

Representative Bart LeBon
Alaska Representative District 1
State Capitol, Room 418
Juneau Alaska 99801

Dear Representative Bart LeBon:

I would like to discuss with you the conundrum that the State of Alaska is facing with the lack of retention among Tier IV First Responders. As you know over half of public safety workers now fall into the Tier IV retirement system. The retention problem Alaska faces is that our current retirement system for firefighters, police officers, and state troopers is inferior to all other states.

<http://www.ncsl.org/research/fiscal-policy/state-retirement-plans-public-safety-tables.aspx>

The cost of training a new public safety member in the state is approximately \$190,000 which, in the past, was spread out over a 25-year career. With Tier IV a new hire seems to be staying until they vest at 5 years before going to another state. That equals \$950,000 in training or an additional \$760,000 in training costs per position over a career. This is money that could be used for training and equipment, but is instead used to train new officers. This doesn't include the additional hard to quantify costs that are incurred from having new and inexperienced first responders responding to emergencies and the mistakes they'll make, vs having seasoned officers. At the 5 year mark is when first responders are competent enough at their job that they can handle most things thrown at them. Under the current system that is when many of them are leaving to the lower 48 for better retirement. This leaves our first responders with less experience as we continue the 5 year exodus of new people. We've been getting away with it because there are still enough Tier III's in the system, but as they retire out of the system we will have a massive "brain drain" of departments. The Tier IV system is an exemplar of failed 1990's cost cutting measures.

I've experienced this once before with Delta Airlines nearsighted Leadership 7.5 program in the 1990's. This was a disastrous program that was in the view of most experts "penny wise and pound foolish". The airline cut their costs, but they lost their reputation for stellar service, destroyed employee morale, and gutted the experience levels of their customer service agents by getting rid of their most experienced people. It's lauded as a case study of a corporate overhaul gone awry.

The recent 15% pay increase for the state troopers was an attempt to address the retention issue, but at best it's too little too late. It gives the current Tier III employees an incentive to stick around for their high three, but still can't compare against other states pension programs. As a Tier IV person I can tell you that the math and risk management doesn't work out. Having 20 - 25 years of a 15% pay raise isn't as appealing as a 40-50% pension for 30 years.

I'm a lifelong Alaskan, born and raised. I just hit my 10 year mark with the state. I LOVE my job and the people I work with are awesome. I have waited 10 years for the State of Alaska to fix their retirement system. However, as of late last year, even I began looking for other employment opportunities. House Bill 79 isn't a perfect solution to the retention problem as they left out a very important part in addressing the healthcare portion of retirement. I've personally broken my right wrist and left big toe while on this job, been exposed to all sorts of hazmat including a lot of foam with PFAS. The gear I wear daily weighs an extra 30-40 lbs depending on whether I'm assigned to police or fire duty and that has a

long term effect on my musculoskeletal system. All of this means I'll most likely have issues in my old age that most retirees don't. I don't think it's too much to ask the State of Alaska to help with those issues.

While House Bill 79 may not address all of my concerns, it is definitely a major step forward in the right direction to attract and retain first responders. I encourage you to support House Bill 79.

Most Respectfully,

David Schneider
Constituent District 1