

Introduced by: Martin
Date: 04/19/05
Action: Adopted
Vote: Unanimous

**KENAI PENINSULA BOROUGH
RESOLUTION 2005-035**

**A RESOLUTION URGING MEMBERS OF THE SENATE AND THE HOUSE OF
REPRESENTATIVES TO PROMPTLY MEET AND WORK TOGETHER TO
DEVELOP LEGISLATION THAT WILL PROVIDE ADEQUATE RELIEF TO
MUNICIPALITIES FOR THE PUBLIC EMPLOYEE RETIREMENT SYSTEM AND
TEACHER RETIREMENT SYSTEM DEFICIT**

- WHEREAS,** the Senate Finance Committee has passed Senate Bill 141, which relates to the teachers and public employee retirement systems by creating defined contribution and health reimbursement plans for members of these systems who are first hired after July 1, 2005, and making other changes intended to address problems associated with the current increasing system costs; and
- WHEREAS,** the House State Affairs Committee has been considering House Bill 238, which also addresses problems associated with the Public Employee Retirement System and the Teachers Employee Retirement System; and
- WHEREAS,** both bills consider changing to a defined contribution plan for retirement and making changes to employees' eligibility for medical coverage; and
- WHEREAS,** the significant time and attention devoted to these important measures may have influenced the legislature's lack of adequate action regarding education funding throughout the state and particularly within the Kenai Peninsula Borough School District; and
- WHEREAS,** swift action is necessary to provide some immediate financial relief to local municipalities relating to the retirement systems and to allow time for the legislature to address educational funding issues; and
- WHEREAS,** working separately on two bills designed to address the same problems will result in a much slower process than would a joint effort to resolve these problems; and
- WHEREAS,** according to the state, the impact on the borough budget of PERS is expected to be \$625,569, and on the school district budget is expected to be \$8,027,608 for TRS and \$1,646,534 for PERS for a grant total of \$10,299,711 for the fiscal year 2006; and

WHEREAS, the area costs differential studies clearly show that the Kenai Peninsula Borough School District is not adequately or proportionately funded by the state, which is creating a financial crisis within the Kenai Peninsula Borough School District; and

WHEREAS, resolution of the PERS / TERS problem at the state level would clear the way for making significant strides in improving educational funding at the local level; and

WHEREAS, the assembly recognizes that members of the state legislature have worked diligently to date in sincere efforts to resolve the PERS and TERS funding problems and greatly appreciate such efforts;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

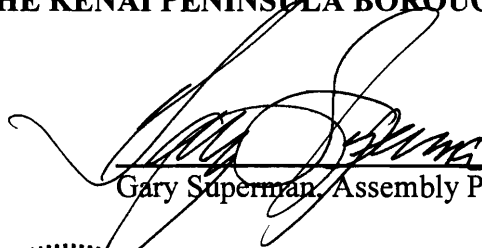
SECTION 1. That the assembly urges members of the state Senate and House of Representatives to meet and work together quickly due to the pending time constraints to develop and pass legislation addressing problems with the retirement systems, recognizing that imperfections in the legislation could be amended next session.

SECTION 2. That the assembly urges the legislature to take action to address the serious existing problems with area cost differentials in educational funding.

SECTION 3. That copies of this resolution shall be distributed to Governor Murkowski and all state legislators.

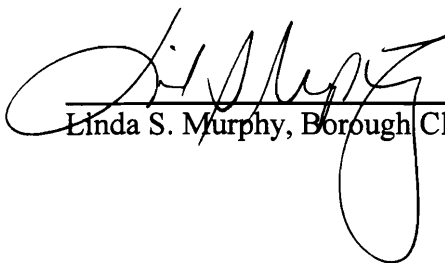
SECTION 4. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19TH DAY OF APRIL 2005.



Gary Superman, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

