percentage of the total number of federally-connected students to the total number of students the State has direct responsibility for—including military students and children educated at Mt. Edgecumbe—and potential formula changes, could result in fluctuations in Federal Impact Aid funding to the District. This coupled with the fluctuation from year-to-year in the number of students living on military land, which can partially result from on base/post housing renovations, adds to the uncertainty of Federal Impact Aid revenue during the budget process.

This Program is subject to annual Congressional appropriation and should be monitored. We do not know, for example, if the District will receive prior year adjustment payments during FY 2005-2006.

**Fund Balance**—The District's undesignated fund balance for the General Fund is a potential one-time source of revenue. Deciding the appropriate level of fund balance required for a contingency reserve requires an exercise of judgment. Industry standards recommend undesignated fund balances or

contingency reserves remain between 3 to 5 percent of the budget. The undesignated fund balance needs to be maintained to protect against shortfalls in revenue collection, to allow for adequate cash flow management, and to provide the financial ability to meet emergencies. As of June 30, 2004, the undesignated fund balance was approximately \$27.989 million.

At this time, based on guidance from the School Board at the November 8<sup>th</sup> Work Session, the Administration has included \$6.5 million of fund balance as a revenue source. The initial projection as shown on page 11 of this memorandum, is based on using \$3.0 million of the \$6.5 million fund balance as a funding source to cover existing one-time expenditures. The remaining \$3.5 million of fund balance will be used to fund additional one-time expenditures to enhance programs. Using \$6.5 million of fund balance will provide an undesignated fund balance of \$21.489 million or 5 percent of the FY 2005-2006 projected General Fund budget of \$429.540 million.

**Pupil Transportation Reimbursement**—The proposed FY 2005-2006 revenue projection for Pupil Transportation is based on full funding for the District using the current formula for State funding of pupil transportation including a provision for COLA.

**User Charges and Fees**— Fees will continue to be assessed for musical instrument usage, ASD documents, High School and Middle Level Student Activity fees, High School parking fees, summer school, credit course training fees, and rental fees. Based on input from the School Board, further review of rate adjustments will continue until the Financial Plan is brought forward to the School Board in January 2005. The rates in this memorandum are those in place for FY 2004-2005 and are as follows:

Graduation Support Services	\$75 per course
Summer School	\$75 per course
Music Instrument Usage Fee	\$15 per instrument
Middle Level Activity Fees	\$75 per activity
High School Activity Fees	\$125 per activity
High School Parking Fees	\$50 per semester
Facility Rental Fees	\$572,000
Family Cap for Activity Fees	\$300

**Medicaid**—Based on FY 2003-2004 actual revenues and current year projections, it is estimated that the District will receive approximately \$1,100,000 in Medicaid funding based on information from the Alaska Department of Education and Early Development (DEED).

**E-Rate**— The Federal Communications Commission (FCC) directed the Universal Service Administrative Company (USAC), the administrator of the

Schools and Libraries (E-rate) and Rural Health Care Universal Service Support Mechanisms, to change USAC's accounting methodology by October 1, 2004 to the same methodology that the Federal Government uses. The result of the change is that the District, as well as many other school districts across the country, has not yet received funding commitment notification for FY 2004-2005. USAC has once again started sending out funding commitment notification in November and the District anticipates receiving funding commitment for FY 2004-2005 in the next few months. Other than notification delays, no other significant program changes have occurred that would alter FY 2005-2006 revenue projections from the FY 2004-2005 anticipated funding level.

### Expenditures

Primarily student and program needs and a commitment to use the funds economically drive expenditure projections. Over the next several weeks the recommendations submitted from the budget review teams last year, and the suggestions received from interested community members, staff, students, and the administration, will be considered and incorporated into the budget where appropriate, and may change the following assumptions used for these projections. Both revenue enhancements and expenditure reductions will be incorporated to bring the budget into balance.

**Salaries and Benefits**—Employee salaries, wages, and benefits are projected to be approximately 86 percent of the operating cost of the District. The projections include consideration for contract negotiations for the Anchorage Principals Association (APA), Maintenance (Teamsters Local 959), Anchorage Education Association (AEA), and compensation consideration for Exempt personnel. Depending upon the settlement parameters defined by the School Board for collective bargaining for these contracts, the total revenue needed to support the programmatic assumptions discussed herein may be revised. Compensation provisions for completed contracts have been included in the projections. Funding for mandatory retirement increases for certificated retirement (16 percent to 21 percent) and classified retirement (14.25 percent to 19.25 percent), and payroll tax adjustments known at this time are also included in the expenditure projections.

**Average Teacher Salary**—Further review and analysis of the current teacher salaries will be made to assist in determining the final average teacher salary to be used in the budgeting process for FY 2005-2006. Contributing factors that will determine the average teacher salary to be used based on historical information will be step increases, educational attainment and projected turnover. An analysis of the number of vacancies at any given time will also be considered.

**Staffing**—Staffing requirements have been adjusted based on the official projections set forth for September 30, 2005. Official projections are based on actual enrollment as of September 30, 2004.

**Certificated Teaching Positions**—Budgeted teaching staff is based on the FY 2004-2005 PTR (pupil to classroom teacher staff ratios). Adjustments have been included for staffing based on enrollment changes, program realignment, and for staff requirements based on rural-urban transitioning and immigration from other countries that provides the District with a wealth of opportunities with 94 languages spoken in the Anchorage Schools other than English.

Kindergarten (LFE)	20.5 to 1
Grade 1	21 to 1
Grades 2-3	24 to 1
Grades 4-6	27 to 1
Grades 7-8	25.54 to 1
Grades 9-12	27.08 to 1
Special Education	Staffing is based upon Demonstrated need and Program (consistent with current year)

**Indirect Cost**—In addition to charging eligible grants, the Administration plans to continue the practice put in place for charging the Food Service Fund the State approved indirect cost rate. This will more accurately reflect the cost of services provided to the Food Service Fund by various departments budgeted in the General Fund. It is anticipated that by early spring 2005 the District will be appraised of the approved indirect cost rate for FY 2005-2006.

**Contracted Services**—Where appropriate, an inflationary adjustment to contracts will occur. A very close review of actual contracted services will determine if inflationary increases are warranted. If other known rate increases are warranted, they will be included in the budget. Utilities are budgeted based on analysis of usage and cost saving measures being taken, and are then adjusted according to projected rate increases and/or decreases as announced by the utility agencies. With rate adjustments and review of actual expenditures, 3 percent to 10 percent increases for the utilities are projected.

**Pupil Transportation**—Contracted pupil transportation routes for FY 2005-2006 include an estimated increase based on COLA of 2.8 percent.

**Major Maintenance**—The Administration recommends maintaining the funding level for major maintenance projects of \$2491 million for some of the District's more than 93 school facilities. As our facilities continue to age, periodic maintenance must take place on a regular basis to keep the buildings in

good repair for optimum safety and efficiency. The community has voiced strong support for prioritizing this use of funds.

**Supplies**—In general, the supply budget will not be increased. Some departments, however, may show an increase in supplies based on departmental need to service the total District program requirements (i.e., fuel requirement to run District buses and vehicles). The current projections include the same school supply and equipment per pupil allocation as in the current year. For the first year of opening, Eagle River High School will be given a triple allocation to support start-up costs that are not eligible to be charged to the construction funds.

**Equipment**—Replacement equipment purchases between \$5,000 and \$50,000 will be purchased from the Equipment Replacement Fund.

**New School and Additions**—Included in our expenditure projections are costs associated with the opening of Eagle River High School and completion of the Phase 2A—West Classroom Wing, Renovation/Addition at Service High School.

**Charter Schools**—Two applications for new charter schools, Waldorf and The Master's Preparatory Leadership Academy Charter School, have been received by the Administration for consideration for FY 2005-2006. These charter school applications will be brought before the School Board during the next month for consideration. If approved, we will make adjustments accordingly.

**Additional Programs/Enhancements**—At the School Board Work Session on November 8<sup>th</sup> the School Board requested the Administration look at using fund balance for one-time expenditures such as critical need maintenance projects, district-wide technology and classroom technology enhancements. The School Board also requested that the Administration consider the budget review teams, community, staff and student budget suggestions for budget reductions and/or cost saving measures for inclusion in the FY 2005-2006 Financial Plan. During the next several weeks, careful review and consideration of those suggestions will be given. In addition, recommendations such as summer school enrichment and after school activity programs will also be reviewed and may or may not be included in the Preliminary Budget presented to the School Board in January.

## **OTHER FUNDS**

**Food Service Fund**—This fund is used to budget and account for operations of the Student Nutrition Program. The budget for this fund covers both the direct

and indirect cost of providing meals to students. These costs include all payroll costs, including increased hours for staff, food costs, the cost of support services, equipment repair and replacement costs, and overhead charges. The FY 2005-2006 budget has been increased from \$13.785 to \$14.525 million to accommodate the opening of Eagle River High School, employee negotiated contracts, the mandated classified retirement increase from 14.25 percent to 19.25 percent, and upward movement in food costs.

The revenue sources for the Food Service Fund budget includes revenue from meal sales, Federal reimbursement for meals served, and the undesignated fund balance. This budget projects increases in meal sales and reimbursement revenue.

The Administration is recommending the use of Food Service fund balance for the FY 2005-2006 Food Service Fund budget. The undesignated fund balance for the Food Service Fund as of June 30, 2004 was approximately \$1.278 million. Use of the undesignated fund balance of \$369,413 is being recommended to support the FY 2005-2006 Food Service budget. This will leave an approximate amount of \$908,587, which is 6.25 percent of the FY 2005-2006 Food Service Fund budget as presented in this memorandum. These projections reflect a 20-cent increase in elementary and middle school breakfast and lunch full price meals. This year's budget will be monitored through the middle of December to determine if this projected price per meal increase needs any adjustment before the Preliminary budget is presented in January. It is projected that no local tax support will be required for the Food Service Fund in FY 2005-2006.

**Debt Service Fund**—This fund is used to budget and account for principal and interest payments on existing school bonds as well as the revenues necessary to fund these expenditures. Some of the District's bonds receive State debt reimbursement, which varies depending on the year in which the bond proposition was approved. Due to savings incurred from the sale of new bonds at lower than anticipated interest rates, refinancing outstanding bonds, and receiving additional State revenues in the current year, the District is able to use accumulated fund balance as a revenue source, thereby reducing the amount being requested for local taxes.

**Local / State / Federal Projects Fund**—Expenditures in the Local/State/Federal Projects Fund are offset by matching revenues. The District continues to be successful in increasing grant funding from various State and Federal agencies and other sources. Revenues available through grants for these projects include competitively awarded grant funds—most of which are subject to federal and State annual appropriations. It is projected that budgets for FY 2005-2006 grants may increase approximately \$2.0 million based on discussion with grant writers.

Ongoing monitoring of these grants will help determine if adjustments should be made when bringing the budget forward in January.

### FISCAL YEAR BUDGET COMPARISON

The following schedule compares by fund the FY 2005-2006 projected revenue/expenditures with those currently approved for FY 2004-2005. The amount of the projected General Fund expenditure budget is \$7.0 million more than the amount projected for revenues. At this time, unknowns still remain such as contract negotiations and mandated services that may require funding.

#### REVENUE/EXPENDITURE BUDGETS

	Revised Budget FY 2004-2005	Pro Forma Budget Revenues FY 2005-2006	Pro Forma Budget Expenditures FY 2005-2006	Estimated Budget Shortfall FY 2005-2006
General Fund	\$398,712,237	\$429,540,000	\$436,575,000	(\$7,035,000)
Food Service	13,785,312	14,525,583	14,525,583	-0-
Debt Service	70,463,617	77,854,781	77,854,781	-0-
L/S/F Projects	43,000,000	45,000,000	45,000,000	-0-
All Funds	<u>\$525,961,166</u>	<u>\$566,920,364</u>	<u>\$573,955,364</u>	<u>(\$7,035,000)</u>

#### TAXES

	Revised FY 2004-2005	Pro Forma Taxes FY 2005-2006	Increase
General Fund	\$133,412,722	\$144,169,454	\$10,756,732
Debt Service	<u>30,090,600</u>	<u>33,849,499</u>	<u>3,758,899</u>
All Funds	<u>\$163,503,322</u>	<u>\$178,018,953</u>	<u>\$14,515,631</u>

#### STUDENT ENROLLMENT PROJECTIONS

	FY 2004-2005 Actuals Sept. 30, 2004	FY 2005-2006 Projected Sept. 30, 2005	Change Over Prior Year's Actual
Enrollment	49,454	49,289	(165)
Full Time Equivalent (FTE)	49,239	49,071	(168)

In preparing the FY 2005-2006 Financial Plan, many budget development uncertainties face the District.

- School Board areas of interest
- Community, staff, and students recommendations including last year's budget review team recommendations
- Projected enrollment
- FY 2005-2006 – Contract negotiations for Maintenance (Teamsters Local 959), AEA (Anchorage Education Association) and a settled contract for FY 2004-2005 for APA (Anchorage Principals Association) and consideration for Exempt personnel
- ESEA-No Child Left Behind requirements
- Further evaluation of current/new fees
- Approval of more charter schools
- Six Year Instructional Plan
- Assessment/Testing Impact
- State of Alaska Quality Schools Initiative
- Implement Technology Plan
- Scheduling of the movement of the Stryker Brigade; formation of Alaska Airborne Brigade; deployment of military personnel
- CPI and 5-year average population growth used for local tax limitation not finalized until February 2005
- New construction and assessed valuation used for local tax limitation not finalized until March/April 2005
- Federal Impact Aid subject to annual appropriation
- Legislative action
- Potential approval of new charter schools

## SUMMARY

The next couple of months will be a tremendous challenge to the Administration to accomplish the task of bringing the budget into balance. Our assumptions in preparing these initial FY 2005-2006 projections are based on, but not limited to, the following criteria:

- Alaska Public School Funding Program- Implemented the Governor's increase to per pupil allocation from \$4,576 to \$4,869, a \$293 increase
- Balanced budget for presentation to the Anchorage Assembly – Expenditures equal Revenues
- Local Property Taxes – Full amount available under the property tax limitation
- Use of Fund Balance as a revenue source – the undesignated fund balance as of June 30, 2004 was \$27.989 million. Using \$6.5 million will bring the undesignated fund balance to \$21.489 or 5 percent of \$429.540 million

- Quality Schools Grant - no increase to per pupil amount of \$16
- State Pupil Transportation Reimbursement - Current State formula which includes a provision for COLA
- Potential adoption or expansion of programs must be funded within existing resources

Attachments

CC/JS/MSL

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Approved by: Janet Stokesbary, Chief Financial Officer

Anchorage School District  
Fiscal Year 2005-2006

PROJECTED REVENUES AND EXPENDITURES SUMMARY  
USING THE GOVERNOR'S FY 2006 FUNDING PROPOSAL

Fund	Revenues and Fund Balance				FY 2005-2006 Revenue Source Projections	FY 2005-2006 Expenditure Projections	FY 2005-2006 Fiscal Gap Projections
	Local	Other	State	Federal			
	Taxes						
General	\$ 144,165,454	\$ 10,530,000	\$ 261,494,546	\$ 13,340,000	\$ 429,540,000	\$ 436,575,000	\$ (7,035,000)
Food Service	0	6,975,621	0	7,599,962	14,525,583	14,525,583	
Debt Service	31,549,492	3,678,410	40,326,512	0	77,854,781	77,854,781	
	<u>178,018,953</u>	<u>21,140,031</u>	<u>301,821,418</u>	<u>20,939,962</u>	<u>521,920,364</u>	<u>528,955,364</u>	<u>(7,035,000)</u>
Local, State and Federal Projects	0	775,000	1,350,000	42,875,000	44,000,000	45,000,000	
<b>TOTAL</b>	<b>\$ <u>178,018,953</u></b>	<b>\$ <u>21,915,031</u></b>	<b>\$ <u>301,171,418</u></b>	<b>\$ <u>63,814,962</u></b>	<b>\$ <u>566,920,364</u></b>	<b>\$ <u>573,955,364</u></b>	<b>\$ <u>(7,035,000)</u></b>
Percentage of Revenue Sources to Total Revenue Projections	31.40%	3.84%	53.48%	11.26%	100.00%		

Computation of Total Taxes  
for Calendar Year 2005

			General Fund	Debt Service Fund
Amount required to fund second half of Adopted FY 2004-2005 Budget: January 1, 2005/June 30, 2005	\$163,003,322 x 50% =		\$ 66,456,361	\$ 15,045,100
Amount required to fund first half of Adopted FY 2005-2006 Budget: July 1, 2005/December 31, 2005	\$178,018,953 x 50% =		<u>72,004,727</u>	<u>16,924,750</u>
<b>TOTAL Taxes for Calendar Year 2005</b>			<b>\$ <u>138,461,088</u></b>	<b>\$ <u>31,969,850</u></b>
Total Taxes for Calendar Year 2005				
1) Total Taxes 2005	\$ 138,461,088	= 7.65 mills	\$ 138,461,088	\$ 31,969,850
Assessed Valuation	\$ 22,292,878,735		\$ 22,292,878,735	\$ 22,292,878,735
			<u>6.21 mills</u>	<u>1.44 mills</u>

1) The 2005 mill rate estimate is based on assessed valuation provided by the Municipality of Anchorage Office of Management and Budget (Verified 11/10/04).

Anchorage School District  
Fiscal Year 2005-2006

SCHEDULE OF GENERAL FUND REVENUES FROM LOCAL SOURCES/FUND BALANCE

Local Sources	FY 2003-2004	FY 2003-2004	FY 2004-2005	FY 2005-2006
	Audited Actual	Revised	Revised	Projections
Municipality of Anchorage Appropriation of Taxes	\$ 121,490,634	\$ 121,490,634	\$ 133,412,722 (A)	\$ 144,169,454
<b>Other Local</b>				
Career Center Instructional Projects	72,519	77,700	81,200	81,200
Facilities Rentals (B)	412,466	435,000	552,500	572,000
Nonresident Tuition	1,075	10,000	1,000	1,000
Graduation Support Services (C)	42,937	40,000	60,000	60,000
Summer School - Elementary (D)	23,006	35,000	18,500	35,000
Summer School - Middle Level (D)	20,450	27,000	13,000	30,000
Summer School - Secondary (D)	86,854	73,000	168,000	130,000
Music Instrument Usage Fee (E)	7,047	10,000	13,800	13,800
Middle School Activity Fees (F)	140,805	130,000	205,000	210,000
High School Activity Fees (G)	359,125	330,000	510,000	550,000
High School Parking Fees (H)	117,129	105,000	215,000	225,000
Community Schools Fees (I)		65,000		
Charter School Fees	25,155	30,800	30,800	55,500
Other Fees (Training Fees, Documents) (J)	30,689	77,500	77,500	77,500
Property Sales, Insurance Proceeds, and Miscellaneous	269,438	256,500	197,000	297,000
Interest	539,695	1,375,200	525,000	600,000
E-rate (K)	199,017	1,148,000	1,100,000	1,100,000
Fund Balance	3,854,860	5,465,650		6,500,000
	<u>6,202,267</u>	<u>9,691,350</u>	<u>3,768,300</u>	<u>10,536,000</u>
<b>TOTAL</b>	<u>\$ 127,692,901</u>	<u>\$ 131,181,984</u>	<u>\$ 137,181,022</u>	<u>\$ 154,705,454</u>

No fee increases are included in these projections - only participation increases are projected

- (A) \$500,000 of the \$1.0 million previously authorized and collected by the Municipality is being given back.
- (B) Facilities Rentals-Projections reflect more usage with the opening of the new high school
- (C) Graduation Support Services - \$75 (\$50 for FY 2003-2004)
- (D) Summer School - \$75 per summer school session (\$50 for FY 2003-2004)
- (E) Music Instrument Usage Fee - \$15 (\$10 for FY 2003-2004)
- (F) Middle School Activity Fees \$75 (\$50 for FY 2003-2004) Family Cap of \$300 (Middle and High Schools combined)
- (G) High School Activity Fees \$125 per sport (\$75 for FY 2003-2004) Family Cap of \$300 (Middle and High Schools combined)
- (H) High School Parking Fees \$10/semester (\$25 for FY 2003-2004)
- (I) Community School Fees - No fees are projected as the Community Schools Program has been eliminated.
- (J) Training fees - \$20 per course with continuation for FY 2005-2006
- (K) E-rate established by Congress to provide funding to K-12 schools for telecommunications, Internet access and internal connections (Network Infrastructure)

Anchorage School District  
Fiscal Year 2005-2006

COMPUTATION OF MUNICIPAL TAX LIMITATION

Taxes Projected—Anchorage School District FY 2004-2005		\$	163,503,322
Less: Taxes assessed in calendar year 2004 and returned to the Municipality			500,000
Less: Prior Year Taxes Required for Debt Service			<u>30,990,600</u>
Net Taxes Approved for General Fund			132,912,722
Adjustment Factors			
Population 5 year Average	1.16 %		
CPI—Anchorage Urban	<u>2.80</u>		
	3.96 %		<u>5,263,344</u>
Basic Tax Limitation			138,176,066
<u>Plus Exclusions:</u> Taxes for Operations and Maintenance on New Voter Approved Facilities (1)			2,260,342
Taxes Requested on New Construction/Property Improvements (2)			<u>3,733,046</u>
Tax Limitation—General Fund			144,169,454
Taxes Requested for Debt Service			<u>33,849,499</u>
TAX LIMITATION FY 2005-2006			178,018,953
General Fund	144,169,454		
Debt Service Fund	<u>33,849,499</u>		
TAXES PROJECTED IN FINANCIAL PLAN—FY 2005-2006 (3)			<u>178,018,953</u>
AMOUNT (OVER) LESS THAN TAX LIMITATION		\$	<u>0</u>

- Note: (1) The taxes approved for debt service are for sold bonds approved by the qualified voters.  
(2) Taxes on new construction or property improvements, excluded from the limitation the first year, are computed as follows: 7.25 mills x \$514,902,935 (estimated 2004 new construction/property improvement value verified by the Municipality of Anchorage's Office of Management and Budget) = \$3,733,046  
(3) The Anchorage Assembly may approve more or less taxes than this within the combined total of the tax limitations for the Municipality of Anchorage and the Anchorage School District

Anchorage School District  
Fiscal Year 2005-2006

SCHEDULE OF GENERAL FUND REVENUES FROM STATE SOURCES

State Sources		FY 2003-2004 Audited Actual	FY 2003-2004 Revised	FY 2004-2005 Revised	FY 2005-2006 Projections
Alaska Public School Funding Program (A)	\$	205,100,316	205,308,1	229,980,395	242,432,876
Pupil Transportation (D)		17,019,454	16,237,400	17,028,533	17,009,683
Tuition (E)		46,785			
<u>Supplemental State Funding and Grants:</u>					
On-Base Schools (F)		408,484	408,484	408,484	408,484
McLaughlin Youth Detention Grant (F)		471,390	625,000	413,503	413,503
Providence Heights Grant (F)		113,913	90,000	90,000	130,000
Alaska National Guard Youth Corps (F)		14,644	50,000	50,000	
Medicaid Reimbursement (G)		962,963	900,000	1,000,000	1,160,000
<b>TOTAL</b>	<b>\$</b>	<b>224,137,949</b>	<b>224,619,703</b>	<b>249,071,215</b>	<b>261,494,546</b>

Notes

(A) Alaska Public School Funding Program - FY 2005-2006  
Implementing the Governor's Proposal as of  
November 5, 2004

Basic Need Equals 66,464.41 Adjusted ADM x \$4,869 Student Allocation	\$	323,615,214
Minus 4 Mills x Foundation Defined Anchorage Assessed Valuation of \$19.156 billion		(76,624,175)
Minus Deductible Portion of Federal Impact Aid		(5,621,594)
Add \$167 Adjusted ADM for Quality Schools		1,063,431
<b>Total Alaska Public School Funding Program Aid</b>	<b>\$</b>	<b>242,432,876</b>

(B) Learning Opportunity Grant funding rolled into the Alaska Public School Funding Program

(C) Section 93 of Senate Bill 2006 Funding rolled into the Alaska Public School Funding Program

(D) Pupil Transportation - Reimbursement estimate based on FY 2002-2003 actual expenditures/number of FY 2002-2003 actual ADM less Correspondence Programs times FY 2005-2006 estimated ADM less Correspondence Programs.

(E) FY 2003-2004 and forward, Tuition funding eliminated by the State.

(F) State of Alaska supplemental grant to partially fund this program; Alaska National Guard Youth Corps program is no longer a program through the Anchorage School District.

(G) Medicaid reimbursement for indirect health services to students who are Medicaid eligible in the schools.

Anchorage School District  
Fiscal Year 2005-2006

SCHEDULE OF GENERAL FUND REVENUES FROM FEDERAL SOURCES

<u>Federal Sources</u>	FY 2003-2004	<u>FY 2003-2004</u>	<u>FY 2004-2005</u>	<u>FY 2005-2006</u>
	<u>Audited</u> <u>Actual</u>			
Federal Impact Aid	\$ 13,347,439	\$ 11,800,000	\$ 11,900,000	\$ 12,750,000
R.O.T.C.	<u>440,445</u>	<u>415,000</u>	<u>560,000</u>	<u>590,000</u>
TOTAL	\$ <u>13,787,884</u>	\$ <u>12,215,000</u>	\$ <u>12,460,000</u>	\$ <u>13,340,000</u>

(A) Federal Impact Aid revenue is received for students living on military land and for other federally-connected students.

(B) During FY 2004-2005 one R.O.T.C. instructor was added for West and two were added for South Anchorage High Schools; revenues for FY 2005-2006 were adjusted to reflect actual receipt of revenues and additional positions added for Eagle River High School.

1/19/05

OVERVIEW:

PERS

&

TRS

**HFIN**

**FILE**



**State of Alaska**  
**Overview PERS - TRS**  
**House Finance Committee**  
**January 19, 2005**

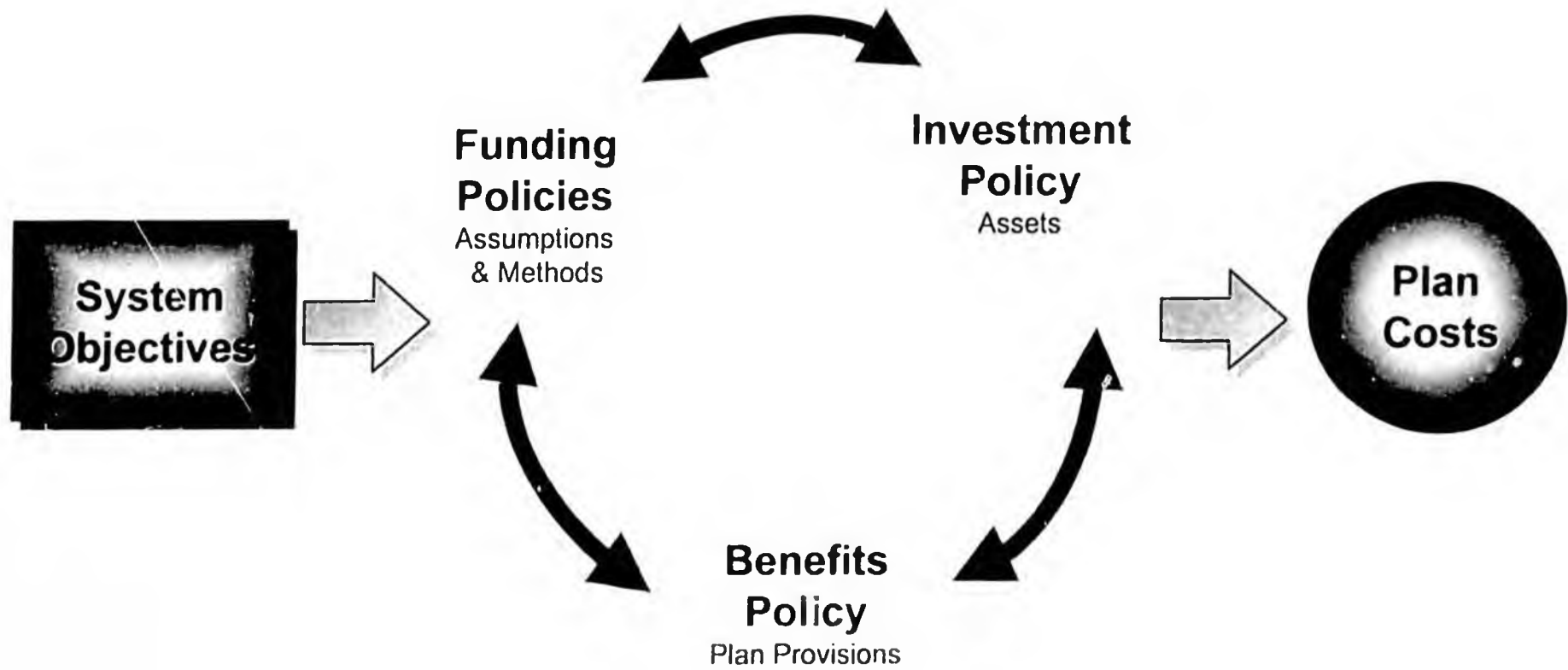
Handout

1/19/05



# Overview

## Retirement Program Financial Management



**Alaska Public Employees' and Teachers' Retirement System  
Earnings – Actuarial Rate – Health Cost – Employer Rates – Funding Ratios**

**Public Employees' Retirement System**

Measurement Year	FY 01	FY 02	FY 03
Employer Rate Year	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Actual Investment Return	(5.25%)	(5.48%)	3.67%
<u>Actuarial</u> Investment Return	8.25%	8.25%	8.25%
Cumulative Return Shortfall, rounded	(14%)	(28%)	(34%)
Cumulative Dollar Shortfall, <u>in billions</u> (in billions, market value)	(\$1.2)	(\$2.4)	(\$2.9)
Health Care Cost Inc. Rate Used	7.5%	12.0%	12.0%
Health Care Percent of Total Accrued Liabilities	30.0%	38.0%	40.0%
Average Calculated Rate	6.77%	24.91%	25.63%
Board Adopted Rate	6.77%	11.77%	16.77%
Contribution Increase (All ER)	n/a	\$ 76 mil.	\$ 79 mil. (added to prior year)
Funding Ratio – Assets \ Liabilities			
Non-Medical Benefits only	143.7%	120.9%	121.4%
Total Benefits	100.9%	75.2%	72.8%

**Teachers' Retirement System**

Measurement Year	FY 01	FY 02	FY 03
Employer Rate Year	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Actual Investment Return	(5.35%)	(5.49%)	3.68%
<u>Actuarial</u> Investment Return	8.25%	8.25%	8.25%
Cumulative Return Shortfall	(14%)	(28%)	(34%)
Cumulative Dollar Shortfall, <u>in billions</u> (in billions, market value)	(\$0.6)	(\$1.1)	(\$2.1)
Health Care Cost Inc. Rate Used	7.5%	12.0%	12.0%
Health Care Percent of Total Accrued Liabilities	21.0%	27.0%	28.0%
Average Calculated Rate	14.44%	35.57%	38.85%
Board Adopted Rate	12.00%	16.00%	21.00%
Contribution Increase (All ER)	\$ 5 Mil.	\$ 24 mil.	\$ 29 mil. (added to prior year)
Funding Ratio – Assets \ Liabilities			
Non-Medical Benefits only	119.7%	93.2%	89.5%
Total Benefits	95.0%	68.2%	64.3%



# BENEFIT BULLETIN

INFORMATION AND RESOURCES FOR YOUR BENEFIT NEEDS

GallagherBenefitServices, Inc.

November 2, 2004

## NEW GASB RULES FOR PUBLIC SECTOR PLANS FINALIZED

Earlier this year, the Government Accounting Standards Board (GASB) released its final statements on the accounting treatment of what it calls "Other Post Employment Benefits" (OPEB). This Technical Bulletin provides an overview of what GASB Statement 45 will require, along with key considerations for public employers.

Under GASB 45, OPEB refers to retirement benefits other than pensions. While retiree medical benefits are the emphasis, other health benefits such as dental, vision and life insurance are also included.

The release of GASB 45 culminates an extended process of consideration and development by GASB. The Statement mandates that employers subject to GASB's rules account for retiree health benefits in much the same way that they account for defined benefit pension plans. Rather than recognizing the expense associated with the retiree benefits when they are paid, employers will have to recognize the expense over the working lifetimes of their employees.

For many governmental organizations, this will cause a significant increase in the expenses and liabilities that public employers will be required to recognize in their financial statements. Specifically, they will be required to report their retiree health expense on an accrual basis, rather than the current cash, or pay-as-you-go basis. Further, public employers will need to establish liabilities on their balance sheets equal to any of the recognized expense that has not been funded.

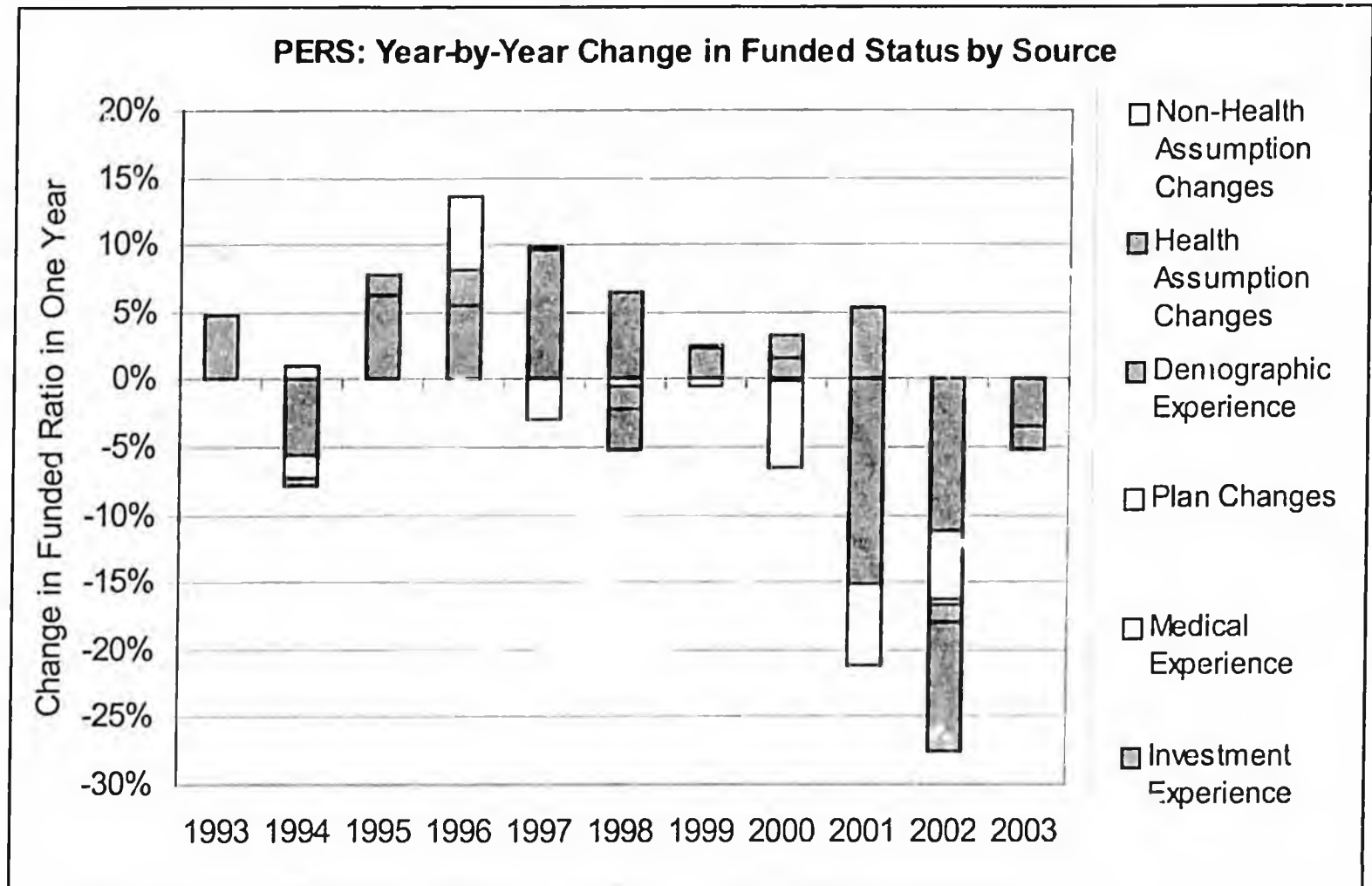
While GASB 45 does not require plan sponsors to actually fund the measured liabilities, it will highlight the significant obligations of typical retiree health provisions. For governmental entities with significant liabilities, these requirements could negatively affect the entity's bond-rating.

# State of Alaska - PERS

## Investment Returns and Funded Status

Declines in funding status were caused by (in descending order of magnitude):

1. investment performance,
2. health assumptions
3. plan changes
4. medical experience
5. non-health assumptions
6. demographic experience



Year-by-year changes

1996	1997	2000	2001	Demographic Exp.
Non-health assumption change 25 amortization of unfunded surplus to 5 years	Plan Change lawsuit reto Ad Hoc PRPA	Non-health assumption change Change mortality table 1984 to 1994	HB 242 Medical enhancements 25 years system paid medical	Total turnover rates Disability rates Retirement rates Mortality Rates

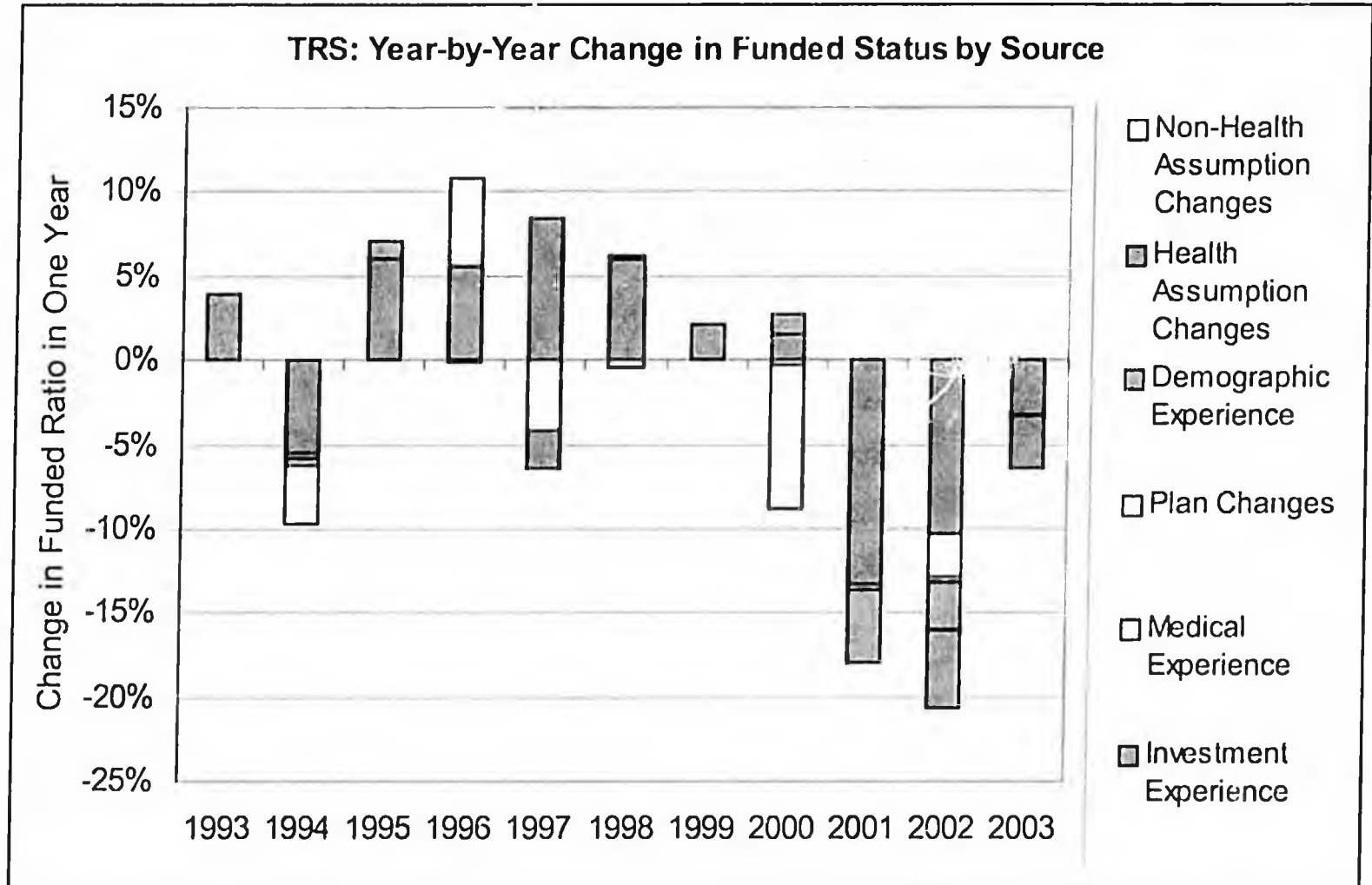


# State of Alaska - TRS

## Investment Returns and Funded Status

Declines in funding status were caused by (in descending order of magnitude):

1. investment performance,
2. demographic experience
3. non-health assumptions
4. plan changes
5. health assumptions
6. medical experience



Year-by-year change:

1997	2000	2001	Demographic Exp.
Plan Change	Non- health	HB 242	Total turnover rates
lawsuit reto Ad Hoc PRPA	assumption change	Medical enhancements	Disability rates
	Change mortality table	25 years system	Retirement rates
	1984 to 1994	paid medical	Mortality Rates

Mercer Human Resource Consulting

# MERCER

Human Resource Consulting

One Union Square  
600 University Street, Suite 3200  
Seattle, WA 98101-3137  
206 808 8800 Fax 206 382 0627  
www.mercerHR.com

January 3, 2005

Ms. Melanie Millhorn  
Director of Retirement and Benefits  
State of Alaska  
Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, AK 99811-0203

Subject:

## Changes In Funded Status - PERS and TRS

Dear Melanie:

Part of our December 1 presentation to the Alaska State Pension Investment Board (ASPIB) focused on changes in the funded percentages for PERS and TRS. From July 1, 1992 to June 30, 2003, the funded percentage for the PERS declined from 92.3% to 70.0%, based on the market value of assets. The funded percentage for TRS declined from 91.0% to 61.7%. The dollar amount increases in the unfunded accrued liabilities (UAL) were \$3.2 billion for PERS and \$2.2 billion for TRS. We found that the total change in funded status for the PERS and TRS from July 1, 1992 to June 30, 2003 was due to asset and liability sources as follows:

	PERS		TRS	
	Change In Funded Status	Increase In UAL (billions)	Change In Funded Status	Increase In UAL (billions)
Change due to assets	(3.8)%	\$1.1	(2.7)%	\$0.6
Change due to liabilities	(18.5)	2.1	(26.6)	1.6
Total	(22.3)%	\$3.2	(29.3)%	\$2.2

This letter provides further breakdown of the changes in funded status attributable to liabilities. The percentages have been revised slightly from those quoted in the ASPIB meeting based on further research on the effect of the various factors.

	PERS		TRS	
	Change In Funded Status	Increase In UAL (billions)	Change In Funded Status	Increase In UAL (billions)
Health experience	(6.9)%	\$0.6	(3.0)%	\$0.2
Health assumption changes	(12.5)	1.1	(4.7)	0.3
Plan changes	(4.7)	0.3	(5.3)	0.2
Demographic experience	5.4	(0.1)	(6.8)	0.5
Non-health assumption changes	0.2	0.2	(6.8)	0.4
Total change due to liabilities	(18.5)%	\$2.1	(26.6)%	\$1.6

6

# MERCER

Human Resource Consulting

Page 2

January 3, 2005

Ms. Melanie Millhorn

State of Alaska

Health experience and changes in health assumptions were relatively large contributors to the decline in funded status. Benefit improvements also contributed to the decline. For both Systems, plan changes include benefit improvements enacted by the legislature, as well as ad-hoc Post-Retirement Pension Adjustments (PRPAs).

I hope this information is helpful. Please call or email if you have questions or need additional information.

Sincerely,



Robert M. Reynolds, ASA, MAAA

RMR/DK/ws

Copy:

Anselm Staack

Chris Byrnes

Marcia Chapman

g:\vc\akama\k\2004\2004 Funded percentages per 1/3/05\_123004\_mv.doc

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## PUBLIC EMPLOYEES' / TEACHERS' RETIREMENT SYSTEM INFORMATION BRIEFING

**SUBJECT:** PERS / TRS Tier Classification Medical Benefits

**DATE:** JANUARY 10, 2005

**NOTE:** AS OF DECEMBER 2004 THERE ARE 27,095 PERS/TRS MEMBERS RECEIVING A RETIREMENT AND MEDICAL BENEFIT. IN ADDITION, THERE ARE 24,947 COVERED DEPENDENTS FOR A TOTAL OF 52,042 MEMBERS AND DEPENDENTS WITH MEDICAL COVERAGE.

PERS	Tier 1	Tier 2	Tier 3	Total
Active	7,916	9,086	16,878	33,880
Deferred Vested	2,864	2,785	393	6,042
Deferred	1,871	3,079	7,188	12,138
Retired	17,352	2,041	101	19,494
<b>Total</b>	<b>30,003</b>	<b>16,991</b>	<b>24,560</b>	<b>71,554</b>
Medical Benefits	System paid medical benefits for all benefit recipients and their eligible dependents.  Eligible after vesting and normal retirement age of 55 or early retirement at age 50.	System paid medical benefits for Police / Firefighters after 25 years or "all others" at 30 years of service.  Eligible after vesting and age 60. Under 60 must pay premium.  Disabilitants, regardless of age receive medical coverage	System paid medical benefits for Police and Firefighters after 25 years or "all others" at 30 years of service.  Eligible at age 60 after vesting; 10 years of credited service to qualify. Under age 60 must pay premium.  Disabilitants, regardless of age receive medical coverage.	

TRS	Tier 1	Tier 2	Total
Active	3,204	7,037	10,241
Deferred Vested	404	259	663
Deferred	601	1,947	2,548
Retired	8,462	184	8,646
<b>Total</b>	<b>12,671</b>	<b>9,427</b>	<b>22,098</b>
Medical Benefits	System paid Medical benefits for all benefit recipients and their eligible dependents.  Eligible after vesting and normal retirement age of 55 or early retirement at age 50.	System paid medical benefits for teachers after 25 years of service.  Eligible after vesting and age 60. Under 60 must pay premium. Disabilitants, regardless of age receive medical coverage.	

(Above member counts for both systems are as of October 11, 2004)

Note: Medical benefits account for a significant portion of the Systems liabilities

PERS: 40% of accrued liability and 28% of accrued liability for TRS

# Retiree Medical Insurance

The following table summarizes the monthly premium per benefit recipient since retiree medical benefits have been provided under PERS and TRS.

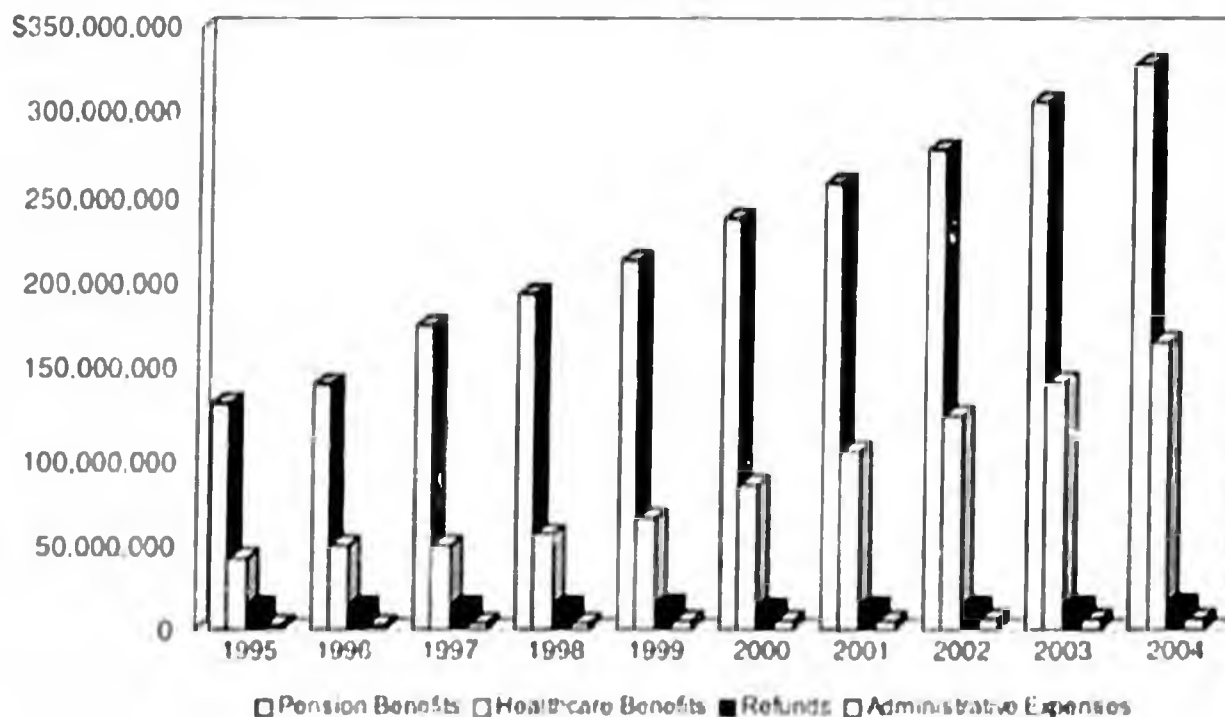
Time Period	Monthly Premium Per Retiree For Health Coverage	Annual Percentage Change	Average Compound Annual Increase Since FY78
2/1/76-1/31/77	\$ 34.75	--	--
2/1/77-1/31/78	57.64	66%	--
2/1/78-1/31/79	69.10	20%	20%
2/1/79-1/31/80	64.70	-6%	6%
2/1/80-1/31/81	96.34	49%	19%
2/1/81-1/31/82	96.34	0%	14%
2/1/82-1/31/83	115.61	20%	15%
2/1/83-1/31/84	156.07	35%	18%
2/1/84-1/31/85	191.85	23%	19%
2/1/85-1/31/86	168.25	-12%	14%
2/1/86-1/31/87	165.00	-2%	12%
2/1/87-1/31/88	140.25	-15%	9%
2/1/88-1/31/89	211.22	51%	13%
2/1/89-1/31/90	252.83	20%	13%
2/1/90-1/31/91	243.98	-4%	12%
2/1/91-1/31/92	243.98	0%	11%
2/1/92-1/31/93	226.90	-7%	10%
2/1/93-1/31/94	309.72	37%	11%
2/1/94-1/31/95	336.05	9%	11%
2/1/95-1/31/96	350.50	4%	11%
2/1/96-1/31/97	350.50	0%	10%
2/1/97-1/31/98	368.00	5%	10%
2/1/98-12/31/98	368.00	0%	9%
1/1/99-12/31/99	442.00	20%	10%
1/1/00-12/31/00	530.00	20%	10%
1/1/01-12/31/01	610.00	15%	10%
1/1/02-12/31/02	668.00	10%	10%
1/1/03-12/31/03	720.00	8%	10%
1/1/04-12/31/04	806.00	12%	10%

Division of Retirement and Benefits

Mercer Human Resource Consulting-Archery

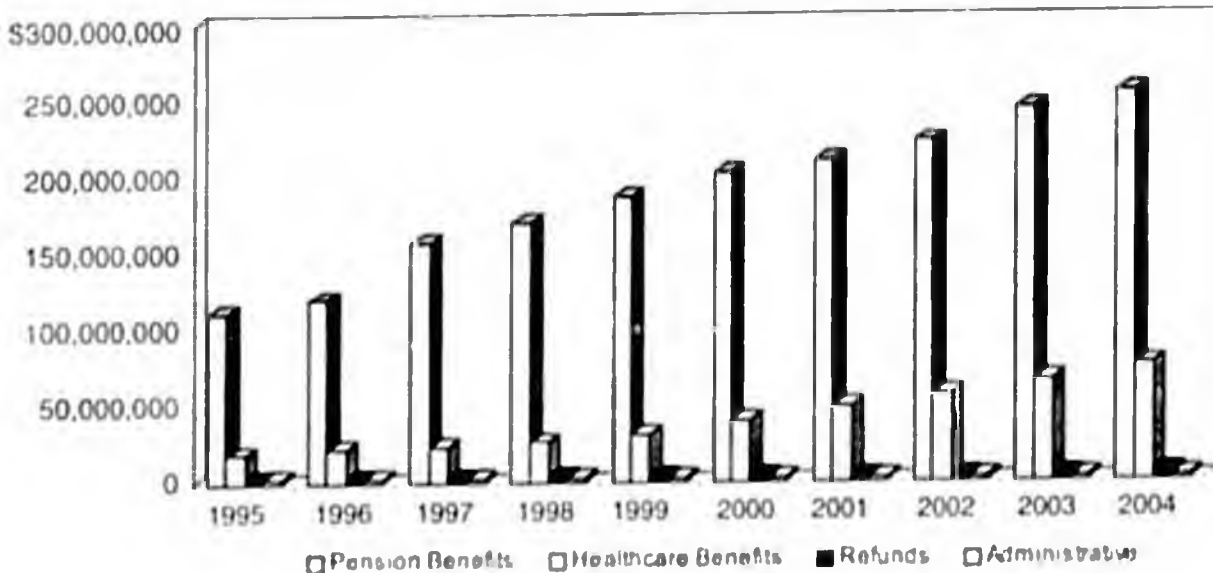
Public Employees' Retirement System Expenses by Type (000's omitted)					
Year ended June 30	Pension Benefits	Healthcare Benefits	Refunds of Contributions	Administrative Expenses	Total
1995	\$131,634	\$ 40,687	\$12,774	\$ 2,253	\$ 187,348
1996	143,039	47,964	13,413	2,522	206,938
1997	177,328	48,361	13,012	2,830	241,531
1998	195,544	55,165	13,557	2,920	267,186
1999	215,170	64,486	14,435	4,148	298,239
2000	239,441	83,794	11,998	4,247	339,480
2001	259,771	103,846	13,134	4,672	381,423
2002	279,731	124,805	12,869	5,283	422,688
2003	307,684	143,331	13,025	5,880	469,920
2004	329,390	167,360	14,723	5,296	516,769

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
10-YEAR COMPARISON OF EXPENSES BY TYPE**



Teachers' Retirement System Expenses by Type (000's omitted)					
Year ended June 30	Pension Benefits	Healthcare Benefits	Refunds of Contributions	Administrative Expenses	Total
1995	\$111,498	\$18,264	\$ 2,819	\$ 1,821	\$134,402
1996	119,949	21,655	2,629	2,055	146,288
1997	157,567	22,653	2,626	2,223	185,069
1998	169,831	26,123	3,489	2,231	201,674
1999	187,085	30,987	3,490	1,722	223,284
2000	202,927	40,183	4,118	1,717	248,945
2001	210,945	48,928	3,742	1,938	265,553
2002	222,897	56,946	3,120	2,095	285,058
2003	244,518	65,898	3,840	2,395	316,651
2004	255,409	75,601	4,189	2,203	337,402

TEACHERS' RETIREMENT SYSTEM  
10-YEAR COMPARISON OF EXPENSES BY TYPE



Alaska Public Employees' and Teachers' Retirement System  
Investment Return / Medical Costs - Assumption v. Actual & Mortality  
Employer Actuarial Computed Rates and Board Adopted Rates  
Rate Year FY 1990 - FY 2006  
Division of Retirement & Benefits

1/18/05

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Data Source: Actuarial Valuation Report prepared by Mercer Human Resources Consulting;  
Division prepared audited Comprehensive Annual Financial Report;  
Alaska State Pension Investment Board published reports.

Rate Fiscal Year - Rate was determined March / April Prior FY  
i.e. 6/30/2003 Financial Year end, used in March 2004 Valuation, determined rate for FY 2006 which begins July 1, 2005

INFO Fiscal Year	RATE Fiscal Year	ACTUAL			Medical Cost Assump.	ACTUAL		Mortality Table	TRS			PERS		
		Invest Return Assump.	Invest Return PERS	Invest Return TRS		Medical Annual Change	Medical Compound Change		Actuarial Computed Rate	TRB Adopted Rate	Diff	Actuarial Computed Rate	PERB Adopted Rate	Diff
1987	1990	9.00%	11.40%	11.40%	9.00%	-15.00%	9.00%	1984, back 1.5 yrs	8.19%	11.64%	3.45%	9.30%	9.30%	0.00%
1988	1991	9.00%	2.30%	2.10%	9.00%	51.00%	13.00%	1984, back 1.5 yrs	12.27%	10.54%	-1.73%	12.00%	12.00%	0.00%
1989	1992	9.00%	14.12%	14.10%	9.00%	20.00%	13.00%	1984, back 1.5 yrs	15.16%	11.87%	-3.29%	14.20%	14.20%	0.00%
1990	1993	8.75%	10.05%	10.15%	12.00%	-4.00%	12.00%	1984, fwd-1yrM, bk-4yrF	19.65%	12.00%	-7.65%	13.58%	13.58%	0.00%
1991	1994	8.75%	7.21%	7.05%	11.50%	0.00%	11.00%	1984, fwd-1yrM, bk-4yrF	15.59%	12.00%	-3.59%	13.72%	13.72%	0.00%
1992	1995	8.75%	11.60%	11.17%	10.50%	-7.00%	10.00%	1984, fwd-1yrM, bk-4yrF	13.36%	12.00%	-1.36%	13.70%	13.70%	0.00%
1993	1996	8.00%	14.25%	14.38%	9.50%	37.00%	11.00%	1984, fwd-1yrM, bk-4yrF	12.48%	12.00%	-0.48%	12.82%	12.82%	0.00%
1994	1997	8.00%	2.71%	2.65%	8.50%	9.00%	11.00%	1984, fwd-1yrM, bk-4yrF	14.96%	12.00%	-2.96%	12.14%	12.14%	0.00%
1995	1998	8.25%	15.56%	15.90%	7.50%	4.00%	11.00%	1984, fwd-1yrM, bk-4yrF	14.94%	12.00%	-2.94%	11.90%	8.00%	-3.90%
1996	1999	8.25%	13.70%	14.35%	6.50%	0.00%	10.00%	1984, fwd-1yrM, bk-4yrF	10.52%	12.00%	1.48%	7.74%	7.74%	0.00%
1997	2000	8.25%	18.18%	18.12%	5.50%	5.00%	10.00%	1984, fwd-1yrM, bk-4yrF	13.00%	12.00%	-1.00%	7.36%	7.74%	0.38%
1998	2001	8.25%	14.73%	14.83%	7.50%	0.00%	9.00%	1984, fwd-1yrM, bk-4yrF	10.55%	12.00%	1.45%	7.03%	7.40%	0.37%
1999	2002	8.25%	10.55%	10.67%	6.50%	20.00%	10.00%	1994, base year	7.09%	11.00%	3.91%	6.56%	6.75%	0.19%
2000	2003	8.25%	10.07%	10.15%	5.50%	20.00%	10.00%	1994, base year	8.29%	11.00%	2.71%	6.12%	6.75%	0.63%
2001	2004	8.25%	-5.25%	-5.35%	5.00%	15.00%	10.00%	1994, base year	14.44%	12.00%	-2.44%	6.77%	6.77%	0.00%
2002	2005	8.25%	-5.48%	-5.49%	12.00%	10.00%	10.00%	1994, base year	35.57%	16.00%	-19.57%	24.91%	1.77%	-13.14%
2003	2006	8.25%	3.67%	3.68%	12.00%	8.00%	10.00%	1994, base year	38.85%	21.00%	-17.85%	25.63%	16.77%	-8.86%
2004	2007	8.25%	15.08%	15.09%	11.50%	12.00%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Mortality Table: The base mortality table can be set forward "fwd" or backward "bk" so that it increases or decreases mortality versus the base table mortality.  
That allows the system to more closely match the system's actual mortality experience without creating a separate table

Alaska Public Employees' Retirement System - Teachers' Retirement System  
 Composite Employer Contribution - Increase Amount and Total Contributions  
 FY 06 - 07 - 08 - 09  
 (in Millions of Dollars)

Fiscal Year	State of Alaska		University of Alaska		School Districts		Municipalities		Total All Categories	
	Increase	Total	Increase	Total	Increase	Total	Increase	Total	Increase	Total
FY 06	40.0	142.1	7.8	26.3	38.6	151.5	21.7	66.6	108.1	386.5
FY 07	41.5	188.9	8.0	35.2	39.7	195.2	22.5	91.6	111.7	510.9
FY 08	43.0	238.9	8.3	44.8	41.0	242.6	23.3	118.4	115.6	644.7
FY 09	8.9	257.1	3.4	49.8	31.4	282.1	4.7	127.6	48.4	716.6

Notes: Conformed to the 2004 Actuarial Valuation (using June 30, 2003 financial statements), by projection year 5% a year increase in employer composite rate until required computed total rate is reached.  
 Each subsequent year affected by change in rate, increase in salaries -

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 Division of Retirement & Benefits

Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change in Employer Contribution

(in Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

Fund	ER Num	Employer	10/14/2004 10 47 V02		Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
			AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib		
PERS	208	AKUTAN, CITY OF	14,932	42,079	15,492	59,149	16,073	77,440	3,239	83,668		
PERS	255	ALASKA GATEWAY SD	74,074	225,629	76,852	310,941	79,774	402,335	16,065	433,931		
PERS	152	ALASKA HOUSING FINANCE CORPORATION	798,115	2,576,315	828,044	3,500,971	859,798	4,491,353	173,098	4,837,817		
PERS	106	ALASKA MUNICIPAL LEAGUE	16,035	129,848	16,636	121,354	17,260	174,289	3,478	184,494		
PERS	101	ALASKA STATE OF	39,655,236	140,776,087	41,142,307	187,107,498	42,683,144	236,902,548	8,600,561	254,647,547		
PERS	267	ALEUTIAN HOUSING AUTHORITY	26,172	100,292	27,154	131,207	28,172	164,300	5,678	178,318		
PERS	162	ALEUTIAN REGION SD	0	0	7,808	7,898	8,195	16,389	1,651	18,673		
PERS	230	ALEUTIANS EAST BOROUGH	50,537	200,431	52,432	260,379	54,333	324,542	10,961	348,030		
PERS	244	ALEUTIANS EAST BOROUGH SD	60,500	254,705	62,769	327,025	65,122	404,411	13,121	433,142		
PERS	245	ALEUTIANS WEST CRSA	2,817	12,148	2,923	15,527	3,033	19,142	611	20,492		
PERS	259	ALLAKAKET, CITY OF	2,564	5,127	2,660	7,979	2,759	11,038	556	12,020		
PERS	203	ANCHORAGE PARKING AUTHORITY	52,900	150,024	54,884	210,533	56,942	275,370	11,473	297,472		
PERS	111	ANCHORAGE SD	3,653,549	14,066,162	3,790,557	18,384,200	3,932,703	23,006,310	792,394	24,686,747		
PERS	173	ANCHORAGE, MUNICIPALITY OF	6,615,843	18,061,251	6,863,937	25,602,485	7,121,335	33,683,913	1,434,866	36,418,979		
PERS	283	ANDERSON CITY OF	2,009	2,009	2,084	4,168	2,162	6,486	436	7,172		
PERS	289	ANGOON, CITY OF	15,955	49,206	16,553	67,604	17,174	87,374	3,460	94,144		
PERS	103	ANNETTE ISLAND SD	63,144	126,289	65,512	156,537	67,969	271,876	13,625	298,065		
PERS	243	ATKA, CITY OF	3,708	14,832	3,847	19,235	3,991	23,948	804	25,877		
PERS	281	BARANOF ISLAND MA	23,645	72,875	24,532	100,140	25,452	129,347	5,128	134,668		
PERS	171	BARROW, CITY OF	53,772	192,072	55,788	255,063	57,830	322,507	11,662	348,618		
PERS	219	BARTLETT REGIONAL HOSPITAL	690,282	2,972,049	923,667	3,903,418	959,305	5,008,100	193,087	5,394,500		
PERS	104	BERING STRAIT SD	366,736	1,013,658	380,489	1,432,159	394,757	1,880,622	79,539	2,032,753		
PERS	232	BERING STRAITS CRSA	3,546	23,248	3,679	27,709	3,817	32,658	769	34,638		
PERS	270	BERING STRAITS RHA	55,837	213,298	57,931	279,221	60,104	349,803	12,110	375,415		
PERS	136	BETHEL, CITY OF	235,324	844,787	244,148	913,115	253,304	1,200,661	51,038	1,298,044		
PERS	144	BRISTOL BAY BOROUGH	70,944	184,313	73,605	264,830	76,365	351,126	15,387	380,066		
PERS	184	BRISTOL BAY BOROUGH SD	36,254	123,989	37,614	166,252	39,024	211,511	7,663	227,538		
PERS	223	BRISTOL BAY RHA	57,567	233,311	59,721	270,856	61,961	342,768	12,484	369,481		
PERS	105	CHATHAM SD	35,727	113,807	37,061	155,136	38,450	199,404	7,747	214,848		
PERS	121	CHUGACH SD	12,060	36,687	12,512	50,576	12,982	65,454	2,618	70,596		
PERS	262	COOK INLET HOUSING AUTHORITY	134,066	466,283	139,094	627,862	144,310	790,529	29,077	850,120		
PERS	224	COPPER RIVER BASIN RHA	27,796	93,970	28,841	123,150	29,922	157,690	6,029	169,806		
PERS	112	COPPER RIVER SD	63,726	232,778	66,116	307,571	68,595	387,700	13,621	416,486		
PERS	185	CORDOVA CITY SD	32,539	100,811	33,759	138,743	35,025	178,349	7,057	192,290		
PERS	183	CORDOVA COMMUNITY MEDICAL CENTER	131,150	397,121	136,068	548,081	141,170	709,804	28,444	765,647		
PERS	148	CORDOVA CITY OF	69,482	290,917	72,175	404,032	74,607	525,159	21,359	566,789		
PERS	204	CRAIG CITY SD	56,375	211,292	58,489	277,704	60,682	348,800	12,227	374,491		
PERS	186	CRAIG, CITY OF	94,438	383,683	97,979	496,362	101,653	616,628	20,482	660,912		
PERS	262	DELTA JUNCTION, CITY OF	3,478	13,059	3,547	17,095	3,680	21,418	741	22,984		
PERS	246	DELTA, GREENEY SD	47,574	150,245	49,360	205,240	51,211	264,148	10,318	284,662		
PERS	258	DENALI BOROUGH	29,484	200,453	30,590	238,601	31,737	279,286	6,395	296,421		
PERS	118	DENALI BOROUGH SD	43,730	162,937	45,370	214,417	47,071	269,529	8,484	289,417		
PERS	205	DILLINGHAM CITY SD	63,279	171,087	65,620	243,113	68,000	320,290	13,713	346,366		
PERS	178	DILLINGHAM, CITY OF	122,152	395,285	126,733	538,841	131,485	688,458	28,493	741,525		
PERS	271	EGGINK, CITY OF	5,075	18,007	5,265	19,798	5,463	26,003	1,101	28,108		
PERS	242	ELIM, CITY OF	9,077	25,880	9,418	38,372	9,771	47,507	1,969	51,310		
PERS	116	FARBANKS NORTH STAR BOROUGH	867,894	2,765,110	910,440	3,769,241	934,206	4,844,794	198,232	5,270,035		
PERS	117	FARBANKS NORTH STAR BOROUGH SD	1,234,537	3,928,206	1,280,832	5,356,439	1,328,863	6,886,168	267,750	7,418,725		
PERS	129	FARBANKS, CITY OF	305,784	1,075,479	317,251	2,263,258	329,148	2,677,289	66,319	2,848,951		
PERS	183	FORT YUKON, CITY OF	18,338	30,877	19,074	47,741	19,810	66,041	3,327	71,917		
PERS	141	GALENA CITY SD	183,283	576,318	189,385	787,376	195,737	971,827	20,479	1,044,749		
PERS	192	GALENA, CITY OF	68,486	158,972	71,054	213,162	73,719	264,875	14,853	321,110		
PERS	189	HAINE'S BOROUGH	108,665	468,518	109,637	595,715	113,738	731,793	22,917	782,957		
PERS	240	HAINE'S BOROUGH SD	51,894	181,672	53,425	241,570	55,479	306,470	11,168	329,406		
PERS	215	HOMER, CITY OF	247,743	835,001	254,954	913,954	264,520	1,212,450	53,298	1,312,661		
PERS	138	HOONAH CITY SD	26,739	89,099	27,742	223,532	28,782	261,111	5,799	276,989		
PERS	109	HOONAH, CITY OF	33,095	104,248	34,336	142,493	35,623	183,460	7,178	197,719		
PERS	285	HOOPER BAY, CITY OF	30,735	94,783	31,868	130,230	33,084	168,108	6,666	181,356		
PERS	235	MUSKIE, CITY OF	4,785	17,486	4,865	23,106	5,151	29,124	1,034	31,288		
PERS	168	HYDABURG CITY SD	13,463	29,829	13,868	41,803	14,481	57,966	2,920	63,123		
PERS	124	IDITAROD AREA SD	82,335	312,648	85,422	409,172	88,625	513,142	17,857	550,806		
PERS	275	ILISAGYK COLLEGE	206,157	838,261	213,888	878,081	221,939	1,130,848	44,712	1,219,211		
PERS	263	INTERIOR RHA	12,437	184,474	12,833	245,789	13,444	311,456	11,373	334,651		
PERS	264	INTER ISLAND FERRY AUTHORITY	6,600	20,582	6,853	29,206	7,110	30,374	1,433	32,211		
PERS	109	JUNEAU BOROUGH SD	465,932	1,670,834	483,404	2,218,886	501,933	2,801,561	101,653	3,010,754		
PERS	126	JUNEAU CITY AND BOROUGH OF	1,381,743	4,561,054	1,462,433	6,951,827	1,458,028	7,630,149	293,171	8,217,844		
PERS	260	KACHEMAK, CITY OF	3,108	15,569	3,183	19,336	3,303	23,364	665	24,932		

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Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change in Employer Contribution

(in Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

Fund	ER Num	10/14/2004 10.47 V02 Employer	Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
			AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.
PERS 265	KAKE CITY SD		25,057	95,818	25,997	125,408	26,972	157,083	5,434	168,581
PERS 277	KAKE, CITY OF		15,138	51,438	15,705	69,072	16,294	87,956	3,283	94,634
PERS 237	KALTAG, CITY OF		1,479	5,471	1,535	7,211	1,593	9,074	321	9,745
PERS 211	KASHUNAMIUT SD		61,755	229,112	64,071	301,775	60,474	379,585	13,394	407,610
PERS 180	KENAI PENINSULA BOROUGH		625,569	2,228,278	649,028	2,960,866	673,367	3,745,265	135,676	4,025,509
PERS 190	KENAI PENINSULA BOROUGH SD		644,117	2,165,521	668,271	2,915,000	693,332	3,717,644	139,658	4,000,843
PERS 115	KENAI, CITY OF		278,462	761,316	288,905	1,078,770	299,739	1,418,962	60,394	1,534,128
PERS 122	KETCHIKAN GATEWAY BOROUGH		208,307	639,140	214,044	877,152	222,070	1,132,115	44,745	1,220,560
PERS 177	KETCHIKAN GATEWAY BOROUGH SD		187,852	595,867	194,897	813,109	202,205	1,045,806	40,742	1,126,916
PERS 181	KETCHIKAN, CITY OF		415,937	2,073,029	431,534	2,582,302	447,717	3,126,856	90,210	3,337,762
PERS 151	KING COVE, CITY OF		53,681	157,071	55,694	218,658	57,783	284,638	11,643	307,268
PERS 251	KLAWOCK CITY SD		29,668	121,222	30,780	156,548	31,934	194,353	6,434	208,290
PERS 227	KLAWOCK, CITY OF		42,542	95,210	44,138	142,918	45,793	194,070	9,227	210,788
PERS 174	KODIAK ISLAND BOROUGH		113,687	227,334	117,929	353,788	122,352	489,407	24,652	532,950
PERS 158	KODIAK ISLAND BOROUGH SD		235,674	699,951	244,512	970,711	253,681	1,260,793	51,114	1,360,573
PERS 128	KODIAK, CITY OF		293,700	952,175	304,714	1,292,596	316,140	1,657,208	63,699	1,784,875
PERS 140	KOTZEBUE, CITY OF		162,767	325,534	168,871	506,612	175,203	700,813	35,301	763,165
PERS 287	KOYUK, CITY OF		1,113	3,433	1,155	4,716	1,198	6,091	241	6,568
PERS 125	KUSPUK SD		114,491	341,641	118,785	473,237	123,239	614,223	24,831	662,763
PERS 247	LAKE AND PENINSULA BOROUGH		32,811	150,278	34,042	189,953	35,318	232,395	7,116	248,482
PERS 164	LAKE AND PENINSULA BOROUGH SD		131,433	435,832	136,362	588,538	141,476	752,084	28,506	809,620
PERS 157	LOWER KUSKOKWIM SD		859,238	2,369,779	891,459	3,350,165	924,889	4,400,623	186,354	4,756,841
PERS 153	LOWER YUKON SD		238,407	589,600	245,273	856,983	254,470	1,143,590	51,273	1,239,005
PERS 109	MATANUSKA-SUSITNA BOROUGH		496,701	1,566,530	514,704	2,160,729	534,006	2,775,762	107,596	2,990,502
PERS 110	MATANUSKA-SUSITNA BOROUGH SD		996,633	3,187,234	1,034,007	4,340,762	1,072,782	5,576,323	216,153	6,007,722
PERS 196	NENANA CITY SD		48,549	164,291	50,370	220,822	52,259	281,362	10,530	302,752
PERS 193	NENANA, CITY OF		19,388	75,458	20,115	98,403	20,869	122,962	4,205	131,913
PERS 149	NOME CITY SD		73,463	305,460	76,218	393,133	79,076	486,952	15,933	521,681
PERS 175	NOME JOINT UTILITY SYSTEM		50,792	101,584	52,697	158,090	54,673	218,692	11,016	238,149
PERS 139	NOME, CITY OF		179,462	271,870	134,317	416,382	139,354	571,350	28,078	621,482
PERS 241	NOORVIK, CITY OF		18,250	52,550	18,934	73,465	19,644	95,864	3,958	103,522
PERS 170	NORTH PACIFIC FISHERY MGMT COUNCIL		57,725	208,271	59,889	275,071	62,135	348,455	12,520	374,425
PERS 276	NORTH PACIFIC RIVER		48,977	162,468	50,814	219,313	52,719	260,256	10,622	301,697
PERS 191	NORTH POLE, CITY OF		107,535	322,604	111,567	446,269	115,751	578,755	23,322	624,418
PERS 145	NORTH SLOPE BOROUGH		2,458,409	8,214,859	2,550,600	8,998,515	2,646,247	11,982,207	533,168	12,977,908
PERS 161	NORTH SLOPE BOROUGH SD		652,578	2,092,166	677,050	2,847,672	702,439	3,656,899	141,533	3,939,589
PERS 220	NORTHWEST ARCTIC BOROUGH		36,340	104,151	37,703	145,760	39,117	190,343	7,882	205,571
PERS 154	NORTHWEST ARCTIC BOROUGH SD		360,719	721,437	374,246	1,122,737	388,280	1,553,119	78,234	1,691,304
PERS 288	NORTHWEST INUPIAT HOUSING AUTHORITY		28,131	86,757	29,166	119,197	30,281	153,947	6,101	165,891
PERS 134	PALMER, CITY OF		132,067	493,041	137,953	649,483	143,126	816,965	28,838	877,338
PERS 257	PELICAN CITY SD		4,047	16,051	4,169	20,852	4,356	25,991	878	27,872
PERS 200	PELICAN, CITY OF		6,550	18,181	6,805	25,668	7,060	33,690	1,423	36,413
PERS 228	PETERSBURG CITY SD		63,038	143,250	55,961	204,592	58,059	270,324	11,898	292,456
PERS 187	PETERSBURG MEDICAL CENTER		149,703	328,027	154,895	495,023	160,498	674,082	32,338	732,439
PERS 143	PETERSBURG, CITY OF		198,490	934,095	205,934	1,175,058	213,856	1,432,778	43,049	1,531,113
PERS 156	PRIBILOF SD		33,031	135,871	34,332	175,298	35,619	217,491	7,177	233,063
PERS 266	QUINNAGAK, CITY OF		1,552	5,340	1,610	7,192	1,671	9,133	337	9,822
PERS 216	RUBY, CITY OF		6,153	22,153	6,364	29,368	6,624	37,092	1,335	39,852
PERS 256	SANT GEORGE, CITY OF		18,984	52,330	19,700	73,992	20,438	97,205	4,118	105,075
PERS 221	SANT MARY'S SD		21,240	42,481	22,037	60,111	22,863	81,453	4,607	99,590
PERS 214	SANT MARY'S, CITY OF		15,975	64,341	16,491	83,245	17,109	103,478	3,447	110,917
PERS 172	SANT PAUL, CITY OF		70,881	175,077	73,539	255,182	76,297	341,248	15,373	369,566
PERS 176	SAND POINT, CITY OF		39,312	95,214	40,786	139,571	42,336	187,121	8,526	202,870
PERS 278	SARWAN BEAUMENT		1,990	7,639	2,070	9,789	2,148	12,518	433	13,434
PERS 164	SARWAN, CITY OF		21,534	141,436	22,342	169,094	23,180	198,605	4,670	210,941
PERS 222	SELAWICK, CITY OF		4,016	12,950	4,167	17,509	4,323	22,488	871	24,227
PERS 286	SELDOVIA, CITY OF		4,997	15,413	5,185	21,174	5,379	27,347	1,084	29,486
PERS 182	SEWARD, CITY OF		192,943	530,267	200,178	750,287	207,685	888,087	41,846	1,065,996
PERS 133	SITKA BOROUGH SD		94,373	359,372	97,912	470,781	101,584	589,998	20,468	633,249
PERS 165	SITKA COMMUNITY HOSPITAL		225,160	763,762	233,610	1,026,013	242,370	1,308,859	48,835	1,406,134
PERS 170	SITKA, CITY AND BOROUGH OF		371,607	1,413,581	385,542	1,652,143	400,060	2,321,597	80,595	2,491,806
PERS 129	SKAGWAY CITY SD		18,464	75,111	19,156	87,084	19,875	120,599	4,005	129,259
PERS 137	SKAGWAY, CITY OF		77,524	284,729	79,244	370,650	80,665	482,615	15,729	466,201
PERS 121	SOLDOTNA, CITY OF		139,473	403,357	144,734	563,187	150,130	734,437	30,249	793,015
PERS 155	SOUTHEAST ISLAND SD		50,437	207,290	52,328	267,398	54,291	331,718	10,939	355,459
PERS 187	SOUTHEAST REGIONAL RESOURCE CENTER		86,812	265,298	90,068	345,315	93,445	472,459	18,876	509,525
PERS 102	SOUTHWEST REGION SCHOOL DISTRICT (SD)		143,418	439,471	149,004	604,955	154,591	782,732	31,148	843,575

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Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change in Employer Contribution

(In Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

10/14/2004 10 47 V02			Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
Fund	ER Num	Employer	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.
PERS	218	SPECIAL EDUCATION SERVICE AGENCY	25,409	79,632	26,362	108,980	27,350	140,417	5,511	151,348
PERS	166	TANANA SD	8,091	47,414	8,395	57,587	8,709	68,456	1,755	72,853
PERS	169	TANANA, CITY OF	11,285	46,608	11,708	60,064	12,147	74,464	2,448	79,785
PERS	206	THORNE BAY, CITY OF	14,513	43,830	15,057	60,531	15,622	78,422	3,148	84,597
PERS	279	TLINGIT-HAIDA RHA	100,793	413,654	104,573	533,739	108,494	662,248	21,860	709,671
PERS	280	TOKSOOK BAY, CITY OF	881	2,644	914	3,657	949	4,743	191	5,117
PERS	249	UNALAKLEET, CITY OF	13,698	40,738	14,212	56,478	14,745	73,340	2,971	79,142
PERS	209	UNALASKA CITY SD	47,987	170,257	49,786	228,428	51,653	286,573	10,408	308,042
PERS	179	UNALASKA, CITY OF	493,130	1,685,517	511,622	2,260,346	530,808	2,875,917	106,952	3,093,879
PERS	113	UNIVERSITY OF ALASKA	5,816,153	18,123,132	6,034,258	24,837,007	6,260,543	32,028,938	1,261,427	34,526,682
PERS	137	VALDEZ CITY SD	86,400	178,848	89,640	275,195	93,002	378,517	18,739	411,866
PERS	107	VALDEZ, CITY OF	255,619	711,133	265,705	1,003,005	275,150	1,315,768	55,420	1,421,996
PERS	131	WASILLA, CITY OF	173,593	570,773	180,103	772,280	186,856	988,097	37,619	1,083,887
PERS	202	WHITTIER, CITY OF	48,977	87,954	50,814	152,441	52,719	210,877	10,600	229,600
PERS	146	WRANGELL PUBLIC SD	42,618	127,514	44,217	176,513	45,875	229,007	9,243	247,000
PERS	135	WRANGELL, CITY OF	125,854	420,855	130,573	587,211	135,470	721,951	27,296	779,191
PERS	264	YAKUTAT SD	19,499	70,041	20,230	92,898	20,989	117,371	4,229	126,130
PERS	248	YAKUTAT, CITY AND BOROUGH OF	22,773	85,535	23,627	112,370	24,513	141,096	4,939	151,482
PERS	160	YUKON / KOYUKUK SD	109,970	219,941	114,094	342,283	118,373	473,492	23,851	515,619
PERS	159	YUKON FLATS SD	65,909	131,818	68,381	205,142	70,945	283,779	14,295	309,028
PERS	195	YUPIIT SD	109,492	297,160	113,598	421,902	117,858	555,580	23,747	600,773
TOTAL PERS			79,372,131	260,032,812	82,356,484	358,365,527	85,444,652	457,249,086	17,216,147	492,115,048
TRS	737	ALASKA DEPARTMENT OF EDUCATION	311,338	1,307,621	318,499	1,656,196	328,373	2,035,910	338,716	2,438,758
TRS	766	ALASKA GATEWAY SD	122,058	512,643	124,865	649,299	128,736	798,164	132,791	956,097
TRS	758	ALEUTIAN REGION SD	18,118	76,097	18,535	96,382	19,110	118,479	19,711	141,923
TRS	780	ALEUTIANS EAST BOROUGH SD	119,964	503,849	122,723	638,160	126,528	784,471	130,513	939,695
TRS	701	ANCHORAGE SD	8,545,012	37,572,829	9,151,668	47,588,671	9,435,360	58,499,289	9,732,583	70,074,600
TRS	770	ANNETTE ISLAND SD	81,357	341,701	83,229	432,788	85,809	532,014	88,512	637,284
TRS	752	BERING STRAIT SD	558,156	2,335,857	568,948	2,958,530	588,585	3,636,830	605,063	4,356,453
TRS	742	BRISTOL BAY BOROUGH SD	68,251	278,254	67,775	352,429	69,878	433,230	72,077	518,954
TRS	768	CHATHAM SD	65,684	275,875	67,195	349,415	69,278	429,525	71,461	514,516
TRS	771	CHUGACH SD	47,326	198,768	48,414	251,754	49,915	309,473	51,487	370,709
TRS	767	COPPER RIVER SD	144,588	607,270	147,914	769,151	152,499	945,494	157,303	1,132,580
TRS	704	CORDOVA CITY SD	104,604	440,595	107,316	558,045	110,643	685,088	114,128	821,725
TRS	705	CRAIG CITY SD	117,364	492,928	120,063	624,329	123,785	767,468	127,684	919,328
TRS	765	DELTA/GREELY SD	151,836	637,712	155,328	807,707	160,144	992,890	165,188	1,189,354
TRS	764	DE NALI BOROUGH SD	84,599	355,315	86,545	450,032	89,227	553,210	92,038	662,675
TRS	744	DILLINGHAM CITY SD	145,270	610,133	148,611	772,777	153,218	949,951	158,044	1,137,919
TRS	706	FAIRBANKS NORTH STAR BOROUGH SD	2,545,480	12,371,017	3,013,226	15,668,777	3,106,636	19,261,145	3,204,495	23,072,367
TRS	735	GALINA CITY SD	227,943	957,362	233,186	1,212,568	240,415	1,490,572	247,988	1,785,513
TRS	707	HAINES BOROUGH SD	93,831	394,089	95,959	499,142	98,965	612,580	102,082	734,990
TRS	708	HOONAH CITY SD	79,670	334,615	81,503	423,813	84,029	520,981	86,676	624,067
TRS	769	HYDABURG CITY SD	35,628	149,638	36,448	189,528	37,576	232,981	38,761	279,081
TRS	761	IDITAROD AREA SD	7,851	545,375	132,838	690,756	136,956	849,125	141,270	1,017,142
TRS	710	JUNEAU BOROUGH SD	463	4,289,305	1,044,752	5,432,711	1,077,139	6,678,264	1,111,009	7,999,609
TRS	712	KAKE CITY SD	39,935	167,728	40,854	212,440	42,120	261,145	43,447	312,818
TRS	777	KASHUNAMUT SD	73,716	309,609	75,412	392,142	77,750	482,048	80,199	577,432
TRS	746	KENAI PENINSULA BOROUGH SD	1,918,041	8,055,774	1,962,156	10,793,213	2,022,083	12,542,496	2,086,767	15,024,292
TRS	714	KETCHIKAN GATEWAY BOROUGH SD	466,088	1,957,500	476,826	2,479,389	491,587	3,047,837	507,072	3,650,915
TRS	717	KLAWOCK CITY SD	58,619	246,199	59,967	311,829	61,826	383,322	63,774	459,170
TRS	718	KODIAK ISLAND BOROUGH SD	632,610	2,657,001	617,169	3,365,231	667,232	4,136,837	688,250	4,955,397
TRS	755	KUSLUK SD	140,344	569,445	143,572	746,574	148,023	917,740	152,685	1,099,334
TRS	757	LAKE AND PENINSULA BOROUGH SD	163,178	685,316	166,931	868,040	172,106	1,067,055	177,527	1,278,194
TRS	754	LOWER KUSKOKWIM SD	94,624	397,141	98,987	503,513	99,995	618,567	1,079,432	741,907
TRS	753	LOWER YUKON SD	457,613	1,921,973	468,138	2,434,316	482,650	2,992,430	497,853	3,584,545
TRS	722	MATANUSKA-SUSITNA BOROUGH SD	2,589,746	10,876,933	2,649,310	13,776,413	2,731,439	16,934,921	2,817,470	20,285,850
TRS	719	NENANA CITY SD	107,505	451,535	109,981	571,901	113,399	703,070	116,962	842,128
TRS	720	NOME CITY SD	158,350	645,072	161,993	842,361	167,014	1,035,489	172,275	1,240,382
TRS	736	NORTH SLOPE BOROUGH SD	728,566	3,059,978	745,323	3,875,680	768,428	4,764,254	792,634	5,708,062
TRS	751	NORTHEAST ARCTIC BOROUGH SD	631,148	2,650,821	645,664	3,157,454	665,680	4,127,215	686,640	4,943,871
TRS	723	PELICAN CITY SD	7,422	31,123	7,593	39,483	7,828	48,535	8,075	58,139
TRS	724	PETERSBURG CITY SD	147,167	618,100	150,552	762,864	155,210	962,355	160,168	1,152,778

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Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change In Employer Contribution

(In Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

10/14/2004 10:47 V02			Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
Fund	ER Num	Employer	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib.
TRS	750	PRIBILOF SD	34,771	146,040	35,571	184,970	36,874	227,378	37,829	272,369
TRS	748	SAIN'T MARY'S SD	43,938	184,541	44,949	233,735	48,342	287,323	47,802	344,176
TRS	727	SITKA BOROUGH SD	345,793	1,452,330	353,746	1,839,480	364,712	2,281,216	376,201	2,708,645
TRS	728	SKAGWAY CITY SD	35,750	150,151	38,573	190,177	37,706	233,779	38,894	280,037
TRS	769	SOUTHEAST ISLAND SD	68,398	287,273	69,971	363,852	72,141	447,272	74,413	535,774
TRS	743	SOUTHEAST REGIONAL RESOURCE CENTER	50,057	210,240	51,208	266,284	52,798	327,335	54,459	392,105
TRS	756	SOUTHWEST REGION SD	256,747	1,078,339	262,653	1,365,793	270,795	1,678,927	279,325	2,011,138
TRS	770	SPECIAL EDUCATION SERVICE AGENCY	58,874	247,270	60,228	313,185	62,095	384,988	64,051	461,167
TRS	775	TANANA SD	14,438	60,640	14,770	76,805	15,228	94,414	15,708	113,090
TRS	729	UNALASKA CITY SD	108,771	458,838	111,273	578,618	114,722	711,277	118,336	852,019
TRS	733	UNIVERSITY OF ALASKA	1,953,277	8,203,761	1,998,202	10,390,650	2,060,146	12,772,906	2,125,041	15,300,293
TRS	730	VALDEZ CITY SD	236,952	995,200	242,402	1,260,492	249,917	1,549,483	257,729	1,856,081
TRS	731	WRANGELL PUBLIC SD	106,028	445,311	108,465	564,018	111,827	693,330	115,350	830,520
TRS	732	YAKUTAT SD	46,921	197,070	48,001	249,603	49,489	306,830	51,048	367,642
TRS	762	YUKON / KOYUKUK SD	103,646	813,312	108,099	1,030,117	264,241	1,268,291	210,674	1,518,854
TRS	763	YUKON FLATS SD	20,969	568,070	123,751	643,507	127,588	791,043	131,607	947,568
TRS	778	YUPIIT SD	112,500	472,499	115,087	598,453	118,655	735,660	122,392	881,226
		TOTAL TRS	28,670,505	120,416,120	29,329,926	152,515,617	30,239,154	187,482,755	31,191,687	224,560,150
		TOTAL BOTH PERS AND TRS	108,642,636	386,448,932	111,886,411	510,881,144	115,684,006	614,731,842	48,407,834	716,695,197

### 1.5(c) Actuarial Projections – Effect of Economic Scenarios

#### Key Assumptions

- All assumptions and methods are the same as Section 1.5(a) except

Results are shown only under the 1% population growth scenario

The actuarially calculated contribution rate is adopted in each year beginning in FY06, but rate cannot increase by more than 5% per year.

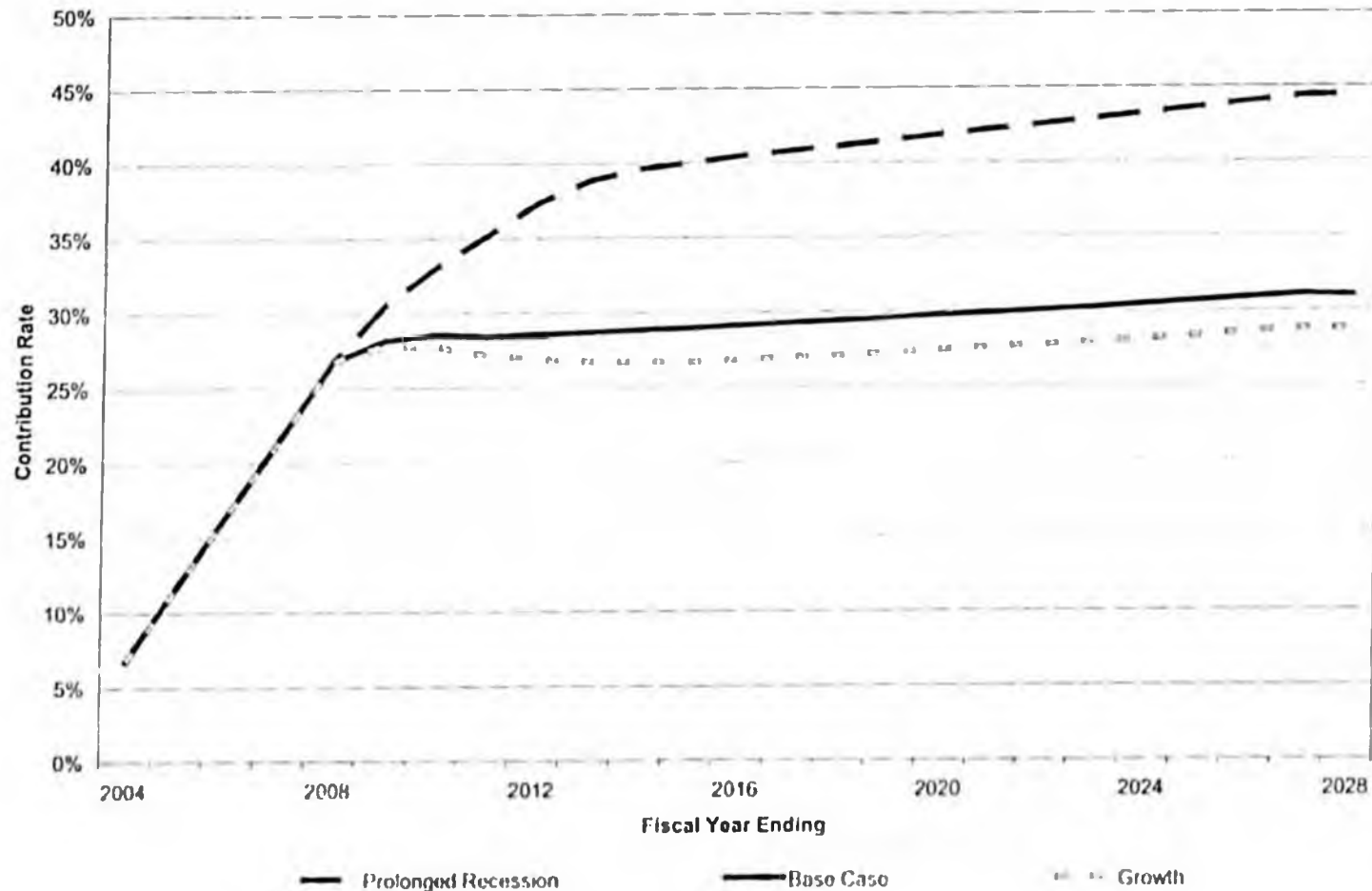
Investment returns are assumed as follows:

Total Portfolio Investment Return Under Each Scenario

Year Ending June 30	Base Case	Growth	Prolonged Recession
2004	15.08%	15.08%	15.08%
2005	8.25%	10.00%	-3.50%
2006	8.25%	10.00%	-3.50%
2007	8.25%	9.50%	2.10%
2008	8.25%	9.00%	7.75%
2009	8.25%	8.25%	7.75%
2010	8.25%	8.25%	7.75%
2011	8.25%	8.25%	7.75%
2012	8.25%	8.25%	7.75%
2013	8.25%	8.25%	7.75%
2014	8.25%	8.25%	7.75%
2015	8.25%	8.25%	7.75%
2016	8.25%	8.25%	7.75%
2017	8.25%	8.25%	7.75%
2018	8.25%	8.25%	7.75%
2019	8.25%	8.25%	7.75%
2020	8.25%	8.25%	7.75%
2021	8.25%	8.25%	7.75%
2022	8.25%	8.25%	7.75%
2023	8.25%	8.25%	7.75%
2024	8.25%	8.25%	7.75%
2025	8.25%	8.25%	7.75%
2026	8.25%	8.25%	7.75%
2027	8.25%	8.25%	7.75%
2028	8.25%	8.25%	7.75%

1.5(c) Actuarial Projections – Effect of Economic Scenarios (continued)

Contribution Rate

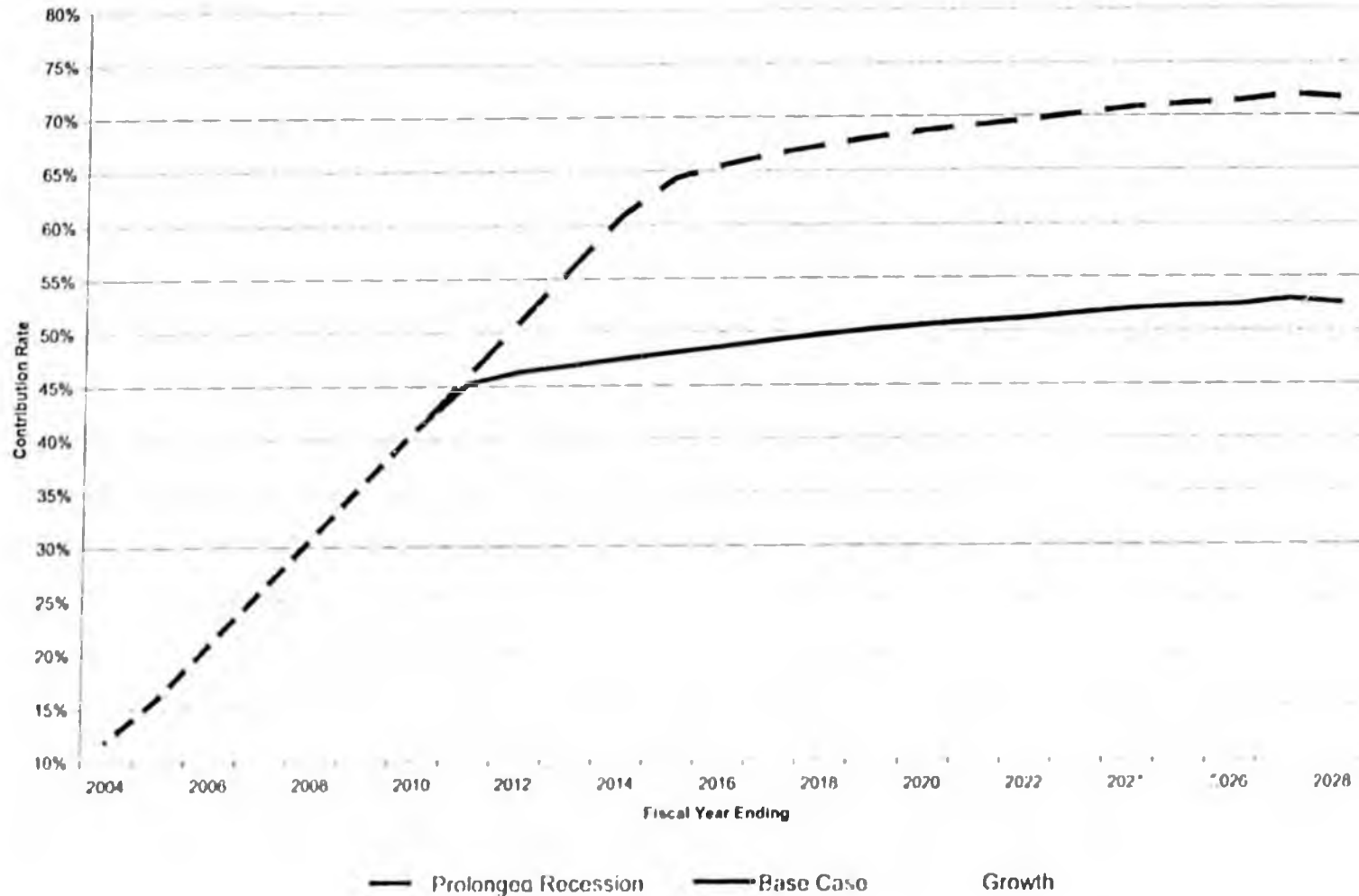


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1.5(c) Actuarial Projections – Effect of Economic Scenarios (continued)

Contribution Rate

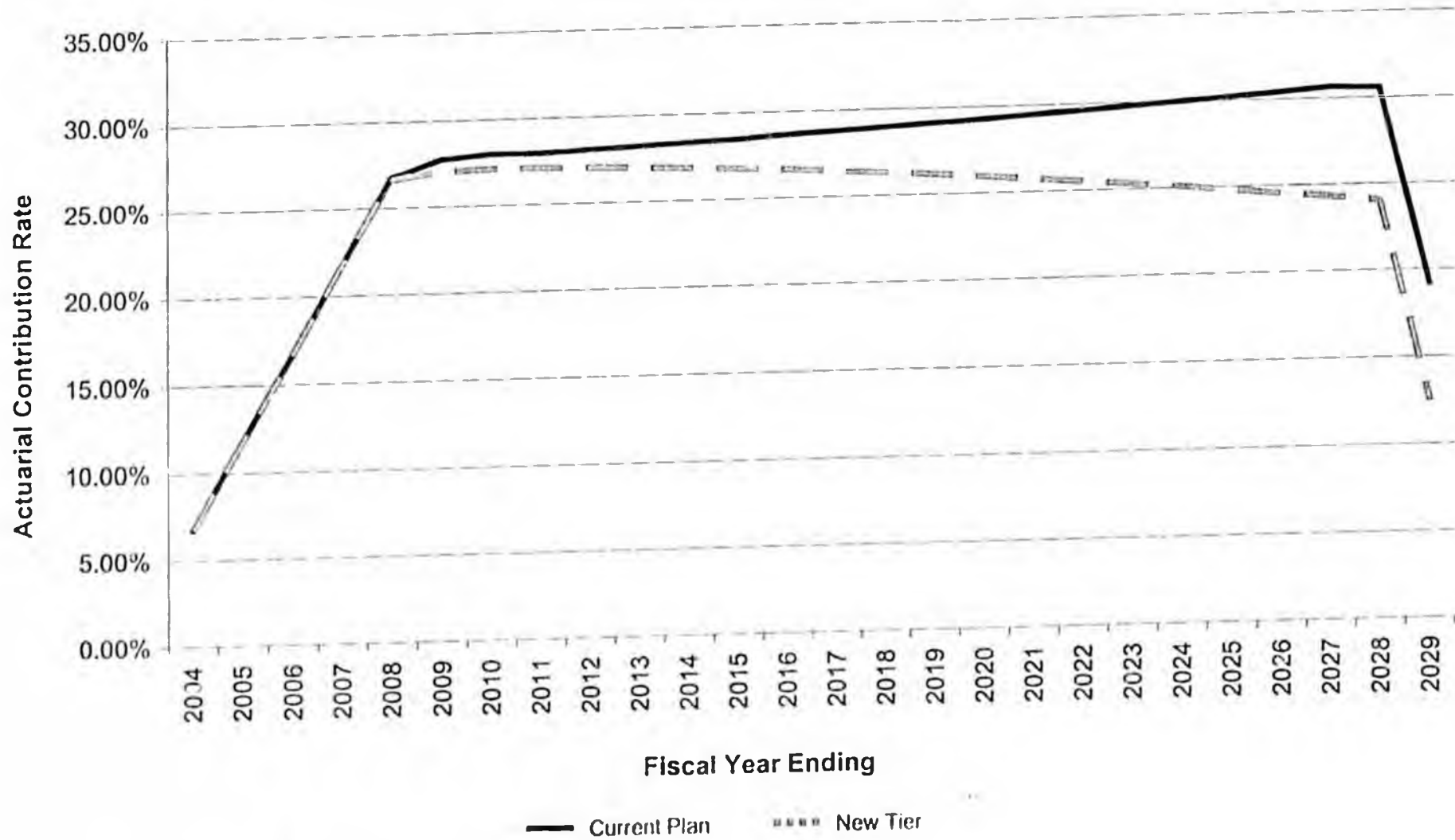


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# Proposed Alternatives

## Cost Projections - PERS

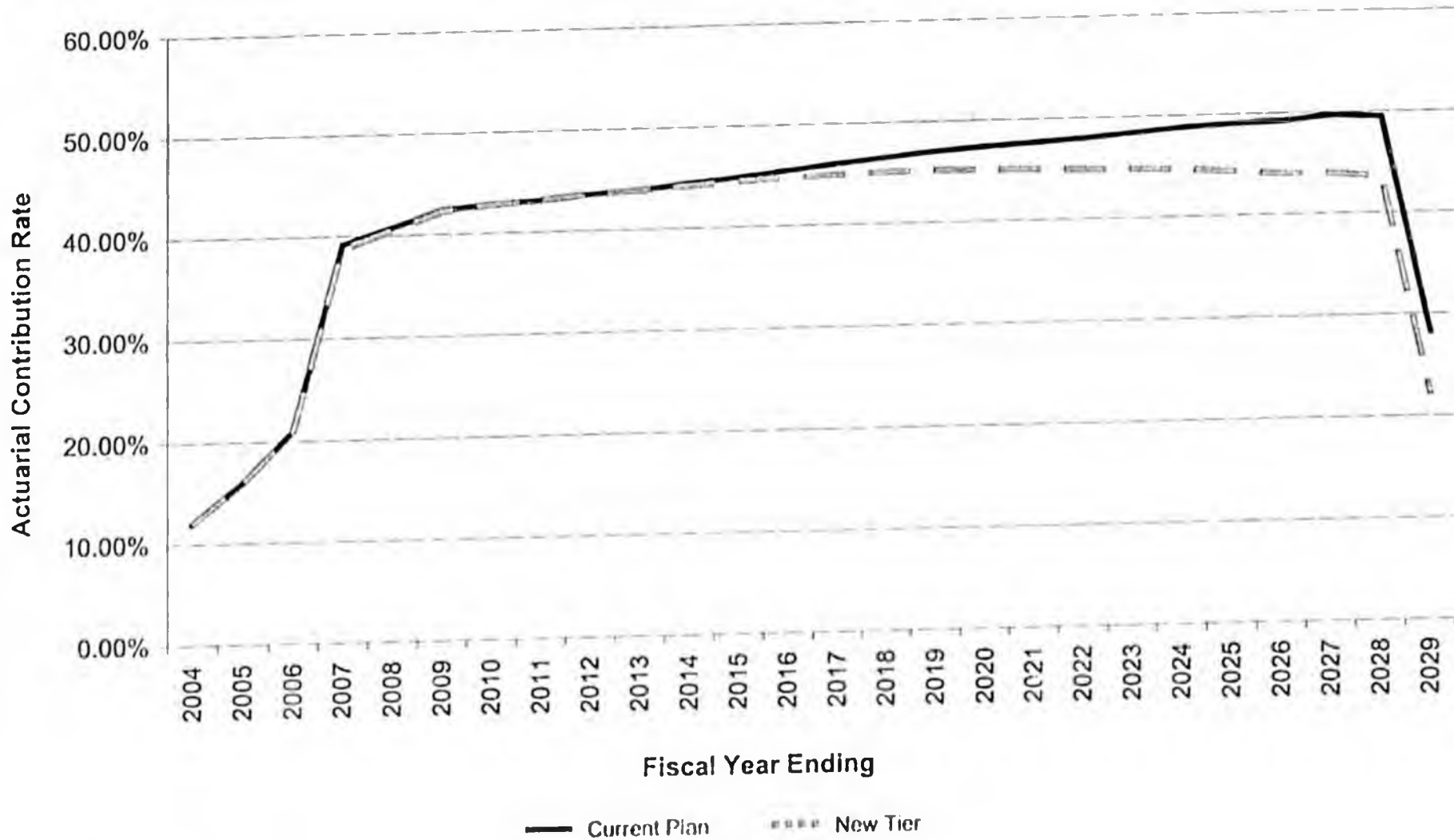
Contribution Comparison – PERS



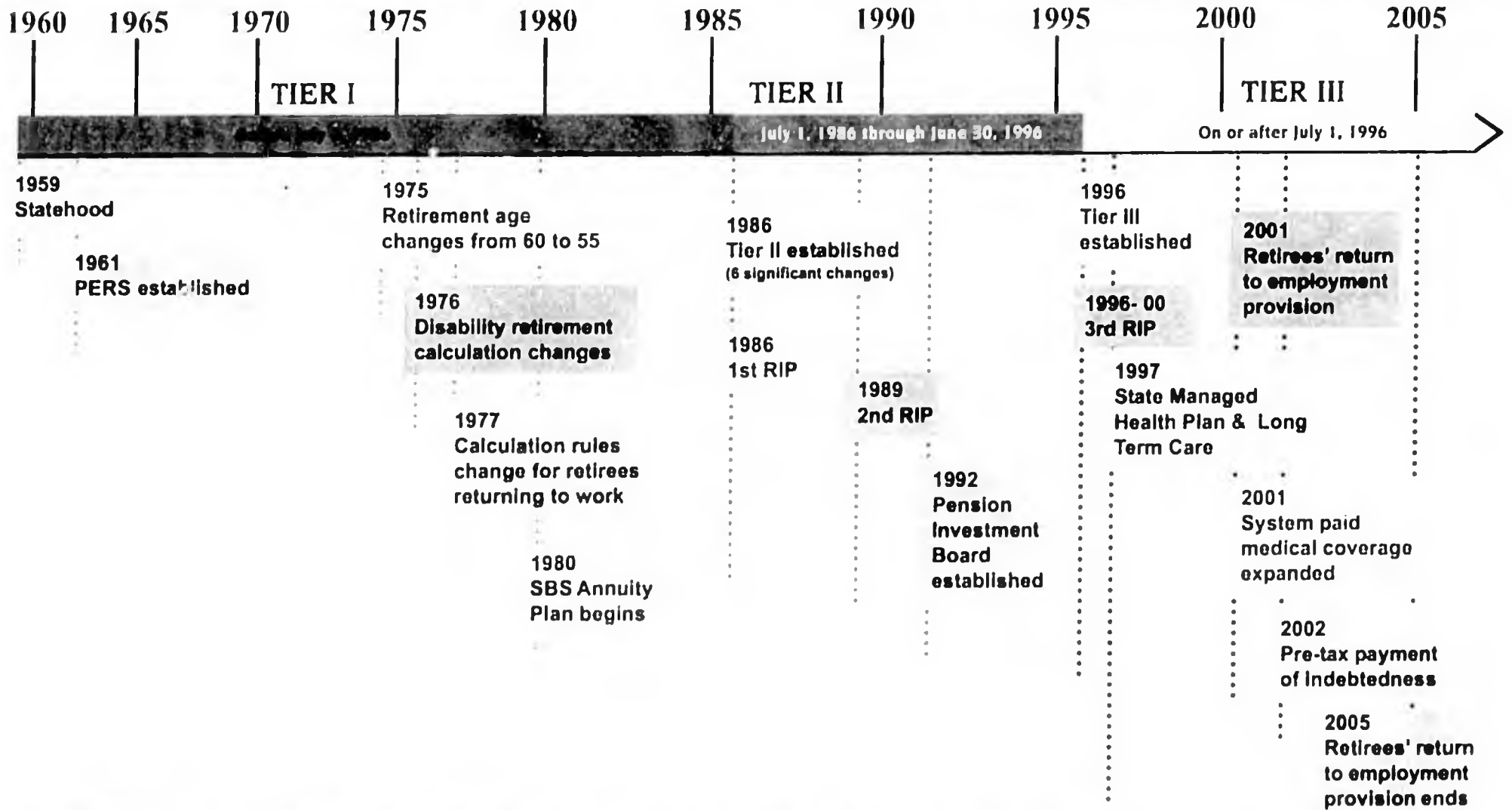
# Proposed Alternatives

## Cost Projections - TRS

Contribution Comparison - TRS

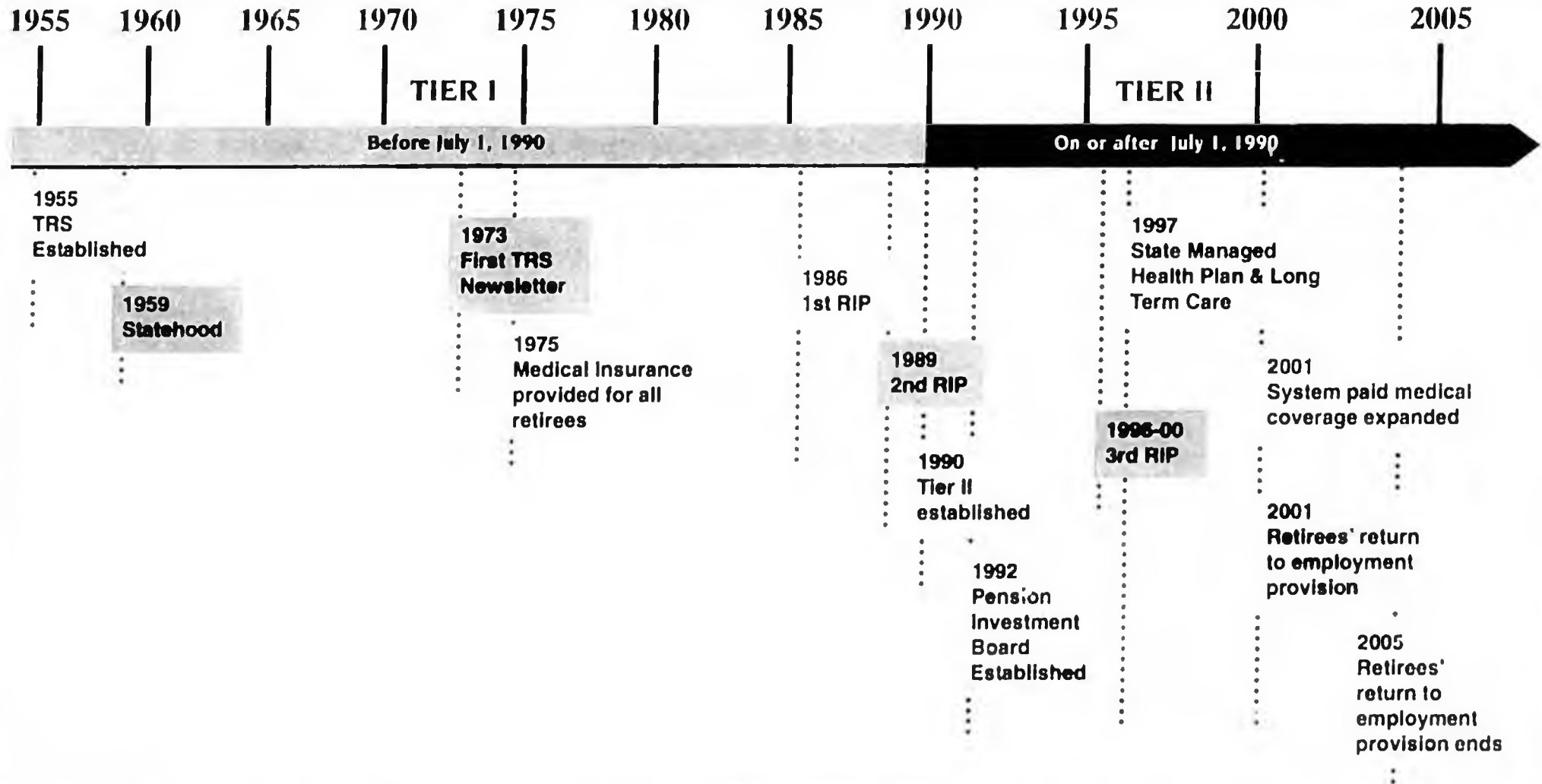


# ALASKA PERS TIMELINE



The information on this timeline is not intended to replace the Alaska Statutes, the Alaska Administrative Code or Federal law. Language contained in the Alaska Statutes and the Alaska Administrative Code governs the plans. Rev. 7/1/04

# ALASKA TRS TIMELINE



The information on this timeline is not intended to replace the Alaska Statutes, the Alaska Administrative Code or Federal law. Language contained in the Alaska Statutes and the Alaska Administrative Code govern the plans. Rev 7/2/01



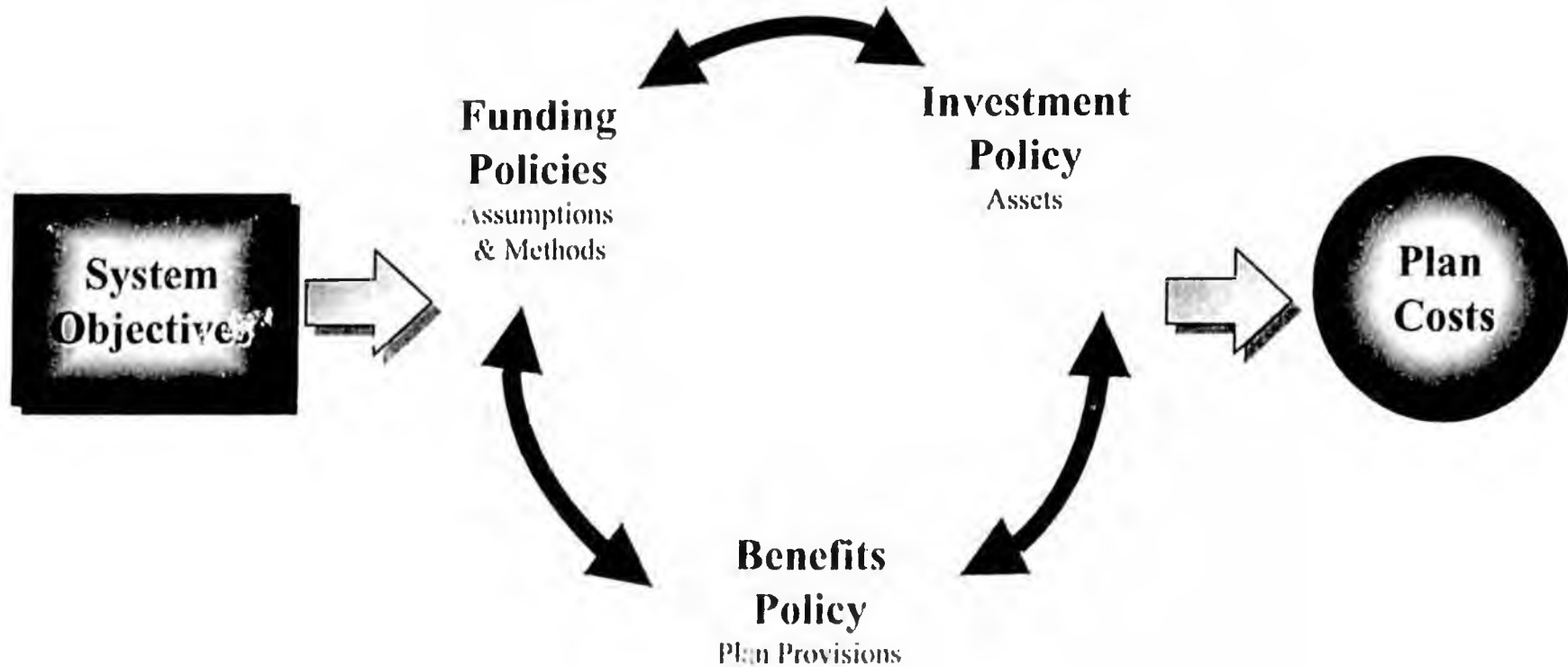
# **State of Alaska**

## **PERS & TRS**

### **Presentation to the Alaska Legislature**

# Overview

## Retirement Program Financial Management



**Alaska Public Employees' and Teachers' Retirement System  
Earnings – Actuarial Rate – Health Cost – Employer Rates – Funding Ratios**

**Public Employees' Retirement System**

Measurement Year	FY 01	FY 02	FY 03
Employer Rate Year	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Actual Investment Return	(5.25%)	(5.48%)	3.67%
<u>Actuarial</u> Investment Return	8.25%	8.25%	8.25%
Cumulative Return Shortfall, rounded	(14%)	(28%)	(34%)
Cumulative Dollar Shortfall, <u>in billions</u> (in billions, market value)	(\$1.2)	(\$2.4)	(\$2.9)
Health Care Cost Inc. Rate Used	7.5%	12.0%	12.0%
Health Care Percent of Total Accrued Liabilities	30.0%	38.0%	40.0%
Average Calculated Rate	6.77%	24.91%	25.63%
Board Adopted Rate	6.77%	11.77%	16.77%
Contribution Increase (All ER)	n/a	\$ 76 mil.	\$ 79 mil. (added to prior year)
Funding Ratio – Assets \ Liabilities			
Non-Medical Benefits only	143.7%	120.9%	121.4%
Total Benefits	100.9%	75.2%	72.8%

**Teachers' Retirement System**

Measurement Year	FY 01	FY 02	FY 03
Employer Rate Year	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>
Actual Investment Return	(5.35%)	(5.49%)	3.68%
<u>Actuarial</u> Investment Return	8.25%	8.25%	8.25%
Cumulative Return Shortfall	(14%)	(28%)	(34%)
Cumulative Dollar Shortfall, <u>in billions</u> (in billions, market value)	(\$0.6)	(\$1.1)	(\$2.1)
Health Care Cost Inc. Rate Used	7.5%	12.0%	12.0%
Health Care Percent of Total Accrued Liabilities	21.0%	27.0%	28.0%
Average Calculated Rate	14.44%	35.57%	38.85%
Board Adopted Rate	12.00%	16.00%	21.00%
Contribution Increase (All ER)	\$ 5 Mil.	\$ 24 mil.	\$ 29 mil. (added to prior year)
Funding Ratio – Assets \ Liabilities			
Non-Medical Benefits only	119.7%	93.2%	89.5%
Total Benefits	95.0%	68.2%	64.3%



# BENEFIT BULLETIN

INFORMATION AND RESOURCES FOR YOUR BENEFIT NEEDS

## Gallagher Benefit Services, Inc.

November 2, 2004

### NEW GASB RULES FOR PUBLIC SECTOR PLANS FINALIZED

Earlier this year, the Government Accounting Standards Board (GASB) released its final statements on the accounting treatment of what it calls "Other Post Employment Benefits" (OPEB). This Technical Bulletin provides an overview of what GASB Statement 45 will require, along with key considerations for public employers.

Under GASB 45, OPEB refers to retirement benefits other than pensions. While retiree medical benefits are the emphasis, other health benefits such as dental, vision and life insurance are also included.

The release of GASB 45 culminates an extended process of consideration and development by GASB. The Statement mandates that employers subject to GASB's rules account for retiree health benefits in much the same way that they account for defined benefit pension plans. Rather than recognizing the expense associated with the retiree benefits when they are paid, employers will have to recognize the expense over the working lifetimes of their employees.

For many governmental organizations, this will cause a significant increase in the expenses and liabilities that public employers will be required to recognize in their financial statements. Specifically, they will be required to report their retiree health expense on an accrual basis, rather than the current cash, or pay-as-you-go basis. Further, public employers will need to establish liabilities on their balance sheets equal to any of the recognized expense that has not been funded.

While GASB 45 does not require plan sponsors to actually fund the measured liabilities, it will highlight the significant obligations of typical retiree health provisions. For governmental entities with significant liabilities, these requirements could negatively affect the entity's bond-rating.

The most obvious liability that GASB addresses is the direct contributions an agency makes on behalf of retirees toward the cost of retiree health care. However, public employers that combine active and retiree claims experience to arrive at a "blended cost", which becomes the cost basis for the retiree's coverage, will also have to recognize the *implicit* subsidy associated with retiree coverage.

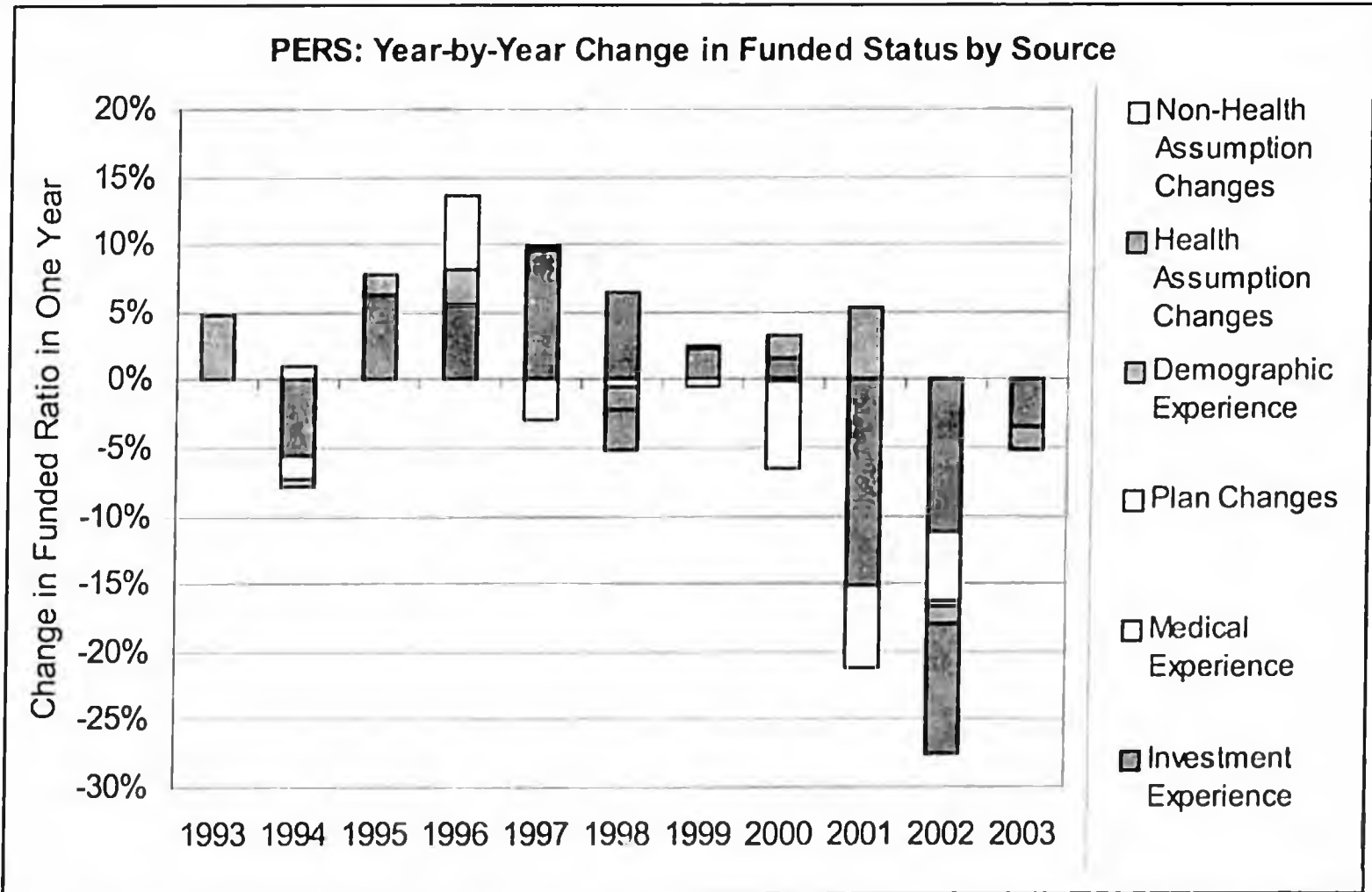
The blended cost technique is widely used, and in many states public employers are prohibited by law from charging more than this blended cost. The following chart illustrates this blending of experience, and the corresponding implicit subsidy it creates.

# State of Alaska - PERS

## Investment Returns and Funded Status

Declines in funding status were caused by (in descending order of magnitude):

1. investment performance,
2. health assumptions
3. plan changes
4. medical experience
5. non-health assumptions
6. demographic experience



Year-by-year changes

Mercer Human Resource Consulting

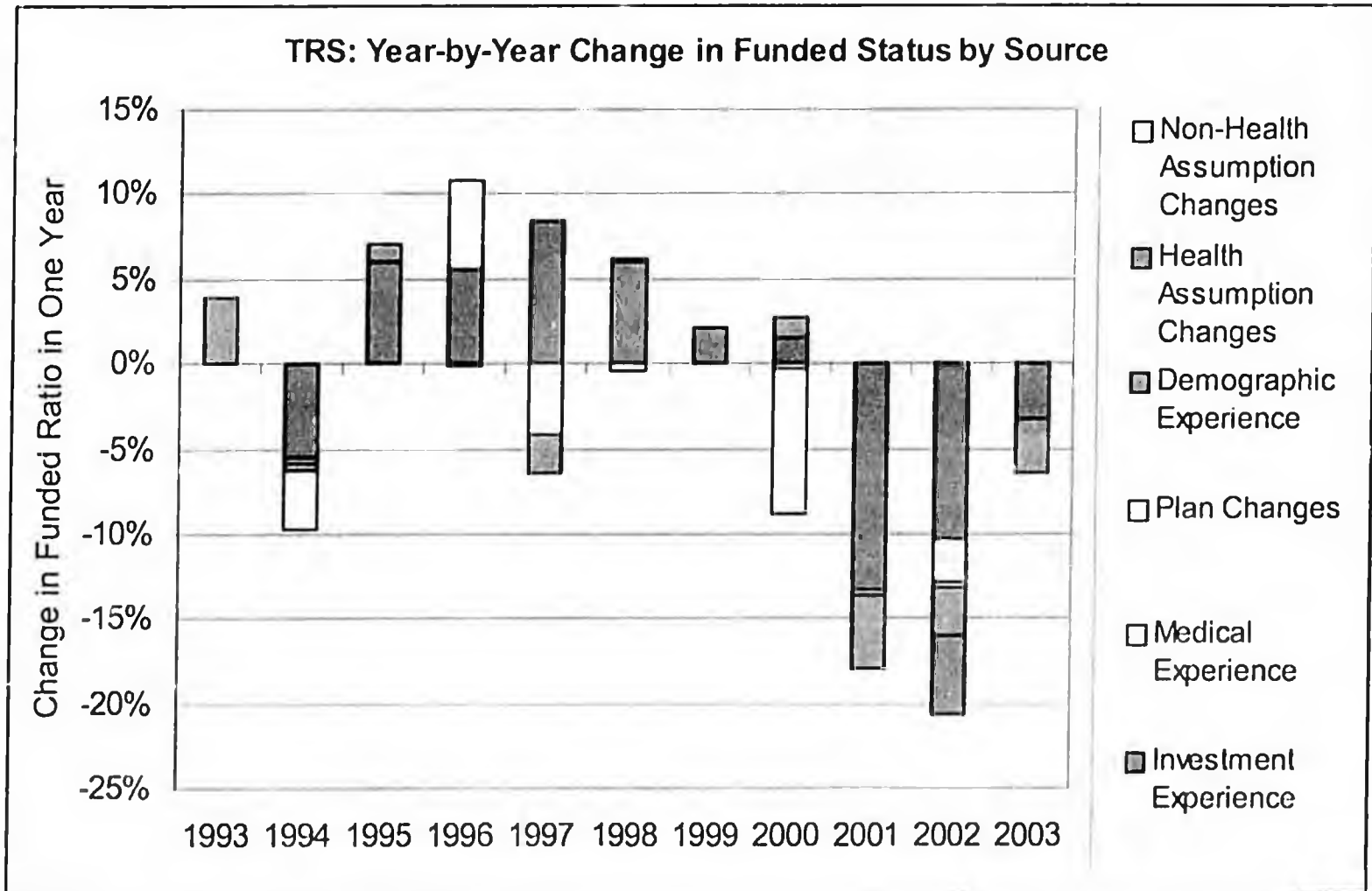
<b>1996</b> Non-Health Assumption change 25 amortization of unfunded surplus to 5 years	<b>1997</b> Plan Change lawsuit retro Ad Hoc PRPA	<b>2000</b> Non-Health assumption change Change mortality table 1084-1994	<b>2001</b> HB 242 - Medical enhance 30 years system-paid medical 25 years police/fire	<b>Demographic Exp.</b> Total turnover rates Disability rates, mortality rates Retirement rates
--	--	--	---	--

# State of Alaska - TRS

## Investment Returns and Funded Status

Declines in funding status were caused by (in descending order of magnitude):

1. investment performance,
2. demographic experience
3. non-health assumptions
4. plan changes
5. health assumptions
6. medical experience



Year-by-year changes

Mercer Human Resource Consulting

<b>1997</b> Plan change lawsuit retro Ad Hoc PRPA	<b>2000</b> Non-health assumption change Change mortality table 1984-1994	<b>2001</b> HB 242 Medical enhancements 25 years system-paid medical	<b>Demographic Exp.</b> Total turnover rates Disability rates, Retirement rates Mortality rates
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# MERCER

Human Resource Consulting

One Union Square  
600 University Street, Suite 3200  
Seattle, WA 98101-3137  
206 808 8800 Fax 206 382 0627  
www.mercerHR.com

January 3, 2005

Ms. Melanie Millhorn  
Director of Retirement and Benefits  
State of Alaska  
Department of Administration  
Division of Retirement and Benefits  
P.O. Box 110203  
Juneau, AK 99811-0203

Subject:

## Changes in Funded Status – PERS and TRS

Dear Melanie:

Part of our December 1 presentation to the Alaska State Pension Investment Board (ASPIB) focused on changes in the funded percentages for PERS and TRS. From July 1, 1992 to June 30, 2003, the funded percentage for the PERS declined from 92.3% to 70.0%, based on the market value of assets. The funded percentage for TRS declined from 91.0% to 61.7%. The dollar amount increases in the unfunded accrued liabilities (UAL) were \$3.2 billion for PERS and \$2.2 billion for TRS. We found that the total change in funded status for the PERS and TRS from July 1, 1992 to June 30, 2003 was due to asset and liability sources as follows:

	PERS		TRS	
	Change in Funded Status	Increase in UAL (billions)	Change in Funded Status	Increase in UAL (billions)
Change due to assets	(3.8)%	\$1.1	(2.7)%	\$0.6
Change due to liabilities	(18.5)	2.1	(26.6)	1.6
Total	(22.3)%	\$3.2	(29.3)%	\$2.2

This letter provides further breakdown of the changes in funded status attributable to liabilities. The percentages have been revised slightly from those quoted in the ASPIB meeting based on further research on the effect of the various factors.

	PERS		TRS	
	Change in Funded Status	Increase in UAL (billions)	Change in Funded Status	Increase in UAL (billions)
Health experience	(6.9)%	\$0.6	(3.0)%	\$0.2
Health assumption changes	(12.5)	1.1	(4.7)	0.3
Plan changes	(4.7)	0.3	(5.3)	0.2
Demographic experience	5.4	(0.1)	(6.8)	0.5
Non-health assumption changes	0.2	0.2	(6.8)	0.4
Total change due to liabilities	(18.5)%	\$2.1	(26.6)%	\$1.6

# MERCER

Human Resource Consulting

Page 2

January 3, 2005

Ms. Melanie Millhorn

State of Alaska

Health experience and changes in health assumptions were relatively large contributors to the decline in funded status. Benefit improvements also contributed to the decline. For both Systems, plan changes include benefit improvements enacted by the legislature, as well as ad-hoc Post-Retirement Pension Adjustments (PRPAs).

I hope this information is helpful. Please call or email if you have questions or need additional information.

Sincerely,



Robert M. Reynolds, ASA, MAAA

RMR/EK/ws

Copy:

Anselm Staack

Chris Byrnes

Marcia Chapman

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## PUBLIC EMPLOYEES' / TEACHERS' RETIREMENT SYSTEM INFORMATION BRIEFING

**SUBJECT:** PERS / TRS Tier Classification Medical Benefits

**DATE:** JANUARY 10, 2005

**NOTE:** AS OF DECEMBER 2004 THERE ARE 27,095 PERS/TRS MEMBERS RECEIVING A RETIREMENT AND MEDICAL BENEFIT. IN ADDITION, THERE ARE 24,947 COVERED DEPENDENTS FOR A TOTAL OF 52,042 MEMBERS AND DEPENDENTS WITH MEDICAL COVERAGE.

PERS	Tier 1	Tier 2	Tier 3	Total
Active	7,916	9,086	16,878	33,880
Deferred Vested	2,864	2,785	393	6,042
Deferred	1,871	3,079	7,188	12,138
Retired	17,352	2,041	101	19,494
<b>Total</b>	<b>30,003</b>	<b>16,991</b>	<b>24,560</b>	<b>71,554</b>
Medical Benefits	System paid medical benefits for all benefit recipients and their eligible dependents.  Eligible after vesting and normal retirement age of 55 or early retirement at age 50.	System paid medical benefits for Police / Firefighters after 25 years or "all others" at 30 years of service.  Eligible after vesting and age 60. Under 60 must pay premium.  Disabilitants, regardless of age receive medical coverage.	System paid medical benefits for Police and Firefighters after 25 years or "all others" at 30 years of service.  Eligible at age 60 after vesting; 10 years of credited service to qualify. Under age 60 must pay premium.  Disabilitants, regardless of age receive medical coverage.	

TRS	Tier 1	Tier 2	Total
Active	3,204	7,037	10,241
Deferred Vested	404	259	663
Deferred	601	1,947	2,548
Retired	8,462	184	8,646
<b>Total</b>	<b>12,671</b>	<b>9,427</b>	<b>22,098</b>
Medical Benefits	System paid Medical benefits for all benefit recipients and their eligible dependents.  Eligible after vesting and normal retirement age of 55 or early retirement at age 50.	System paid medical benefits for teachers after 25 years of service.  Eligible after vesting and age 60. Under 60 must pay premium. Disabilitants, regardless of age receive medical coverage.	

(Above member counts for both systems are as of October 11, 2004)

Note: Medical benefits account for a significant portion of the Systems liabilities.

PERS: 40% of accrued liability and 28% of accrued liability for TRS.

# Retiree Medical Insurance

The following table summarizes the monthly premium per benefit recipient since retiree medical benefits have been provided under PERS and TRS.

Time Period	*Monthly Premium Per Retiree For Health Coverage	Annual Percentage Change	Average Compound Annual Increase Since FY78
2/1/76-1/31/77	\$ 34.75	--	--
2/1/77-1/31/78	57.64	66%	--
2/1/78-1/31/79	69.10	20%	20%
2/1/79-1/31/80	64.70	-6%	6%
2/1/80-1/31/81	96.34	49%	19%
2/1/81-1/31/82	96.34	0%	14%
2/1/82-1/31/83	115.61	20%	15%
2/1/83-1/31/84	156.07	35%	18%
2/1/84-1/31/85	191.85	23%	19%
2/1/85-1/31/86	168.25	-12%	14%
2/1/86-1/31/87	165.00	-2%	12%
2/1/87-1/31/88	140.25	-15%	9%
2/1/88-1/31/89	211.22	51%	13%
2/1/89-1/31/90	252.83	20%	13%
2/1/90-1/31/91	243.98	-4%	12%
2/1/91-1/31/92	243.98	0%	11%
2/1/92-1/31/93	226.90	-7%	10%
2/1/93-1/31/94	309.72	37%	11%
2/1/94-1/31/95	336.05	9%	11%
2/1/95-1/31/96	350.50	4%	11%
2/1/96-1/31/97	350.50	0%	10%
2/1/97-1/31/98	368.00	5%	10%
2/1/98-12/31/98	368.00	0%	9%
1/1/99-12/31/99	442.00	20%	10%
1/1/00-12/31/00	530.00	20%	10%
1/1/01-12/31/01	610.00	15%	10%
1/1/02-12/31/02	668.00	10%	10%
1/1/03-12/31/03	720.00	8%	10%
1/1/04-12/31/04	806.00	12%	10%

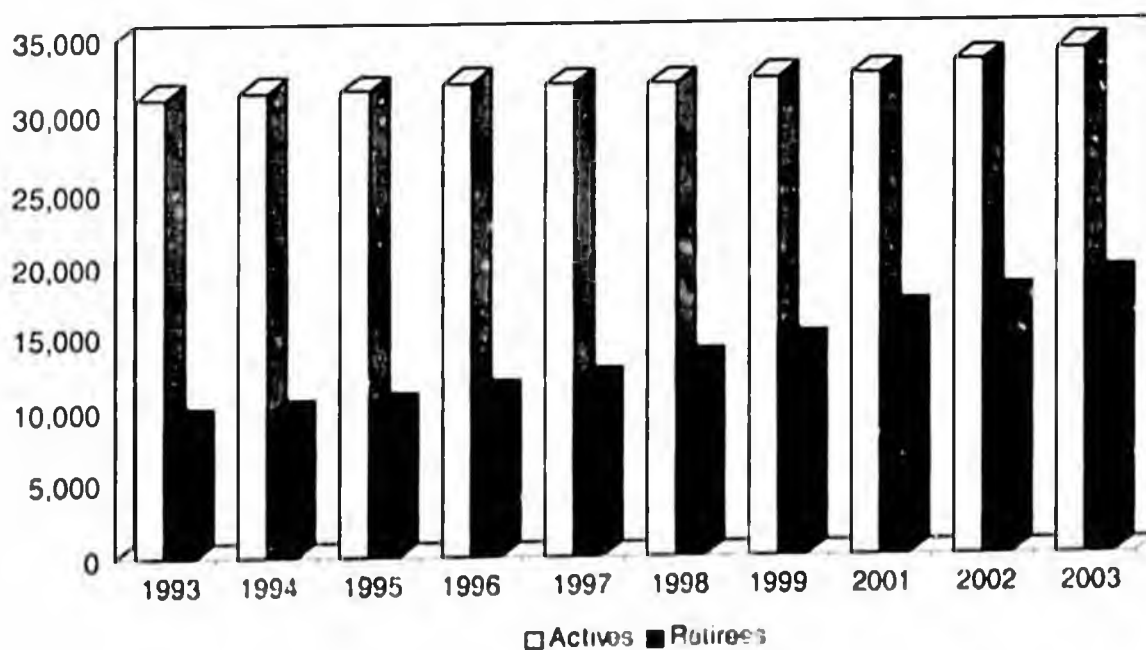
Division of Retirement and Benefits

Mercer Human Resource Consulting-Actuary

Public Employees' Retirement System System Membership by Status					
Year ended June 30	Active	Retirees & Beneficiaries	Vested Terminations	Nonvested Terminations w/Balance	Total
1993	30,972	9,103	3,572	4,721	48,368
1994	31,364	9,643	3,771	4,359	49,637
1995	31,450	10,173	4,144	5,398	51,165
1996	31,960	10,921	4,382	5,847	53,110
1997	31,854	11,802	4,742	6,260	54,658
1998	31,910	13,101	5,143	6,571	56,725
1999	32,214	14,185	5,395	7,500	59,294
2001	32,441	16,274	6,187	11,403	66,305
2002	33,242	17,215	5,702	11,301	67,460
2003	34,065	18,431	5,841	10,798	69,135

Data not available for FY 2000 due to transition to a new computer system.

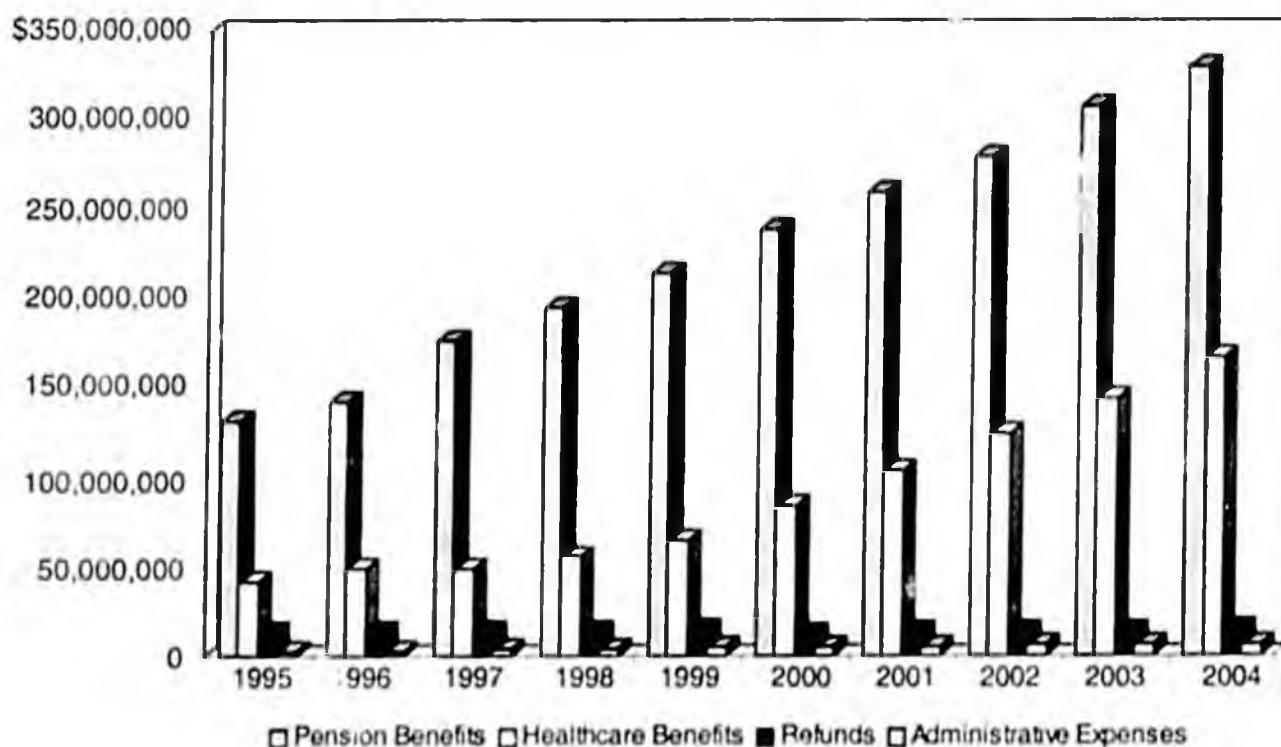
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
10-YEAR COMPARISON OF ACTIVE AND RETIRED MEMBERS**



Data not available for FY 2000 due to transition to a new computer system.

Public Employees' Retirement System Expenses by Type (000's omitted)					
Year ended June 30	Pension Benefits	Healthcare Benefits	Refunds of Contributions	Administrative Expenses'	Total
1995	\$131,634	\$ 40,687	\$12,774	\$ 2,253	\$ 187,348
1996	143,039	47,964	13,413	2,522	206,938
1997	177,328	48,361	13,012	2,830	241,531
1998	195,544	55,165	13,557	2,920	267,186
1999	215,170	64,486	14,435	4,148	298,239
2000	239,441	83,794	11,998	4,247	339,480
2001	259,771	103,846	13,134	4,672	381,423
2002	279,731	124,805	12,869	5,283	422,688
2003	307,684	143,331	13,025	5,880	469,920
2004	329,390	167,360	14,723	5,296	516,769

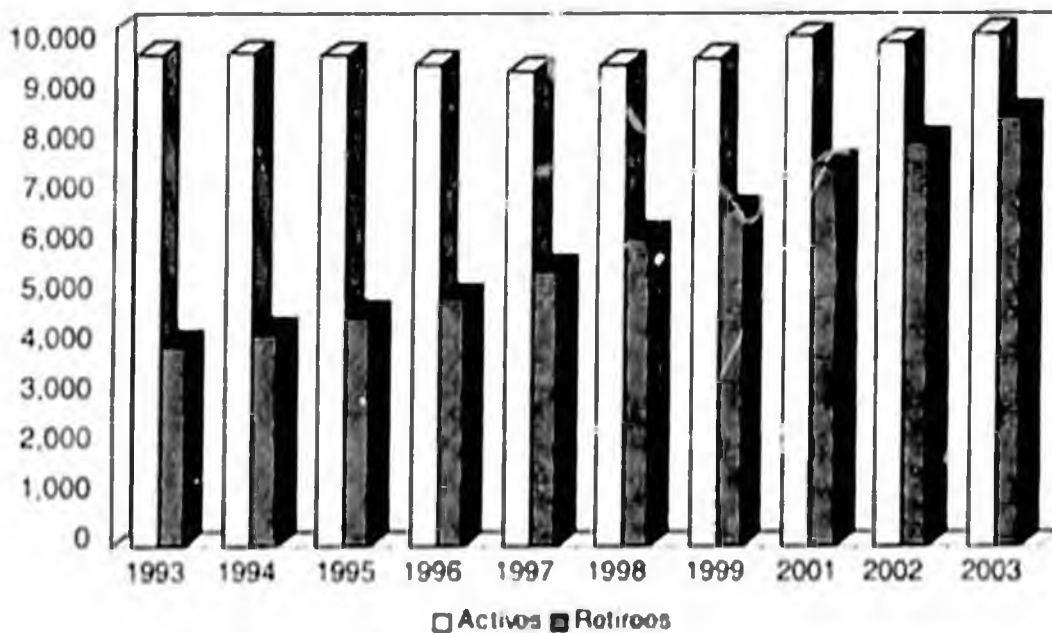
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
10-YEAR COMPARISON OF EXPENSES BY TYPE**



Teachers' Retirement System System Membership by Status					
Year ended June 30	Active	Retirees & Beneficiaries	Vested Terminations	Nonvested Terminations w/Balance	Total
1993	9,459	3,891	823	1,013	15,186
1994	9,489	4,134	930	1,090	15,643
1995	9,452	4,459	859	1,140	15,910
1996	9,259	4,803	1,116	1,195	16,373
1997	9,164	5,343	1,279	1,310	17,096
1998	9,262	5,979	1,064	1,285	17,590
1999	9,396	6,486	1,150	1,297	18,329
2001	9,815	7,333	767	2,207	20,122
2002	9,690	7,804	783	2,447	20,724
2003	9,873	8,312	708	2,327	21,220

Data not available for FY 2000 due to transition to a new computer system.

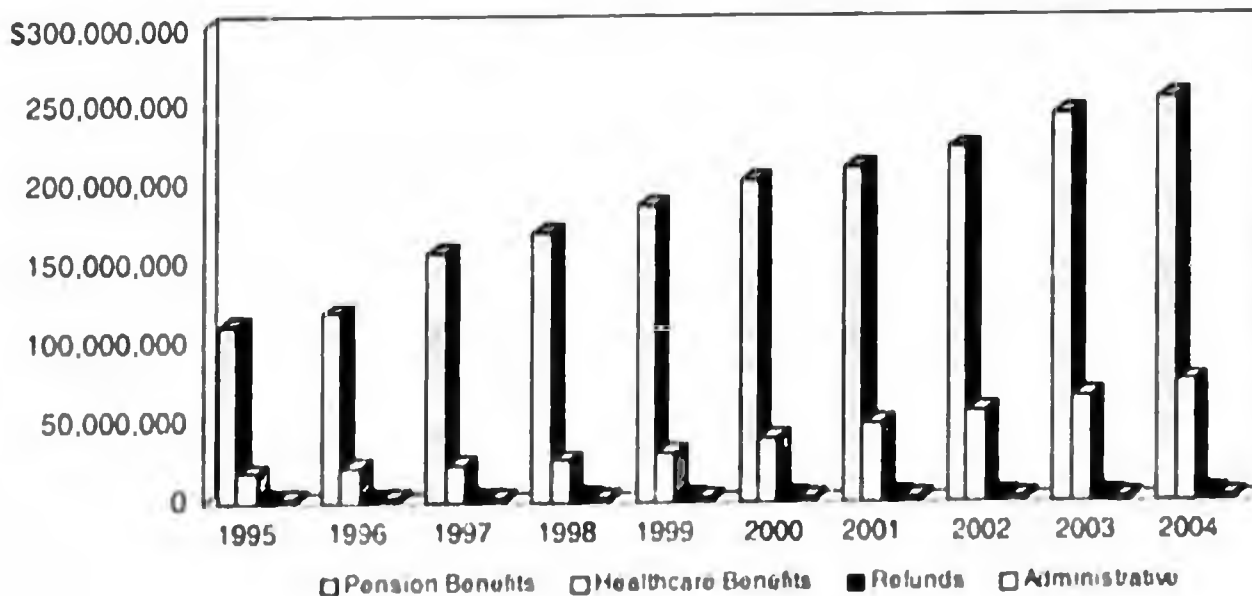
### TEACHERS' RETIREMENT SYSTEM 10-YEAR COMPARISON OF ACTIVE AND RETIRED MEMBERS



Data not available for FY 2000 due to transition to a new computer system.

Teachers' Retirement System Expenses by Type (000's omitted)					
Year ended June 30	Pension Benefits	Healthcare Benefits	Refunds of Contributions	Administrative Expenses	Total
1995	\$111,498	\$18,264	\$ 2,819	\$ 1,821	\$134,402
1996	119,949	21,655	2,629	2,055	146,288
1997	157,567	22,653	2,626	2,223	185,069
1998	169,831	26,123	3,489	2,231	201,674
1999	187,085	30,987	3,490	1,722	223,284
2000	202,927	40,183	4,118	1,717	248,945
2001	210,945	48,928	3,742	1,938	265,553
2002	222,897	56,946	3,120	2,095	285,058
2003	244,518	65,898	3,840	2,395	316,651
2004	255,409	75,601	4,189	2,203	337,402

TEACHERS' RETIREMENT SYSTEM  
10-YEAR COMPARISON OF EXPENSES BY TYPE



Alaska Public Employees' and Teachers' Retirement System  
Investment Return / Medical Costs - Assumption v. Actual & Mortality  
Employer Actuarial Computed Rates and Board Adopted Rates  
Rate Year FY 1990 - FY 2006  
Division of Retirement & Benefits

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Data Source: Actuarial Valuation Report prepared by Mercer Human Resources Consulting;  
Division prepared audited Comprehensive Annual Financial Report;  
Alaska State Pension Investment Board published reports.

Rate Fiscal Year - Rate was determined March / April Prior FY

i.e. 6/30/2003 Financial Year end, used in March 2004 Valuation, determined rate for FY 2006 which begins July 1, 2005

INFO Fiscal Year	RATE Fiscal Year	ACTUAL		ACTUAL Return TRS	ACTUAL Medical Cost Assump.	ACTUAL Medical Annual Change	ACTUAL Medical Compound Change	Mortality Table	TRS			PERS		
		Invest Return Assump.	Invest Return PERS						Actuarial Computed Rate	TRB Adopted Rate	Diff	Actuarial Computed Rate	PERB Adopted Rate	Diff
1987	1990	9.00%	11.40%	11.40%	9.00%	-15.00%	9.00%	1984, back 1.5 yrs	8.19%	11.64%	3.45%	9.30%	9.30%	0.00%
1988	1991	9.00%	2.30%	2.10%	9.00%	51.00%	13.00%	1984, back 1.5 yrs	12.27%	10.54%	-1.73%	12.00%	12.00%	0.00%
1989	1992	9.00%	14.12%	14.19%	9.00%	20.00%	13.00%	1984, back 1.5 yrs	15.16%	11.87%	-3.29%	14.20%	14.20%	0.00%
1990	1993	8.75%	10.05%	10.15%	12.00%	-4.00%	12.00%	1984, fwd-1yrM, bk-4yrf	19.65%	12.00%	-7.65%	13.58%	13.58%	0.00%
1991	1994	8.75%	7.21%	7.05%	11.50%	0.00%	11.00%	1984, fwd-1yrM, bk-4yrf	15.59%	12.00%	-3.59%	13.72%	13.72%	0.00%
1992	1995	8.75%	11.60%	11.17%	10.50%	-7.00%	10.00%	1984, fwd-1yrM, bk-4yrf	13.36%	12.00%	-1.36%	13.70%	13.70%	0.00%
1993	1996	8.00%	14.25%	14.38%	9.50%	37.00%	11.00%	1984, fwd-1yrM, bk-4yrf	12.48%	12.00%	-0.48%	12.82%	12.82%	0.00%
1994	1997	8.00%	2.71%	2.65%	8.50%	9.00%	11.00%	1984, fwd-1yrM, bk-4yrf	14.96%	12.00%	-2.96%	12.14%	12.14%	0.00%
1995	1998	8.25%	15.56%	15.90%	7.50%	4.00%	11.00%	1984, fwd-1yrM, bk-4yrf	14.94%	12.00%	-2.94%	11.90%	8.00%	-3.90%
1996	1999	8.25%	13.70%	14.35%	6.50%	0.00%	10.00%	1984, fwd-1yrM, bk-4yrf	10.52%	12.00%	1.48%	7.74%	7.74%	0.00%
1997	2000	8.25%	18.18%	18.12%	5.50%	5.00%	10.00%	1984, fwd-1yrM, bk-4yrf	13.00%	12.00%	-1.00%	7.36%	7.74%	0.38%
1998	2001	8.25%	14.73%	14.83%	7.50%	0.00%	9.00%	1984, fwd-1yrM, bk-4yrf	10.55%	12.00%	1.45%	7.03%	7.40%	0.37%
1999	2002	8.25%	10.59%	10.67%	6.50%	20.00%	10.00%	1994, base year	7.09%	11.00%	3.91%	6.56%	6.75%	0.19%
2000	2003	8.25%	10.07%	10.15%	5.50%	20.00%	10.00%	1994, base year	8.29%	11.00%	2.71%	6.12%	6.75%	0.63%
2001	2004	8.25%	-5.25%	-5.35%	5.00%	15.00%	10.00%	1994, base year	14.44%	12.00%	-2.44%	6.77%	6.77%	0.00%
2002	2005	8.25%	-5.48%	-5.49%	12.00%	10.00%	10.00%	1994, base year	35.57%	16.00%	-19.57%	24.91%	11.77%	-13.14%
2003	2006	8.25%	3.67%	3.68%	12.00%	8.00%	10.00%	1994, base year	38.85%	21.00%	-17.85%	25.63%	16.77%	-8.86%
2004	2007	8.25%	15.08%	15.09%	11.50%	12.00%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Mortality Table The base mortality table can be set forward "fwd" or backward "bk" so that it increases or decreases mortality versus the base table mortality that allows the system to more closely match the system's actual mortality experience without creating a separate table

Alaska Public Employees' Retirement System - Teachers' Retirement System  
 Composite Employer Contribution - Increase Amount and Total Contributions  
 FY 06 - 07 - 08 - 09  
 (in Millions of Dollars)

Fiscal Year	State of Alaska		University of Alaska		School Districts		Municipalities		Total All Categories	
	Increase	Total	Increase	Total	Increase	Total	Increase	Total	Increase	Total
FY 06	40.0	142.1	7.8	26.3	38.6	151.5	21.7	66.6	108.1	386.5
FY 07	41.5	188.9	8.0	35.2	39.7	195.2	22.5	91.6	111.7	510.9
FY 08	43.0	238.9	8.3	44.8	41.0	242.6	23.3	118.4	115.6	644.7
FY 09	8.9	257.1	3.4	49.8	31.4	282.1	4.7	127.6	48.4	716.6

Notes: Conformed to the 2004 Actuarial Valuation (using June 30, 2003 financial statements), by projection year  
 5% a year increase in employer composite rate until required computed total rate is reached.  
 Each subsequent year affected by change in rate, increase in salaries -

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 Division of Retirement & Benefits

Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change In Employer Contribution

(in Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

10/14/2004 10 47 V02			Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
Fund	ER Num	Employer	AVE Increase	TOTAL Contnb	AVE Increase	TOTAL Contnb	AVE Increase	TOTAL Contnb	AVE Increase	TOTAL Contnb
PERS	208	AKUTAN, CITY OF	14,932	42,079	15,492	59,149	16,073	77,440	3,239	83,668
PERS	255	ALASKA GATEWAY SD	74,074	225,629	76,852	310,941	79,731	402,335	16,065	433,931
PERS	152	ALASKA HOUSING FINANCE CORPORATION	798,115	2,576,315	828,044	3,500,971	859,096	4,491,353	173,058	4,837,817
PERS	106	ALASKA MUNICIPAL LEAGUE	16,035	129,848	16,836	151,354	17,260	174,288	3,478	184,434
PERS	101	ALASKA, STATE OF	39,655,236	140,776,087	41,142,307	187,197,498	42,685,144	230,902,548	8,600,561	254,647,547
PERS	267	ALEUTIAN HOUSING AUTHORITY	26,172	100,292	27,154	131,207	28,172	164,300	5,678	176,318
PERS	162	ALEUTIAN REGION SD	0	0	7,898	7,898	8,195	16,389	1,651	18,673
PERS	230	ALEUTIANS EAST BOROUGH	50,537	200,431	52,432	260,379	54,399	324,542	10,961	348,030
PERS	244	ALEUTIANS EAST BOROUGH SD	60,500	254,705	62,769	327,025	65,122	404,411	13,121	433,142
PERS	245	ALEUTIANS WEST CRSA	2,817	12,148	2,923	15,527	3,033	19,142	611	20,492
PERS	259	ALLAKAKET, CITY OF	2,564	5,127	2,660	7,979	2,759	11,038	556	12,020
PERS	203	ANCHORAGE PARKING AUTHORITY	52,900	150,024	54,884	210,533	56,942	275,370	11,477	297,472
PERS	111	ANCHORAGE SD	3,653,549	14,066,162	3,790,557	18,384,200	3,932,703	23,006,310	792,354	24,686,747
PERS	173	ANCHORAGE, MUNICIPALITY OF	6,615,843	18,061,251	6,863,937	25,602,485	7,121,335	33,683,913	1,434,866	36,418,979
PERS	283	ANDERSON, CITY OF	2,009	2,009	2,084	4,168	2,162	6,486	436	7,172
PERS	289	ANGOOON, CITY OF	15,955	49,206	16,553	67,504	17,174	87,314	3,460	94,144
PEPS	103	ANNETTE ISLAND SD	63,144	126,289	65,512	196,537	67,969	271,878	13,695	296,065
PERS	243	ATKA, CITY OF	3,708	14,832	3,847	19,235	3,991	23,948	804	25,677
PERS	281	BARANOF ISLAND HA	23,645	72,875	24,532	100,140	25,452	129,347	5,128	139,468
PERS	171	BARROW, CITY OF	53,772	192,072	55,788	255,063	57,880	322,507	11,662	346,618
PERS	219	BARTLETT REGIONAL HOSPITAL	890,282	2,872,049	923,667	3,903,418	958,305	5,006,100	193,087	5,394,500
PERS	104	BERING STRAIT SD	368,736	1,013,658	380,489	1,432,159	394,757	1,880,622	79,539	2,032,753
PERS	232	BERING STRAITS CRSA	3,546	23,248	3,679	27,799	3,817	32,658	769	34,688
PERS	270	BERING STRAITS RHA	55,837	213,208	57,931	279,216	60,104	349,803	12,110	375,415
PERS	136	BETHEL, CITY OF	235,324	644,787	244,148	913,115	253,304	1,200,661	51,038	1,298,044
PERS	144	BRISTOL BAY BOROUGH	70,944	184,313	73,005	264,830	76,365	251,126	15,387	380,066
PERS	164	BRISTOL BAY BOROUGH SD	36,254	123,989	37,614	166,252	39,024	211,511	7,863	227,538
PERS	223	BRISTOL BAY RHA	57,542	203,311	59,721	270,656	61,961	342,766	12,484	368,481
PERS	105	CHATHAM SD	35,721	113,807	37,061	155,136	38,450	195,404	7,747	214,648
PERS	121	CHUGACH SD	12,060	36,687	12,512	50,576	12,982	65,454	2,616	70,596
PERS	262	COOK INLET HOUSING AUTHORITY	134,066	466,283	139,094	622,862	144,310	790,529	29,077	850,120
PERS	224	COPPER RIVER BASIN RHA	27,798	90,900	28,841	123,150	29,922	157,690	6,029	169,806
PERS	112	COPPER RIVER SD	63,726	232,728	66,116	307,571	68,595	387,700	13,821	416,486
PERS	185	CORDOVA CITY SD	32,539	100,611	33,759	138,143	35,025	178,349	7,057	192,290
PERS	183	CORDOVA COMMUNITY MEDICAL CENTER	131,150	307,121	136,094	548,081	141,170	709,834	28,444	765,647
PERS	148	CORDOVA, CITY OF	98,482	290,917	102,175	404,002	106,007	525,159	21,359	566,789
PERS	204	CRAIG CITY SD	56,375	211,292	58,489	277,704	60,682	348,600	12,227	374,491
PERS	186	CRAIG, CITY OF	54,438	383,983	57,979	496,362	61,653	616,628	20,482	660,912
PERS	282	DELTA JUNCTION, CITY OF	3,419	13,059	3,547	17,095	3,680	21,416	741	22,984
PERS	246	DELTA/GREELY SD	47,570	150,245	49,360	205,240	51,211	264,148	10,318	284,662
PERS	256	DENALI BOROUGH	29,484	500,493	30,790	238,601	31,737	279,286	6,395	296,461
PERS	118	DENALI BOROUGH SD	43,730	163,937	45,170	214,417	47,071	269,529	9,484	289,417
PERS	205	DILLINGHAM CITY SD	63,229	171,097	65,100	243,113	68,060	320,290	13,713	346,366
PERS	178	DILLINGHAM CITY OF	122,152	305,285	125,733	536,841	131,445	688,458	26,493	741,525
PERS	271	EGEGEK, CITY OF	5,075	14,007	5,265	19,798	5,463	28,003	1,101	28,108
PERS	242	ELIM, CITY OF	9,077	25,660	9,418	31,372	9,771	47,507	1,660	51,310
PERS	116	FAIRBANKS NORTH STAR BOROUGH	867,894	2,765,110	900,440	3,781,241	934,206	4,844,794	188,232	5,220,035
PERS	117	FAIRBANKS NORTH STAR BOROUGH SD	1,234,537	3,928,298	1,280,832	5,354,439	1,328,863	8,856,168	267,750	7,419,725
PERS	129	FAIRBANKS, CITY OF	305,784	1,875,679	317,251	2,273,268	329,148	2,677,284	66,319	2,640,951
PERS	183	FORT YUKON, CITY OF	15,338	30,677	15,614	47,741	16,510	60,041	3,327	71,917
PERS	141	GALENA CITY SD	163,263	576,316	168,385	717,316	173,737	971,827	35,406	1,044,749
PERS	192	GALENA, CITY OF	68,486	136,972	71,054	213,162	73,719	294,875	14,853	321,110
PERS	189	HAINES BOROUGH	105,665	468,518	109,627	705,715	113,738	731,793	22,917	782,957
PERS	240	HAINES BOROUGH SD	59,404	181,672	61,425	241,919	63,429	306,410	11,168	329,406
PERS	215	HOMER, CITY OF	245,743	835,001	254,958	913,772	264,520	1,212,550	53,298	1,312,681
PERS	138	HOOPER, CITY SD	26,756	169,099	27,742	223,932	28,782	251,111	5,789	276,989
PERS	199	HOOPER, CITY OF	33,085	104,248	34,336	142,493	35,623	183,460	7,176	197,719
PERS	285	HOOPER BAY, CITY OF	20,735	64,788	21,688	130,230	22,684	168,198	6,606	181,350
PERS	235	HUSLIA, CITY OF	4,785	17,486	4,965	23,106	5,151	29,124	1,038	31,286
PERS	169	HYDABURG CITY SD	13,443	26,826	13,964	41,403	14,491	57,265	2,020	63,123
PERS	124	IGAROD AREA SD	82,355	311,048	85,422	409,172	88,625	513,142	17,857	550,800
PERS	275	ILISAGUY COLLEGE	206,157	638,283	213,888	876,086	221,909	1,130,848	44,712	1,219,211
PERS	263	INTERION RHA	52,437	184,474	54,423	245,795	56,444	311,456	11,373	334,851
PERS	284	INTER ISLAND PENNY AUTHORITY	6,625	20,542	6,853	28,208	7,110	36,374	1,433	39,211
PERS	108	JUNEAU BOROUGH SD	463,932	1,670,834	483,405	2,216,895	501,533	2,801,561	101,653	3,010,754
PERS	126	JUNEAU, CITY AND BOROUGH OF	1,351,743	4,385,054	1,403,433	5,451,627	1,455,025	7,630,149	283,171	8,317,844
PERS	200	KACHEMAK, CITY OF	3,799	15,969	3,911	19,336	4,023	23,364	665	24,932

Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change in Employer Contribution

(in Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

10/14/2004 10 47 V02			Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
Fund	ER Num	Employer	AVE Increase	TOTAL Contnb	AVE Increase	TOTAL Contnb	AVE Increase	TOTAL Contnb	AVE Increase	TOTAL Contnb
PERS	265	KAKE CITY SD	25,057	95,818	25,997	125,408	26,972	157,083	5,434	168,581
PERS	277	KAKE, CITY OF	15,138	51,438	15,705	69,072	16,294	87,956	3,283	94,634
PERS	237	KALTAG, CITY OF	1,479	5,471	1,535	7,211	1,593	9,074	321	9,745
PERS	211	KASHUNAMIUT SD	61,755	229,112	64,071	301,775	66,474	379,565	13,394	407,610
PERS	180	KENAI PENINSULA BOROUGH	625,569	2,228,278	649,028	2,960,860	673,367	3,745,265	135,676	4,025,508
PERS	190	KENAI PENINSULA BOROUGH SD	644,117	2,165,521	668,271	2,915,000	693,332	3,717,644	139,698	4,000,843
PERS	115	KENAI, CITY OF	278,462	761,316	288,905	1,078,770	299,739	1,418,962	60,394	1,534,128
PERS	122	KETCHIKAN GATEWAY BOROUGH	206,307	639,140	214,044	877,152	222,070	1,132,115	44,745	1,220,560
PERS	177	KETCHIKAN GATEWAY BOROUGH SD	187,852	595,837	194,897	813,109	202,205	1,045,806	40,742	1,126,916
PERS	181	KETCHIKAN, CITY OF	415,937	2,073,029	431,534	2,582,302	447,717	3,128,856	90,210	3,337,762
PERS	151	KING COVE, CITY OF	53,681	157,071	55,694	218,656	57,783	284,638	11,643	307,268
PERS	251	KLAWOCK CITY SD	29,668	121,222	30,780	156,548	31,934	194,353	6,434	208,290
PERS	227	KLAWOCK, CITY OF	42,542	95,210	44,138	142,918	45,793	194,070	9,227	210,788
PERS	174	KODIAK ISLAND BOROUGH	113,667	227,334	117,929	353,788	122,352	499,407	24,652	532,950
PERS	158	KODIAK ISLAND BOROUGH SD	235,674	699,951	244,512	970,711	253,681	1,260,793	51,114	1,360,573
PERS	128	KODIAK, CITY OF	293,700	952,175	304,714	1,292,596	316,140	1,657,208	63,699	1,784,875
PERS	140	KOTZEBUE, CITY OF	162,787	325,534	168,871	506,612	175,203	700,813	35,301	763,165
PERS	287	KOYUK, CITY OF	1,113	3,433	1,155	4,716	1,198	6,091	241	6,568
PERS	125	KUSPUK SD	114,491	341,641	118,785	473,237	123,239	614,223	24,831	662,763
PERS	247	LAKE AND PENINSULA BOROUGH	32,811	150,276	34,042	189,953	35,318	232,395	7,116	248,482
PERS	164	LAKE AND PENINSULA BOROUGH SD	131,433	435,832	136,362	588,538	141,476	752,084	28,506	809,620
PERS	157	LOWER KUSKOKWIM SD	859,238	2,369,779	891,459	3,350,105	924,889	4,400,623	186,354	4,756,841
PERS	153	LOWER YUKON SD	236,407	589,600	245,273	856,983	254,470	1,143,590	51,273	1,239,005
PERS	109	MATANUSKA-SUSITNA BOROUGH	496,101	1,588,530	514,704	2,160,729	534,006	2,775,762	107,596	2,910,502
PERS	110	MATANUSKA-SUSITNA BOROUGH SD	996,033	3,187,234	1,034,007	4,340,762	1,072,782	5,576,323	216,153	6,007,722
PERS	196	NENANA CITY SD	48,549	164,291	50,370	220,822	52,259	281,362	10,530	302,752
PERS	193	NENANA, CITY OF	19,388	75,458	20,115	98,403	20,869	122,962	4,205	131,913
PERS	149	NOME CITY SD	73,483	305,460	76,218	393,133	79,076	486,952	15,933	521,681
PERS	175	NOME JOINT UTILITY SYSTEM	50,792	101,584	52,897	158,090	54,673	218,692	11,016	238,149
PERS	139	NOME, CITY OF	129,482	271,870	134,317	416,382	139,354	571,350	20,078	621,482
PERS	241	NOORVIK, CITY OF	18,250	52,559	18,934	73,465	19,644	95,864	3,958	103,522
PERS	170	NORTH PACIFIC FISHERY MGMT COUNCIL	57,725	208,271	59,889	275,971	62,135	348,455	12,520	374,425
PERS	276	NORTH PACIFIC RIM HA	48,977	162,408	50,814	219,313	52,719	280,256	10,822	301,697
PERS	191	NORTH POLE, CITY OF	107,535	322,604	111,567	446,269	115,751	578,755	23,322	624,418
PERS	145	NORTH SLOPE BOROUGH	2,458,409	6,214,859	2,550,800	8,998,515	2,646,247	11,982,207	533,188	12,977,908
PERS	161	NORTH SLOPE BOROUGH SD	652,978	2,092,166	677,050	2,847,672	702,439	3,656,899	141,533	3,939,589
PERS	220	NORTHWEST ARCTIC BOROUGH	36,340	104,151	37,703	145,760	39,117	190,343	7,882	205,571
PERS	154	NORTHWEST ARCTIC BOROUGH SD	360,719	721,437	374,246	1,122,737	388,280	1,553,119	78,234	1,691,304
PERS	269	NORTHWEST INUPIAT HOUSING AUTHORITY	28,131	86,757	29,186	119,197	30,281	153,647	6,101	165,991
PERS	134	PALMER, CITY OF	132,987	493,041	137,951	649,483	143,126	816,965	28,838	877,338
PERS	257	PELICAN CITY SD	4,047	16,061	4,199	20,852	4,356	25,991	678	27,872
PERS	200	PELICAN, CITY OF	6,559	18,181	6,805	25,668	7,080	33,690	1,423	36,413
PERS	228	PETERSBURG CITY SD	53,938	143,259	55,961	204,592	58,059	270,324	11,698	292,456
PERS	187	PETERSBURG MEDICAL CENTER	149,103	328,027	154,695	495,023	160,496	674,082	32,338	732,439
PERS	143	PETERSBURG, CITY OF	198,490	934,095	205,934	1,175,058	213,656	1,432,778	43,049	1,531,133
PERS	156	PRIBILOF SD	33,091	135,871	34,332	175,298	35,610	217,491	7,177	233,063
PERS	266	QUINHAGAK, CITY OF	1,552	5,380	1,610	7,192	1,671	9,133	337	9,822
PERS	216	RUBY, CITY OF	6,153	22,153	6,384	29,368	6,624	37,092	1,335	39,859
PERS	256	SAINT GEORGE, CITY OF	18,988	52,330	19,700	73,992	20,438	97,205	4,118	105,075
PERS	221	SAINT MARYS SD	21,240	42,881	22,037	66,111	22,863	91,453	4,607	99,590
PERS	214	SAINT MARYS, CITY OF	15,895	64,341	16,491	83,245	17,109	103,470	3,447	110,217
PERS	172	SAINT PAUL, CITY OF	70,861	175,077	73,539	255,182	76,297	341,048	15,373	366,368
PERS	178	SAND POINT, CITY OF	39,312	95,214	40,786	139,571	42,318	187,121	8,526	202,870
PERS	278	SAXMAN SEAPORT	1,996	7,639	2,070	9,990	2,148	12,518	433	13,434
PERS	198	SAXMAN, CITY OF	71,534	141,438	72,342	160,004	73,190	198,605	4,670	210,941
PERS	222	SELAWICK, CITY OF	4,016	12,860	4,167	17,509	4,323	22,488	871	24,227
PERS	288	SELDOVIA, CITY OF	4,927	15,411	5,185	21,174	5,379	27,347	1,084	29,488
PERS	182	SEWARD, CITY OF	127,943	530,267	133,178	750,268	138,685	996,087	41,846	1,095,006
PERS	133	SITKA BOROUGH SD	94,373	359,372	97,912	470,701	101,544	589,928	20,488	633,240
PERS	165	SITKA COMMUNITY HOSPITAL	225,166	761,762	233,610	1,026,013	242,370	1,306,859	48,835	1,406,138
PERS	120	SITKA, CITY AND BOROUGH OF	371,607	1,413,591	385,542	1,852,143	400,000	2,321,597	80,595	2,401,806
PERS	225	SKAGWAY CITY SD	18,464	75,111	19,156	97,084	19,875	120,599	4,005	129,259
PERS	132	SKAGWAY, CITY OF	72,524	284,729	75,244	370,650	78,065	462,615	15,729	496,201
PERS	123	SOLDOTNA, CITY OF	139,473	403,357	144,704	563,187	150,130	734,437	59,249	793,035
PERS	155	SOUTHEAST ISLAND SD	90,437	207,296	92,328	267,398	94,291	331,716	10,939	355,459
PERS	187	SOUTHEAST REGIONAL RESOURCE CENTER	88,817	265,298	90,068	365,315	93,445	472,459	18,828	509,325
PERS	102	SOUTHWEST REGION SCHOOL DISTRICT (SD)	143,618	439,471	149,004	664,955	154,597	782,232	31,148	843,575

Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change In Employer Contribution

(in Dollars)

(Based on 2004 Valuation, June 30, 2003 Financials)

10/14/2004 10 47 V02			Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
Fund	ER Num	Employer	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib
PERS	218	SPECIAL EDUCATION SERVICE AGENCY	25,409	79,832	26,362	108,980	27,350	140,417	5,511	151,348
PERS	166	TANANA SD	8,091	47,414	8,395	57,587	8,709	68,456	1,755	72,853
PERS	169	TANANA, CITY OF	11,285	46,608	11,708	60,064	12,147	74,464	2,448	79,785
PERS	206	THORNE BAY, CITY OF	14,513	43,830	15,057	60,531	15,622	78,422	3,148	84,597
PERS	279	TLINGIT-HAIDA RHA	100,793	413,654	104,573	533,739	108,494	662,248	21,860	709,671
PERS	280	TOKSOOK BAY, CITY OF	881	2,644	914	3,657	949	4,743	191	5,117
PERS	249	UNALAKLEET, CITY OF	13,698	40,738	14,212	56,478	14,745	73,340	2,971	78,142
PERS	209	UNALASKA CITY SD	47,987	170,257	49,788	226,428	51,653	286,573	10,408	308,042
PERS	179	UNALASKA, CITY OF	423,130	1,685,517	511,622	2,260,346	530,808	2,875,917	106,952	3,093,879
PERS	113	UNIVERSITY OF ALASKA	5,816,153	18,123,132	6,034,258	24,837,007	6,260,543	32,028,938	1,261,427	34,526,682
PERS	137	VALDEZ CITY SD	88,400	178,848	89,640	275,195	93,002	378,517	18,739	411,866
PERS	107	VALDEZ, CITY OF	255,619	711,133	265,205	1,003,005	275,150	1,315,768	55,440	1,421,998
PERS	131	WASILLA, CITY OF	173,593	570,773	180,103	772,280	186,856	988,097	37,649	1,063,887
PERS	202	WHITTIER, CITY OF	48,977	97,954	50,814	152,441	52,719	210,877	10,622	229,639
PERS	146	WRANGELL PUBLIC SD	42,618	127,514	44,217	176,513	45,875	229,007	9,243	247,090
PERS	135	WRANGELL CITY OF	125,854	420,855	130,573	567,211	135,470	723,951	27,206	779,191
PERS	264	YAKUTAT SD	19,498	70,041	20,230	92,998	20,989	117,371	4,229	126,130
PERS	248	YAKUTAT, CITY AND BOROUGH OF	22,773	85,535	23,627	112,370	24,513	141,096	4,939	151,482
PERS	160	YUKON / KOYUKUK SD	109,970	219,941	114,094	342,283	118,373	473,492	23,851	515,619
PERS	159	YUKON FLATS SD	65,909	131,818	68,381	205,142	70,945	283,779	14,295	309,028
PERS	195	YUPIIT SD	109,492	297,160	113,598	421,902	117,858	555,580	23,747	600,773
TOTAL PERS			79,372,131	266,032,812	82,356,464	358,365,527	85,444,852	437,249,066	17,216,147	492,115,048
TRS	737	ALASKA DEPARTMENT OF EDUCATION	311,338	1,307,621	318,499	1,656,196	328,373	2,035,910	338,716	2,438,758
TRS	766	ALASKA GATEWAY SD	122,058	512,643	124,865	649,209	128,736	798,104	132,701	956,097
TRS	758	ALEUTIAN REGION SD	18,118	76,097	18,535	96,382	19,110	118,479	19,711	141,923
TRS	780	ALEUTIANS EAST BOROUGH SD	119,964	503,849	122,723	638,160	126,528	784,471	130,513	939,695
TRS	701	ANCHORAGE SD	8,945,912	37,572,829	9,151,668	47,568,671	9,435,369	58,497,289	9,732,583	70,074,600
TRS	770	ANNETTE ISLAND SD	81,357	341,701	83,229	432,788	85,809	532,014	88,512	637,284
TRS	752	BERING STRAIT SD	556,156	2,335,857	568,944	2,958,530	586,585	3,636,830	605,063	4,358,453
TRS	742	BRISTOL BAY BOROUGH SD	66,251	278,254	67,775	352,429	69,876	433,230	72,077	518,954
TRS	768	CHATHAM SD	65,684	275,875	67,195	319,415	69,278	429,625	71,461	514,516
TRS	771	CHUGACH SD	47,326	198,768	48,414	231,754	49,915	309,473	51,487	370,709
TRS	767	COPPER RIVER SD	144,588	607,270	147,914	769,151	152,499	945,494	157,303	1,132,580
TRS	704	CORDOVA CITY SD	104,904	440,595	107,316	558,045	110,643	685,968	114,128	821,725
TRS	705	CKAIG CITY SD	117,354	492,928	120,063	624,329	123,785	767,468	127,684	919,328
TRS	765	DELTA-GREELY SD	151,836	637,712	155,328	827,707	160,144	992,890	165,188	1,189,354
TRS	764	DENALI BOROUGH SD	84,599	355,315	86,545	450,032	89,227	553,210	92,038	662,675
TRS	744	DILLINGHAM CITY SD	145,270	610,133	148,611	772,777	153,218	949,951	158,044	1,137,919
TRS	706	FAIRBANKS NORTH STAR BOROUGH SD	2,945,480	12,371,017	3,013,226	15,664,777	3,106,636	19,261,146	3,204,495	23,072,387
TRS	735	GALENA CITY SD	227,943	957,362	233,186	1,212,568	240,415	1,490,572	247,988	1,785,513
TRS	707	HAINES BOROUGH SD	93,831	394,089	95,989	490,142	98,965	613,580	102,082	734,990
TRS	708	HOONAH CITY SD	70,670	334,615	81,503	423,813	84,029	520,981	88,678	624,067
TRS	709	HYDABURG CITY SD	75,628	310,638	76,448	389,528	77,578	432,981	78,701	479,081
TRS	761	IDITAROD AREA SD	129,851	545,375	132,838	600,756	136,956	849,125	141,270	1,017,142
TRS	710	JUNEAU BOROUGH SD	1,021,263	4,289,305	1,044,752	5,432,711	1,077,139	6,678,264	1,111,059	7,969,899
TRS	712	KAKE CITY SD	33,935	187,728	40,854	212,440	42,120	261,145	43,447	312,818
TRS	777	KASHUNAMIUT SD	73,716	309,620	75,412	392,142	77,750	482,048	80,199	577,432
TRS	746	KENAI PENINSULA BOROUGH SD	1,918,041	8,055,774	1,962,156	10,203,213	2,022,983	12,542,498	2,096,707	15,024,292
TRS	714	KETCHIKAN GATEWAY BOROUGH SD	466,086	1,957,560	476,806	2,479,389	491,587	3,047,837	507,072	3,650,915
TRS	717	KLAWOCK CITY SD	58,619	246,199	59,967	311,829	61,826	383,322	63,774	459,170
TRS	718	KODIAK ISLAND BOROUGH SD	632,619	2,657,001	647,169	3,365,281	667,232	4,136,837	688,250	4,955,397
TRS	755	KUSPUK SD	140,344	589,445	143,972	746,574	148,023	917,740	152,685	1,098,334
TRS	757	LAKE AND PENINSULA BOROUGH SD	163,178	685,346	166,931	868,040	172,106	1,067,055	177,527	1,278,194
TRS	754	LOWER KUSKOWIAH SD	846,224	3,974,141	867,987	9,033,533	897,995	6,187,587	1,029,432	7,411,907
TRS	753	LOWER YUKON SD	457,613	1,921,973	468,138	2,434,316	482,650	2,992,430	497,853	3,544,545
TRS	722	MATANUSKA SUSITNA BOROUGH SD	2,569,748	10,878,833	2,644,310	13,778,413	2,731,439	16,934,921	2,817,479	20,285,850
TRS	719	NENANA CITY SD	107,508	451,535	109,981	571,801	113,390	703,020	116,962	842,128
TRS	720	NOME CITY SD	158,390	685,072	161,993	842,381	167,014	1,035,489	172,275	1,240,382
TRS	736	NORTH SLOPE BOROUGH SD	728,246	3,098,878	745,323	3,875,680	768,428	4,764,254	792,634	5,706,982
TRS	751	NORTHEAST ARCTIC BOROUGH SD	631,148	2,650,821	645,664	3,357,454	665,680	4,127,215	686,648	4,343,871
TRS	723	PELICAN CITY SD	7,422	31,173	7,593	39,483	7,828	48,535	8,075	58,130
TRS	724	PETERSBURG CITY SD	147,167	618,100	150,552	782,868	156,219	987,355	160,108	1,152,778

Public Employees' Retirement System (PERS) & Teachers' Retirement System (TRS)

Composite Employer Contribution Rate - Active Employers

ESTIMATED FY 06 - 07 - 08 - 09 - Change in Employer Contribution

(in Dollars)

(Based on 2004 Valuation: June 30, 2003 Financials)

10/14/2004 10 47 V02			Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008		Fiscal Year 2009	
Fund	ER Num	Employer	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib.	AVE Increase	TOTAL Contrib	AVE Increase	TOTAL Contrib
TRS	759	PRIBILOF SD	34,771	148,040	35,571	184,570	36,674	227,378	37,029	272,369
TRS	748	SAINT MARY'S SD	43,938	184,541	4,949	233,735	46,342	287,323	47,862	344,178
TRS	727	SITKA BOROUGH SD	345,793	1,452,330	353,746	1,839,480	364,712	2,261,216	376,201	2,708,645
TRS	728	SKAGWAY CITY SD	35,750	150,151	36,573	190,177	37,706	233,779	38,894	280,037
TRS	769	SOUTHEAST ISLAND SD	68,398	287,273	69,971	303,852	72,141	447,272	74,413	535,774
TRS	743	SOUTHEAST REGIONAL RESOURCE CENTER	50,057	210,240	51,208	266,284	52,796	327,335	54,459	392,105
TRS	756	SOUTHWEST REGION SD	258,747	1,078,339	262,653	1,365,793	270,795	1,678,927	279,325	2,011,138
TRS	779	SPECIAL EDUCATION SERVICE AGENCY	58,874	247,270	60,228	313,185	62,095	384,988	64,051	461,167
TRS	775	TANANA SD	14,438	60,640	14,770	76,805	15,228	94,414	15,708	113,096
TRS	729	UNALASKA CITY SD	108,771	456,838	111,273	578,618	114,722	711,277	118,336	852,019
TRS	733	UNIVERSITY OF ALASKA	1,953,277	8,203,761	1,998,202	10,390,650	2,060,140	12,772,908	2,125,041	15,300,293
TRS	730	VALDEZ CITY SD	236,952	895,200	242,402	1,260,492	249,917	1,549,483	257,789	1,850,081
TRS	731	WRANGELL PUBLIC SD	105,026	445,311	108,465	564,018	111,927	693,330	115,350	830,520
TRS	732	YAKUTAT SD	46,921	197,070	48,001	249,603	49,489	306,830	51,048	367,542
TRS	762	YUKON / KOYUKUK SD	193,646	813,312	198,099	1,030,117	204,241	1,266,291	210,674	1,516,854
TRS	763	YUKON FLATS SD	120,969	508,070	123,751	643,507	127,588	791,043	131,607	947,568
TRS	778	YUPIIT SD	112,500	472,499	115,087	598,453	118,653	735,660	122,392	881,226
		TOTAL TRS	28,670,505	120,416,120	29,329,926	152,515,617	30,239,154	167,482,755	31,101,687	224,550,150
		TOTAL BOTH PERS AND TRS	108,042,636	386,448,932	111,686,411	510,881,144	115,644,006	644,731,842	48,407,834	710,590,197

### 1.5(c) Actuarial Projections – Effect of Economic Scenarios

#### Key Assumptions

- All assumptions and methods are the same as Section 1.5(a) except

Results are shown only under the 1% population growth scenario

The actuarially calculated contribution rate is adopted in each year beginning in FY06, but rate cannot increase by more than 5% per year.

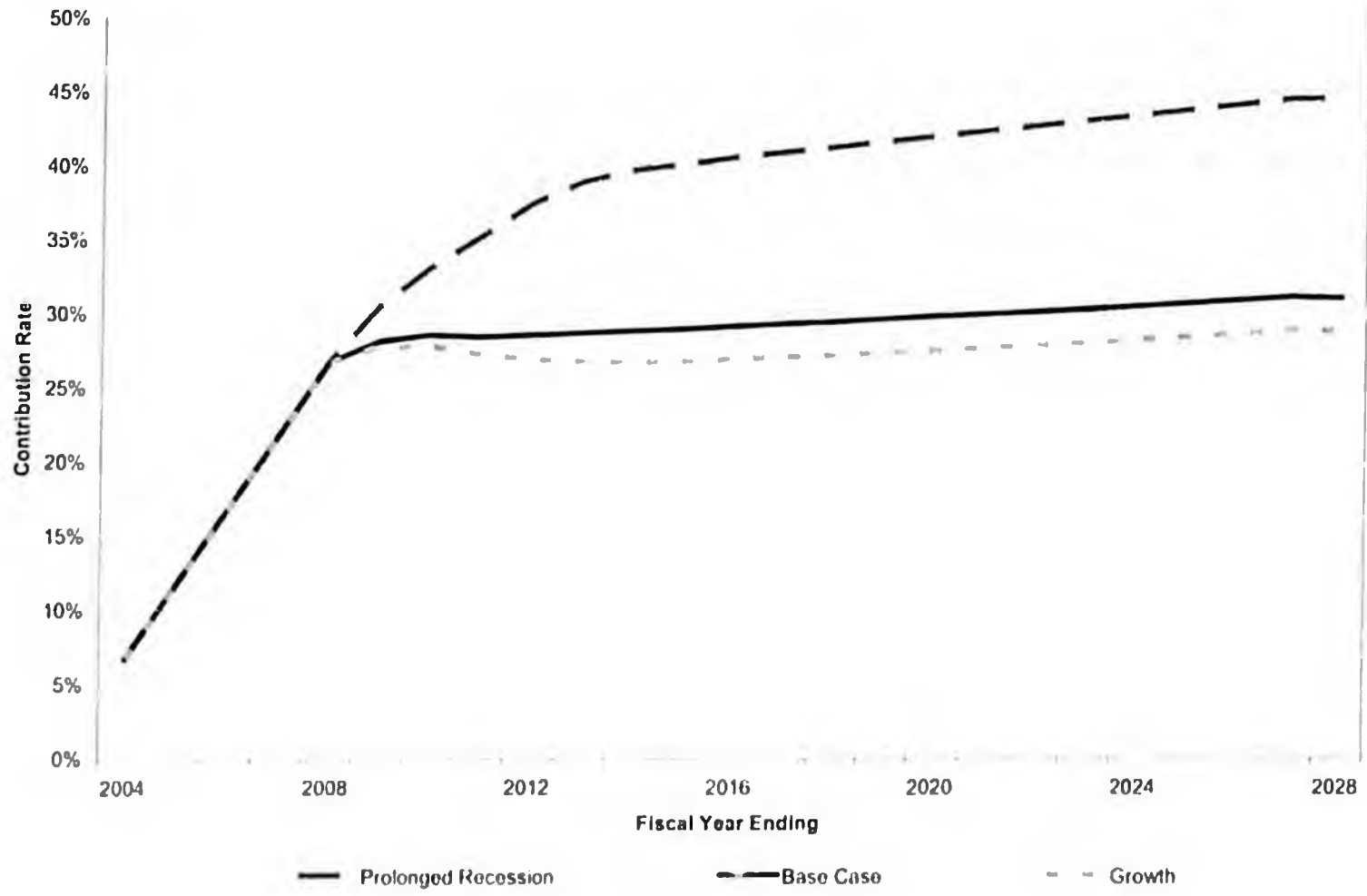
Investment returns are assumed as follows:

Total Portfolio Investment Return Under Each Scenario

Year Ending June 30	Base Case	Growth	Prolonged Recession
2004	15.08%	15.08%	15.08%
2005	8.25%	10.00%	-3.50%
2006	8.25%	10.00%	-3.50%
2007	8.25%	9.50%	2.10%
2008	8.25%	9.00%	7.75%
2009	8.25%	8.25%	7.75%
2010	8.25%	8.25%	7.75%
2011	8.25%	8.25%	7.75%
2012	8.25%	8.25%	7.75%
2013	8.25%	8.25%	7.75%
2014	8.25%	8.25%	7.75%
2015	8.25%	8.25%	7.75%
2016	8.25%	8.25%	7.75%
2017	8.25%	8.25%	7.75%
2018	8.25%	8.25%	7.75%
2019	8.25%	8.25%	7.75%
2020	8.25%	8.25%	7.75%
2021	8.25%	8.25%	7.75%
2022	8.25%	8.25%	7.75%
2023	8.25%	8.25%	7.75%
2024	8.25%	8.25%	7.75%
2025	8.25%	8.25%	7.75%
2026	8.25%	8.25%	7.75%
2027	8.25%	8.25%	7.75%
2028	8.25%	8.25%	7.75%

1.5(c) Actuarial Projections – Effect of Economic Scenarios (continued)

Contribution Rate



### 1.5(c) Actuarial Projections – Effect of Economic Scenarios

#### Key Assumptions

- All assumptions and methods are the same as Section 1.5(a) except:

Results are shown only under the 1% population growth scenario

The actuarially calculated contribution rate is adopted in each year beginning in FY06, but rate cannot increase by more than 5% per year.

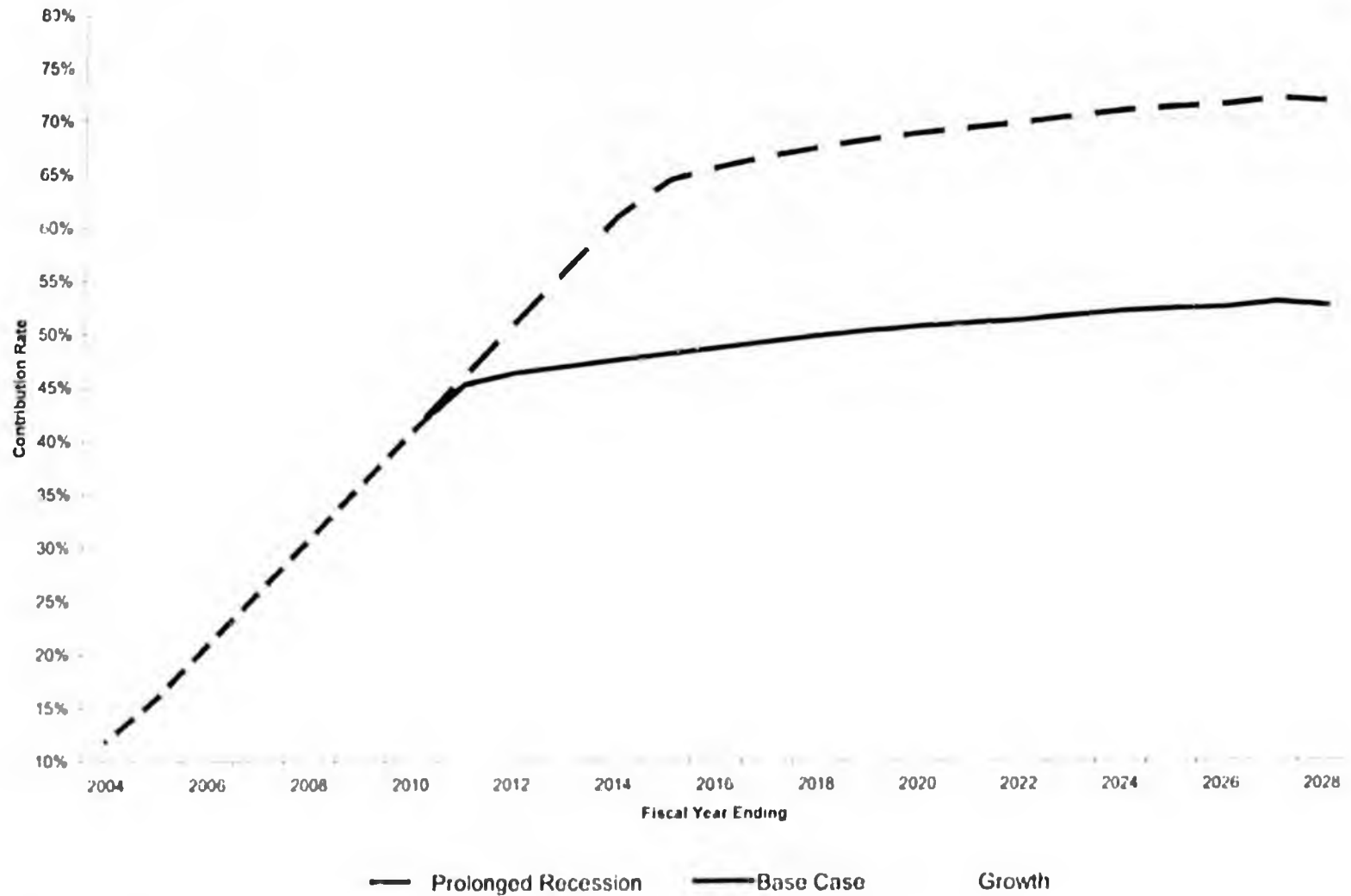
Investment returns are assumed as follows:

Total Portfolio Investment Return Under Each Scenario

Year Ending June 30	Base Case	Growth	Prolonged Recession
2004	15.08%	15.08%	15.08%
2005	8.25%	10.00%	-3.50%
2006	8.25%	10.00%	-3.50%
2007	8.25%	9.50%	2.10%
2008	8.25%	9.00%	7.75%
2009	8.25%	8.25%	7.75%
2010	8.25%	8.25%	7.75%
2011	8.25%	8.25%	7.75%
2012	8.25%	8.25%	7.75%
2013	8.25%	8.25%	7.75%
2014	8.25%	8.25%	7.75%
2015	8.25%	8.25%	7.75%
2016	8.25%	8.25%	7.75%
2017	8.25%	8.25%	7.75%
2018	8.25%	8.25%	7.75%
2019	8.25%	8.25%	7.75%
2020	8.25%	8.25%	7.75%
2021	8.25%	8.25%	7.75%
2022	8.25%	8.25%	7.75%
2023	8.25%	8.25%	7.75%
2024	8.25%	8.25%	7.75%
2025	8.25%	8.25%	7.75%
2026	8.25%	8.25%	7.75%
2027	8.25%	8.25%	7.75%
2028	8.25%	8.25%	7.75%

1.5(c) Actuarial Projections – Effect of Economic Scenarios (continued)

Contribution Rate

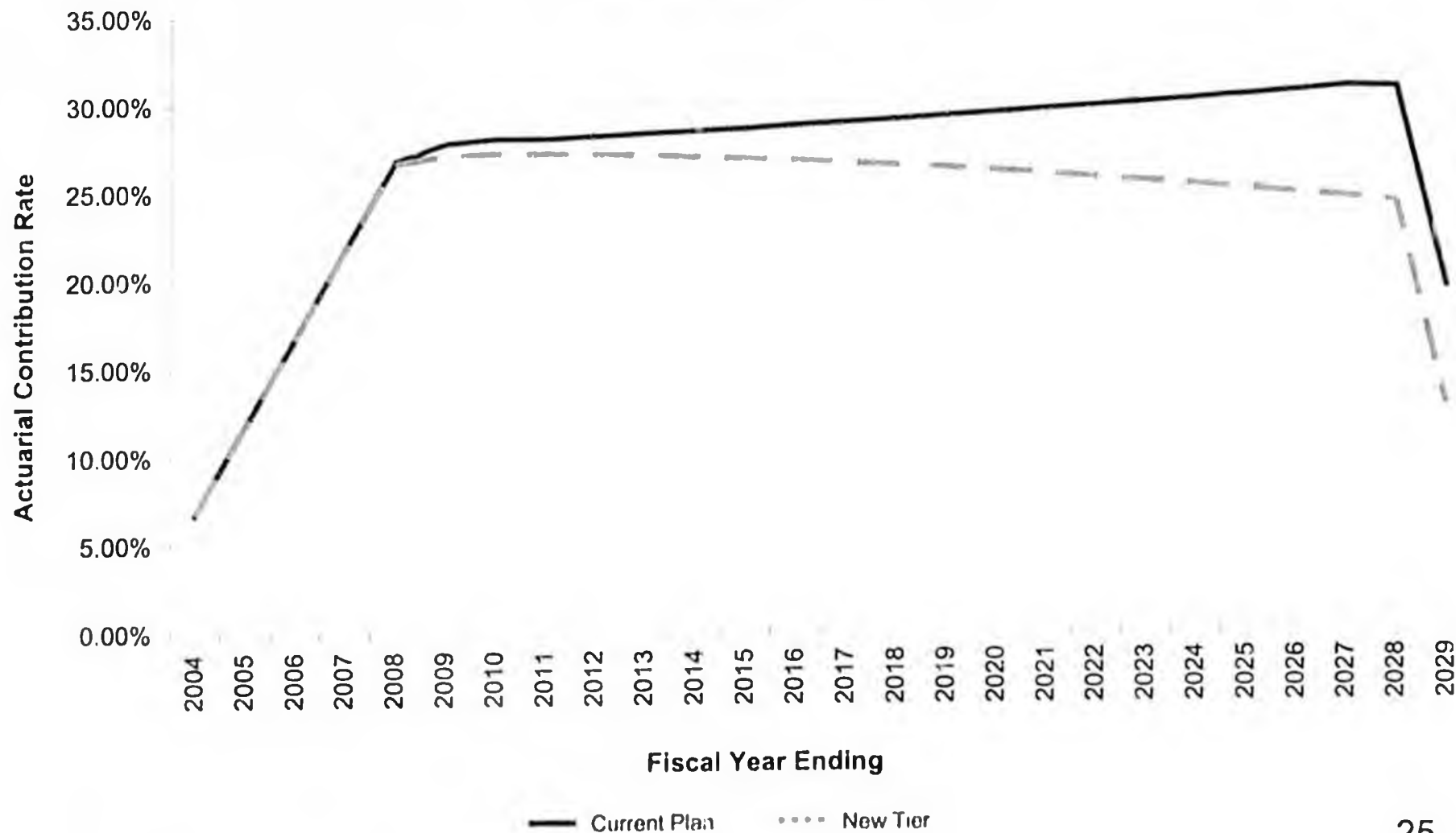




# State of Alaska

## Tier Design Project – Program Alternatives

### Contribution Comparison – PERS





# State of Alaska

## Tier Design Project – Program Alternatives

Contribution Comparison – TRS

