

# REBUTTAL TO THE BURKE–WILSON REPORT

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The Burke–Wilson study has been selectively cited to suggest Alaska’s retirement structure has no effect on teacher retention. That claim is factually misleading. The study examined only one narrow question about one narrow cohort. It does **not** address the recruitment collapse, the mid-career exodus, or the retirement security crisis Alaska teachers face today.

## WHAT THE BURKE–WILSON STUDY ACTUALLY MEASURED

The Burke–Wilson paper (*Recruitment, Retention, and Retirement Plan Structure: Evidence from Teachers*, Institute of Social and Economic Research, 2025) examined a **single, tightly bounded natural experiment**: teachers hired just before vs. just after the July 1, 2006 transition date.

It asked one question: if two otherwise-identical cohorts receive different retirement plan types, does plan structure by itself trigger an immediate quit? The researchers measured retention at 1, 6, 9, and 14 years into employment for these adjacent cohorts only. The answer was no — **the structure alone did not cause an immediate wave of departures from this narrowly comparable group.**

### What the study does NOT examine:

- Whether Alaska can recruit new teachers from other states under the current DC structure
- Whether teachers are choosing Alaska in the first place (pipeline recruitment)
- Whether DC plan teachers leave at mid-career (years 5–15) to take pensions in other states
- The retirement security outcomes of DC-plan teachers once they reach retirement age
- The 28% current teacher turnover rate or 35% principal turnover rate Alaska faces today

## THE ACTUAL DATA

The document’s figures of **"22% teacher turnover"** and **"25% administrator turnover"** are **outdated**. The most current data, presented to the Alaska State Board of Education in December 2025 by the ISER, shows the situation has significantly worsened:

**28%**

Teacher Turnover (2024)  
Up from 22% — still climbing

**35%**

Principal Turnover (2024)  
Up from 25% — a 40% increase

Source: ISER/Center for Alaska Education Policy Research, presented to Alaska State Board of Education, December '25

Is 28% turnover really "double the national average"? No — it is **triple**.

The national average teacher turnover rate is approximately 7–10%. Alaska’s 28% rate is roughly three to four times the national norm, not two times. In rural and remote districts, turnover reaches 26–28%, and for principals in rural communities it exceeds **55%**.

Education funding data shows that when Alaska had its defined benefit plan in 1996–2006, teacher turnover was steady at approximately **12%, consistent with the national average at the time**. Following the 2006 DB plan closure, turnover climbed steadily: 14% in 2007, 16% by 2012, and 22%–28% from 2012 to today.

Period	Alaska Turnover	National Average	Retirement
1996–2006	~12%	~10–12%	DB (Pension)
2007–2012	14–16%	~11%	DC (401k)
2012–2022	22–24%	~16%	DC (401k)
2024 (Latest)	28%	~7–10%	DC (401k)

Sources: ISER / Alaska State Board of Education (Dec. 2025), RAND national educator turnover data

## STUDIES WITH THE OPPOSITE CONCLUSION

In his **2020 State of the State Address**, Governor Dunleavy directed the Commissioner of Education to form a working group to identify the root causes of Alaska’s teacher retention crisis. The resulting **Teacher Retention and Recruitment (TRR) Working Group** surveyed **4,223 educators** holding active Alaska teaching licenses, the largest statewide educator survey of its kind. Of those, **3,604 completed it in full**. The survey ran October 2020 through January 2021, collecting preferred-choice rankings, structured interviews, and written comments from teachers, principals, superintendents, school board members, students, and university faculty.

### What Dunleavy’s own Task Force found:

- Retirement was listed as one of the **top-three issues for both teachers and administrators** when identifying reasons to leave or not come to Alaska.
- The Task Force concluded that **competitive salaries and a return to a defined benefit pension** were the factors most likely to retain teachers long-term.
- Bonuses **did not make the top 10** most important reasons to continue teaching in Alaska — in the Governor’s own survey.
- The TRR Playbook (August 2023), published by Dunleavy’s own DEED, explicitly recommends restoring a defined benefit retirement option as a core policy solution.

The TRR survey argues that teachers ranked compensation and workplace conditions above retirement. This is technically accurate but deeply misleading:

1. Retirement still ranked in the top three
2. Only teachers already in Alaska were surveyed, a self-selected group who chose Alaska despite DC-only retirement. The larger pool of teachers who never applied to Alaska because of its retirement structure cannot appear in this data.
3. The Task Force’s own policy conclusions named a defined benefit pension as a top recommendation, above bonus and incentive pay proposals.

Source: Governor’s TRR Working Group Survey Results (April 2021); TRR Action Plan (April 2021); Alaska TRR Playbook (August 2023).

### National Institute on Retirement Security (NIRS), 2023 — Alaska-Specific Study

In both the TRS and PERS plans, workers quitting the DC plan do so at **4.5–4.7 times the rate** of workers in the DB plan. The NIRS also found that TRS membership fell 8% from 2005 to 2021, and that DC plan members leave before retirement at vastly higher rates.

## THE CORE DISTINCTION

**Burke–Wilson Study**  
Looks at  
people who already decided to stay

VS

**ISER / Task Force / NIRS**  
Reveals  
why so few choose to stay at all

**The retirement change did not cause people to walk out the door on day one. It caused people to stop walking in the door at all.**

## THE COST OF INACTION

**\$20M**

Est. annual cost of teacher turnover to Alaska (NEA-Alaska)

**28%**

Current teacher turnover rate statewide (2024 ISER data)

**55%**

Principal turnover in rural remote schools (2024)

**75%**

DC teachers at risk of outliving retirement savings (AK CIO)

Teacher turnover is not just a staffing inconvenience. A University of Alaska analysis puts the **average cost of replacing one teacher at over \$20,000**. Statewide, that is an estimated **\$20 million per year** spent on hiring, onboarding, and training replacements — funds that never reach a classroom.

The human cost follows the same trajectory. Alaska's fourth grade reading scores have fallen from 6 points below the national average in 2005 to 15 points below in 2019 and remain 13 points below as of 2024. Math scores show the same decline — directly tracking the rise in teacher turnover since 2006.

## ALASKA'S UNIQUE AND UNTENABLE COMPETITIVE POSITION

Every other state in the nation offers its teachers **at least one** of the following:

- A defined benefit pension plan
- Social Security participation
- Or both

Alaska offers teachers **neither**. Alaska is the only state in the country in this position. — Jennifer Schmitz, Director, Alaska Council of School Administrators, January 2026 Senate testimony.

California and Washington offer teachers thousands more per year in average salary **plus** defined benefit pensions. A teacher choosing between Alaska and a comparable position in Washington is not making a close call — they are choosing between a state that offers retirement security and one that does not.

## WHAT HB 78 ACTUALLY DOES

HB 78 is not a return to the pre-2006 system. It creates a **modern, shared-risk DB plan** with safeguards:

- Employee contributions are **adjustable up to 12%** to avoid a funding gap
- Employer and employee contributions **increase** if funding falls below 90% funded
- Contributions **automatically decrease** if funding improves — built-in fiscal discipline
- A **variable benefit multiplier** rewards who stay in Alaska long-term, directly incentivizing retention
- Current employees **choose whether to opt in** — preserving DC plan portability for those who prefer it
- State actuary has found the plan has **"no realistic potential" to add new liability** and is projected to be net revenue positive

**HB 78 is not about going backwards.**

It is about restoring **retirement dignity and career viability** for Alaska's educators — with modern cost controls the old plan never had.

## Q&A: RESPONSES TO COMMON ARGUMENTS

### Q: The Burke–Wilson study says retirement structure didn't affect retention — isn't that definitive?

A: No. The study only compared two adjacent cohorts at the 2006 transition point. It measured whether plan type alone caused an immediate quit among teachers who had already chosen to stay. It did not examine whether Alaska is attracting teachers from other states, whether teachers leave mid-career to take pensions elsewhere, or any data after the cohorts' early years. Meanwhile, the NIRS (2023) — a more comprehensive study — found workers leaving DC plans at 4.5–4.7 times the rate of DB plan workers.

### Q: Isn't 22% turnover double the national average, making Alaska's case particularly extreme?

A: The 22% figure is outdated. The most recent 2024 ISER data shows 28% teacher turnover and 35% principal turnover statewide. More importantly, the national average is approximately 7–10%, making Alaska's rate roughly triple — not double — the national norm. In rural remote schools, principal turnover exceeds 55%.

### Q: Isn't HB 78 just bringing back the costly pension that left billions in unfunded liability?

A: No. HB 78 is a modern shared-risk plan with automatic contribution adjustments, a 90% funding floor trigger, and a variable benefit multiplier — none of which existed in the old plan. The state actuary has found the plan has no realistic potential to add new liability and projects it to be net revenue positive. The old unfunded liability came from chronic underfunding decisions, not from the DB structure itself.

### Q: Won't this cost the state more money?

A: Inaction already costs Alaska an estimated \$20 million per year in teacher turnover costs alone — recruiting, hiring, and training replacements who then leave again. Stability is fiscally cheaper than a perpetual revolving door. The question is not whether we pay, but whether we pay to train teachers for other states or to build a stable Alaska workforce.

### Q: Why can't we just raise pay instead?

A: Pay raises have been tried. Districts have increased salaries and offered bonuses. The revolving door persists because teachers are choosing states where they can retire securely. A teacher near the end of a career making comparable pay in Washington state will have both a pension and Social Security. An Alaska teacher has neither. Compensation without retirement security is an incomplete offer.

### Q: Why can't teachers just save for retirement themselves using the DC plan?

A: Alaska's own Chief Investment Officer found that up to 75% of Tier 3 (DC plan) teachers could outlive their retirement savings after a full 30-year career. Teachers have no Social Security floor and no pension. Testimony on the House floor confirmed that Tier 3 teachers have only a 30% chance of retirement success. No comparable state puts 100% of retirement risk on the teacher alone.

### Q: Can't we solve this with recruitment bonuses?

A: Bonuses get teachers here. Retirement security keeps them here. We need both. A signing bonus does not change the calculation of a teacher deciding whether to build a 30-year career in Alaska. Retirement structure is a long-horizon decision, and Alaska's long-horizon answer is currently: you are on your own.