

ALASKA AFL-CIO

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VINCE BELTRAMI
Executive President



JAKE METCALFE
Secretary / Treasurer

April 15, 2019

Senator Click Bishop
State Capitol Room 121
Juneau, Alaska 99801

Dear Chair Bishop and members of the Senate Community and Regional Affairs Committee:

On behalf of the Alaska AFL-CIO and over 50,000 members (half of which are public employees), we would like to thank you for considering SB 46, a bill that would restore defined benefit plans for Alaska's public employees.

As it stands, Alaska's newly hired fire fighters, police officers, troopers, educators, public health care workers, and other state and public employees won't have a reliable pension when they retire. Additionally, many of our public employees will not receive Social Security benefits. This makes recruitment and retention of public employees and educators increasingly difficult.

Alaska's current defined contribution plan is not competitive in a market place for attracting quality public employees and the pool of qualified applicants for public sector jobs in Alaska is shrinking.

And finally, the closed defined benefit system for PERS and TRS has actually exacerbated the unfunded liability --- a liability caused by malfeasance on the part of an actuarial firm. Infusing the defined benefit system with new employees would be a step in the right direction to reducing the unfunded liability while providing our public servants with a more secure retirement.

Thank you again for considering SB 46.

Sincerely,

Vince Beltrami
President, Alaska AFL-CIO



March 28, 2019

Senator Jesse Kiehl
State Capitol Room 419
Juneau, AK 99801

Dear Senator Kiehl,

On behalf of NEA-Alaska's 13,000 members I would like to thank you for introducing Senate Bill 46 which would provide a defined benefit retirement option to thousands of dedicated Alaska public school educators and public servants.

Alaska public employees hired after 2006 currently have the worst retirement system in the country. Employees who fall into PERS IV and TRS III currently have no access to a defined benefit plan to guarantee some level of basic income upon retirement. Compounding this fact, most PERS IV and all TRS III employees have no access to Social Security.

An analysis by Alaska's Chief Investment Officer presented to the Alaska Retirement Management Board in June of 2018 showed that after working for 30 years only 31% of TRS III retirees would have sufficient assets to sustain a dignified retirement. The State of Alaska's defined contribution plan leaves employees in these retirement categories completely exposed to fluctuations in global financial markets and the performance of individual retirement portfolios despite their extensive service to the public good.

Alaska's current retirement system provides very little incentive for early career professionals to stay in Alaska. The portability provision that allow for employees to be fully vested in 5 years has created a systemic churn of public employees to pull their money after 5 years and seek more robust and stable retirement systems in other states. **A 2017 study by the Center for Alaska Education Policy Research at the Institute of Social and Economic Research estimate that teacher turnover alone costs the State of Alaska \$20 million annually.** Without a retirement system that incentivizes longevity for public employees this cycle will continue.

Many of our best and brightest educators are coming to the difficult realization that it is not in the best interest of their families, or their own financial future to make a career in Alaska. There is an educator shortage across the country and over 20 Governors have introduced proposals to improve educator pay and benefits. Combine this with the fact

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that Alaska is the only state in the country where many educators do not receive Social Security or have the opportunity to earn a defined benefit and Alaska has become the less attractive jurisdiction in the country for early career educators.

SB 46 strikes the necessary balance between choice and stability for public employees. As the largest association of educators in Alaska, NEA-Alaska understands how important stability is to the students we teach in our classrooms every day. Our teachers and support staff are critical to their communities. SB 46 would give educators the reassurance they need to dedicate their careers to educating Alaska students, incentivize longevity, and strengthen our economy by allowing people to retire in Alaska.

Thank you,

Tim Parker, NEA-Alaska

Dear Honorable Senators and Representatives,

My name is Jacob Bera and I'm writing in support of SB46, which offers a more stable retirement option for Alaskan public employees.

My wife and I are both educators. We moved here from Wisconsin in 2003, after I finished my time in the Marine Corps Reserve. The natural beauty of Alaska attracted us. We both love to run and spend time in the mountains. But we were also looking to start a family and settle down for the long run here in Alaska.

Without a doubt, retirement options played a major factor in whether or not we decided to move, and stay in Alaska. Since we arrived in 2003, we were able to participate as public employees in the Tier 2 Defined Benefit plan, which allows us to contribute to a pension. Before moving here, we also learned that Alaska doesn't participate in Social Security, and teachers in particular don't have the option of participating in a similar retirement savings fund like SBS-AP (Alaska Supplemental Annuity Plan). The high cost of health care was also a concern. But we decided to move to Alaska and take our chances anyways, and we've been here ever since. We love our community here in Chugiak. My wife is a first-grade teacher at Fire Lake Elementary, and I teach at Eagle River High School. I am a National Board Certified teacher, and this year I was recognized as the runner up for 2019 Alaska Teacher of the Year.

When the retirement plan was changed to a defined contribution in 2006, public employees could no longer contribute to a pension. And since Alaska is now the only state that does not participate in Social Security and only offers a Defined Contribution option for public employees, we have seen numerous colleagues and friends leave Alaska for better options in the lower 48. And to be honest, if my wife and I had moved here after 2006 we simply couldn't risk staying either. As much as we love our community and this State, it wouldn't have made economic sense. And it would have been a big risk knowing we were starting to have kids so far away from the support of our extended family.

We're fortunate in that we're still able to participate in the Tier 2 pension plan. And even without the ability to contribute to Social Security, we are still trying to make it work here in Alaska. But my wife and I have countless friends...teachers who moved up for a few years for their "Alaskan" adventure, only to take their savings and leave. Coupled with yearly budget cuts and increased demands, Alaska is becoming less attractive for teachers to stay. Our state is losing the money invested in attracting those teachers and training them. Teacher turnover is high and unfilled jobs are common in Anchorage, but it's increasingly so in rural Alaska. As a result, our students suffer with limited opportunities and larger class sizes in front of less-experienced educators who may likely leave in a few years.

Additionally, as a high school teacher I encounter students that are considering becoming a teacher themselves. In fact, I have a former student currently attending college in Pennsylvania and studying art education. I want her to consider returning to Alaska to start her career. But right now, our state is simply competing with pay and benefit plans in other States that are far more secure and attractive.

I strongly believe that SB46 can provide an incentive for public employees to stay and invest long term in Alaska by providing the ability for them to earn better retirement security for their future. Attracting and keeping the best educators makes the most economic sense for Alaska, especially for the children we serve in our public schools.

Very respectfully,

Jacob Bera
19323 Starflower Circle
Chugiak, Alaska 99567
907-854-5447

Edric Carrillo

From: Edric Carrillo
Sent: Tuesday, April 23, 2019 9:49 AM
To: Edric Carrillo
Subject: FW: SB46

Follow Up Flag: Follow up
Flag Status: Flagged

-----Original Message-----

From: David Brighton <mr.brighton@gmail.com>
Sent: Saturday, March 30, 2019 4:48 PM
To: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: SB46

Senator Kiehl,

I am writing with the request that you support Senate Bill 46. I am in Tier 3 of the teacher retirement system, which many are coming to call the "death tier" because when I look at how much money is in my defined contribution account I calculate that I need to work until 3-4 years before I die. If I live longer I will be out of money. Without social security I would truly be destitute!

Many fellow educators are leaving the state because we are the only state with no pension or blended retirement plan. It is sad to see how this is hurting our students. What makes it even worse is that those teachers are fully vested after 5 years and they are taking about \$8 million a year out of state. We need to find a solution that incentivizes teachers stay in Alaska. Thank you for your service in the Senate and your time listening to my concerns.

Regards,
David brighton

Edric Carrillo

From: Edric Carrillo
Sent: Tuesday, April 23, 2019 9:48 AM
To: Edric Carrillo
Subject: RE: SB 46

Follow Up Flag: Follow up
Flag Status: Flagged

From: Bobby LaSalle <wonder_1@rocketmail.com>
Sent: Saturday, March 30, 2019 4:59 PM
To: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: SB 46

Senator Kiehl,
Thank you for representing Alaska in our legislature.

I am asking that you support the passage of SB 46. It is scary looking at the future of Alaska's children with the shortage of teachers in Alaska. We are losing excellent teachers regularly because we do not have a future for the teachers to stay. I learned Thursday from my friend, James Harris, DEED Teacher of the Year for 2017 will be leaving Alaska because as a Tier 3 teacher, he has no future here. He also wants for his children to be taught by teachers who are wanting to be where they are valued and be able to concentrate on doing the job for which they are hired for.

With the turn over of teachers we are losing the experience. Losing the experience hurts our children. We are our children's future; Our children are our future! We must ensure that they have the tools to become productive members of our society. NONE of us would be where we are if it was not for our education.

We are losing 8 MILLION DOLLARS a month in the retirement system from teachers in the Tier 3 system! That is sad and scary and ridiculous! This amount of money going out is also draining the retirement funds for Tier 1 and 2. There has to be new money going in to keep funding the balance.

Again I urge that you support the passage of SB 46.

B
Bobby LaSalle
P.O. Box 57175
North Pole, AK 99705

Edric Carrillo

From: Edric Carrillo
Sent: Tuesday, April 23, 2019 9:48 AM
To: Edric Carrillo
Subject: RE: Retirement SB 46

Follow Up Flag: Follow up
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From: SUSAN DUNHAM <ginseng@mtaonline.net>
Sent: Saturday, March 30, 2019 5:14 PM
To: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: Retirement SB 46

Dear Senator Kiehl,

I am about to retire after 34 years in the classroom. I do not want to stop teaching! I really love being able to share my knowledge with my students. Sadly, so much is working against Alaska kids from getting a great education. I was hired in Alaska after leaving California because of high class sizes and the crime affecting my community that spilled over into the classroom. When I was first hired out in the Butte it was such a joy to teach small classes! I knew the kids, I knew their families, I was part of their lives in and out of the classroom. I moved to the middle school and was able to still have small class sizes and time to meet and collaborate with other teachers.

Now, I find myself in a classroom with over 200 kids a day! There is no longer time to meet with other teachers, and we no longer even share the same lunch. I am disheartened by the lack of time that I have with each student. I am frustrated with the lack of time to work with other educators in the best interest of the children. Interestingly, I have 8 students this year whose parents were my students! Today's children are not getting the same great education their parents benefited from. So, what does this have to do with retirement? First of all the next teachers will be working in this environment that does not value each child. They will not be able to count on the money they make stretching far enough into retirement. They will realize that they cannot stay in Alaska without a hope for future financial security. They will not be able to build those relationships with the families and community. I would venture to guess that they will stick around long enough to teach a second generation.

For my own self preservation, I am leaving the state to look for work elsewhere where I can earn more quarters of Social Security and be able to recoup SOME of what I paid into that system while working second jobs while teaching. I am afraid that with no teachers paying into the retirement system behind me, it will go bankrupt and I will end of penniless in my declining years. I hope to teach in another state that offers both social security and retirement so I have a back up plan. Please push SB 46 for today's teachers, tomorrows teachers and yesterday's teacher. The kids deserve the very best in every classroom and communities need the continuity that long time teachers offer.

Thank you for your work to make Alaska the best place in the world to live and play!

Sincerely,
Susan Dunham

Edric Carrillo

From: Sen. Jesse Kiehl
Sent: Tuesday, April 23, 2019 9:46 AM
To: Edric Carrillo
Subject: FW: SB 46

Follow Up Flag: Follow up
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From: Rich Kronberg <richkronberg@gmail.com>
Sent: Saturday, March 30, 2019 4:47 PM
To: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: SB 46

6824 19th Street West
PMB #314
University Place, WA 98466

Dear Senator Kiehl:

My wife and I taught in Alaska for 26 years. We retired in 2007 and moved out of state. We still love Alaska, and are very concerned about the teachers in Tier III of TRS and the classified school employees in PERS Tier IV. These folks cannot look forward to a decent retirement. Consequently they are moving out of state and are being replaced by other novice educators. This is hard on these school employees, but it is even harder on the students. Instead of being taught by career educators, they are being taught by a parade of novice teachers. There is no need to look further for the cause of Alaska's stagnant student test scores. I support SB 46 because it will be good for educators and great for Alaska's students.

Thank you for your hard work on behalf of Alaska's educators and Alaska's students.

Sincerely,
Rich Kronberg

--
Rich Kronberg
richkronberg@gmail.com

Moderation in temper is a virtue...
moderation in principle is a vice
Tom Paine

Edric Carrillo

From: Edric Carrillo
Sent: Tuesday, April 23, 2019 9:49 AM
To: Edric Carrillo
Subject: RE: SB 46

Follow Up Flag: Follow up
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From: Jeff Hebard <jeff.hebard@k12northstar.org>
Sent: Saturday, March 30, 2019 4:48 PM
To: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: SB 46

Senator Kiehl,

Just a quick note to tell you that I strongly support a return to a quality defined benefit retirement system for all public employees, to include teachers, support staff, skilled labor, public safety employees. Alaska can not afford for the brain drain of young employees leaving the state that we are currently experiencing to continue. Please also explore legislation that would allow all employees the opportunity to contribute to Social Security, these employees are likely to be the first to leave Alaska for other states where they will be allowed to participate in Social Security.

Thank you for your efforts on this matter.

Jeff Hebard

1192 Bemis Ct

Fairbanks, AK 99712

Edric Carrillo

From: Sen. Jesse Kiehl
Sent: Tuesday, April 23, 2019 9:46 AM
To: Edric Carrillo
Subject: FW: SB 46

Follow Up Flag: Follow up
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From: Dana Cain <dana.cain45@yahoo.com>
Sent: Saturday, March 30, 2019 4:44 PM
To: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: SB 46

Senator Kiehl,

I support Senate Bill 46. I believe public employees deserve a Defined Benefit retirement plan. I am a Tier II teacher and plan to stay in Alaska and retire here. Many of my peers in the Tier III plan are leaving Alaska largely due to the current Defined Contribution plan. Alaska needs to retain quality employees and a way this can happen is with the passage and put into place SB 46.

Thank you for your time.

Sincerely,

Dana Cain

Edric Carrillo

From: Edric Carrillo
Sent: Tuesday, April 23, 2019 9:48 AM
To: Edric Carrillo
Subject: RE: SB 46

Follow Up Flag: Follow up
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From: jacquedean@aol.com <jacquedean@aol.com>
Sent: Saturday, April 6, 2019 1:04 PM
To: Sen. Shelley Hughes <sen.shelley.hughes@akleg.gov>
Cc: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: SB 46

Senator Shelley Hughes,

I am please to hear that Senator Kiehl has introduced Senate Bill 46. I am writing in support of the Senate Bill to restore a retirement with dignity for Alaska's educators and public servants.

Alaska is facing a crisis among our educators, as many of them are discovering the fact that they can't have a career here that includes a secure retirement.

Personally I am shocked to know that these teachers do not even have a social security benefit to count on when they retire. I just pray non of these employees become disabled and realize they don't even have social security disability if they needed it. I believe it is rare to have an employee that doesn't provide either a pension plan, social security, or both.

After talking with many colleagues I believe you are going to have a real crisis when it come to retaining teachers in Alaska. Once these young teachers are in their thirties and realize they can not retire they will be leaving for other states. There are a lot of great educators up here to risk loosing them..

Please support Senator Kiehl with this very important legislature.

Jacqueline Cunningham
Palmer, Alaska