

ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair



Senator Gary Stevens, Vice-Chair
Senator Tom Wagoner
Senator Johnny Ellis
Senator Albert Kookesh

Official Business

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

SPONSOR STATEMENT CSSB 246 (CRA)

“An Act making a special appropriation from the Alaska capital income fund to the revenue sharing fund and a special appropriation from the general fund to the municipal public employees’ retirement system underfunded liability relief account; and providing for an effective date.”

CSSB 246 (CRA) responds to two resounding requests from communities all over the state. Communities have asked for reinstatement of revenue sharing and for assistance with the retirement system underfunding.

First, the legislation makes an appropriation of \$28 million from the Alaska Capital Fund to the revenue sharing fund created by SB 247. This results from recommendations made by the Advisory Commission on Local Government.

Second, the committee substitute makes a special appropriation of \$29.3 million from the general fund to the municipal employees’ retirement system underfunded liability relief account to prevent additional unfunded liability in the system. The \$29.3 million is intended to make up the difference between the employer contribution rate established by the Alaska Retirement Management Board and the actuarially calculated employer contribution rate for FY 2007. The appropriation will be allocated to each political subdivision whose certified contribution rate is less than the full actuarially calculated rate, as determined in the supplement to the valuation dated June 30, 2004.

The bill will only take effect if SB 247, establishing the revenue sharing fund and the municipal employees’ retirement system underfunded liability relief account, is enacted this Legislative session.

CSSB 246 (CRA) provides the revenue sharing fund with a sustainable source of revenue to be shared with Alaska’s local governments on a predictable, long-term basis and provides a one time appropriation to the municipal employees’ retirement system underfunded liability relief account in order to allow the ARMB to spend more time crafting a long term solution to the \$6 billion underfunding.

Contact: Kim Carnot, Senate Community and Regional Affairs Committee Aide at (907) 465-4989