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**From:** jacob bera  
**Sent:** Wednesday, March 02, 2016 5:42 PM  
**To:** Sen. Click Bishop  
**Cc:**  
**Subject:** Request for Hearing on SB 88-Community and Regional Affairs

Good afternoon Senator Bishop and staff,

My name is Jacob Bera. Along with a few other teachers, I presented information at a Lunch and Learn last session sponsored by Senator Bishop. I'm writing to bring to your attention SB 88, a bill to repair the current, inefficient, state retirement system for public employees. This bill is currently in Community and Regional Affairs, chaired by Senator Bishop.

With the attention needed to help solve this State's fiscal situation, why hear this bill? Because an actuarial analysis and the sponsor's statement says this bill will save the State of Alaska roughly \$70 million dollars over the next 10 years.

Are you aware that roughly 70% of Alaska's educators are recruited from out of state? And since 2006, only 11% of new teachers stayed more than 5 years? Districts are having to rehire and train new teachers each year, costing them additional money in an already tight (and shrinking) budget.

Alaska-based police and fire fighters report recruitment and training costs in excess of \$150,000 per employee. Those costs could be used in other ways if we could retain the quality public employees we already have.

This bill would combine the strengths of both the current defined contribution retirement system and a defined benefit retirement system for public employees by creating a new tier for public employees. New safeguards and a 5 year review of health care costs (which would fall on the employee) make the system cost neutral and add nothing to the unfunded liability.

There are many reasons that I believe this bill would have a positive effect on the State, both economically and in regards to the quality of public services. But the bottom line now is the budget, low oil prices, and dwindling resources to pay for what we have.

SB 88 was heard in the Senate Community and Regional Affairs committee last session, and held there. At that hearing, Senator Bishop said that he looked forward to "reviewing the numbers to see if the State really can save money because the Legislature needs to look at all ways to save revenue regardless of economic conditions due to oil prices."

I talked with a few attendees after a Town Hall meeting this past weekend in Chugiak, and they were surprised that the legislature was considering asking them to cap their permanent fund dividend, and possible pay some sort of tax, but not considering a bill that could save millions. One gentleman explained, "look, I usually don't support unions, I favor 401k's instead of pensions...but if you're information is right then I can support what you said." This was very surprising, and refreshing to hear. All agreed we should hear the bill and look at the facts.

The time may have come for Alaskans to dip further into their checkbooks to pay for State services. My family is willing to do my part if the Legislature has put the work in to "right-size government". But shouldn't we investigate all means to save money first, and invest more effectively in our public employees before asking Alaskans to contribute more?

Please let me know if I can provide any details or support, and thank you for all of your very important work in Juneau.

Very Respectfully,

Jacob Bera

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**From:** Addison Yang  
**Sent:** Friday, March 18, 2016 3:10 PM  
**To:** Sen. Click Bishop  
**Subject:** SB88/HB280

Hello,

I am emailing you concerning SB88/HB280 and the future of Alaska's public employees. As a young engineer at DOT, I am building a wealth of knowledge and work experience while concurrently pursuing graduate studies in civil engineering. This knowledge and experience translates to marketable skills in the private sector (or other government agencies). Without a plan for employee retention, many great employees with a strong drive for success will be lost to more competitive employment opportunities.

Please consider the compensation and benefits of state employees as a long term investment instead of a short term solution. If the state hopes to retain skilled employees, we must give them a reason to stay. Salary freezes, benefit cuts, retirement benefit reduction, and other negative changes alienate skilled employees. Our goal should be to retain employees who excel; not train employees and have them take that knowledge elsewhere. SB88, if properly implemented, would be a step towards alleviating the "brain drain".

As an individual in Tier IV enrolled in the defined contribution retirement plan, I ask you to seriously consider implementing a defined benefit plan. A strong defined benefit plan would be a large step in convincing me, and other employees with desirable job skills, to make a career working for the state rather than using the state as a stepping stone for future employment. The current retirement plan for Tier IV employees has not been effective in retaining employees.

The defined contribution plan lacks the security of a defined benefit plan. This lack of security translates to a higher employee turnover in Tier IV and the resultant loss of productivity.

If the current trend regarding our compensation and benefits continues, I will be seriously considering other employment after completing my M.S. in Civil Engineering and receiving my professional engineering license. Other high performing individuals that I have the pleasure of working with have also expressed a similar sentiment.

Please consider the ramifications of SB88/HB280 while you are coming to a decision.

Thank you for your time and consideration.

Best,

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Addison Yang

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**From:** Ronald Johnson  
**Sent:** Saturday, March 19, 2016 6:29 PM  
**To:** Sen. Click Bishop  
**Subject:** sb 88

Dear Senator Bishop,

I don't think SB 88 will help our state solve its long- term fiscal problems as it will transfer retirement liabilities from employees hired since 2006 to the state.

I am a state retiree. If new employees become part of the DB plan, the new money may help pay for my retirement by reducing the UL by a little. But, who will pay for their retirement?

The fiscal calculations for the liability for the retirees pensions and health care costs assume a ROI of 8 %. Other states such as CA are assuming ROI closer to 7 %. If we earn 7 % then the employee contributions will not be sufficient to cover the future pension and health care costs.



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Ron Johnson  
Professor Emeritus  
Mechanical and Environmental Engineering  
Univ of Alaska Fairbanks

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**From:** DENNIS BOYER  
**Sent:** Monday, March 21, 2016 8:52 AM  
**To:** Sen. Click Bishop  
**Subject:** Please support HB280 and SB88.

Dear Click,

Please support HB280 and SB88.

I have been an educator in Alaska since 1973 and raised three successful kids here.

My daughter is now a teacher in Alaska, and unfortunately I have to tell her she will need to strongly consider leaving the state in order to have a secure future.

Alaska is the only state where teachers have neither a defined benefit retirement nor social security.

Please support these bills so our youth can have a future in Alaska.

Please call if I can be of any assistance.

Thank you,

Dennis Boyer

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**From:**  
**Sent:** Monday, March 21, 2016 8:10 PM  
**To:**  
  
**Subject:** SB 88/Testimony

**From:** Ronald Johnson  
**Sent:** Monday, March 21, 2016 5:07 PM

**Subject:** SB 88

Could you pls distribute this to the Interior delegation? Thanks.

My testimony re SB 88:

I don't think SB 88 will help our state solve its long- term fiscal problems as it will transfer retirement liabilities from employees hired since 2006 to the state. If the trust fund ROI is less then the 8 % assumed, the health care costs are higher than expected, etc. the State will be on the hook. Plus, if the State doesn't take care of the UL, all retirees will suffer and any new hire who chooses a DB plan [if SB 88 becomes law] will wish he/she had chosen a DC plan. With a DC plan, she/he won't be held hostage by Alaska's budget crisis.

I am a state retiree. If new employees become part of the DB plan, the new money may help pay for my retirement by reducing the UL associated with the current DB plans by a little. But, who will pay for their retirements?

The fiscal calculations for the liability for the retirees pensions and health care costs assume a ROI of 8 %. Other states such as CA are assuming ROI closer to 7 %. If we earn 7 %, then the employee contributions will not be sufficient to cover the future pension and health care costs.

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Ron Johnson  
Professor Emeritus  
Mechanical and Environmental Engineering  
Univ of Alaska Fairbanks