



Alaska Association of Chiefs of Police

Alaska Association of Chiefs of Police

Position Paper: Recruitment and Retention of Police Officers in Alaska

I. Recruitment Background: A Professional Perspective

Across the country, the law enforcement profession has experienced ever-increasing difficulties in attracting and retaining qualified personnel to serve as police officers in our communities. Unfortunately, this nationwide trend is being strongly felt in Alaska as well.

Twenty years ago, it was quite common to advertise for an entry-level police officer and have literally *hundreds* of applicants arrive to compete for a single position. Today, it is not uncommon to receive only a few dozen applicants, most of which are quickly eliminated through the initial testing and screening processes. One need only look at the most recent class of the Alaska State Trooper Academy, where fourteen (14) recruits began training, *but only five (5) Trooper Recruits graduated.*

The demands placed upon today's modern police officer make this one of the most difficult professional positions for an individual to attain. In almost any other career field, if one is willing to make a commitment of time and money for education and training, one can pursue the goal of their choosing. For instance, if one wants to be doctor or a lawyer badly enough, they can pursue student-loans, work to receive the appropriate education, and achieve their professional goals. This is not the case in law enforcement.

No matter how passionately one wants or desires to become a police officer, most will not possess the combination of skills, personality traits, and ethics/integrity necessary to successfully complete the comprehensive battery of academic, physical, and psychological testing employed through agency selection processes. These tests and evaluations, combined with comprehensive background investigations and truth-verification measures, preclude the vast majority of applicants from ever achieving employment as a sworn officer.

The flip-side, of course, is that there are those rare individuals who indeed possess the requisite combination of skills, personality traits, and demonstrated ethics/integrity necessary to pass a comprehensive selection-process. These applicants are considered "golden," and will quickly find themselves in a very enviable position as Federal, State, and local law enforcement agencies all vigorously compete to quickly attract and employ the prospective recruit before another agency can lure them away with a more attractive offer.

Working within the context of this incredibly competitive environment, all factors comprising an “offer of employment” must be carefully considered. In addition to basic wages, one of the most critical factors considered by the prospective recruit is that of retirement-system benefits offered pursuant to employment. In this respect, the State of Alaska has dealt a critical blow to law enforcement recruitment through the creation of “Tier IV” in the Public Employee Retirement System (PERS), in which defined retirement benefits for newly-hired police officers were eliminated.

II. PERS: A Recent History of Law Enforcement Retirement in Alaska

As is the case with nearly all states, Alaska offers a system of retirement and health benefits for its employees. This is known as the *Public Employee Retirement System*, commonly referred to by its acronym: PERS. As is also common, the PERS system is not restricted solely to State employees. Many of Alaska’s municipalities participate in the PERS system, most often used for the inclusion of Peace Officers and Firefighters.

Consistent with the rest of the nation, PERS recognized early-on that employment as a Peace Officer or Firefighter is far different from most other jobs. Numerous factors supporting such an assertion include:

- Significantly elevated dangers and risk-factors associated with police work and firefighting;
- Necessity for shift-work designed to provide 24/7 coverage, resulting in significant disruption to personal and family life;
- Necessity for police employees to operate at levels of “hyper-vigilance” for extended periods of time, resulting in long-term health stressors;
- Necessity for Firefighters to rapidly transition from sleep to high-stress environments over extended time periods, resulting in these same long-term health stressors

In recognition of these factors, nearly all state retirement systems formulated and entered into a “social compact” with their prospective police officers and firefighters. In exchange for the employee risking their lives on a daily basis, turning their personal and family lives upside down, and absorbing the tremendous physical, emotional, and psychological toll that comes with such employment, the state systems agreed to extract (and match) a larger portion of the employee’s monthly paycheck, thus allowing the Peace Officer/Firefighter to achieve a full retirement in twenty (20) years. Once this twenty-year goal was reached, the Peace Officer/Firefighter was secure in the knowledge that they could now enjoy a defined benefit in retirement, acknowledging their career of service and sacrifice to their communities.

While the above-referenced system was developed and implemented in the State of Alaska via PERS in 1961, the retirement benefits afforded to Peace Officers and Firefighters have steadily eroded over time:

- **Tier I:** Peace Officers hired between PERS inception and June 30th of 1986 fall under the “first tier” of PERS employees. Peace Officers in this group achieved a full defined-benefit monthly retirement payment upon completion of twenty years continuous service, regardless of age. The retirement benefit was calculated based upon the employee’s highest consecutive three-year period of earned wages. Tier I recipients also receive full medical coverage upon retirement, with health-insurance premiums paid by the retirement system. Additionally, Tier I recipients receive an additional 10% cost-of-living allowance (COLA) if they reside in Alaska.
- **Tier II:** Peace Officers hired between July 1, 1986 and June 30, 1996 fall under the “second tier” of PERS employees. A defined-benefit monthly retirement payment is still available upon completion of twenty years continuous service, and the benefit is still derived using the “high three years” salary calculation. However, medical coverage is *not* paid for by the retirement system prior to age 60, unless the Tier II employee works for an additional five years (for 25 years total service). Additionally, the 10% Alaska COLA is not paid for in-state residents until the retiree reaches 65 years of age.
- **Tier III:** Peace Officers hired between July 1, 1996 and June 30, 2006, fall under the “third tier” of PERS employees. A defined-benefit monthly retirement payment is still available upon completion of twenty years continuous service, but the benefit formulation was changed to average the highest five years of earned wages, rather than three. Retiree medical coverage under this tier is still not paid for unless the retiree worked for an extra five years (25 total), and the 10% resident COLA is not received until the retiree reaches 65 years of age.
- **Tier IV:** For Peace Officer hired after July 1st, 2006, there is no longer a defined monthly retirement benefit that can be counted on by the prospective retiree. Under this “fourth tier,” the PERS system simply matches a portion of the employee’s 8% salary contribution, which the employee then invests through self-directed action. Retiree medical coverage is based upon Medicare eligibility with retirees paying a differential percentage of the required premium. If ineligible for Medicare, and/or having exhausted any HRA allowances contributed by the State of Alaska, the retiree will then be responsible for all health-care premiums. Additionally, there is no longer any COLA benefit.

As previously referenced, the creation of this last “Tier IV” in PERS has created a significant impediment to effective police recruiting in Alaska. With many police departments throughout the nation offering defined-benefit retirement plans for officers completing twenty years of service, often with higher-percentage benefit calculations and significantly-increased health benefits, one would wonder why any young officer who was looking to provide for their family and future would look to Alaska as a first (or even second/third) choice for meaningful employment.

III. The Issue of Retention

Perhaps just as important as the issue of initial recruitment is that of long-term employee retention. Any police chief will tell you that a five-year police employee represents an *enormous* investment in initial screening, hiring, training, placement, personalized equipment, and derived local knowledge and experience. The cost of continuously replacing such employees can be staggering for the police agencies involved. Additionally, the experience and heightened performance that a community receives from seasoned police officers being perpetually replaced by far more ineffective and inefficient junior officers imposes a far greater "community cost" that is often unacknowledged, and rarely quantified.

By moving from a defined-benefit retirement system to a truly portable, "401K-type system," the new Tier IV of PERS literally begs its forward-thinking participants to seek greener pastures. By offering such portability, there is no longer an incentive for an Alaskan police officer to remain within our state. Under prior tiers in PERS, a police officer who had vested in the system would rarely consider moving outside of Alaska, as their PERS time would not transfer to other systems. As such, agencies could feel quite comfortable that their considerable investments in time and training were relatively secure once an employee had vested. This safety-net for police administrators has now been removed. All sworn peace officers who have been hired after July 1, 2006 must now be regarded as a transitory resource, capable (and highly likely) to pick up and leave at a moment's notice once a better employment opportunity is identified. Given the documented "generational-shift" that has occurred with today's young people, (who are likely to change jobs and residential locations at a far greater frequency than their predecessors) this poses an issue of significant concern.

IV. The Position of AACOP on Tier IV PERS Retirement

In light of the above history regarding the evolution of PERS, and in consideration of the factors affecting recruitment and retention as explored above:

It is the official position of the Alaska Association of Chiefs of Police, comprised of approximately 70 Executive Law Enforcement Officers representing police departments and agencies throughout Alaska, that:

- *AACOP feels the Alaska State Legislature seriously erred in creating a "fourth tier" in PERS, thereby depriving law enforcement officers hired after July 1st, 2006, of a defined-benefit retirement.*
- *AACOP has significant concerns that continuation of such detrimental public policy will continue to pose serious recruitment and retention problems for law enforcement in Alaska. This will likely result in protracted and severe staffing shortages, jeopardizing the safety of our communities.*

- *AACOP has significant concerns that, due to these predicted staffing shortages, police agencies will come under increasing pressure to lower entrance and retention standards, thus placing a lower-quality police presence on the street.*
- *AACOP has significant concerns that, due to the creation of portable retirement accounts under Tier IV, police officers will be far more difficult to retain in the State of Alaska.*
- *AACOP has significant concerns that a portable retirement account under Tier IV will make it virtually impossible to attract and recruit police recruits and veteran law enforcement officers from outside the State of Alaska.*
- *AACOP further recognizes that rapid escalation in health-care costs must be addressed, and that components of retiree health-care coverage may have to be separated from a defined-benefit retiree payment in some fashion in order to reach a workable solution.*

This position-paper by the Alaska Association of Chiefs of Police was authored and endorsed by the AACOP President and Executive Board in December of 2008.



Tom Clemons, President
Alaska Association of Chiefs of Police