

Alaska State Legislature

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SENATE BILL 88

Retirement Systems; Defined Benefit Opt.

SPONSOR STATEMENT

SB 88 addresses Alaska's workforce challenges with recruitment and retention head-on through establishing a new defined benefit retirement plan for police officers and firefighters, teachers, and all other public employees. Recruitment and retention are essential aspects of any successful organization and investing in our public service employees should be a top priority.

Alaska struggles with maintaining an adequate workforce to provide essential services to Alaskans and Alaska businesses. From the lack of a spring ferry schedule to a shortage of teachers and school bus drivers, many areas are suffering from staffing shortages that are impacting the daily lives of Alaskans. The issue of inadequate staffing is also affecting the ability to provide food stamps for families and issue professional licenses and permits required for Alaskans to get to work.

The existing system is costing the state a lot of money, as it is resorting to hiring bonuses to attract workers, while losing the investment in the training and experience of those who leave after five years of vesting in the current Defined Contribution system. The lack of a Defined Benefit plan is making Alaska uncompetitive with other states, causing outmigration of families and our workforce.

Recruitment is crucial for building a skilled and capable workforce. Finding the right talent can help maintain a competitive edge and ensure that workplace teams are working at optimal levels. Retention, on the other hand, is critical for keeping those talented employees within the organization. By investing in the development and growth of employees, Alaska can build a team of dedicated and loyal workers who are committed to the state's success.

SB 88 would bring stability to Alaska's economy, attract working families back to the state, and restore a healthy work environment and thriving communities.