



ALASKA CORRECTIONAL OFFICERS ASSOCIATION

"Walking Alaska's toughest beat."

Re: Correctional Officer Letter of Support for HB 22

January , 2023

Representative Josephson,

The Alaska Correctional Officers Association represents 940 Correctional Officers in the State of Alaska. Just like all other Alaska Public Safety Officers, Correctional Officers put their lives on the line every day. Alaska is in the middle of the most significant Law Enforcement recruiting and retention crisis in our history. A root cause of this crisis is Alaska's defined contribution retirement system, which simply is not competitive with other Law Enforcement agencies' plans throughout the country.

The State-funded 2016 CGL Study of the Alaska DOC found, *"[o]ur analysis indicated that a number of facilities are currently operating with staffing levels insufficient to meet basic security operational requirements."* Between January 1, 2015 and January 1, 2021, 652 Correctional Officers have left the Correctional Officer Bargaining Unit, which is over 68.9% of the current total workforce. The Tier IV retirement system does not offer sufficient incentive for Officers to stay past their initial five years of service. The Association constantly hears from Officers who are leaving the DOC after five years because *there is no reason for them to stay*.

The number of Officers we lose every year has serious safety, security, and financial implications for the State. Every time the DOC loses an experienced Officer, we are forced to backfill that position with an inexperienced Officer. When there are over 150 new Officers per year it systematically compromises safety and security and requires additional funds to be dedicated to training. This leads to additional assaults and other safety and liability situations that cost the State of Alaska millions of dollars. It is essential that the State address Alaska's Correctional Officer retention crisis and HB 22 is a positive step towards that goal.

The Alaska Correctional Officers Association fully supports the passage of HB 22, believing that it will help curb the recruitment and retention problems plaguing the Department of Corrections today. Please feel free to contact me if you need any additional information.

Thank you for your time and consideration.

Randy McLellan
President, Alaska Correctional Officers Association

Alexander Schroeder

From: Bryan Vincent <bvincent.ak@gmail.com>
Sent: Friday, January 27, 2023 10:52 AM
To: Rep. George Rauscher; Rep. Andy Josephson
Cc: Sen. Löki Tobin; Sen. Mike Shower
Subject: HB 22

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning,

My name is Bryan Vincent and I live in Valdez. I am a career firefighter here in Valdez and am very active with the Alaska State Firefighters Association serving on the board of my local chapter and as an officer on the state board. I am writing today to voice my support and concerns for the future of HB 22. I have been tracking the various versions of the police and fire defined benefit bills that have been introduced for the last few years. Most recently HB 55 during the last session. I watched it progress through committees and have listened to hours of testimony from fire service and law enforcement administrations. The State Troopers gave some of the most succinct testimony, when they gave the financial numbers it takes to recruit, hire and fully train a Trooper to be on the street (roughly \$170,000 per Trooper), just to lose them to law enforcement agencies in the lower 48 simply because they offer a defined benefit.

In the fire service, I have seen this countless times. I have several friends that have left their home state of Alaska, where they had hoped to work their entire career serving their communities. They move to places like Washington when they can hire in as a lateral hire and get a 20 year defined benefit. This is a huge loss to Alaska, both financially and culturally. To lose highly qualified and motivated Alaskans just hurts us in the long run. Working a career as a first responder takes its toll on the individual both physically and mentally. There are many organizations that have published research on this. It is for this reason that police and fire in the United States have maintained 20 year and out retirements with a defined benefit, so that after a first responder retires they will be able to have a safe retirement that they can rely on. It is not a job just like everything else and cannot be compared to anything else but other first responders.

I am following HB 22 this session and see the committees that it is referred to, and it is my fear that it will continue to languish in these committees and not progress through the House. I urge you to please do everything you can to help this bil succeed. I am writing not just for my future, but for the future generations of Alaskan first responders.

Thank you for your time. I would be more than happy to talk to you about this in greater detail.

Kind regards,

Bryan Vincent
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January 28, 2023

To Whom It May Concern:

My name is Sergeant Darrell Evans. I am the President of the Anchorage Police Department Employees Association (APDEA). In my capacity as President, I represent over 500 members of the Anchorage Police Department.

The APDEA has voted to support HB22.

On a personal note, I have been a police officer in Alaska for over 28 years. I began my career with the Homer Police Department in 1994, at 22 years old.

In my time with the Anchorage Police Department, I have had many different assignments. Just a few of those involved instructing young police recruits and then supervising those same young police officers on patrol.

I can tell you that at 22 years old, a pension was not high on the list of reasons I began my career. Like most young cops, I wanted to help people, get some of the best training in the nation, and drive a cool car!

But as I've gotten older and wiser, my pension has become one of the most important aspects of my career. The ability to support my family and I well after my career ends is very important to me. I was lucky that my pension existed and was in place, so I did not have to worry about it when I was 22 years old.

There are many reasons why young officers leave the Anchorage Police Department and Alaska in general. It's becoming more and more difficult in today's current climate to recruit young men and women to be police officers, and it's become more and more difficult to hold on to them. One thing is for certain, there is no pension preventing them from leaving.

While the current defined contribution system may benefit an employee in the respect that they are more "portable," it has caused a revolving door for our department. It is well known that Alaska has some of the best trained officers in the nation. The Anchorage Police Department and the Department of Public Safety (Alaska State Troopers) both run two of the best academies by far. Other cities and states hire our officers as lateral hires in a heartbeat, knowing they are getting quality officers.

We spend approximately \$200,000 in the first-year training and equipping a new patrol officer. This does not count the salaries of our training staff and Field Training Officers. After one year as a police officer, officers are awarded a Basic Certificate through the Alaska Police Standards Council. That Basic Certificate is the officer's ticket to being hired by an out-of-state agency.

Do I think that a defined benefit system will solve all our problems with hiring and retention? Absolutely not. Do I think that a defined benefit

system would help our current situation? Absolutely. Even if we could keep our officers until they are vested in the system, we could at least “get our money back” for the investment we have put into them.

Thank you for your time.

Respectfully,

Darrell Evans

Sergeant Darrell Evans



MAYOR
Dave Bronson

ANCHORAGE POLICE DEPARTMENT

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CHIEF
Michael Kerle

January 31, 2023

Representative Andy Josephson
Alaska State Capitol, Room 432
Juneau, Alaska 99801

RE: Peace Officer/Firefighter Retire Benefits – HB22

Dear Representative Josephson,

As Chief of Alaska's largest law enforcement agency, I am writing in strong support of amending the Alaska Public Employee Retirement System to return public safety employees to a defined-benefit pension system. The return will help recruit new applicants and retain officers which will ensure Alaska residents have adequately staffed law enforcement agencies to mitigate their concerns for public safety.

Over the past several years the Anchorage Police Department (APD) has conducted two police academies a year to help rebuild the force after years of understaffing. During this process we faced an uphill battle to recruit new applicants and retain our extremely qualified officers due to Alaska's defined-contribution retirement system.

As applicants evaluate departments across the county, Alaska cannot compete with the agencies offering defined-benefit plans. This has left us with vacancies in multiple academies as applicants decide to pursue their careers elsewhere. For example, our current academy was short of our recruiting goal by 12 recruits (about 43% less than our target).

In addition to difficulties in recruiting new applicants, we are seeing our highly trained and experienced officers leave APD to work out-of-state for other law enforcement agencies offering competitive defined-benefit retirement systems. We are paying the high cost of training these officers just to see them leave after a few years of valuable experience is gained. Most of our officers fall between five and 13 years of service. This is the knowledge base that is critical to keep, but unfortunately this is also the group most likely to leave. They are fully vested in the current retirement system and can leave without financial penalty. Outside of personal job satisfaction, there is nothing compelling them to stay.

The Anchorage Police Department strongly supports this legislation and a return to a defined-benefit retirement system for Alaska's public safety employees. I thank you for your support of law enforcement and public safety officials across the State of Alaska, especially here in Anchorage.

Sincerely,

Michael Kerle

Michael E. Kerle
Chief of Police

From: [Paul Miranda](#)
To: [Rep. CJ McCormick](#); [Rep. Kevin McCabe](#); [Rep. Thomas McKay](#); [Rep. Josiah Patkotak](#); [Rep. Justin Ruffridge](#); [Rep. Rebecca Himschoot](#); [Rep. Donna Mears](#)
Cc: [Rep. Andy Josephson](#)
Subject: HB 22 Public Testimony
Date: Tuesday, January 31, 2023 11:23:58 AM
Attachments: [TDF Simulation.pdf](#)

Dear Members of the House Community & Regional Affairs Committee,

Thank you for taking the time to hear HB 22 today. I was on hold, but was unable to provide testimony during today's hearing. Below is my testimony in support of HB 22, as well as an additional comment on some of the statements made during the hearing today. Thank you for your time.

Mr. Chair and members of the committee,

For the record, my name is Paul Miranda and I am an Anchorage fire fighter. I am testifying today in support of HB 22. I am also the former President of the Alaska Professional Firefighters Association and have worked on several identical and similar bills to this over the past several years.

I would like to thank this committee for taking the time to hear this bill. The Alaska Professional Firefighters have been working on this issue for the last 17 years, with legislators of both parties, different administrations, 3rd party actuaries, and the Division of Retirement and Benefits. We believe we have a product in HB 22 that addresses the concerns of the state, and provides an adequate retirement for Alaska's public safety servants.

Throughout this process, we have always welcomed opposition and encouraged everyone to try to "shoot holes" in this plan. I would like to focus my time today on addressing the common opposition we have heard to identical bills over the years.

House Bill 22, similarly to HB 55 last session and other identical public safety retirement bills in previous legislatures; enjoys overwhelming support from both labor and management across our state. When listening to opposition for this bill, I would like to encourage the committee to consider where the opposition is coming from. In past years, and just earlier today, we have seen out-of-state think tanks that have a long history of opposing pensions across the country testify in opposition to this bill. These groups offer criticisms, but no real solutions to the recruitment and retention problems that we are facing today in Alaska. They offer no real solutions to the lack of retirement security that our police officers, correctional officers, and fire fighters face.

One key point that I would like to make, is that there are many different ways to design a successful, well-funded, and risk-sharing retirement plan. With HB 22, we did not aim to copy just one successful state's plan. We took several elements from the most successful plans in

the country, and combined those into this bill. The state's own actuary, Buck, has testified that they were not aware of any plan with this many "levers" in it to ensure that the plan stays well-funded.

We, as Alaska's public safety workers, absolutely want to have a retirement plan that is successful, and we do have skin in the game. We don't want to see our contributions go up (and thus our paychecks decrease) while we are working. When we retire, we don't want our PRPA to go away, thereby decreasing our retirement check. We are Alaskan taxpayers, we don't want to see the state be put in a bad financial situation with an unfunded liability. We want to create the best plan possible. This is why we have gone to such significant lengths to have extensive actuarial work performed on the bill, and shared all of this work with the legislature and the Division of Retirement and Benefits. We have been very transparent about exploring all of the potential outcomes of how the plan would perform under a wide range of market returns. The criticisms of this bill almost always show a lack of understanding of the legislation, or a clear disregard to the significant mechanisms contained in the bill.

Very often in our discussions over the years, we have encountered people who hear the words, 'pension' or 'defined benefit' and immediately think that they are all the same – expensive and cause excessive liability. This is simply not true. There are plans that are well run, have reasonable costs, and do things the right way. There are also plans that are set up poorly and make mistakes. HB 22 is a shared-risk plan that has gone to significant lengths to ensure that it is modeled after widely accepted best practices of the most successful plans in the country.

Thank you all again for your time, and I hope you all will support this bill.

In addition to this testimony, I would like to address just one sentiment that I heard repeated a few times today that personally bothers me. I heard several times from members, in particular members who clearly oppose this bill, that "we love our firefighters" and "of course we support public safety".

Alaska is one of the only states in the country that does not provide a defined benefit retirement for public safety workers, and has objectively the worst retirement system for public safety in the United States. The State of Alaska's Chief Investment Officer, Mr. Bob Mitchell, has presented a 'target date simulation' in previous legislatures during committee hearings on the topic of public safety retirement (attached to this email, and I would draw your attention to pages 9, 11, 14). ***The State's own investment professionals acknowledge that Alaska's public safety employees have a 78-94% chance of failure in retirement.*** This is the value that the State has placed on our police, firefighters, and correctional officers.

This is what we have been saying for years, and is now substantiated by the State of Alaska, the Division of Retirement & Benefits, and our independent actuary. There is no longer a debate as to whether or not Tier 4 is adequate for public safety. It simply is not.

For a lawmaker to say that they support and love public safety, but then dismiss a very reasonable and conservative solution in the face of overwhelming data that we will run out of money in retirement after a career of service is frankly insulting to Alaska's public safety workers.

I thank you all for your time, and I would be happy to discuss this topic further with any of you.

Sincerely,

Paul Miranda
(907)632-6609



Anchorage Fire Department

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The Honorable Representative Andy Josephson
Alaska State Legislature
State Capitol Room 432
Juneau AK, 99801

RE: House Bill 22

Representative Josephson:

Thank you for sponsoring legislation to address the problem of Alaska's highly trained and experienced firefighters leaving Alaska for states with more attractive retirement plans. This legislation could stem the outmigration of firefighters who are being actively recruited by fire departments in other states. The portability of our Tier IV retirement plan makes Alaska's firefighters ripe for headhunting by other employers.

The challenge we are experiencing is firefighters leaving for fire departments Outside after they become vested in Tier IV. These firefighters are taking with them years of experience, skills, and knowledge. These are firefighters - including long-time Alaskans - in whom we had invested over a year of intensive training. The fire departments they are going to offer lateral hiring and therefore avoid the cost of initial training.

In particular, we have had great difficulty hiring enough trained paramedics to maintain adequate staffing. We are competing with fire departments all over the U.S. for a limited pool of paramedics. We simply aren't competitive because of the lack of a defined benefit pension. We now send current employees to paramedic school at considerable personnel and tuition expense. It takes a year of schooling, on top of basic firefighter training, to become a licensed paramedic.

The loss of experienced firefighters that we spent months recruiting and training is an even bigger burden to smaller city and rural departments. For these, the loss of a single firefighter represents a significant financial and operational deficit, as they seek to recruit and train a replacement while maintaining adequate coverage to their communities.

Thank you for considering solutions to arrest the outmigration of Alaska's firefighters and reduce costs to local communities.

Vr,

Doug Schrage



February 8, 2023

The Honorable Representative Josephson
Alaska State House of Representatives

Dear Representative Josephson:

On behalf of the Alaska Peace Officers Association (APOA), I am writing to convey our support of HB22, "An Act relating to participation of certain peace officers and firefighters in the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska; relating to eligibility of peace officers and firefighters for medical, disability, and death benefits; relating to liability of the Public Employees' Retirement System of Alaska; and providing for an effective date."

We are encouraged to see improvements made for the retirement of Alaska peace officers and fire fighters. Improvements to the retirement system would help to retain our trained and professional law enforcement officers. Thank you for re-introducing this bill for the current legislative session.

Please contact the APOA office in Anchorage at 907-277-0515 if there is anything our organization can do to help with the passage of this bill. Thank you for your commitment and dedication to our state.

Sincerely,

Kirt Stage-Harvey
State President
Alaska Peace Officers Association

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Cc: SENATOR Kawasaki

About APOA

The Alaska Peace Officers Association (APOA) is a dynamic, professional and non-partisan organization. Our membership consists of law enforcement, corrections, prosecutors, security professionals and others at the local, state and federal levels. APOA has served as a voice for peace officers and issues impacting the law enforcement profession for over half a century. We are one of the oldest and largest 501c(3) charitable, nonprofit organizations in Alaska. www.apoaonline.org