

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #227 (2004-2005)

April 11, 2005

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: RESOLUTION REGARDING POTENTIAL CHANGES TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) AND THE
TEACHERS' RETIREMENT SYSTEM (TRS) AND FUNDING OF K-
12 EDUCATION

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve a resolution regarding potential changes to the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and funding of K-12 education.

PERTINENT FACTS:

The Anchorage School District recognizes that revisions to the PERS and TRS retirement systems may be necessary to address the future needs of employers, employees, funding agencies, and the economic viability of the retirement systems. However, revising the state's retirement systems has the potential for many and varied repercussions, necessitating careful review and thoughtful consideration of design alternatives. Therefore, the legislature should continue communication with all stakeholders in the development of a measured, incremental response to future retirement system liability to prevent unintended consequences, allow adequate public participation, and ensure the best overall outcome for employers, employees, and all citizens of Alaska.

Furthermore, funding of the K-12 operating budget by the legislature should not be tied to the revision of the retirement systems as proposed in SCS CSHB 1 (FIN), An Act relating to the base student allocation used in the formula for state funding of public education, because it has not yet been determined what revisions are needed to the retirement systems and there are other government entities outside of K-12 public education that participate in the retirement systems.

Attachment

Prepared by: Larry Wiget, Director, Government Relations

Approved by: Carol Comeau, Superintendent

**ANCHORAGE SCHOOL DISTRICT
ASDR 2004-2005-14 - REVISED**

**RESOLUTION REGARDING POTENTIAL CHANGES TO THE PUBLIC
EMPLOYEES' RETIREMENT SYSTEM (PERS) AND THE TEACHERS'
RETIREMENT SYSTEM (TRS) AND FUNDING OF K-12 EDUCATION**

WHEREAS, the Anchorage School Board applauds the willingness of the Alaska legislature to grapple with the complex issues underlying the solvency and sustainability of the State's retirement systems; and

WHEREAS, revisions to our current retirement systems may be necessary to address the future needs of employers, employees, funding agencies, and the economic viability of the retirement systems; and

WHEREAS, the continued support of a strong and viable retirement system impacts thousands of current and future Alaskan retirees including the dedicated teachers and public employees educating our state's public school children; and

WHEREAS, school districts statewide need to recruit and retain "highly qualified" staff in a competitive national market place, with readily identifiable and competitive salary and benefit packages; and

WHEREAS, revising the state's retirement systems has the potential for many and varied repercussions, necessitating careful review and thoughtful consideration of design alternatives; and

WHEREAS, there has been no estimate of the fiscal impact of retirement system revisions on local school districts, where long-term career issues are critical to staff recruiting and retention; and

WHEREAS, tying funding of the K-12 operating budget to revision of the state's retirement systems threatens current student education funding while pressing for resolution of retirement system concerns without sufficient analysis or stakeholder input to ensure the best public policy results; now, therefore be it

RESOLVED, that the Anchorage School Board supports careful efforts to revise the state retirement systems to maintain fair and sustainable retirement benefits while not damaging a school district's ability to recruit and retain highly qualified teachers and other public employees; and be it further

RESOLVED, that the Anchorage School Board urges the legislature to continue communication with all stakeholders in the development of a measured, incremental response to future retirement system liability, in order to prevent unintended consequences, to allow adequate public participation and thorough impact projections by local school districts, and to ensure the best overall outcome for employers, employees, and all citizens of Alaska; and be it finally

RESOLVED, that the Anchorage School Board requests the legislature not make increased funding of the K-12 operating budget contingent upon the passage by the legislature of revisions to the state's retirement systems.

ANCHORAGE SCHOOL BOARD

Tim Steele, President

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Macon Roberts

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Carol Comeau, Superintendent