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No Social Security? For Alaska teachers, that's just the way it is

SPONSORED: Like many Alaskans, public school teachers worry about planning for retirement. Unlike most of their neighbors, they won't have a safety net to fall back on.

By Presented by NEA-Alaska

In 2003, Jacob Bera and his wife, on a whim, attended a job fair in the Midwest where Alaska school districts were hiring teachers. They thought they'd come, look around, and think about what it might be like to move north.

They left with job offers.

"It was a very serious, quiet kind of ride home," Bera said.

The young Wisconsin couple decided to go for it. They sold their belongings, packed the car, and headed north.

Sixteen years later, they're pretty happy with their choice.



Jacob Bera teaches ceramics in his visual arts class at Eagle River High School. (NEA-Alaska / Levi Brown)

“I love my job,” said Bera, who has taught visual arts at Eagle River High School since it opened in 2005. “I’ve got pretty good resources here. I’ve got great students. It gives me an opportunity to work on building character and building community. I love being a part of helping a kid figure out that they could do something that they thought they couldn’t do before.”

He considers himself fortunate in another way, too. Bera and his wife both have pensions -- steady income for life once they’re fully vested in their plans. That matters more to them than it might to some others because as Alaska teachers, they aren’t able to participate in the system that’s been providing Americans with a safety net since 1935: Social Security.

Alaska's retirement 'tiers'

Alaska teachers and teacher retirees fall into three "tiers" of retirement benefits. Teachers who began working in Alaska prior to July 1, 2006, belong to Tier I or II. They have a "defined benefit" pension plan, meaning both the teachers and the school district contribute to a pool of shared investments, and retirees receive a percentage of their salary for life, based on how much they earned and how many years they worked.

Bera and his wife belong to Tier II, meaning they'll be fully vested after 20 years or age 55. Although they weren't thinking much about retirement benefits when they moved to Alaska, as they got a little bit older, they grew to appreciate the security of having a pension.

"We both came from backgrounds where there wasn't a lot of stability, so for us it was really important to build a solid foundation," Bera said.

Once common, defined benefit plans have [fallen out of favor in the private sector](#). By 2018, only 17 percent of private sector workers had access to one, [according to the U.S. Bureau of Labor Statistics](#). The plans are [still common](#) in the public sector, although not as common as they used to be.

"A defined benefit plan is a pooled system where everybody is in together," said Dan Doonan, executive director of the National Institute on Retirement Security, a nonprofit backed by organizations like the AARP, state retirement boards, and labor unions including the National Education Association. "The money is managed by this system and their professionals. The investment mix, all those things are sort of done on a cumulative basis for everybody in the plan."

Ensuring a defined benefit plan has enough money to pay everything it owes requires making calculated assumptions about factors like how much money will be paid into a fund, when employees will retire, and how long they'll live. It's a complicated process, and miscalculations are not uncommon. In 2017, [according to](#)

[The Pew Charitable Trusts](#), the 50 states collectively had \$1.28 trillion in unfunded liability -- a deficit that leaves a pension plan short of what it's promised to pay to members.

That doesn't mean defined benefit plans are inherently bad economic bets. Tennessee, South Dakota and Wisconsin all have well-funded pension plans that weathered the recession of the 2000s, due to practices like making conservative assumptions, consistent contributions and adopting risk management options that "share unexpected costs among employers, employees, and retirees," [according to Pew](#). The states that fall short may do so for any number of reasons; a plan's investments underperform, payroll projections fall short, mismanagement, a poor economy.

In the early 2000s, Alaska's public employee retirement funds were [hit with a triple whammy of these factors](#): a stock market decline, soaring retiree healthcare costs, and grave actuarial errors. The result was a multibillion-dollar unfunded liability.

Between 2006 and 2018, the state paid nearly \$7 billion to try to make up the deficit, in addition to regular employer contributions, and it will need to pay hundreds of millions of dollars each year to meet its goal of eliminating the unfunded liability by 2039.

A new tier, a new model

To correct course -- and attempt to avoid a similar situation in the future -- the Legislature made a significant change to the teacher and public employee retirement systems, and TRS Tier III was born, along with Tier IV in the Public Employees' Retirement System.

Tier III has what's known as a "[defined contribution](#)" plan. Instead of a guaranteed percentage of their salary, Tier III teachers put a percentage of their pre-tax pay into a 401(a) retirement fund, to which the state contributes an additional percentage. Individual teachers then choose from a range of investment options. However that

investment account has grown (or shrunk) over the years, it provides the teacher's income when they retire. It's [similar to a 401\(k\)](#), although 401(k) plans tend to offer [more investment options](#), lower fees, and [more rigorous oversight](#).

Proponents of defined contribution plans prefer them because they carry no risk of unfunded liability; since there's no guarantee that they'll pay out a certain amount, these plans can't come up short.

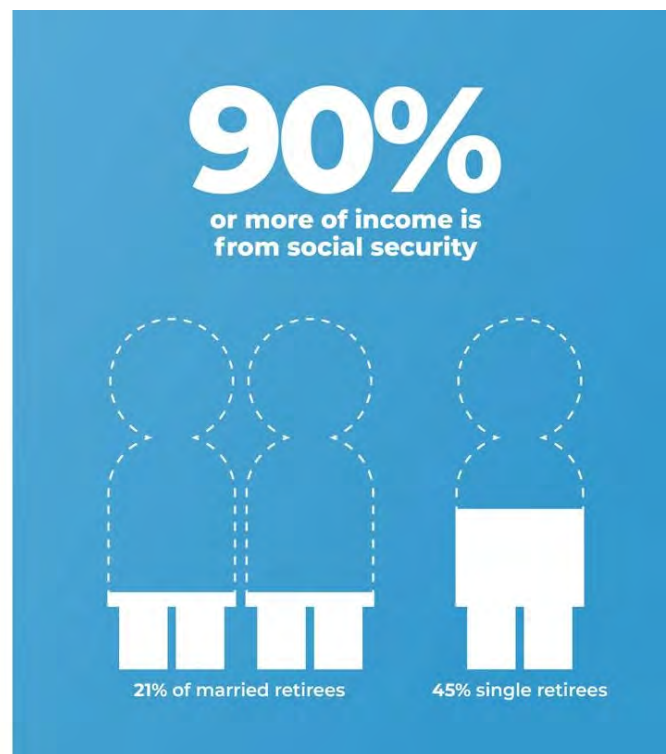
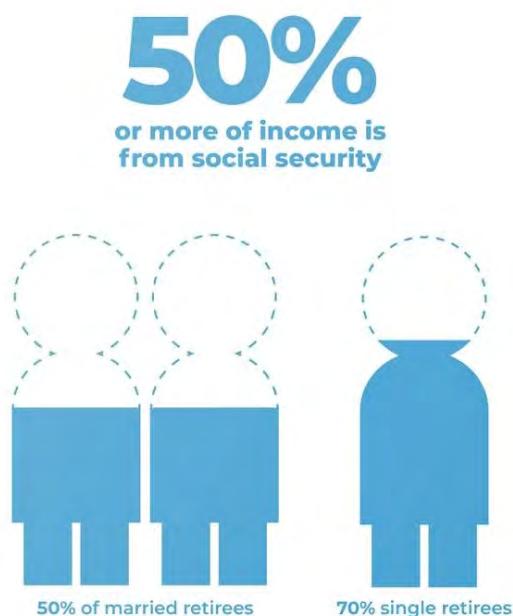
What these plans don't offer is security for the employee.

"There's a lot of evidence that defined contribution plans are not working," Doonan said. "A lot more people are in defined contribution plans today, but they don't own assets that you would expect."

Research indicates even private sector employees generally [don't have enough money in their 401\(k\)s](#) to adequately fund their retirements. But they do have a safety net that isn't available to Alaska's teachers.

Alaska teachers don't get Social Security

According to a [2018 Stanford University report](#), only about half of Americans have a retirement plan provided by their employer, and the majority of adults are not saving enough for retirement. Having any kind of retirement plan puts Alaska teachers ahead of the game relative to the general population.



(NEA-Alaska / Levi Brown)

But spend your entire career teaching in the 49th state and you'll end up among the 3 percent of Americans who receive zero Social Security benefits. Even Alaska teachers who have earned Social Security benefits through work in the private sector will see those benefits reduced under a law called the Windfall Elimination Provision, which is designed to prevent pensioned workers from double-dipping.

As long as the defined benefit plan is solvent, teachers in Tier I and Tier II likely don't have much reason to worry. But Tier III employees are in a unique -- and precarious -- situation, according to Doonan. Alaska is now the only state that doesn't have some form of open defined benefit pension plan.

"On top of not having access to (defined benefit) in Alaska, they don't have access to Social Security," Doonan said. "It becomes, frankly, a more dangerous combination."

It's likely that most Tier III teachers won't have enough to live on in retirement. An analysis prepared by the Alaska Department of Revenue projects that teachers enrolled in the current plan have only a 31 percent chance of successfully funding a 30-year retirement -- a length that is increasingly realistic.

“Right now, financial advisers generally recommend saving 12 to 15 percent of pay for people that have Social Security,” Doonan said. “Teachers have 15 percent going in (to their plans) and they don’t have Social Security.”

“That’s a concept that’s so hard to understand -- the idea that somebody can outlive their money and end up in a position where they will have zero income, for someone who’s worked 40 years,” said NEA-Alaska President Tim Parker.

To guard against poverty in retirement, NEA-Alaska recommends its members meet with a financial advisor to consider setting aside additional money into a retirement savings account. Members who have gone through this process have reported that they are being told to save an additional 10 to 25 percent of their salaries. Parker admits it’s a pretty significant share to sock away, particularly for young teachers who may be carrying a heavy student debt load.

“Is it remotely possible?” Parker asked. “Not really. Not unless you have four roommates or a rich spouse. It’s unrealistic to expect somebody making \$55,000 a year to put away an extra 25 percent.”

Bera concurred. He opened a Roth IRA to supplement his pension, but he knows that isn’t realistic for many recent college graduates.

“When I graduated in 2003, college debt wasn’t like it is now,” Bera said. “I walked away from college with, like, \$33,000 in student loans. You can swallow that. That is not the case now.”

Districts, teachers could opt in

At their delegate assembly last January, NEA-Alaska members voted to direct Parker to research what it would take to get them into Social Security. What he learned is that the process would need to begin with a vote by a local school board.

“Any single district can allow a vote to opt back into Social Security,” Parker said.

“That option is right there in front of us.” From there, teachers in the district would

decide the matter, either a straight up-or-down vote or an opt-in vote that would allow in those who wished to join, while other positions would be phased into Social Security as employees left and were replaced.

But, he added, a school district that wanted to opt in to Social Security would have to be prepared to pay for it.

“They’re on the hook for 6.2 percent for every one of their employees, every year,” Parker said. “The employee is also on the hook for 6.2 percent. These things all happen in addition to the numbers that are going in on the defined contribution side.”

At a time when state funding is tight, he acknowledged that might be a tough sale.

“Where do you find an extra 6.2 percent?” Parker asked. “It’s not an easy thing. Our budgets are very tight.”

Still, Parker said he wouldn’t be surprised to see some of the state’s smaller districts, where teacher turnover is especially high, opt in to Social Security as a way to attract candidates.

The recruitment and retention power could be significant, agreed Bera, particularly combined with all the usual things that draw new people to Alaska.

“My gosh, we love the outdoors and the fishing, and there’s so many positives in the state,” Bera said. “I think we could attract some great teachers.”

As for Bera himself, he’s planning to make his life in Alaska. He knows he’s in a good spot -- now he’d like to help find a solution that will give his colleagues in Tier III the same certainty that he has.

“You’re kind of putting all your eggs in one basket, but at least it’s a pension,” Bera said. “The longer we stay, the more of our eggs are in this basket.”

CORRECTION: An earlier version of this story incorrectly reported that TRS Tier III participants are enrolled in a 403(b) retirement fund. The 403(b) plan is an annuity to which teachers may opt to make additional pretax contributions; the state does not contribute any funds to those plans.

Presented by [NEA-Alaska](#), an organization of 13,000+ members who work in Alaska's schools. NEA-Alaska exists to be an advocate for an excellent public education for each child in Alaska and to advance the interests of public school employees.



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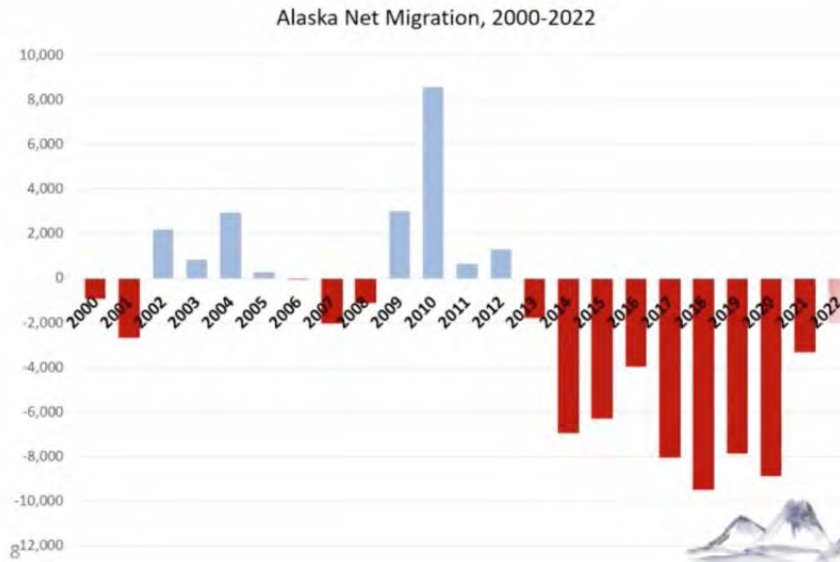
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Important Pre-COVID Trends



Dan Robison (on screen, bottom) presents a chart showing Alaska’s 10-year trend of negative net migration during a Soldotna City Council work session on Wednesday, Feb. 8, 2023. (Screenshot)

Soldotna brainstorms how to lure new employees

It took the city 12 months to hire a new city clerk and eight months to hire a new utility operator

By Ashlyn O'Hara

Monday, February 13, 2023 11:01am | NEWS GOVERNMENT LOCAL NEWS NEWS
SOLDOTNA STATE NEWS

The City of Soldotna, like other employers in Alaska, is struggling to recruit employees. It took the city 12 months to hire a new city clerk and eight months to hire a new utility operator.

The city is now strategizing the best way to attract employees.

Soldotna City Council members convened earlier than usual Wednesday to discuss the issue during a work session, where they were joined by Dan Robinson, a researcher with the Alaska Department of Labor and Workforce Development, and by Mila Cosgrove, of Workplace Solutions. That’s a firm that offers services designed to build “organizational effectiveness,” according to the firm’s website.

Robinson provided a statewide overview of Alaska’s worker shortage using statistics like out-migration and census of working-age residents, while Cosgrove presented nine strategies developed in partnership with city officials that could help address the problem.

Soldotna City Manager Stephanie Queen wrote in a Jan. 30 memo provided to council members Wednesday that the city has experienced “longer than normal” recruitment lengths, such as for the city clerk position and two utility operator positions that took five and eight months to fill.

“Recruitment efforts for both positions required the City to take extraordinary (for us) steps of offering a hiring bonus and relocation expense assistance to attract the right candidate,” Queen wrote.

Among the strategies the city identified in partnership with Cosgrove to help address the problem are hiring bonuses, relocation assistance and paid parental leave. Others include making Christmas Eve an official holiday, increasing the city’s share of health insurance premiums for family plans and employee sabbaticals for management-level positions.

“In meeting the Council and public’s expectations for high quality municipal services, I cannot stress enough how critical it is that we have a talented and experienced workforce,” Queen wrote. “This will depend in part, on the City being recognized as a great place to live and work ... but the specific wage and employee benefits we offer must also remain competitive.”

State trends

The January issue of Alaska Economic Trends, a monthly report published by the Alaska Department of Labor and Workforce Development, focused on the state’s 2023 employment forecast. The report partially attributes Alaska’s worker shortage to an aging population and migration losses, and notes that roughly one out of every five jobs in Alaska is filled by a nonresident.

The average number of monthly job openings in Alaska has more than doubled in the decade between 2012 and 2022 — from about 12,000 in 2012 to about 32,000 in 2022, the report says. That trend is also playing

nationwide, where the number of job openings jumped from 3.8 million in 2012 to 11.2 million in 2022.

“We were already on an upward trajectory,” Robinson said of Alaska during Wednesday’s work session. “The number of job openings was increasing and the short explanation for that was, baby boomers are aging out of their working years. But then, coming out of COVID, the trajectory got steeper. So something happened during COVID to accelerate something that was already happening.”

Alaska’s working-age population — people between the ages of 18 and 64 — has decreased every year for the last nine years, the report says. Between 1990 and 2010, the number of people who turned 18 in Alaska became comparable to the number of people turning 65.

In 1990, there were about 7,000 Alaskans who turned 18, compared to just over 2,000 people who turned 65. In 2021, those numbers were roughly equal, suggesting that the number of people entering the workforce was similar to the number of people leaving it.

“We’re getting no, almost no population growth from what we call, broadly, natural increase, which is just births minus deaths,” Robinson told council members. “More specific to the working age, (there) are almost as many aging out as aging in.”

Soldotna, Robinson said, is a bit of an outlier when it comes to the working-age population. Though Soldotna gained about 350 residents between 2010 and 2022, the percentage of the city’s population that is working-age still fell, from 57% to 52% during the same time period.

People in Alaska aren’t just getting older, though. They’re also moving out of the state in record numbers. Each year between 2013 and 2022, more people have left Alaska than have moved to Alaska. Alaska’s current negative net migration streak, totaling about 53,000 people, is unprecedented, Robinson said.

“We’ve never had a stretch where we’ve had 10 consecutive years, ever, in Alaska’s statehood history, at least,” Robinson said.

The next longest negative net migration streak was four years in the 1980s, during a recession.

Alaska's current out-migration relative to other states is illustrated in a map created by Alaska's state demographer and presented by Robinson to council members on Wednesday. That map shows that, over the eight-year period from 2013 and 2021, Alaska's working age population fell by between 5% and 7.4%. That puts it in the bottom three states nationwide for migration, ahead only of West Virginia.

The trend, Robinson said, predates the COVID-19 pandemic. Employee feedback generated through surveys and analyses suggest that among the top priorities for workers are higher pay, opportunities for advancement, a work environment that makes them feel good and flexible work options, such as working from home.

Those are some of the same priorities identified by the City of Soldotna and Workplace Solutions as they worked in recent months to brainstorm solutions. Working with O'Reagan and Cosgrove, Soldotna City Manager Stephanie Queen said Wednesday, produced nine strategies the city could consider moving forward.

The current labor market, Cosgrove said, is "highly competitive" because there are more job openings than applicants. At the City of Soldotna, she said 11% of municipal employees have provided notice of their intent to leave and an additional 6% are eligible to retire.

"Everybody is struggling with this," Cosgrove said of the labor market.

City solutions

In coming up with ways for the city to more effectively find and keep employees, strategies can be categorized by what they hope to address — notably recruitment, retention and retirement or turnover. For each of the nine strategies identified, Cosgrove outlined, among other things, the way it would address a specific category, what policies would need to be implemented by council and what the financial impact to the city would be.

“We’ve tried to be very practical and tried to identify things that we thought would truly be effective in terms of recruiting or retaining individuals within the organization,” she said.

Recruitment assistance, for example, can help attract candidates who don’t live in Soldotna, creating a greater possibility of attracting high quality candidates for difficult-to-fill positions. She recommended that policies adopted by the council define things like eligible positions, set a maximum allowance amount and outline repayment provisions if the employee leaves voluntarily within four years of hire.

Another strategy could be the implementation of an employee referral program that would give cash payments to employees who refer a candidate ultimately hired by the city. Such a program would make employees ambassadors for the city and invested in the success of a new hire. An annual allocation of \$5,000 would cover nine such bonuses of \$500 each plus taxes.

Recruiting employees, though, is just as important as retaining them.

When it comes to employee turnover, for example, Cosgrove said turnover in a position can cost up to two times as much as the cost of that position’s salary. In addition to the “hard costs” that come with money to recruit for a new employee and overtime for other employees covering positions, the “soft costs” of turnover include low productivity while that position is vacant and a loss of institutional knowledge.

A survey of City of Soldotna departments, Cosgrove said, shows that a competitive market exists for the city’s sworn officer, director and utility operator positions. At the Soldotna Police Department, for example, three of the department’s 17 employees have given their notice of intent to leave, and an additional four employees will be eligible to retire in the next five years. The loss of seven employees at that department would reduce the workforce by more than 40%.

Citywide, more than one in 10 employees have given their notice of intent to leave, and an additional 12% will be eligible for retirement in the next five years. The loss of 15 of the City of Soldotna’s 62 regular employees would cut the workforce by about 24%.

Council members were generally receptive to the strategies presented during Wednesday’s work session.

Council member Dan Nelson said he was “very happy” with the information presented, and said attention to staff retention is important. In his experience onboarding employees, Nelson said the salary discussion happens quickly, while the quality of life discussion takes longer.

“I applaud the administration for doing this,” Nelson said.

If city council members are interested in moving forward with any of the strategies, the council could adopt a resolution formally considering the strategies in early March. Legislation amending city code to include new programs could be introduced and approved in March or April, and administration could finalize policy documents and program details in April or May. Funding for the programs, if needed, could be included in the city’s next biennial operating budget.

The council’s full work session can be streamed on the City of Soldotna’s website at soldotna.org.

Reach reporter Ashlyn O’Hara at ashlyn.ohara@peninsulaclarion.com.

CORRECTION: This story has been updated to say that Soldotna City Manager Stephanie Queen authored the Jan. 30 memo to Soldotna City Council members.

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Senate has new pension proposal for state employees and teachers in bid to aid recruitment and retention

By Tim Bradner For the Frontiersman

Mar 1, 2023



Cathy Giessel

State Sen. Cathy Giessel, R-Anch., has introduced legislation that would restore a defined benefits pension for state workers and teachers in an effort to aid recruitment and retention of public-sector workers. The effort is aimed at helping an economy increasingly strained by labor shortages across almost all industries.

Senate Bill 88 would reinstate the state pension system that existed until 2006, when the Legislature switched the system to a defined contribution or 401 (k)-type plan. In that system payments to retirees are determined by financial performance of their retirement portfolios.

Defined benefits, in contrast, is a traditional pension that guarantees payment depending on years of service and salary levels.

Giessel has nine cosponsors to her bill, almost half the 20-member state Senate. It is essentially a proposal by the Senate Majority, which includes Republicans and Democrats. Joining Giessel as cosponsors include fellow Republicans Sen. Gary Stevens, R-Kodiak, the Senate President, and Sen. Click Bishop, R-Fairbanks. Democrats joining as cosponsors include Sens. Jesse -Anchorage, Forrest Dunbar, and Matt Claman.

Kiehl and Rep. Andy Josephson, D-Anch., in the state House previously introduced bills and the expectation is that if SB 88 moves toward passage those proposals will be merged into the new bill.

The new bill is highly likely to pass the Senate but it must still pass the state House, which is under a conservative Republican leadership. Despite that, Democrats and independents number almost half of the 40-member House. If SB 88 passes the Senate and comes to a vote on the House floor the results will be unpredictable. However, the bill must also pass muster with Gov. Mike Dunleavy, who has veto authority and the final say.

State agency managers and school district officials have told legislators this spring that they are losing skilled workers lured away not only by better pay and working conditions in other fields, or states, but also by competing employers being able to offer better retirement plans.

Alaska is the only state that does not offer a defined benefit system as an option to defined contribution plans.

A key problem with the defined contribution system is that, unlike tradition pensions, after employees are vested they can take their retirement savings along with the state's contribution and leave for another job, transferring their funds into another retirement account elsewhere.

While some employees like the mobility of the defined contribution retirement account, with its option to pack up and leave after a few years, the loss of experienced employees, particularly among peace officers and firefighters, imposes large costs on public employers to train new hires.

“As we see with every industry in Alaska, the state is having trouble recruiting and retaining experienced workers,” Giessel said. “We are at a point where we cannot provide basic government services to the most vulnerable Alaskans, as well as our business community. We need to take steps to become competitive in the labor market, and this legislation could be a major step forward to solve many of the workforce shortages the state is facing.”

When the state transitioned to a defined contribution plan in 2006, it was believed that retirees would earn the same level of retirement as the prior defined benefits system.

However, a new analysis by the state Division of Retirement and Benefits concluded that if a state worker who has spent 20 years under the defined contribution plan were to retire today, the employee would only receive 32 percent of their average earnings, compared to 40.3 percent under the prior defined benefits system – a difference of \$8,000 a year. Even more so, a peace officer or firefighter would receive \$16,000 less under the defined contribution plan after 20 years of service.

“If you’re going to recruit and retain good workers, we need to bring back defined benefits. Better pay and benefits will help attract good working people to Alaska and keep them here, especially at a time when labor shortages are hammering every sector and job class in the state,” said Sen. Click Bishop, R-Fairbanks, a former state labor commissioner.

“We need more nurses, police, firefighters, teachers, snow-plow drivers, heavy-equipment operators, ferry workers, and more. Offering them defined benefits will give them the incentive to come and stay here,” Bishop said.

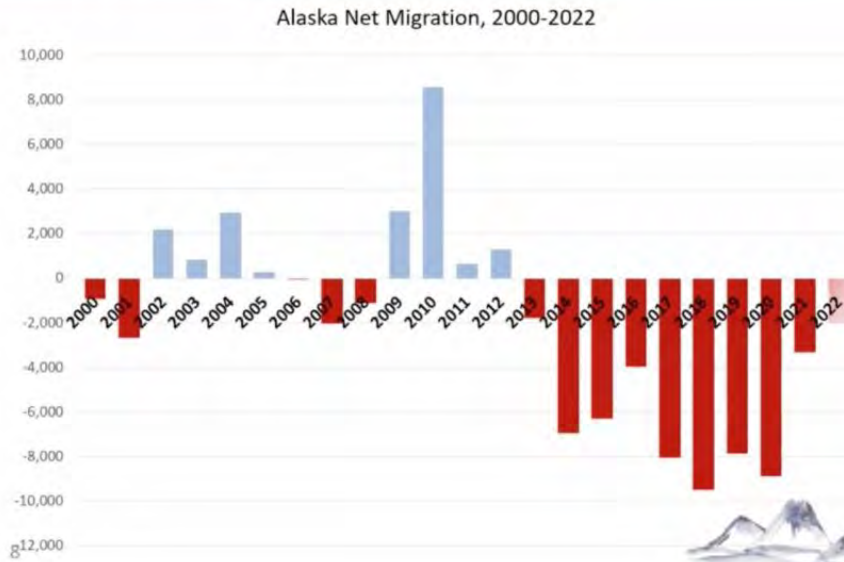
Many components of the proposed new retirement Tier V for public employees and are similar to the public employees’ Tier III and Tier II for teachers, which are defined benefit plans. Public employees and teachers who were vested in those plans in 2006 were able to stay with them. After 2006 new employees were required to join the defined contribution plan, or Tier IV.

Under the proposed SB 88 public employees and teachers under defined contribution would have the option to switching to the new system. The new plan would require employees to increase their retirement contributions, however, in an effort to reduce the financial risks for the state. Retirement medical coverage would also remain similar to that in the current system.

“Becoming more competitive in the workforce will help bring stability to our economy and families back to Alaska, and to do that, we need to get this policy right,” said Senate President Stevens.

“Our current system shows we are not competitive, and it’s bleeding into the private sector because of the alarming amount of public employee vacancies which is leading to the absence of basic state services and functions,” Stevens said.

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Alaska's current out-migration relative to other states is illustrated in a map created by Alaska's state demographer and presented by Robinson to council members on Wednesday. That map shows that, over the eight-year period from 2013 and 2021, Alaska's working age population fell by between 5% and 7.4%. That puts it in the bottom three states nationwide for migration, ahead only of West Virginia.

The trend, Robinson said, predates the COVID-19 pandemic. Employee feedback generated through surveys and analyses suggest that among the top priorities for workers are higher pay, opportunities for advancement, a work environment that makes them feel good and flexible work options, such as working from home.

Those are some of the same priorities identified by the City of Soldotna and Workplace Solutions as they worked in recent months to brainstorm solutions. Working with O'Reagan and Cosgrove, Soldotna City Manager Stephanie Queen said Wednesday, produced nine strategies the city could consider moving forward.

The current labor market, Cosgrove said, is "highly competitive" because there are more job openings than applicants. At the City of Soldotna, she said 11% of municipal employees have provided notice of their intent to leave and an additional 6% are eligible to retire.

"Everybody is struggling with this," Cosgrove said of the labor market.

City solutions

In coming up with ways for the city to more effectively find and keep employees, strategies can be categorized by what they hope to address — notably recruitment, retention and retirement or turnover. For each of the nine strategies identified, Cosgrove outlined, among other things, the way it would address a specific category, what policies would need to be implemented by council and what the financial impact to the city would be.

“We’ve tried to be very practical and tried to identify things that we thought would truly be effective in terms of recruiting or retaining individuals within the organization,” she said.

Recruitment assistance, for example, can help attract candidates who don’t live in Soldotna, creating a greater possibility of attracting high quality candidates for difficult-to-fill positions. She recommended that policies adopted by the council define things like eligible positions, set a maximum allowance amount and outline repayment provisions if the employee leaves voluntarily within four years of hire.

Another strategy could be the implementation of an employee referral program that would give cash payments to employees who refer a candidate ultimately hired by the city. Such a program would make employees ambassadors for the city and invested in the success of a new hire. An annual allocation of \$5,000 would cover nine such bonuses of \$500 each plus taxes.

Recruiting employees, though, is just as important as retaining them.

When it comes to employee turnover, for example, Cosgrove said turnover in a position can cost up to two times as much as the cost of that position’s salary. In addition to the “hard costs” that come with money to recruit for a new employee and overtime for other employees covering positions, the “soft costs” of turnover include low productivity while that position is vacant and a loss of institutional knowledge.

A survey of City of Soldotna departments, Cosgrove said, shows that a competitive market exists for the city’s sworn officer, director and utility operator positions. At the Soldotna Police Department, for example, three of the department’s 17 employees have given their notice of intent to leave, and an additional four employees will be eligible to retire in the next five years. The loss of seven employees at that department would reduce the workforce by more than 40%.

Citywide, more than one in 10 employees have given their notice of intent to leave, and an additional 12% will be eligible for retirement in the next five years. The loss of 15 of the City of Soldotna’s 62 regular employees would cut the workforce by about 24%.

Council members were generally receptive to the strategies presented during Wednesday’s work session.

Council member Dan Nelson said he was “very happy” with the information presented, and said attention to staff retention is important. In his experience onboarding employees, Nelson said the salary discussion happens quickly, while the quality of life discussion takes longer.

“I applaud the administration for doing this,” Nelson said.

If city council members are interested in moving forward with any of the strategies, the council could adopt a resolution formally considering the strategies in early March. Legislation amending city code to include new programs could be introduced and approved in March or April, and administration could finalize policy documents and program details in April or May. Funding for the programs, if needed, could be included in the city’s next biennial operating budget.

The council’s full work session can be streamed on the City of Soldotna’s website at soldotna.org.

Reach reporter Ashlyn O’Hara at ashlyn.ohara@peninsulaclarion.com.

CORRECTION: This story has been updated to say that Soldotna City Manager Stephanie Queen authored the Jan. 30 memo to Soldotna City Council members.

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FEATURED

Changes in public employee pension system could help stem the talent drain from state agencies and local governments

By Tim Bradner For the Frontiersman

Feb 21, 2023



Gary Stevens

The state Senate is taking a cautious approach on changes to the state pension system that many argue are needed to recruit and retain teachers and other public employees.

What's proposed in several bills pending in the Legislature is "defined benefits," or a traditional pension, as an added option for new public employees to the "defined contribution" or 40 type retirement plans now in place.

Senate President Gary Stevens, R-Kodiak, urged caution on changes: “If we go too fast we’re stuck with this until people die,” Stevens said in a Senate press briefing.

That’s because once pension rights are established they can’t be changed under the state constitution, Stevens said. Legislators need to move carefully in establishing a new pension option, known as “tiers,” with a new defined benefit tier.

However, there is growing support in the Legislature for some kind of change that would give school districts, state agencies new tool for recruiting.

Sen. Bert Stedman, R-Sitka, a Senate Finance Committee cochair, said hearings are planned the week of Feb. 20 by the Division of Retirement Benefits to brief senators on performance of the current 401(k)-type system. Stedman said the Legislature needs to know how “Tier 3” is performing before offering a new option.

Three bills are now before the Legislature dealing with public employee benefits. They include House Bill 22, a bill by Rep. Andy Josephson, D-Anch., which deals with retirement options for firefighters and police. Sen. Scott Kawasaki, D-Fairbanks, has introduced a version of this in Senate Bill 35.

Sen. Jesse Kiehl, D-Juneau, has introduced SB 11, which changes the retirement system options for all public employees.

Sources in the state capitol say the major thrust for changing the system will likely come from the Senate, where the Senate Majority is already on record supporting a change. What’s uncertain is whether the House Majority, led by conservative Republicans, will agree.

Many legislators are concerned about workforce shortages facing not just the public sector but private employers as well. The worry is that Alaska is the only state that does not offer at least the option of defined benefits for new teachers and other public employees like firefighters and police.

The “defined contribution” plan has public employees contribute as well as public employers and after five years the employee can take the employer’s contribution and leave, which is termed “portability.” That isn’t the case with defined benefits, where employees can pull out their contribution to retirement but have no call on the public employer.

Many argue this creates a disincentive for public employees to stay in their jobs because they can pull out both their own and the public employer contribution and leave the state for a job elsewhere. Because the pay difference between Alaska and the Lower 48 is now largely gone, a job out of state often pays more and the employee has no incentive to stay on the job until retirement.

The result of that is a loss of valuable experience out of state and the loss of what employers have spent training new employees.

When the state was flush with oil money in the 1970s and 1980s the Legislature bumped up pensions and other benefits in an effort to retain public employees. High wages in construction, particularly during the Trans Alaska Pipeline System, were difficult for public agencies to compete with.

But once the oil boom tapered off the “Tier 1” pension system remained including one of its most attractive, but expensive, features for public employees, the medical benefits for retirees.

By the 1990s legislators were alarmed at the rising costs of the Tier 1 pensions and established a less-generous “Tier 2” plan for new workers being hired, but which was still a defined benefits plan. Finally, defined benefits was dropped altogether for new public employees being hired and the Defined Contribution, or 401(k)-type plan was offered in Tier III.

That has taken the state Alaska to the bottom among states in employee benefits. University of Alaska President Pat Pitney told the Senate Education Committee Monday that years ago, early in her career at the university as its budget director, she did study of teacher and benefit and found Alaska to have one of the nation’s best pay and benefits.

“Now we’re not even at the national average for teacher pay and we have the worst retirement system in the nation,” Pitney told the committee.

Jordan Adams, business manager of Public Employees Local 71, told the Senate Labor and Commerce Committee, “We’ve had 16 years of Tier 4 (Defined Contributions),” which is enough to see it’s not working. Local 71 represents state blue collar workers, like equipment operators.

Noncompetitive benefits are just part of the picture. State wages are also not competitive with the private sector which is also aggressively recruiting for employees, Jordan said.

The pay gap is roughly 30 percent difference across most state blue collar jobs and 40 percent for electricians, he said. “The state (administration) shows no intention of dealing with this.”

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Alaska Legislature

Alaska public worker shortage fuels renewed interest in pension plan

By Iris Samuels

Updated: January 29, 2023

Published: January 29, 2023



The Alaska State Capitol, photographed on Monday, Jan. 16, 2023 in Juneau. (Loren Holmes / ADN)

JUNEAU — Amid a deepening crisis in recruiting and keeping state workers, the Alaska Legislature is again considering measures to recreate a pension plan for public employees, but disagreements on the type and extent of the plan mean a long path ahead.

A deficit of billions of dollars led lawmakers in 2006 to do away with the state's defined benefits plans, which gave state employees a dependable pension not reliant on the ups and downs of the stock market, and instead offered workers a 401(k)-style option that allows them to invest in the stock market but gives less stability — and less of an incentive for workers to remain in Alaska.

Since then, some lawmakers, union leaders and worker advocates have raised alarm about the loss in Alaska's ability to recruit new employees and keep existing workers, who are sometimes lured by more generous benefits plans to other states. In the 2022 legislative session, a [bill](#) to recreate a defined benefits pension plan for public safety workers came close to passage but stalled in a Senate committee.

This year, the bipartisan Senate majority has named improving recruitment and retention of state employees as one of their top priorities. Members of both the Senate majority and the House coalition are hoping to see a new plan. But among the more conservative Republicans that govern the House, lingering fear over committing the state to an affordable plan could translate to a long and difficult legislative process.

'A culture of spreading the wealth'

In the House, lawmakers are already considering a bill that would create a pension plan only for public safety workers. That measure, [House Bill 22](#), is a reincarnation of the bill that passed the House in 2021. Rep. Andy Josephson, an Anchorage Democrat who sponsored the bill both in 2021 and this year, says it's a conservative

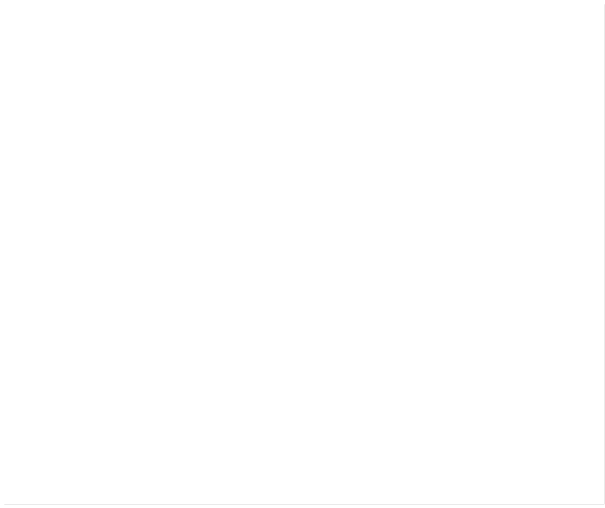
measure that can demonstrate the efficacy of such a pension plan without putting the state under an unreasonable financial burden.



Rep. Andy Josephson, D-Anchorage, on Tuesday, Jan. 17, 2023 at the Alaska State Capitol in Juneau. (Loren Holmes / ADN)

“It’s fair to guess that the House majority is going to look more favorably on first responders than the entire pool,” said Josephson, calling his bill “the sweet spot” that can appeal to the Republican-dominated House majority’s more conservative side. But leadership in the House referred Josephson’s bill to four different committees for hearings, typically signaling an interest to stall the measure.

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At the same time, some House and Senate members have expressed interest in pursuing a less conservative option: creating a new pension plan for all state employees, rather than a specific sector. That would include everyone hired by state and local governments: teachers, public safety workers, snow plow operators, biologists, wastewater plant managers.

Josephson's plan, meanwhile, would apply to roughly 2,300 first responders, who make up around 7.5% of public employees in Alaska.

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'They cannot keep and retain public safety employees'

The reasoning for giving public safety workers a pension option while setting aside other workers is the investment needed to train first responders. Josephson pegged the number between \$100,000 and \$200,000 per worker, shouldered entirely by the state or local government taxes. His bill has a price tag of roughly \$6 million annually, but he says that is less than the millions the state currently pays in recruiting and training public safety workers who are leaving because of unattractive benefits options.

“Think of the state’s veterinarian,” said Josephson, “he paid for his own training. This is unique. So when there’s this churn because the benefits are so bad, the state and cities pick up that cost.” He noted that public safety workers “put their lives at risk for us.”

Dominic Lozano, president of the Alaska professional firefighters association, told the House Community and Regional Affairs committee earlier this month that after the state got rid of the defined benefits plan in 2006, firefighters began noticing more of their colleagues leaving. And in their field, more experience is essential.

“You can pretty much go around the state, and it doesn’t matter what municipality, what town, what fire service area — the fact they cannot keep and retain public safety employees is becoming a big concern,” said Lozano.

Josephson acknowledged that other public sectors, including education, face a crisis in turnover that could be addressed with a new pension plan, and that he hopes that a bill targeting public safety workers will ultimately lead to a plan that applies to other workers.

“If it leads to success and a culture of spreading the wealth — great,” he said.

That is exactly what some more conservative Republicans are worried about. They say that even a narrow bill opens the door for other state employees to demand similar benefits.

“That is a big concern with folks I talk to about a bill like this, that you’re opening the door for a tremendous financial burden on the state by allowing thousands of public workers to demand this program,” said Rep. Tom McKay, R-Anchorage, during a hearing on the bill.



Rep. Tom McKay, R-Anchorage, speaks with a colleague on Thursday, Jan. 19, 2023 at the Alaska State Capitol in Juneau. (Loren Holmes / ADN)

But Republicans are not united in their opposition. Rep. Justin Ruffridge, R-Soldotna, said he is open to considering a defined benefits program for all public employees. Whatever plan is adopted, he said that “it has to be everybody.”

“You can’t just pick one group and not offer the same to everybody,” Ruffridge said.

‘The smart economic move’

Sen. Jesse Kiehl, a Juneau Democrat, has already introduced a bill this year – [Senate Bill 11](#) – that would apply to all workers. Kiehl’s bill would give new public

employees the option to choose between a defined benefits pension plan and a defined contribution plan like the one available currently.



Sen. Jesse Kiehl, D-Juneau, stands in a hallway on Tuesday, Jan. 17, 2023 at the Alaska State Capitol in Juneau. (Loren Holmes / ADN)

“The option part is important,” Kiehl said in an interview, noting that for some public employees, a 401(k)-style plan is preferable, like military retirees, workers with short-term public-sector appointments who spend most of their careers in the private sector, or people who come to Alaska for just short-term stints.

Under Kiehl’s plan, new employees will have a brief window in which to decide whether to elect a defined contribution plan or a defined benefits plan. Existing employees who are currently in the defined contribution program will have a one-time window in which they can switch to the new defined benefits plan, converting their accrued pension contributions to seniority in the pension program.

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Skeptics of Kiehl's plan say it could lead to the same kind of unfunded liability the state faces from the last time it offered defined benefits to public employees. But Kiehl said that won't happen, arguing that the state could end up saving money by providing better-run retirement options.

"This is not royalty retirement. It's a stable income you can't outlive," Kiehl said.

Bills like Kiehl's have been introduced in the past, to no avail. But lawmakers say there is more openness this year to create a pension plan, driven by reports about schools' inability to fill teach and staff vacancies, and the delays in basic government functions like snow plowing and processing [public benefit requests](#).

"Folks around the building have seen that. They are realizing that Alaska put itself in a bad position," Kiehl said. For some workers, he said, "with five years of experience, the smart economic move for them — for their families — is to leave the state."

But even with a renewed focus on the challenges created by worker turnover, some want to take time to review all of the state's options, including possibilities like increasing worker salaries rather than creating a new pension plan.

"One solution is to put a new tier in. That's clearly a solution if there's a definitive problem, but that's not the only tool. You can increase contributions rate, you can increase salaries, you can do retention bonuses. You've got several levers that you can push and pull," said Sen. Bert Stedman, a Sitka Republican who co-chairs the Senate Finance committee.

Given the complexity of the issue, Stedman predicted it will take longer than one legislative session — typically lasting four months — for the Legislature to agree on a new plan, meaning the issue could drag at least until the 2024 legislative session.



Sen. Bert Stedman, R-Sitka, on Friday, Jan. 20, 2023 at the Alaska State Capitol in Juneau. (Loren Holmes / ADN)

“It’s as complicated as oil taxes,” he said. “If we put a plan in place, once that plan is implemented and the first check is cut, the doors shut. We can’t go back and say, ‘oops, we made a mistake.’ It doesn’t work like that ... So we need to get it right the first time.”

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The length of time lawmakers debate the issue could in itself prove contentious. Sen. Jesse Bjorkman, a Nikiski Republican, said there is urgency in addressing Alaska’s retirement system sooner rather than later. The problem, he said, has already been studied for years.



Sen. Jesse Bjorkman, R-Nikiski, on Friday, Jan. 20, 2023 at the Alaska State Capitol in Juneau. (Loren Holmes / ADN)

“At a certain point in time, study hall needs to be dismissed,” said Bjorkman.

‘Golden handcuffs’

Bjorkman, a social studies teacher, says that he has watched some of his colleagues struggle to remain educators because of the state’s retirement and benefits system. And he is not alone. Rep. Rebecca Himschoot, a Sitka independent and elementary school teacher, said she has seen several colleagues leave the state, citing more generous retirement options elsewhere.

“At the end of the day, they needed to be someplace where they knew that they would have something for sure in retirement. They were spending their evenings looking at how to invest. So they had to be not just a teacher — they had to also be an investment specialist,” said Himschoot.



Rep. Rebecca Himschoot, I-Sitka. (Loren Holmes / ADN)

Himschoot became a teacher in Alaska when the state was still offering a defined benefits pension program, which she calls “golden handcuffs” that have kept her in the profession when she has faced adversity.

“I will always give my very best to students under every possible condition, but during COVID, it was really hard to stick with the profession and to be in a classroom. It was just a really hard time. But I had a good reason to stay. I had a retirement goal that was going to give me a retirement with dignity,” Himschoot said. “I can imagine if I were working for less in retirement, or didn’t have the options that I have when I finally do get to retirement, I might have considered a different profession.”

Still, some lawmakers are wondering if when public employees leave — as many did during the nationwide pandemic-induced “[great resignation](#)” — it is because of the state’s retirement options, or other factors affecting Alaska’s years-long outmigration trend.

“How do we know that the problem is the retirement plan? I know, because my colleagues have left and they have named it to me,” said Himschoot. “But even if we can’t isolate that as the problem, why wouldn’t we want to be the place in the nation where people want to work?”

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Senate majority introduces plan to overhaul Alaska's public retirement system

By Iris Samuels

Updated: March 1, 2023

Published: March 1, 2023



Alaska state Sen. Gary Stevens, a Kodiak Republican, smiles following his election as Senate president on Tuesday, Jan. 17, 2023, in Juneau, Alaska. Tuesday marked the first day of the new legislative session. (AP Photo/Becky Bohrer)

Alaska Senate majority members on Wednesday unveiled a new policy proposal to revamp the state's public retirement system, in an effort to address growing challenges in recruiting and keeping public-sector workers.

The bill would create a new pension plan that would promise state workers predictable payments upon retirement. It's a departure from the retirement plan adopted in 2006, which allows workers to contribute each month to a retirement account, but makes the amount available to them upon retirement dependent on the success of their investment strategy.

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Labor groups have said that retirement plan is a key factor causing working-age Alaskans to leave the state and stopping workers from moving to Alaska. A new analysis presented in February by the board managing public retirement accounts found that most public employees covered by that plan do not have enough savings for retirement.

Members of the bipartisan Senate majority say that the 2006 move from what is called a "defined benefits" pension plan to a 401(k)-style "defined contributions"

plan, has contributed to difficulties in recruiting all manner of state workers, including teachers, bus drivers, attorneys, administrators, biologists, prison guards, police officers, firefighters, and heavy equipment operators.

“Basic services are inadequate around the state,” said Senate Majority Leader Cathy Giessel, an Anchorage Republican who authored the new proposal. “That’s the problem we’re trying to address.”

Giessel said other policies to address worker shortages, including hiring bonuses of up to \$25,000 for new state troopers, are expensive and ineffective.

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“Without a defined benefit plan and a Social Security plan for teachers, we are not competitive among other states,” said Giessel.

[Earlier coverage: [Alaska public worker shortage fuels renewed interest in pension plan](#)]

Senate majority members said a return to defined benefits is sought after by private sector leaders, who say they need more dependable state services to advance resource development projects and other business priorities. But the proposal’s biggest champions are union leaders and labor advocates.

“We’ve never had that before where either the House or the Senate have said, ‘this is our priority,’” said Chuck Kopp, a former legislator who now works as a consultant

and leads the Alaska Public Pension Coalition, which brings together public employee groups and unions to advocate on retirement issues.

‘Not your grandma’s defined benefits’

The measure, [Senate Bill 88](#), comes more than a month into the four-month legislative session, as lawmakers have heard repeatedly from public and private sector leaders about the impacts of Alaska’s worker shortage and how a revamped retirement offering could improve the state’s competitiveness. Alaska is the only state in the union that offers public workers neither a defined benefits plan nor access to Social Security.

Opponents of a return to defined benefits have long pointed to the conditions that led the Legislature in 2006 to cancel the offering for new workers — millions of dollars in unfunded liability for the plans that the state is still paying off, more than 15 years later. A new plan, opponents say, could too easily fall into the same trap.

But advocates for the new proposal say the plan was built with safeguards meant to prevent the state from taking on a greater commitment than it can afford.

“This is not your grandma’s defined benefits plan. It’s a whole new system,” Giessel said at a news conference on Tuesday.

Heidi Drygas, director of Alaska’s largest public employee union, said the proposal “is a fair retirement for employees, but is not a Cadillac plan.”

“It’s by far, I think, the most modest plan that the Legislature has seen since it turned to a defined contribution plan in 2006,” she said.

The proposed plan would create a new defined benefits tier and allow public workers currently on the defined contributions plan an opportunity to switch to the new tier.

To ensure the plan remains solvent, the new tier would not include health insurance for workers upon retirement, leaving them dependent on savings and Medicare once

they stop working. Employee contribution amounts could be adjusted by the board that manages the retirement plan if the stock market sees a downturn. And it would allow the board to withhold inflation adjustments to retiree payments if the plan is less than 90% funded.

“This new system will share the costs and the risks between both employees and employers,” Giessel said.

That makes it far less generous than the retirement plans offered by the state before 2006. Several state lawmakers who had public-sector careers have said they are still benefiting from the advantages of beginning employment with the state before 2006.

Senate members said Wednesday that a conservative plan offering dependable pension payments is better than the alternative of uncertainty that is driving workers to nearby states, most of which offer some form of defined benefit.

Kopp said that constructing a plan that does not include retirement health care is “a smart way” to deal with the potential fiscal uncertainty. But that comes at a price for retirees.

“Is that a concern for employees? Yes. Many people would say this is not very employee-friendly,” said Kopp. The plan would allow workers to contribute to a health reimbursement account while they work, which they could then use to cover the costs of health care plan premiums until they become eligible for Medicare.

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“So it’s not an employee enrichment plan at all, but we believe it provides a minimum safety net, and as long as the employees still engage in active savings and personal investment, they can be far better prepared than what they are now.”

Sen. Bill Wielechowski, D-Anchorage, said the proposal “is not an extremely generous plan by any means at all.” Sen. Jesse Kiehl, D-Juneau, said “there is nothing

gold-plated about it.” Both still lauded the plan’s ability to offer better benefits while — they predicted — incurring no additional costs to the state.

“I know there are some people out there who are going to try to scare people and say this bill is going to cost a lot of money. I think those perceptions will probably change when the actuarial numbers start to come out,” said Wielechowski.

Wielechowski and Kiehl both predicted the bill could end up saving money for the state by managing retirement funds more efficiently.

The bill replaces a proposal put forward earlier in the session by Kiehl, whose original measure would have given workers the option to choose between a defined benefits plan and a defined contribution plan. Giessel’s proposal would require all new workers to enter a defined benefits plan.

“Ultimately, Sen. Giessel’s bill I think is going to cost less while still providing a guaranteed pension check when someone retires, which I think is a critical element,” said Kiehl. “This is a responsible approach.”

‘Discussed, analyzed, bantered’

Despite the bipartisan support for the legislation in the Senate, lawmakers acknowledged the bill could have a tough path in the more conservative leaning House, where a narrower defined benefits bill is stalled.

Rep. Andy Josephson, D-Anchorage, proposed earlier this year a measure to create a new defined benefits plan [just for public safety workers](#). The House State Affairs committee — one of four committees assigned to review the bill — has yet to schedule a hearing.

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“The House majority is less inclined to want to cover everyone with a defined benefit than the Senate, by a lot,” said Josephson on Wednesday. That makes his bill more

likely to gain traction than the Senate's. But it's not guaranteed, as conservative members of the chamber have pushed back against the value of the proposal.

Asked Tuesday about criticism levied against her caucus for its slow movement on proposals relating to education funding and pension overhaul, House Speaker Cathy Tilton, R-Wasilla, said the chamber is focused on crafting the state budget rather than specific legislation.

"I'd like to see it done in one year, but I know all the problems that we're facing," said Senate President Gary Stevens, R-Kodiak. "I can't guarantee you this is something that we can do this year. In fact, I can say it's going to be very hard to get it through this year."

A spokesman for Republican Gov. Mike Dunleavy said the governor agrees "Alaska is in a very competitive world regarding recruitment and retention of state workers."

"Anything and everything should be explored to have an advantage in recruiting and retaining new employees. For example, we need to know if child care options or other incentives can work as well or better than a defined benefit plan," spokesman Jeff Turner said in an email, adding that the governor "wants more data that demonstrates how well a defined benefit plan will attract the most highly qualified candidates without increasing the unfunded liability created under the previous defined benefit plan phased out in 2006."

"The governor is taking nothing off the table and wants to ensure that any item used to address this issue is sustainable and durable," Turner said.

Drygas, who leads Alaska State Employees Association, said "it would be better for the state of Alaska" if the Senate bill passed this year.

"What we're proposing is not novel. It is a modest proposal. Is it complicated? Yes. But this is something that has been talked about, discussed, analyzed, bantered for more than a decade in the Legislature, and if we really want to fix recruitment and

retention problems, I think it would be in Alaska's best interest to pass it this year. But we know this is going to be a long process," said Drygas.

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Iris Samuels

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Opinions

OPINION: Alaska's teacher shortage is here. The Legislature needs to help.

By Steve Atwater

Updated: April 20, 2022

Published: April 20, 2022



(Getty Images)

In the spring of 1989, I volunteered with Alaska Teacher Placement at its annual job fair in Anchorage. My job was to help districts sort through the hundreds of resume packets that they received from the fair's more than 1,000 registrants, many of whom traveled from out of state. The competition for the teaching vacancies was fierce, and I will never forget that, in an attempt to be noticed, one of the candidate's packet-cover was a full-page picture of him on a beach wearing only a small swimsuit. The state's support of public education in 1989, which included a deluxe retirement system and comparatively high salaries, was a shiny lure that drew hundreds of job seekers to Alaska each year. Today, for several reasons, this lure's sheen has dulled, causing many of our school districts to struggle to fill their teacher vacancies.

The Institute of Education Sciences annual report on education spending shows that in 1989, Alaska spent 169% of the U.S. average per pupil amount. Today, this figure is 127%. Although the state still spends more per pupil than just six other states, our districts' salaries and benefits no longer hold the sway of the past. For example, this year in Tacoma, the starting salary for a teacher with no experience was \$57,717. In one of our larger districts, it was \$50,151. Across the country, many states, including Florida, Illinois, Mississippi and New Mexico, are responding to their own shortages with sharp funding increases. Also of note is that Alaska's above average funding per pupil is tempered by the high cost of operations and many schools lacking an economy of scale. Earlier this year, the Alaska Department of Education (DEED) reported to the U.S. Department of Education that 22 of our state's school districts are experiencing a teacher shortage. DEED also tracks first-day teacher vacancies and found that there were more than 200 unfilled openings at the start of the school year.

These vacancies present a logistical nightmare for schools. On the retirement front, an average of 280 Tier II Teacher Retirement System teachers are retiring each year. While this is expected, they are being replaced by teachers placed in the defined contribution tier of TRS who, by most accounts, are a far less stable workforce. At

the national level, the number of students enrolled in teacher preparation programs is down by 340,000 since 2010. Alaska's dependence on teachers from out of state that was established well before statehood, continues today, with more than 50% of our teachers prepared by Lower 48 programs. And while there are several efforts to increase the number of Alaskans who teach in our state, it is highly probable that for the foreseeable future, Alaska will need to continue to import more teachers than are interested in teaching here. So, what to do?

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1. Increase funds for education. The state needs to increase the amount that it spends on education to allow teacher salaries to inch up so that they are more attractive to teacher candidates. Two bills to do this (HB 272 and HB 273) are moving in the Legislature.
2. Directly support the recruitment of teachers. The state needs to support the various local pathways to becoming a teacher. SB 225 in the Senate Labor and Commerce Committee does this with proposed policy for apprentice teachers and teachers-in-residence.
3. Directly support districts' retention efforts. Retaining teachers is in many ways, more urgent than recruiting new ones. SB 225 proposes to establish a recruitment and retention fund that will support districts' activity in these areas. The Alaska

Statewide Mentor Project (teachers) and the Alaska Council of School Administrators (principals and superintendents) offer mentoring support to help retain new staff.

4. Make the retirement system more attractive. Although few can dispute the fiscal decision in 2006 to move away from the defined benefit of TRS Tier II, the state must recognize that the defined-contribution of TRS Tier III does little to help districts recruit teachers to Alaska. The Legislature needs to decide what it can do to make Tier III more attractive. HB 220, being considered by the Legislature, would reestablish a defined-benefit tier.

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Now that it is the end of April, districts across Alaska are well into the recruitment phase of their annual hiring process. But they do so knowing that the supply of teachers who are interested in teaching in Alaska is likely lower than it has ever been. The Alaska Job Fair in Portland in early April attracted just two people. The good news is that the Legislature has already introduced bills that will either directly or indirectly help districts recruit and retain more teachers. Passing these bills will help our state's districts counter the limiting effects of Alaska's teacher shortage.

***Steve Atwater** is a retired teacher, superintendent and dean of education. He currently contracts with the Alaska Statewide Mentor Project.*

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Alaska public defenders to refuse some Nome and Bethel cases due to shortage of attorneys

By **The Associated Press** - February 3, 2023



The Nome court. (Matthew F. Smith/KNOM)

A state agency that represents Alaskans who cannot afford their own attorneys intends this month to stop taking clients facing serious felony charges in parts of southwest and western Alaska due to staffing shortages.

Samantha Cherot, head of the Alaska Public Defender Agency, notified the judges overseeing the Nome and Bethel judicial districts of the plans Tuesday, [the Anchorage Daily News reported](#). The agency asked the presiding judges to direct Superior Court judges in those regions to not assign new cases to the agency for certain felonies that cover the most serious and complex crimes, starting Feb. 13.

An Alaska Court System spokesperson declined to respond to questions from the newspaper about the options available for individuals who would be affected.

Cherot said the agency has long struggled to recruit and retain qualified attorneys, challenges worsened by a pandemic-fueled backlog in criminal cases. Recent resignations in Bethel and Nome have left the agency without enough experienced attorneys to handle new complicated cases, she said.

“With a few additional attorneys with the necessary training and experience to handle unclassified and A felonies, the situation could improve quickly. Otherwise, the agency needs time for its existing qualified attorneys to resolve many of their pending cases before they can ethically accept new cases or for newer attorneys to gain the necessary experience to be able to handle these case types,” Cherot said.

The agency has used contracted private lawyers and will continue to do so, Cherot said. But finding enough private attorneys with the skills and experience to represent individuals charged with serious felonies and fill the gaps has been difficult.

The agency has identified two private lawyers who may be willing to represent individuals charged in the Nome Superior Court but no additional private lawyers for Bethel cases.

While lawmakers last year approved pay increases for state attorneys and, in recent years, more positions for public defenders, that hasn't fully addressed the problem, Cherot said. For example, applicants often lack the qualifications to take on the most complex cases immediately. And recruitment is challenging, she said, with attorneys citing as reasons for not wanting to work for the agency more lucrative compensation and manageable workloads elsewhere.

James Stinson, director of the state Office of Public Advocacy, which is asked to represent clients when public defenders face a conflict of interest, indicated the office would resist if ordered by the courts to share the burden of cases typically handled by the Public Defender Agency.

The Legislature never intended for this office "to be the front line defense agency for the state. We are not staffed, funded, or structured to be," Stinson wrote in an email.

He cited as an option an administrative rule that allows the court to appoint private attorneys to qualifying clients.

Jeff Turner, a spokesperson for Gov. Mike Dunleavy, said the governor's supplemental budget calls for an additional \$3.1 million for the Office of Public Advocacy and Public Defender Agency.

Dunleavy's office "will work with the Department of Administration and the Legislature to determine if this level of financial support is sufficient for the Office of Public Advocacy and the Public Defender Agency to handle the emergent issue of caseloads in Bethel and Nome," Turner said in an email.

The Associated Press

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Alaska senators introduce bipartisan bill intended to revive a pension program for state workers

By James Brooks, Alaska Beacon - March 2, 2023



Sen. Cathy Giessel, R-Anchorage, speaks about Senate Bill 88, the Senate Majority's new public employee pension proposal, on Wednesday, March 1, 2023. (James Brooks/Alaska Beacon)

Half of the members of the Alaska Senate formally announced their support Wednesday for new legislation intended to reinstate a pension for all state employees, and more are expected to back the idea.

Long a priority of public-employee unions, senators said they envision the new “defined benefit” retirement system — which resembles the one abolished by state legislators in 2006 — as a way to address the fact that one in five state jobs is vacant.

“You bring this back, and I do think our recruitment problems will start to lessen,” said Sen. Click Bishop, R-Fairbanks and one of the bill’s sponsors.

It would be a mistake to think Senate Bill 88 takes the state’s retirement system back in time to accomplish that goal, said Sen. Cathy Giessel, R-Anchorage and the bill’s primary sponsor.

“This is not your grandma’s defined benefit plan. It’s a whole new system,” she said.

- Public employees would be required to pay more than they did under the old system, and that amount could rise if state retirement experts say it's needed.
- Unlike the old system, no health insurance is included, though there would be a small health savings account to cover the time between retirement and the minimum age for Medicare.
- Current state employees would be given an opportunity to switch from the state's existing 401(k)-style retirement system to the new system, and all new employees would be required to use the new system.
- Police, firefighters and other public safety employees would be able to retire at age 50 with 25 years of service (or at age 55 with 20 years), while teachers and other public employees would be allowed to retire at age 60 or with 30 years of service.
- Retirement payments would be based on an employee's highest five consecutive years of salary, and benefits wouldn't be available for anyone who works less than five years.
- There would be no cost of living bonus for retirees who live in Alaska, and the state's supplemental benefit system — which allows employees to sock away an additional (matched by the state) 6.12% of their income — would remain untouched.

Senate President Gary Stevens, R-Kodiak, is the bill's third sponsor and said public employee recruitment and retention has always been a priority of the 17-member Senate majority, and this bill answers that priority.

"I'm very glad that Sen. Giessel has taken on this challenge. I know it's taken a lot of work," he said.

Senate President Gary Stevens, R-Kodiak, speaks about Senate Bill 88, the Senate majority's new public-employee pension proposal, on Wednesday, March 1, 2023. (Photo by James Brooks/Alaska Beacon)

A coalition of unions, including those representing teachers, police, firefighters, and general-government employees announced their support for the bill on Wednesday and said they will be lobbying legislators to pass it.

In addition to the bill's three sponsors, seven members of the Senate signed on as co-sponsors Wednesday. Sen. Jesse Bjorkman, R-Nikiski, neither sponsored nor co-sponsored the bill but participated in a news conference announcing its release.

Bjorkman is the chair of the Senate Labor and Commerce Committee, which will receive the bill first, and he said he wants to hold hearings "as soon as possible."

Sen. Kelly Merrick, R-Eagle River, said she supports the bill in concept but wants to examine the details more and said she looks forward "to ensuring a defined benefit plan is both effective and fiscally sound."

Stevens said he would like to see the bill pass into law this year but called that "very hard to do," not least because the bill will also have to pass muster in the state House and with Gov. Mike Dunleavy before becoming law.

Giessel said the Senate majority talks regularly with Dunleavy and the leaders of the predominantly Republican coalition majority in the House, and she expects to talk to them about the pension bill as it advances.

Stevens said the bill is likely to change as it advances through the legislative process and lawmakers learn more about the details.

A detailed actuarial study has not yet been done, but Giessel said she expects the financial numbers to look similar to last year's House Bill 220, which **proposed a pension plan** that would not have raised costs for the state. That bill – which also did not include health benefits – died at the end of the 32nd Legislature without House or Senate approval.

Pension bills are a regular feature of legislative sessions — the senators who have represented Juneau since 2006 introduce them biennially — but this bill has more support than any of the prior efforts.

Sen. Bert Stedman, R-Sitka and co-chair of the Senate Finance Committee, has been skeptical of prior bills and sat in the back of the conference room as his colleagues introduced the new bill at a news conference on Wednesday.

He said he remains concerned about the multibillion-dollar unfunded liability left behind by actuarial misestimates when the state's prior pension system was active.

Sen. Bill Wielechowski, D-Anchorage and a supporter of the new bill, noted that Senate Bill 88 keeps a repayment provision present in the state's existing retirement formula.

"We're not going to escape that anytime soon," he said of the unfunded liability.

Sen. Shelley Hughes, R-Palmer, isn't a member of the 17-person Senate majority and watched the majority's news conference from her office.

She's still analyzing the details of the bill, she said, but said she's not yet convinced that switching to a pension-style retirement system will help recruitment.

"I think the younger generation wants flexibility and mobility," she said.

Under the state's existing retirement system, the employee bears the risk; if their investments underperform, the state isn't required to make up the gap. Under a defined benefit system like the one proposed by the new bill, the state would have to come up with additional money if pension fund investments fail to match payouts.

Hughes said she's worried about that risk.

"No risk is better than some risk, and there is some risk if we go to defined benefit," she said.

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James Brooks, Alaska Beacon

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Senate bill aims to address state employment crisis with a better retirement system

By Kavitha George, Alaska Public Media - Anchorage - March 6, 2023



Sen. Cathy Giessel, R-Anchorage, at a Senate Majority press availability in 2017. (Photo by Skip Gray/360 North)

Alaska's state agencies are in the midst of an employment crisis, struggling to incentivize new hires and retain the staff they have. A report last year estimated **one in five** state jobs is vacant.

A new bill introduced in the state Senate this week aims to address the shortage with a revamped retirement system.

The current "defined contribution" or 401(k)-style plan leaves employees to manage their own retirement account investments. Under this system, employees shoulder all the risk, and according to a **report** from the Division of Retirement and Benefits, they often don't end up saving enough.

"Employees were not earning enough through the defined contribution plan to actually retire with enough savings to support themselves," said Sen. Cathy Giessel, an Anchorage Republican who introduced the new bill on Wednesday along with nine bipartisan co-sponsors.

Giessel's bill would return public employees to a pension plan that would guarantee set payments upon retirement. The state moved off a more comprehensive defined benefit pension plan in favor of the current defined contribution plan in 2006. The switch was driven by concerns the state could no longer afford the earlier pension system.

There won't be a financial evaluation of how much the new system costs the state until it's gone through the committee process, but Giessel said she expects it will be "very affordable."

"If we can more effectively retain our state employees, keep those skilled people in their jobs, it makes a huge cost savings for the state. And not only that, it serves the Alaska public much better," she said.

One of the ways lawmakers are proposing to keep the new pension system lean is by not offering retiree health benefits. However, former employees can draw from a health reimbursement account until they are eligible for Medicare.

Jeff Kasper, business manager for the Alaska Public Employees Association, said that's not ideal but it's not a dealbreaker. He said returning to a pension plan has been the union's number one goal since the 2006 switch.

"Anything's probably better than what state employees have right now," Kasper said.

Giessel's bill has to move through the Senate Labor & Commerce and Finance committees before it gets to the floor.

It will likely face an uphill battle in the conservative-majority House. Rep. Andy Josephson, an Anchorage Democrat in the House minority, sponsored a limited version of Giessel's bill targeting retirement system reform only for public safety officers. That bill's future is unclear too; it still has three more committees to get through.

"There's more support for her bill in the Senate than there is for my bill in the House," Josephson said, adding he would gladly sign on to Giessel's so-called "everyone" bill.

Giessel said she can't predict what will happen in the House, but she's hopeful she and other proponents will be able to rally support for the "everyone" bill.



Kavitha George, Alaska Public Media - Anchorage

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Snow buildup on Anchorage roads leaves drivers with fewer lanes and longer commutes

By Wesley Early, Alaska Public Media - Anchorage - December 22, 2022



Cars on Northern Lights Boulevard sit at a standstill during rush hour on Wednesday. (Elyssa Loughlin/Alaska Public Media)

Anchorage resident Megan Premer said she was stuck in bumper-to-bumper traffic in Midtown Tuesday evening.

"I mean I stayed on Lake Otis for well over 30 minutes, because it was one lane," she said "And then people were all getting out of work, trying to get in. I must have stayed at Tudor through the light three or four times."

Premer isn't alone. Anchorage residents are complaining of higher-than-normal traffic in the city, with berms of snow cutting off lanes. In many parts of town four-lane roads have become two, turn lanes have disappeared and pieces of neighborhood roads have been squeezed to single lanes. And then there's the sidewalks, many that are still swamped in feet of snow.

It's an issue that's impacting emergency vehicles, too, said Assistant Anchorage Fire Chief Alex Boyd.

"Obviously, road conditions are difficult for everybody, fire department vehicles included," he said. "We just hope that the folks out on the streets continue to do good work and get the roads back out to normal width as soon as possible."

Road crews say they're still working to fully carve out the streets and haul snow away, after the city was hit with a trio of major storms this month. Some of Anchorage's roads are maintained by the state of Alaska, and others by the city.

City officials did not respond to requests for comment Thursday about snow removal efforts.

DOT spokesman Justin Shelby said plow teams have removed snow from many of the state's major roads.

"They've completed Seward Highway from 36th to 15th. Also 5th Avenue downtown, and Karluk to Airport Heights," Shelby said. "And they're going to get started on Minnesota and Fireweed next."

He said the biggest challenge is the amount of snow — and how fast it came. Normally, he said, plow teams would prioritize clearing out snow during a storm and then have a team go through after with snow blowers and haul trucks to open the roads back up fully.

"What's unique about this one is we had three heavy snowfalls back-to-back," he said. "So whereas we would've started snow haul operations after the first snow, we had to wait until the third storm had finished."

Snow berms continue to block many bus stops. (Courtesy of Marie Francis)

It's not just drivers who are concerned about snow piling up in roads and reducing space. Marie Francis said she felt unsafe waiting for the city bus this week.

A big snow berm blocked the sidewalk — and her bus stop — so she had to wait in the road, as cars went by at 45 miles per hour

"It's that part of C Street where it opens up and the cars start gaining speed through there," Francis said. "But of course, with the ice, they're skidding when they try to break. So that's terrifying."

While Francis said she's able to sometimes hurdle over the snow berms to make way for cars, she worries about bus passengers who aren't as mobile.

"I'm able-bodied, but I'm really nervous for the folks that have to use the bus that are elderly or handicapped or minors," Francis said. "Because there's really tall berms and there's no clearance between the road and the berm, and they're having to clamber over."

C Street by Francis's bus stop is a state road, but the bus stops are handled by the municipality, according to Shelby. Lake Otis Parkway, where Premer got stuck on, is one of the city-maintained roads.

Premer said she understands the difficulty of clearing out roads after several heavy snowfalls, but she thinks officials could've been better prepared.

"I read that they were trying to get the roads clear, but how there's no place to take the snow," Premer said. "It seems like a public policy or city policy sort of thing. Granted we don't get that much, that often, but like people have said, we are in Alaska."

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Wesley Early, Alaska Public Media - Anchorage

Wesley Early covers municipal politics and Anchorage life for Alaska Public Media. Reach him at wearly@alaskapublic.org



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Chilkat Valley News - Serving Haines and Klukwan, Alaska since 1966

Crew shortage plagues ferry system

By [Larry Persily](#)

An ongoing shortage of crew is the “No. 1 risk factor” for the Alaska Marine Highway System, Transportation Department Deputy Commissioner Katherine Keith told legislators.

As of a Feb. 2 presentation to the Senate Transportation Committee, the ferry system was short just over 100 crew for full staffing to efficiently operate the winter schedule, about a 20% vacancy factor for onboard employees.

The ferry system, however, is able to run its schedule with crew members picking up extra shifts and overtime to cover the work, and with management denying leave requests, Keith said in an interview after the committee meeting.

Looking toward the busier summer schedule, the system wants to put the 3-year-old Hubbard into service in northern Southeast Alaska starting May 1, “if we can hire enough crew,” Tony Karvelas, acting general manager of the Alaska Marine Highway System, told an annual gathering of Southeast community officials the day before the Senate committee hearing.

The 280-foot-long, \$60 million Hubbard has never gone to work since it left the shipyard. The state added crew quarters to the ferry last year, so that it could operate on longer runs that require a crew change.

Separate from the Hubbard, the Transportation Department has said it can manage the summer schedule, assuming a continuation of overtime and leave restrictions.

The system has been dealing with crew shortages the past two years, as budget cuts imposed in Gov. Mike Dunleavy’s first year in office in 2019 and then weak traveler numbers during the worst of the pandemic in 2020 sliced deeply into schedules and staffing. Retirements and resignations far outpaced new hires.

The vacancies are spread among the deck, engine and passenger services departments, including junior engineers, oilers, porters, watchmen, able-bodied and ordinary seamen, Keith reported.

“We certainly want to run all the ships all the time,” Matt McLaren, the ferry system’s business development manager, told the Senate Transportation Committee. “That’s certainly the goal. ... Our challenge the last couple of years has been finding enough crew to run all the ships.”

Karvelas added a help-wanted plea to his comments at the Southeast Conference annual summit on Feb. 1: “Let your families and friends know.”

The state continues to advertise nationwide for job applicants.

Though ridership crashed during the worst of the pandemic and even before that as budget cuts and vessel breakdowns added uncertainty to the schedule, passenger and vehicle traffic aboard the ferries has been on a downward march since the early 1990s, according to data presented to the Senate committee.

From a peak of 372,000 Southeast passengers in 1992, traffic plunged to 152,000 in 2019 as rising ticket prices, reliability issues and changing traveler preferences took a toll. COVID-19 travel restrictions dropped the numbers even further, down to 44,000 in 2020.

The passenger count for 2022 is not final yet, but it looks still to be below 2019 traffic.

Vehicle numbers dropped from 97,000 cars, trucks and RVs in 1992 to 58,000 in 2019.

“The system is facing tremendous challenges that need to be addressed,” Transportation Committee Chairman Sen. James Kaufman said. “The overall trend is downward.”

The state ferries “once were a very fun way for people to travel across our state,” Keith acknowledged, pledging that the department has embarked on a multi-part effort to improve reliability and customer service.

The governor’s proposed budget, which legislators are just starting to review, shows fewer port calls in the fiscal year 2024 spending plan than this year. That is because many of the ships will be going out of service for repairs, upgrades or overhauls, McLaren told the committee.

The fleet’s largest vessel, the Columbia, is back on the schedule for this summer after a three-year absence for repairs and to save money. But the Columbia later this year could go back into the shipyard for replacement of its controllable pitch propeller system, and the fleet’s second-largest ship, the Matanuska, is out of service for an unknown amount of time as the department decides whether to spend millions of dollars to replace wasted steel and make other repairs and upgrades.

The state needs to decide what makes sense for the 60-year-old ship long term, Transportation Department Commissioner Ryan Anderson told the Southeast Conference.

Alaska will receive about \$285 million in federal aid over the next few years to help pay for modernization of the fleet, pay for replacement for the Tustumena, which serves Gulf of Alaska communities, repairs to several ferry docks and other expenses, including improving service to rural communities.

Spending decisions for the federal money, which was added to the budget by Alaska’s senior U.S. Sen. Lisa Murkowski, will be up to the Legislature and governor.

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FORBES > MONEY > RETIREMENT

Alaska State Workers Hoodwinked Into Believing 401(k)-Style Retirement Plan Was As Good As A Pension

Edward Siedle Former Contributor 

Pension forensics expert and record-setting whistleblower award winner

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Mar 1, 2023, 04:24pm EST

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In Alaska, a new analysis concluded that the state's 401(k)-style retirement system for new ... [\[+\]](#) GETTY

From Alaska to Florida, America's state and local governments have long been pushing their workers out of pensions into 401(k)-type retirement plans in response to looming budget deficits—misleadingly claiming the retirement benefits are comparable. Nearly two decades later, state workers have awakened to discover they were hoodwinked by their employers and retained financial advisors. Warnings that 401(k)-style plans provide significantly smaller benefits than pensions should have been heeded.

In April 2011, I stood with over 200 City of Atlanta, Georgia police officers jammed into a crowded Committee Room at City Hall for a workshop held by the Finance Committee of the City Council. By the end of the tense four-and-a-half-hour marathon session, hundreds of other city employees had lined the corridors watching the closed-circuit broadcast on television monitors throughout the building.

The workshop was an opportunity for the police to present their response to a proposal by the Mayor to “freeze” pension benefits and force city workers into a 401(k)-type retirement plan. In other words, city officials had come up with a scheme to reduce the pension benefits promised to workers in response to looming budget cuts.

The police had passed around a hat and collected donations to pay for me to fly to Atlanta and speak on their behalf at the Committee meeting—as their expert specifically about the 401(k) aspect of the proposal. The Atlanta police knew that since 2001, I had written a series of increasingly stern warnings regarding the nation's failed 401k system. For example: 401ks: Far More Dangerous Than IRAs (March 2001); An End To 401ks (February 2002); 401k Abuses: The Mutual Fund Industry's Next Nightmare (July 2004); Explaining Poorly Designed 401ks (January 2005); An Extreme

Makeover Due for Defined Contribution Plans (June 2007); and [Challenges to 401ks Continue \(February 2008\)](#).

I explained to the City Council that America was facing a retirement crisis and that corporations closing their pensions and forcing workers into flawed 401(k) defined contribution plans was largely to blame.

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“401(k)s cannot and will not provide meaningful retirement security for the overwhelming number of America’s workers and certainly not the employees of the City of Atlanta. So if you do vote to force your city’s employees into a 401(k)-type system, at least be honest about it and admit from the get-go that this is no retirement plan.”

Last week, in Alaska, a [new analysis](#) from the state Division of Retirement and Benefits concluded that the state’s 401(k)-style retirement system for new employees is providing significantly smaller benefits than the pension-style system discontinued in 2006.

“There is a gap between defined benefit and defined contributions,” said Ajay Desai, director of the Division of Retirement and Benefits.

According to the study, for a typical employee, there's a 40% loss from the old pension system to the new 401(k) system, but Desai said the eventual gap should be smaller than that because of a variety of factors, including the way investments compound over time.

The estimates presented showed the gap shrinks over time, as long as markets perform as predicted.

That assumption caused Sen. Jesse Kiehl, D-Juneau to say, "This is put together by Miss Rose E. Scenario," Kiehl said after the presentation, "and it still fails over and over."

It should come as no surprise today—approximately 50 years after the introduction of 401(k)s—to hear that shifting responsibility for retirement planning onto workers has been disastrous for workers but great for the bottom lines of retirement plan sponsors, both public and corporate, as well as Wall Street.

The 401(k) defined contribution plans which employers and Wall Street sold to workers have failed dismally I wrote in my bestselling 2020 book, [Who Stole My Pension?](#) "With median account balances for 65-year-olds at \$70,000 or less, it's no secret that the great 401(k) "experiment" has failed in the United States."

The failure of 401(k) innovation was foreseen decades ago by experts—including me—and was avoidable had legislators and regulators acted in the best interest of investors and had the financial services industry curbed its greed.

Instead, Wall Street firms made money—and were the big winners. Retirement savers who paid higher fees to Wall Street for poor performing mutual funds—were big-time losers.

I was involved, as an expert, in leading class action lawsuits alleging mismanagement of the investments in many of America's largest 401(k) plans, including Walmart WMT 0.0%, Boeing BA -1.5%, Northrop Grumman NOC +0.6%, Kraft, Edison, Caterpillar, Deere, United Technologies UTX 0.0%, General Dynamics GD +0.6%, Bechtel, ABB ABB +0.2% and International Paper IP -3.1%. Sadly, these cases, challenging 401(k) structures and practices were not brought until 2006—too late for at least two generations of workers.

Coincidentally, 2006 was the very year Alaska recklessly abandoned its pension system in favor of a flawed 401(k)-style plan.

If I were an Alaskan government employee or retiree, I'd sure want to know who was responsible for undermining my retirement security, as well as hold them accountable for this foreseen and avoidable disaster.

Follow me on [Twitter](#) or [LinkedIn](#). Check out my [website](#) or some of my other work [here](#).



Edward Siedle

I have been called "the Sam Spade of Money Management," "the Financial Watchdog," "the Pension Detective" and "the Equalizer" for my work...

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Alaska News

Alaska's unprecedented food stamp backlog is taking a harsh toll on rural communities

By Annie Berman

Updated: February 27, 2023

Published: February 26, 2023



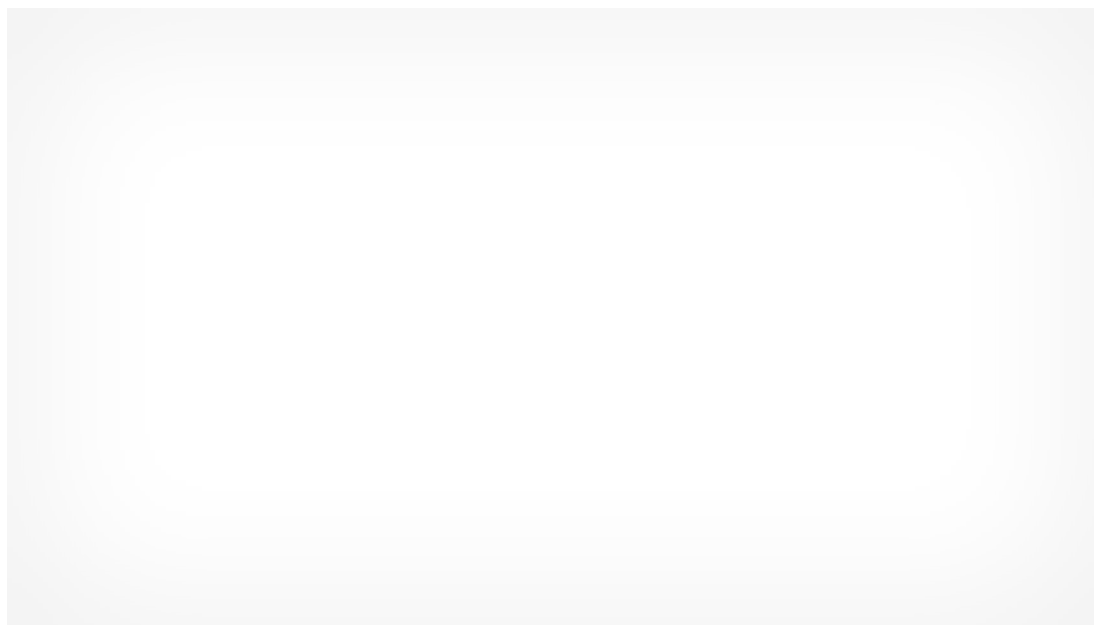
The store in Stebbins is struggling to keep food and other supplies in stock. Photographed Feb. 23, 2023.
(Photo by Daisy Katcheak)

It's been nearly six months since the Alaska Division of Public Assistance first began to fall behind on processing federal food stamp applications, leaving thousands of Alaskans still waiting for benefits to arrive now.

In rural Alaska, where food costs can be astronomical and food banks or pantries are rare, residents are experiencing particularly dire consequences from the unprecedented backlog, advocates say.

While Alaskans all over the state have been struggling as a result of the delays, officials with the Food Bank of Alaska said they have been contacted by people in multiple villages in rural Alaska — particularly in Western and Northwest Alaska — asking for assistance with an urgency that reflected the lack of a safety net in many of these communities.

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Stories are emerging of people digging to the bottom of their freezers for scarce game, relying on friends and neighbors to fill empty shelves, and even in some rare cases requiring hospitalization for malnutrition.

“People are literally starving,” Ron Meehan, Food Bank of Alaska’s policy and advocacy manager, said this week.

“They’re calling and saying ‘We have nothing,’” Meehan said, referring to the handful of communities where people have reached out for help. “But the reality is that there are probably far more than that experiencing this, they just don’t know how to reach us.”



Volunteer Andrea Stein stocked shelves in the agency shopping room at the Food Bank of Alaska off Viking Drive in Anchorage on Thursday, Feb. 23, 2023. (Bill Roth / ADN)

Food Bank staff said they are able to deliver food to struggling food pantries in some communities, but are limited by dwindling resources, rising food costs and fewer donations even as more people need help due to Alaska’s delays processing applications in the federal Supplemental Nutrition Assistance Program, or SNAP.

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“So many of our food banks and food pantries simply do not have the capacity to meet this need,” Meehan said.

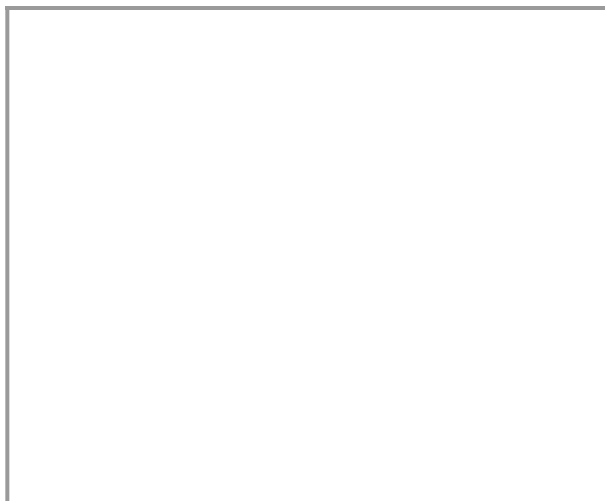


Food Bank of Alaska policy and advocacy manager Ron Meehan inside their food warehouse on Viking Drive in Anchorage. Photographed on Thursday, Feb. 23, 2023. (Bill Roth / ADN)

‘My community is suffering’

In Stebbins, a Western Alaska village where nearly all residents qualify for food stamps and few have gotten them, three elders have needed to be hospitalized for malnutrition, said city administrator Daisy Lockwood Katcheak.

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The community, located roughly 120 miles southeast of Nome and home to more than 600 people, has suffered multiple devastating events in a short span of time, which Katcheak said have compounded on each other in combination with the SNAP delays.



The sole store in Stebbins burned early Tuesday morning, Nov. 29, 2022. (Photo by Linda Greta Camillus)

A [historic storm](#) battered much of Western Alaska in September including Stebbins, and severely flooded many homes. Then in November, the community's [only store](#) burned down.

“We make-shifted a little store that’s been cut down to a third, and only sells shelf-stable foods,” Katcheak said Thursday. “On top of that, there’s such a delay with the food stamps, so my people are further being impacted by that.”



The store in Stebbins is struggling to keep food and other supplies in stock. The cart is for produce, which has not been seen for a while. Photographed Feb. 23, 2023. (Photo by Daisy Katcheak)

In recent months, Stebbins officials have had to rely on food donations from the Red Cross, the Food Bank of Alaska and the Alaska Native Tribal Health Consortium to keep residents fed.

“I just requested more food for our community because our people are not receiving the nutritional value,” she said. “My elderly and my children are being impacted. My community is suffering.”

The last bone

In Kivalina, 72-year-old Becky Norton struggled for months to feed her family of nine. There are no food banks or pantries in this largely Iñupiat village on a barrier island along the Chukchi Sea.

Norton's family typically receives around \$1,800 a month in SNAP benefits for her family that includes her three young grandchildren, she said.

Norton filled out her recertification application in November, and by January, still hadn't heard anything back from the state's Division of Public Assistance regarding the status of her application.

While Norton waited for her SNAP benefit application to be approved, she said she searched through her freezer for any caribou remnants from past hunts — a once plentiful but now scarce food source for her family with the [decline of local herds](#).

"I found in the bottom of my freezer a single leg bone, enough to make soup," she said.

Meanwhile, Norton said, she waited on benefits and budgeted carefully to keep the family's monthly Social Security payments from running out. She knew that if she became truly desperate, she could post in a local Facebook group to ask for assistance from her neighbors.

"We are a caring community," she said. "So if we know that someone is struggling, people will make little care packages. Not much, but to help them get by."

Norton finally got help expediting her application from [Alaska Legal Services](#). Within a few days, SNAP funds were deposited in her account.

Her sister, who applied for benefits around the same time she did, still hasn't received any word from the state about the application she submitted over four months ago.

Norton herself is still waiting on her state application for energy assistance, one of several programs also experiencing delays. She applied for that in September, before the cold arrived. Last week, she got an electric bill for \$423.

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Significant delays continue

The extent of the food stamp application processing problem first surfaced in late December when multiple Alaska news outlets reported on [major delays within the public assistance division](#), which processes the applications.

Thousands of Alaskans already been waiting months to receive SNAP benefits reported spending hours on hold with the state's virtual call center only to be told there was nothing to be done to speed up the process. Many calling about food stamps are also experiencing delays for other types of public assistance, including senior benefits, Medicaid – and heating assistance.

State officials attributed the public assistance processing delays to a staff shortage, a [cyberattack](#) that disrupted online services for months, and an influx of recertification applications in early fall when an emergency pandemic-era program expired in September. The program made it easier for Alaskans to receive maximum benefits without annual recertifications. It [ended](#) with the state's emergency declaration, which wound down in July.

Since December, the director of the Division of Public Assistance [has been replaced](#), and 10 Alaskans have [filed a lawsuit](#) alleging that the delays were a violation of federal law.

Last month, Heidi Hedberg, the state health department's commissioner-designee, said the department [was hiring workers via an emergency contract](#) to focus solely on food stamps and Medicaid as a way to get the agency back up to speed.

Since November, the department has hired 71 new staff members "in various stages of training," department spokeswoman Sonya Senkowsky said in an email this week.

But as March approaches, the backlog still hasn't been cleared. In an email this week, Hedberg said the state is still processing SNAP applications received in October. And on the front lines, advocates at the Food Bank say the majority of their clients still aren't getting benefits in a timely way.

Staff with the Food Bank of Alaska this week, however, said they're still working with clients whose applications are marked as received in September with no action taken since.

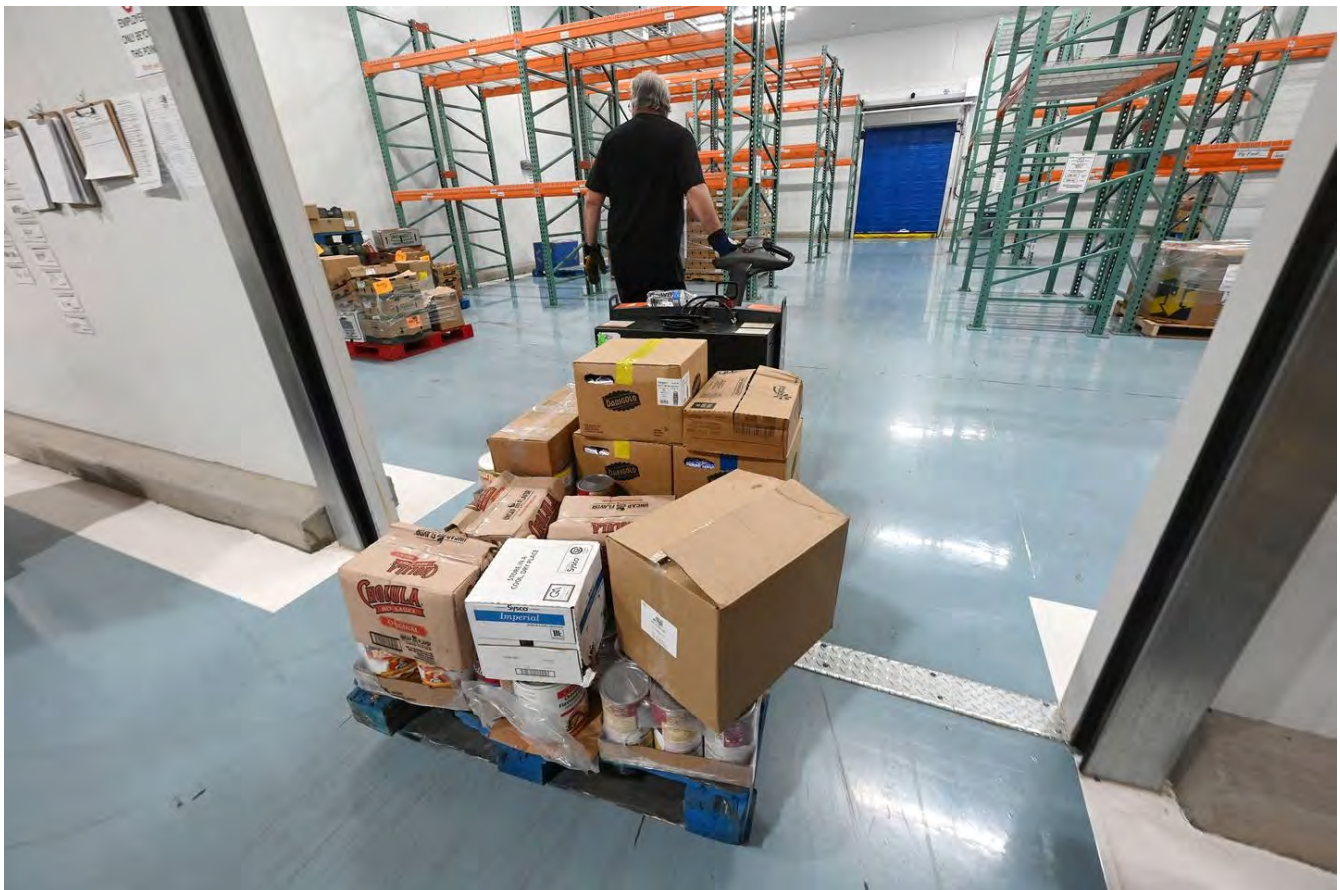
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"We're continuing to see significant delays in processing," said Magen James, the organization's SNAP coordinator.

'Nothing we can do'

As the backlog stretches on, Food Bank of Alaska staff describe staffers exhausted after months of dealing with people going hungry around the state with limited access to food resources.

"The secondary trauma of dealing with people that are starving every single day has been taking such a toll on my staff," James said.



Douglas Carothers moves a pallet of perishable donations to the refrigerator at the Food Bank of Alaska on Viking Drive in Anchorage on Thursday, Feb. 23, 2023. (Bill Roth / ADN)

The organization is struggling to keep up with the demand, Food Bank officials say. Even in places on the road system, like Soldotna, residents dealing not only with delayed benefits but inflation say the high price of fuel has made it difficult or impossible to drive into town to visit a food pantry, according to Greg Meyer, with the Food Bank in that community.

The organization has been driving out to smaller communities to distribute food in response but the demand hasn't let up, and resources are limited: Meyer said the food bank there has gone through about 75% of its stored food since September, and has seen nearly a 50% increase in the number of families seeking food assistance each day.

The impact of rising food and fuel costs on top of delayed federal benefits has been particularly hard on elders and single parents, said Carey Atchak, food security coordinator for Bethel Community Services Foundation.

Atchak, who helps manage the city's food pantry, said it's been nearly impossible to keep up with the demand.

"I purchase about \$1,000 worth of products on Monday, and by Wednesday, everything has been depleted," she said.

The charity sector is not set up to replace federal benefits — Meehan said that SNAP benefits typically provide more than 10 times as much food as is typically distributed by food banks. Over the last year, the Food Bank of Alaska also experienced a drop in the amount of food it has been able to provide, he said.

In places far from a food bank or pantry, like the Yukon River community of Mountain Village, staff said they feel a sense of helplessness.

"We've seen a significant increase in the amount of clients from Mountain Village specifically asking about their SNAP benefits, and they're still not getting approved, and then asking for food, and there's no food bank or pantry or anything in that

region,” James said. “And unfortunately, I had to tell people that they’re going to have to wait. There was nothing that we can do.”

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Annie Berman

Annie Berman covers health care for the Anchorage Daily News. She's a fellow with Report for America, and is a graduate of the University of California Berkeley Graduate School of

Journalism. A veteran of AmeriCorps and Vista volunteer programs, she's previously reported for Mission Local and KQED in the Bay Area.



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Anchorage

Frustrations linger in Anchorage over pace of snow removal weeks after winter storms

By Zachariah Hughes

Updated: December 31, 2022

Published: December 30, 2022



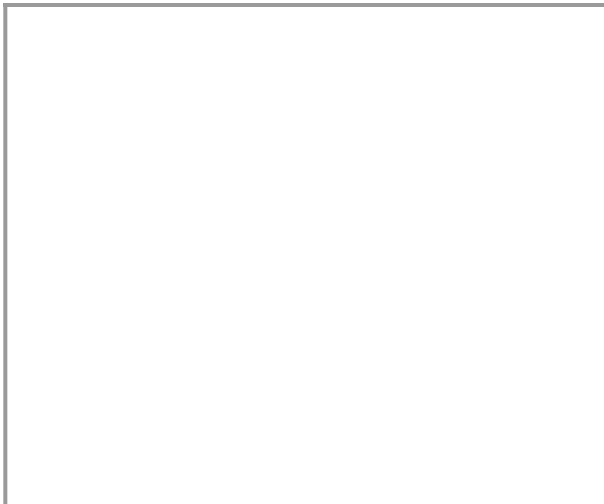
An Anchorage municipal grader moves snow in anticipation of removing it by snow blower in East Anchorage on Dec. 30, 2022. (Anne Raup / ADN)

Weeks after three back-to-back snowstorms buried Anchorage with [half-a-winter's-worth](#) of accumulation in two weeks, many residents remain frustrated by the pace of recovery.

Even though graders and plows have run down all 1,400 lane-miles of municipality managed streets and sidewalks, problems persist, from berms shaving off lanes from major arterial roadways to visibility-obstructing piles at busy intersections to quasi-abandoned vehicles so ensconced in ice and snow that they'll likely be fixtures on residential streets until spring.

"I know you are receiving complaints (and some compliments) from the public," Acting Municipal Manager Kent Kohlhase said in an email to Anchorage Assembly members Friday morning that was obtained by the Daily News.

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"I appreciate that you continue to forward those complaints to me," Kohlhase said. (Kohlhase took over as municipal manager last week following the hasty departure of Amy Demboski, who alleges she was the target of [retaliation](#) after raising concerns about code violations by members of Mayor Dave Bronson's administration.)

In the weeks since the snowstorm hat trick, obtaining detailed information about road conditions, logistical bottlenecks and real-time progress on snow removal has been difficult. Efforts to reach the municipal official overseeing the plow response,

which involves dozens of heavy equipment operators, for updated snow removal information this week weren't successful. The city hosts a webpage with [real-time plowing data and mapping](#), but it doesn't include updates on subsequent finesse work like widening lanes, grading or hauling snow piles.

The email sent to the Assembly includes some of the most detailed updates on logistics and obstacles compiled by officials overseeing a snow-clearing response that's now in its third week. Kohlhase's email lays out what progress the municipality has made, steps it's taking to contend with what Bronson has called an "unprecedented" series of snowfalls, and obstacles impeding progress in cul-de-sacs and side streets around the city.

"Day crews are working in subdivisions; it isn't safe or effective to haul main roads during the day. Night crews are hauling main roads: arterials and collectors. We also have a night crew focusing on hauling main streets adjacent to schools, with the goal of having key streets around every school cleared by the time school starts on January 9," Kohlhase wrote.

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At this point, the issue is not so much plowing the snow, but removing it from the streets and sidewalks people rely on to move around. In some places, heavy equipment operators can simply shove it off into a median or the roomy shoulder of a roadway. But along highway overpasses, downtown alleys and winding residential streets, there's little to do but pile it into heavy-duty dump trucks for deportation to elsewhere.



An Anchorage municipal snow blower moves snow into truck to be transported to a snow dump from Oak Drive in Airport Heights on Dec. 30, 2022. (Anne Raup / ADN)

As of Thursday evening, Kohlhasse told Assembly members, contractors and municipal crews have carted off roughly 16,000 truckloads of snow from residential areas and major roadways to snow dumps distributed around town for storage until the melting season.

“Hauling efficiency is affected not only by the number of trucks, but also the distance from snow disposal sites. We only have about a half dozen sites available,” he said.

According to Kohlhasse, workers have managed to move more than 600 truckloads a day, going as high as 1,150 loads on Wednesday, though operations were reduced to “a skeleton crew” over Christmas weekend.

“Many of the MOA operators had worked 20 days straight without a day off; at some point, safety concerns begin to grow,” Kohlhasse wrote. “I’m immensely proud of the

work the Street Maintenance crews are doing. I am also aware of how frustrated many residents are. I see one of my roles as continuing to insulate the crews from the external influences, and allowing them to continue their good work.”

Starting next week, the city also plans to begin removing snow in its 1,373 cul-de-sacs, using a front-loader and four to five dump trucks in order to “remove enough snow to open up the area to better allow residents to maneuver,” Kohlhase said.

The city is also using trucks belonging to the water and trash utilities to help with snow removal.

Still, it’s not enough. The municipality had to pull in additional private contractors to help and opened bids for a supplemental snow hauling contract, even shaving the application period down from two weeks to seven days in order to expedite the process, according to the email.

Two of the biggest drags on plowing and hauling efforts are cars ditched along streets and private actors dumping snow into public areas.

“Cars on the street, buried in snow...There is no way for an operator to tell that this wasn’t just a pile of snow. Once it is hit, that work stops. A supervisor needs to visit the site. APD shows up to write a report,” Kohlhase wrote. “It can be more serious; equipment can be damaged, and occasionally operators have been injured.”



Pink markings outline a vehicle as it remains covered under snow on E. 42nd Avenue in Anchorage on Friday, Dec. 30, 2022. (Emily Mesner / ADN)

It's not clear how many cars parked on roadways remain buried beneath storm snow around town. Other than cases where there's a danger to public safety, it can be difficult to extract them if an owner has abandoned the vehicle, left the state for the winter or simply doesn't feel like disinterring a beater car from under a foot of frozen crust. Outside of the downtown core, parking tickets and citations are generally issued only if there's a complaint, in which case community service officers are generally the ones to respond.

"They'll assess the situation and make a determination," said Melinda Gant, director of external affairs for the Anchorage Community Development Authority, which oversees parking downtown and manages tickets issued by APD and other public safety officers.

According to figures collected by the Anchorage Community Development Authority, law enforcement officers in Anchorage have issued far fewer citations for

parking violations this December than last: 95 so far this month compared to 231 in 2021 during the same period.

Downtown, parking enforcement has slackened, given blocked meters and surface lots in various states of disarray.

“We have substantially decreased our ticket writing downtown,” Gant said. She added that it’s part of a deliberate strategy not to overzealously penalize drivers when road conditions are so variable.

That policy is costing the city some money, on top of the drop it was seeing already in parking income caused by the winter storms and the sluggardly snow removal process that followed.

“We saw substantial decreases every week with our on-street meter revenue and our garage revenue,” Gant said. “We saw less people in the last two weeks driving downtown, and I think that’s because of the road conditions, of course.”

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Even more time-consuming for municipal plow crews is dealing with the aftermath of private contractors and residents unlawfully pushing snow into public rights of way.

“This is against municipal code, and it causes much extra work for crews,” Kohlhase wrote. “The bigger issue is with private contractors clearing parking lots and driveways. MOA right-of-way enforcement responds, but it is difficult to catch folks in the act. Taxpayers are paying the cost of dealing with this ‘private’ snow, both in money and the added time it takes for MOA crews to deal with it.”

• • •

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Thousands of Alaskans are still waiting for food stamps as state scrambles for solutions

February 10, 2023 by Claire Stremple, KTOO (<https://www.ktoo.org/author/claire/>)

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The produce section at Foodland IGA in Juneau. (Photo by Tasha Elizarde/KTOO)

After a months-long wait, thousands of Alaskans have gotten their food stamps. But thousands more are still waiting.

MaryRuth Moore of Soldotna reapplied for herself and her four children in October. Since then, she's been watering down crock pot meals to stretch the food she has.

"I feel like I've kind of become a scientist in the kitchen, and trying to make things go further," she said. "So what this boils down to is less vegetables, less fruits — and especially the fresh ones."

Waits for food stamps stretched out to months following a [flood of 8,000 renewal applications in August](https://www.ktoo.org/2022/12/21/with-thousands-waiting-state-says-food-stamp-backlog-wont-improve-any-time-soon/) (<https://www.ktoo.org/2022/12/21/with-thousands-waiting-state-says-food-stamp-backlog-wont-improve-any-time-soon/>), after the state's pandemic health emergency lapsed. State officials say the Division of Public Assistance is working through the backlog faster now, but eligibility workers — staff who process paperwork for benefits like food stamps and Medicaid — say they were told to cut corners to do that. And even Alaskans who have now gotten their benefits say that the months they went without have left them with debt and fears for the future.



Moore says she, too, has been relying on credit cards to get through. She says she worries about how she'll pay them off, and knows thousands of other people are going through the same thing.

"It's a very powerless feeling to know that the situation you're in is so dependent, and there's no one to reach out to," she said. "There doesn't seem to be any accountability."

Moore connected with Alaska Legal Services and filed a case last week. The state's largest provider of civil aid is Alaskans' main recourse — the ombudsman's office was also a resource for those who sought overdue food stamps, but say they are no longer legally allowed to help (<https://media.ktoo.org/wp-content/uploads/2023/02/Ombudsman-Statement-on-DPA-Complaints-1-30-23.pdf>) after a group of Alaskans filed a class action lawsuit (<https://www.ktoo.org/2023/01/21/lawsuit-says-alaska-department-of-health-exposed-thousands-to-hunger-risk-by-not-giving-food-aid/>) against the state last month.

Alaska Legal Services Advocacy Director Leigh Dickey said that last January, the group processed just a handful of complaints. This month they're working on 200 cases related to food stamps, and they're taking on more pro bono lawyers to help handle the workload. She said they file 20 to 30 new cases a day, and it's not slowing down.

"It's just booming," she said. "It hasn't tapered at all."

"There may be some sanctions"

At legislative briefings in late January, Department of Health Commissioner Heidi Hedberg blamed the departments' difficulties clearing the backlog on legacy technology and the effects of a cyberattack on the department in May of 2021. She said the department was pursuing solutions.

Hedberg and other leadership told state legislators that there has been renewed productivity in the Division of Public Assistance. Deputy Commissioner Emily Ricci said "the number of recertifications being processed daily increased substantially last week, which is positive."

Ricci, who described the delays as unacceptable, said the department had finished issuing food stamps to people who applied in September and was working on October.

But two eligibility workers — who say chronic understaffing (<https://www.ktoo.org/2023/01/02/state-workers-say-chronic-understaffing-caused-food-stamp-backlog/>) is behind the slowdowns — told KTOO that their division's leadership overstated the progress to the committee.

The eligibility workers did agree that they have been working faster — but they say it's because leadership directed them to skip mandatory federal processing requirements.

"When I don't verify anything you tell me, of course I can get your documents processed faster," one eligibility worker said. KTOO is not using their name because they fear they could lose their job for speaking out.

Staff say they've been instructed to approve or deny cases without verifying information like employment and income with anyone except the applicant. Eligibility workers say federal guidelines require they verify with people like landlords and bosses to make sure information is accurate.

Skipping verification has risks, both to recipients and to the state. If people get larger benefits than they should, they'll have to reimburse the government later.



Deb Etheridge, the new director of the state's Division of Public Assistance (<https://www.ktoo.org/2023/01/10/state-public-assistance-director-resigns-following-news-of-months-long-waits-for-food-stamps/>), says the department knows the risks and is doing everything it can to get people their benefits.

“We’re taking all measures that we can to expedite this food stamp recertification process,” she said. “We are talking with our federal partners and engaged with them. And they’re aware of steps that we’re taking. And there may be some sanctions, perhaps, but it’s nothing that we’re doing without full awareness and transparency.”

Etheridge, who has been on the job for four weeks, says she took on the role now because she believes in the programs and the staff.

She spent 30 years working in public service before taking on the role. She’s worked in the division, and she’s even been an eligibility worker before.

She described the backlog as an “all hands on deck” situation.

“We’re working very hard,” she said. “We don’t want this to be happening.”

She said with support from the commissioner and the governor, they’re making strides on the solutions that Hedberg set out for the Legislature.

The commissioner didn’t cite understaffing (https://www.akleg.gov/basis/get_documents.asp?session=33&docid=51) as a root cause in her briefing to the legislature, but the department recently made 53 hires — mostly new roles, Etheridge said, but also to replace staff attrition.

The department also signed a contract with a group that will find contract workers to answer phones so that highly trained staff can focus on recertifications. And she says two current employees are working on IT solutions while the department looks for contractors to update technology that they say is behind the slowdown.

Etheridge also said security contracts to keep employees safe in their offices should be in place by the end of the month.

But she says her larger goal is to build a department that won’t experience this kind of backlog again.

“I really want to leverage technology to make things easier for people who are applying for assistance,” she said. “Ideally, it’s one-touch processing for all applications, which means that individuals who are applying for benefits can call or they can apply online, and they can get immediate feedback.”

Meanwhile, a lawsuit

Saima Akhtar is the lead attorney for the class action lawsuit ten Alaskans filed against the state. She’s litigated cases like this for about a decade, where citizens sue the state not for money but for the federal benefits they’re due.

She says food stamp programs nationwide (<https://khn.org/news/pain-from-the-government-shutdown-spreads-this-time-its-food-stamps/>) are struggling to process benefits on time. And she has insight into the solutions the state is proposing.

“Assuming that technology is the problem and the fix is sometimes part of the issue. In my own experience, in other places, it is over the whole issue,” she said.



“A 30-day processing standard has been the standard in the SNAP regulations, actually, for years and years. And so that was the standard when many of these older computers were the norm, or were the expected technology.”

She said some of the methods the state is using to work through the backlog are effective, like waiving the need for time-consuming personal interviews. But she says that’s a short term fix — the federal waiver will expire after a year.

“The interview will come back in the future,” she said. “So there will have to be sufficient staff to conduct the interviews and maintain the caseload at the end of that time period. This is not a function that can be carried out by computers. It is a mandatory piece in the application process.”

“Why didn’t they plan for it?”

Natalie Richards of Soldotna got her benefits in January after five months of waiting. But she says the experience has left her with credit card debt and nagging fear that it will happen again.

“It’s really frightening to live that way,” she said. “Thinking that your basic needs of food and shelter aren’t going to be met.”

She said she’s grateful the state paid her benefits for all the months she was waiting, but she doesn’t feel like the trial is over. She says she’s using the money sparingly, just in case something like this happens again. And she doesn’t understand why services for the most vulnerable Alaskans are letting them down.

“Everybody deserves to eat,” Richards said. “Why is there such a delay now? I mean, they knew that the pandemic COVID stuff was going to end. Why didn’t they plan for it?”

She said people deserve better from state leadership.

“They still go home and eat their dinner, you know?” she said. “What about the people they were responsible to look out for?”

(<https://www.ktoo.org/author/claire/>)

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Alaska News Reporter, KTOO

I believe every Alaskan has a right to timely information about their health and health systems, and their natural environment and its management. My goal is to report thoughtful stories that inform, inspire and quench the curiosity of listeners across the state.

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Weeks from restarting, schools across Alaska are struggling to find teachers

July 21, 2022 by Lisa Phu, Alaska Beacon (<https://www.ktoo.org/author/alaska-beacon/>)

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An empty classroom at Juneau-Douglas High School: Yadaa.at Kalé in Juneau on Wednesday. With the new school year approaching, school districts throughout the state are struggling to properly staff schools and classrooms. (Photo by Lisa Phu/Alaska Beacon)

Bobby Bolen is trying to fill around 50 teaching positions at the North Slope Borough School District.

“This is our focus 24 hours a day right now — to get classrooms staffed for students,” Bolen said.

Bolen is the brand-new human resources director at the North Slope Borough School District, which has around 2,000 students in 12 schools, some of which start as soon as Aug. 8. He’s exploring options like long-term substitutes and the prospect of international teachers to round out the district’s usual teaching staff of around 170.

“Our worst-case scenario would be distance delivery. That’s obviously not our goal and that’s not our preference, but you know, we do have some experience with it as a result of COVID, so if we have to revert to it to get some initial schools started, then we’re prepared to do that,” Bolen said.



With the new school year approaching, school districts throughout the state are struggling to properly staff schools and classrooms. The national teacher shortage, which pre-dates the pandemic (<https://learningpolicyinstitute.org/product/coming-crisis-teaching>), is uniquely felt in Alaska, which has historically relied on recruiting teachers from the Lower 48.

“We’re in the worst place with this that Alaska has ever seen,” said Lisa Parady, executive director of the Alaska Council of School Administrators.

“What I’m hearing from administrators is that many districts are not staffed. People are working overtime to try to find high-quality educators for our students, and we are at an all-time high in Alaska for turnover at every level,” Parady said.

Other public employers, including the state government (<https://alaskabeacon.com/2022/07/20/almost-one-in-five-alaska-state-jobs-is-vacant-as-agencies-struggle-to-hire-retain-employees/>), are struggling to fill positions. But the scale of the problem for some school districts is particularly large. According to the Alaska Teacher Placement website (<http://www.alaskateacher.org/jobs/>), a statewide education job clearinghouse, around 1,100 jobs are open in school districts around Alaska. That includes all areas and levels of school and education staff, from principals, teachers and special education staff to paraeducators, support staff and sports coaches to language teachers, counselors and speech pathologists.

Toni McFadden, manager of Alaska Teacher Placement, said the severity of the issue has been years in the making, “creeping up on us and getting bigger and bigger and bigger.”

The trend can be seen in the declining attendance of the spring job fair Alaska Teacher Placement holds every March.

“Back in the 80s and even the early 90s, there were 1,000-plus candidates looking for jobs. This year, we had about 75 candidates at the spring fair that are looking for jobs,” McFadden said.

“Now, did it go from 1,100 to 75 in one year or two years? No. Every year, it’s just fewer and fewer and fewer. So, this is a problem that’s been going on probably for 15 years or more, but it’s just getting to the point where it’s so severe now that districts are really struggling and they’re desperate to find qualified teachers to put in front of their children.”

A solution from afar

One solution to the teacher shortage in Alaska: hiring teachers from the Philippines.

This past school year, 20 of Kuspuk School District’s 39 teachers were from the Philippines, KYUK reported (<https://www.kyuk.org/arts-culture-community-features/2022-02-16/nearly-all-of-ksds-new-teachers-are-filipino-heres-how-theyre-adjusting-to-life-in-alaska>). The district includes villages along the Kuskokwim River. Gov. Mike Dunleavy last October thanked (<https://gov.alaska.gov/newsroom/2021/10/28/governor-dunleavy-applauds-filipino-teachers-for-their-work-in-alaska/#:~:text=When%20Alaska%20was%20faced%20with,in%20our%20state's%20school%20district.>) more than 100 Filipino teachers who came to Alaska to fill positions throughout the state.

The Bering Strait School District started hiring teachers from the Philippines two years ago because there was no one else to fill the vacancies, Chief School Administrator Susan Nedza said. And it’s worked out. Thirty of the district’s returning staff are from the Philippines with J-1 visas, the type of visa given to teachers who are part of a work-based exchange program to the U.S. (<https://j1visa.state.gov/programs/teacher>).

“They have years and years of experience, wonderful training. They fit in amazingly. We’ve had no complaints,” Nedza said.



Other districts currently interested in hiring J-1 visa teachers to fill vacancies may have a harder time. The U.S. State Department sent an email in June to sponsor agencies, which facilitate the visa process for the international teachers, saying that teachers placed in rural Alaska “may require additional monitoring and support.”

It said, “exchange teachers may not be fully prepared for the location of their placement” and asked sponsors to ensure “exchange teachers placed in ‘less traditional’ locations are aware of the unique circumstances of those placements, situations they may encounter as a result (e.g., extreme weather, possible challenges in finding certain goods and services, travel considerations, etc.), and who and how to contact sponsor representatives for support and to report any situations affecting their health, safety, and welfare.”

After that email, a few of the sponsor agencies the district works with said they would no longer be placing teachers in Alaska, according to Nedza.

“I’ve asked these companies to, ‘Yeah, go ahead, take a look at the State Department comment. And, of course, you should be monitoring your teachers. Of course, you should make sure that they’re cared for. Of course, you should check on their situation in their job spots. But don’t blacklist Alaska because of some strange misconception,” Nedza said.

“So that’s added a twist this year” to the hiring problem, she said.

Still, Nedza has been able to hire six new J-1 visa teachers from the Philippines for this coming school year. That means 36 of her roughly 250 certified staff members will be from abroad.

Nedza started out with 40 openings going into this school year. She’s down to about three. So, for the moment at least, Nedza is feeling good about staffing. Without those 36 staff from the Philippines though, “I don’t know where we would be,” she said.

(A State Department spokesperson said the department doesn’t comment on leaked internal communication with sponsors, though it “constantly monitors and supports our exchange visitors’ experiences to ensure the health, safety, and welfare of all our participants.”)

Candidates ‘ghost’ or turn down offers

Securing someone to fill a position doesn’t guarantee an educator in the classroom. That’s something school administrators — like Kenai Peninsula Borough School District Superintendent Clayton Holland — have recently experienced for the first time.

“A couple people just didn’t show up. They committed to be with us and didn’t even arrive, didn’t say anything,” Holland said. “It’s a term I’ve heard about now; I guess it’s called ghosting.”

A number of factors are [driving the national teacher shortage](https://thehill.com/changing-america/enrichment/education/3276034-heres-whats-driving-the-nationwide-teacher-shortage/) (https://thehill.com/changing-america/enrichment/education/3276034-heres-whats-driving-the-nationwide-teacher-shortage/) — burnout, fewer people going into the teaching field, low pay — all of which were exacerbated by the pandemic.

“It’s kind of magnified in Alaska,” said Alaska Teacher Placement’s McFadden. Some Alaska-specific factors include harsh climate, vast geography and isolation, and a lack of amenities.

Since Alaska has relied on recruiting from other states, “people coming from outside of Alaska, the change is just very different for them,” McFadden said.



Florida educator Wayne McKnight, who is 62 years old, was looking for something different when he almost accepted a teaching job in Teller. He has spent 35 years as a behavioral specialist and isn't ready to retire.

"I was looking for an adventure. I was looking to continue to make an impact on students and I wanted a different kind of experience," McKnight said. "Alaska definitely appealed to me."

He was "very excited" when he got the offer letter. To make an informed decision, he talked to returning staff in Teller, who he said "had wonderful experiences." Ultimately, McKnight didn't think he "could withstand the weather" and didn't want to risk the possibility of not being able to fly back home for the holidays due to weather-related travel issues.

He said it was a "difficult decision" to turn the offer down. Unlike some others, McKnight did not ghost anyone. He communicated that he would not be accepting the job.

What the state is doing about the problem

There was another reason McKnight didn't accept the teaching job in Teller. A day after receiving the offer, he contacted Alaska's teacher certification office and learned for the first time that he'd be required to take a test and specific courses. His credentials, training and experience from 35 years as an educator in Florida weren't enough.

"Quite frankly and bluntly, I was not willing to take the extra steps to meet the Alaska requirements that they subjected their employees to, especially when someone's coming from out of state," McKnight said, though he added he understands the reasons for the requirements.

Senate Bill 20 (https://www.akleg.gov/basis/Bill/Detail/32?Root=SB20#tab6__4) changes requirements for testing. It awaits transmittal to the governor.

"In the instances of those individuals coming to us fully licensed with a regular certificate, one of the things that was required was to go through some additional testing," said Sondra Meredith, administrator for teacher certification at Alaska Department of Education and Early Development.

"We'd have teachers with numbers of years of experience who would need to go back and do additional testing. Senate Bill 20, when it's fully implemented, will provide a faster route and those testing requirements will be removed," Meredith said.

Another legislative effort, House Bill 19 (<https://www.akleg.gov/basis/Bill/Detail/32?Root=HB19>), which also passed and is awaiting transmittal to the governor, "will open up additional opportunities for world language speakers and Native language speakers to be able to be given more responsibilities in our language immersion schools," Meredith said.

The state also continues to issue emergency licenses to provide districts "maximum flexibility" when it comes to hiring individuals who may not have all the teacher preparation requirements but have an inclination to teach and the district feels confident having in front of a class, Meredith said.

"At the state level, in the certification realm, we're trying to find ways to maintain rigor, but also to lessen the barriers," she said.

The two required courses that McKnight mentioned — Alaska studies and Alaska multicultural coursework — are currently still a requirement.



Alaska used to be more competitive in attracting teachers

Administrators and education experts alike mentioned lack of a pension as a hindrance to recruiting teachers. Those experts include Juneau School District Superintendent Bridget Weiss.

“Alaska used to be super attractive to educators because we had a really good retirement system. That’s not the case anymore. Our retirement system is just not up to speed,” Weiss said.

The state no longer provides pensions to newly hired teachers. Instead, it offers a defined-contribution retirement plan. [House Bill 220 \(https://www.akleg.gov/basis/Bill/Detail/32?Root=HB220\)](https://www.akleg.gov/basis/Bill/Detail/32?Root=HB220), which would’ve reopened the state’s closed pension programs for teachers, got some traction in the Legislature but didn’t pass.

In an effort to improve teacher retention and recruitment in Alaska, Gov. Mike Dunleavy formed a [working group \(https://education.alaska.gov/trr\)](https://education.alaska.gov/trr) to identify the root causes of the issues and propose solutions. Based on survey results of Alaska teachers, the group recommended restructuring retirement options as one of its [six action plan \(https://education.alaska.gov/Media/Default/trr-images/TRR_Action_Plan_April2021.pdf\)](https://education.alaska.gov/Media/Default/trr-images/TRR_Action_Plan_April2021.pdf) items.

The other items include strengthening working conditions, developing leadership, enhancing recruitment efforts and opportunities, creating pathways to develop paraprofessionals who work alongside teachers and school administrators, and streamlining certification and recertification.

Some of this work is already happening.

Several districts, including in the Kenai Peninsula and Bering Strait, already have ‘grow your own’ programs that allow districts to fill positions from within, in an effort to become less reliant on recruiting from outside Alaska.

Holland, superintendent in the Kenai Peninsula, said his district, which has 23 open teaching positions, is helping paraeducators pay for teacher preparation college courses.

“I think the state needs to start looking at some funding. That would be one of our legislative priorities – can there be an allocation to support programs like this?” said Holland.

Even with these kinds of efforts, Juneau superintendent Weiss doesn’t think it’s enough.

“I think that all those efforts are going to be for naught if we cannot compete with our retirement system,” Weiss said.

In Fairbanks, North Star Borough School District Chief School Administrator Karen Melin said she’s not worried about filling the 70 vacant teacher positions.

“I’m not worried because I’m pretty convinced we’re not going to be able to fill them at this point. This is our current reality. We’re going to start the school year short of positions,” Melin said. “So, how do we successfully deliver an excellent education to our students given our current reality?”

That brainstorming is happening now. Ideas include contacting retired teachers, looking at substitute lists, and only offering classes at one high school if it’s close to another.



lin said the teacher shortage is a symptom of a larger problem.

“The greater problem is the way that we do public education. We’re not able to sustain ourselves as a public education system. So what does that mean for what we have to do different? That to me is the bigger question,” she said. “Yes, we will always need to have teachers. But I think fundamentally, the occupation has shifted, and so fundamentally, as a larger system, we need to think about how we shift with it.”

(<https://www.ktoo.org/author/alaska-beacon/>).

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https://www.newsminer.com/news/alaska_news/the-cost-to-train-a-firefighter-113k/article_c390b536-9aa0-11ec-a39e-ff1f247c8b70.html

The cost to train a firefighter? \$113K

Jack Barnwell

Mar 4, 2022



Fairbanks fire crews battle a warehouse blaze Monday, May 3, 2021, in South Fairbanks. No injuries were reported in the fire, the smoke from which could be seen from across the city.

Alena Naiden/News-Miner

Acting Fairbanks Fire Chief Scott Raygor said recruitment was an expensive endeavor, just over \$113,000.

The city shells out \$17,000 per recruit for onboarding, including recruitment, written tests, physical and HAZMAT exams, and costs for equipment. That's before a new firefighter starts working.

New recruits go through an in-house two-month academy at \$13,000 per recruit, with two or three recruits per academy.

Additional costs include EMT training for \$200, CPR training for \$150, certification for Firefighter I classification at \$3,000 and \$700 for Firefighter II certification.

If the department decides to send new employees to paramedic school, it spends \$12,000 for 12 months of training, on top of \$67,000 in wages while they work.

Of the last four recruits, Raygor said two have left.

“One went to Anchorage for pay and benefits and the other for personal reasons,” Raygor said. “We spent just under \$160,000 for two employees who never effectively worked for us as paramedics,” Raygor said.

Due to employee shortages, the department needs to pull a fire captain to conduct the training, which generates overtime costs.

The city faces recruitment issues, Raygor said, because it can’t start the recruitment process until after a firefighter leaves or retires. Average recruitment time runs five months.

The department currently has six openings, but only saw five applicants who tested. New openings are expected, after one firefighter retires and a second leaves for the private sector. Should Raygor take on the chief position full-time, he said, the department will need to hire a new battalion chief spot.

Nick Clark, a Fairbanks fire captain and president of the Fairbanks Firefighters Union, said the department at full strength includes 42 line firefighters, with 14 dedicated to a shift, including those on duty or in reserve. The department maintains three battalion shifts.

“What the department needs is the 14 firefighters per shift, because they have to cover sick time, leave time and injuries,” Clark said. “We are never at 14 on a given day ... we haven’t been at that for a long time. We have overtime every day and it’s starting to wear on people.”

Contact reporter Jack Barnwell at 907-459-7587 or jbarnwell@newsminer.com.

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MARKETS

The Champions of the 401(k) Lament the Revolution They Started

The dominant vehicle for retirement savings has fallen short of its early backers' rosy expectations; longer life spans, high fees and stock-market declines



Herbert Whitehouse, formerly a Johnson & Johnson human-resources executive, was one of the first proponents of the 401(k). He didn't anticipate that it would largely replace traditional pensions.

PHOTO: EVE EDELHEIT FOR THE WALL STREET JOURNAL

By *Timothy W. Martin* [Follow](#)

Jan. 2, 2017 1:39 pm ET

Herbert Whitehouse was one of the first in the U.S. to suggest workers use a 401(k). His hope in 1981 was that the retirement-savings plan would supplement a company pension that guaranteed payouts for life.

Thirty-five years later, the former Johnson & Johnson human-resources executive has misgivings about what he helped start.

What Mr. Whitehouse and other proponents didn't anticipate was that the tax-deferred savings tool would largely replace pensions as big employers looked for ways to cut expenses. Just 13% of all private-sector workers have a traditional pension, compared with 38% in 1979.

“We weren’t social visionaries,” Mr. Whitehouse says.

Many early backers of the 401(k) now say they have regrets about how their creation turned out despite its emergence as the dominant way most Americans save. Some say it wasn’t designed to be a primary retirement tool and acknowledge they used forecasts that were too optimistic to sell the plan in its early days.

Others say the proliferation of 401(k) plans has exposed workers to big drops in the stock market and high fees from Wall Street money managers while making it easier for companies to shed guaranteed retiree payouts.

“The great lie is that the 401(k) was capable of replacing the old system of pensions,” says former American Society of Pension Actuaries head Gerald Facciani, who helped turn back a 1986 Reagan administration push to kill the 401(k). “It was oversold.”

Misgivings about 401(k) plans are part of a larger debate over how best to boost the savings of all Americans. Some early 401(k) backers are now calling for changes that either force employees to save more or require companies to funnel additional money into their workers’ retirement plans. Current regulations provide incentives to set up voluntary plans but don’t require employees or companies to take any specific action.

A 401(k) is an employer-sponsored plan that allows workers to place pretax wages into a savings account. Companies aren’t required to make matching contributions, but they often do as an employee perk. Unlike defined-benefit pensions, which provide set payouts for life, 401(k) accounts rise and fall with financial markets.

The advent of 401(k)s gave individuals considerable discretion as to how and even whether they would save for retirement. Just 61% of eligible workers are currently saving, and most have never calculated how much they would need to retire comfortably, according to the Employee Benefit Research Institute and market researcher Greenwald & Associates.

Financial experts recommend people amass at least eight times their annual salary to retire. All income levels are falling short. For people ages 50 to 64, the bottom half of earners have a median income of \$32,000 and retirement assets of \$25,000, according to an analysis of federal data by the New School’s Schwartz Center for Economic Policy Analysis in New York. The middle 40% earn \$97,000 and have saved \$121,000, while the top 10% make \$251,000 and have \$450,000 socked away.

Savings gap

And the savings gap is worsening. Fifty-two percent of U.S. households are at risk of running low on money during retirement, based on projections of assets, home prices, debt levels and Social Security income, according to Boston College's Center for Retirement Research. That is up from 31% of households in 1983. Roughly 45% of all households currently have zero saved for retirement, according to the National Institute on Retirement Security.

More than 30 million U.S. workers don't have access to any retirement plan because many small businesses don't provide one. People are living longer than they did in the 1980s, fewer companies are covering retirees' health-care expenses, wages have largely stagnated and low interest rates have diluted investment gains.

"I go around the country. The thing that people are terrified about is running out of money," says Phyllis C. Borzi, a U.S. Labor Department assistant secretary and retirement-income expert.

Some savers underestimate how much they will need to retire or accumulate too much debt. Lucian J. Bernard is among those wishing he had a do-over. The 65-year-old lawyer from Edgewood, Ky., doesn't have much savings beyond a small company pension and Social Security. He cashed out a 401(k) in the 1980s to fund law school and never replenished it. He implores his daughter to start saving.

"It's a little easier saying it than doing it," he says.

Defenders of the 401(k) say it can produce an ample retirement cache if employers provide access to one and people start saving early enough. People in their 60s who have been socking away money in 401(k)s for multiple decades have average savings of \$304,000, according to the Employee Benefit Research Institute and Investment Company Institute.

"There's no question it worked" for those who committed to saving, says Robert Reynolds, who was involved in Fidelity Investments' first sales of 401(k) products several decades ago.

He considers himself among the success stories. At 64, he could retire comfortably today after saving for three decades. "It's a very simple formula," he says. "If you save at 10% plus a year and participate in your plan, you will have more than 100% of your annual income for retirement."

The 401(k) can be traced back to a 1978 decision by Congress to change the tax code—at line 401(k)—so top executives had a tax-free way to defer compensation from bonuses or stock options.

At the time, defined benefit-pension plans, which boomed in popularity after World War II, were the most common way workers saved for retirement.



Ted Benna, a retired benefits consultant, is sometimes called the father of the 401(k). He now thinks it gives individual savers too many opportunities to make mistakes.

PHOTO: WILL YURMAN FOR THE WALL STREET JOURNAL

A group of human-resources executives, consultants, economists and policy experts then jumped on the tax code as a way to encourage saving. Ted Benna, a benefits consultant with the Johnson Companies, was one of the first to propose such a move, in 1980, leading some in the industry to refer to him as the father of the 401(k).

Selling it to workers was a challenge. Employees could put aside money tax-free, but they were largely responsible for their own saving and investment choices, meaning they could profit or lose big based on markets. They also took home less money with each paycheck, which is why 401(k)s were commonly called “salary reduction plans.”

Traditional pension plans, on the other hand, had weaknesses: Company bankruptcies could wipe them out or weaken them, and it was difficult for workers to transfer them if they switched employers.

Companies embraced the 401(k) because it was less expensive and more predictable to fund than pensions. Company pay-ins ended when an employee left or retired.

Employees, for their part, were drawn to an option that could provide more than a company’s pension ever would. Two bull-market runs in the 1980s and 1990s pushed 401(k) accounts higher.

Economist Teresa Ghilarducci, director of the Schwartz Center for Economic Policy Analysis, says she offered assurances at union board meetings and congressional hearings that employees would have enough to retire if they set aside just 3% of their paychecks in a 401(k). That assumed investments would rise by 7% a year.

“There was a complete overreaction of excitement and wow,” says Kevin Crain, who as a young executive at Fidelity Investments in the 1990s recalled complaints about some of its funds underperforming the S&P 500. “People were thinking: Forget that boring pension plan.”

Two recessions in the 2000s erased those gains and prompted second thoughts from some early 401(k) champions. Markets have since recovered, but many savers are still behind where they need to be.

Ms. Ghilarducci says she came to realize the 401(k) math she used in the 1980s and 1990s no longer works. The 7% annual compounded investing returns, a pillar of the concept, now seems too rosy. She now believes setting aside 3% of salary isn't enough.

The downturns showed Mr. Benna of Johnson Companies that individual savers have too many opportunities to make mistakes, such as yanking money out during market downturns or selecting unsuitable investment mixes for their ages. He also notes that money managers can charge fees that eat away at savings.

“I helped open the door for Wall Street to make even more money than they were already making,” he says. “That is one thing I do regret.” Mr. Benna retired at age 49 after selling his consulting firm in 1990. He doubts “any system currently in existence” will be effectual for the majority of Americans.

There have been several attempts to make the 401(k) more effective by changing the behavior of savers and companies.

A 2006 U.S. law made it easier for companies to enroll workers automatically in 401(k) plans. Some firms then raised workers' default contributions by 1 percentage point a year until they hit a cap as a way of encouraging more savings.

Participation levels have improved, but about one-third of workers traditionally refuse to join their company's 401(k) plans despite perks such as employer-matching contributions.

The Obama administration made a push to get people to save more for retirement, even outside the realm of the 401(k). It introduced a regulation that encourages states to set up retirement savings plans with automatic enrollment features for private-sector employees. The Labor Department has unveiled a proposal to enable large cities to create similar plans.

Opponents have said such plans crowd out competition from the private sector, and Congress blocked the Obama administration's attempts to create similar plans at the federal level.

Eight states, including Illinois, Massachusetts and California, have plans to set up their own programs for the uncovered that will offer guaranteed returns and provide incentives for small businesses to create accounts for people who don't have them. Dozens more are exploring the idea.

Proposed fixes

Some initial believers in the 401(k) think those measures don't go far enough. Ms. Ghilarducci wants to ditch the 401(k) altogether. She and Blackstone Group President Tony James are recommending a mandated, government-run savings system that would be administered by the Social Security Administration and managed by investment professionals. While both are Democrats, they believe their solution has bipartisan appeal.

"There are a lot of governors and mayors who are Republicans, and the first wave of the crisis will affect states and cities," Ms. Ghilarducci says.

She says she has already reached out to President-elect Donald Trump's advisers to float the plan.

Others are calling for a national mandate on savings or requiring companies to automatically enroll participants at 6% of pay. Sen. Marco Rubio, the Florida Republican, has proposed opening up the federal government's Thrift Savings Plan, the 401(k)-style plan for federal employees, to private-sector workers.

Some early 401(k) supporters are learning about its shortcomings firsthand. Mr. Whitehouse, the former Johnson & Johnson human-resources executive, says his 401(k) took a hit after 2008. He could retire if he had to, but if he wants to maintain his standard of living for several more decades, he must continue to work, he says.

The 65-year-old currently lives in Orlando and is in-house counsel for ABC Fine Wine & Spirits, a Florida chain with about 140 stores. He plans to work into his mid-70s.

It would be appealing, he says, to have an old-fashioned pension. “A pension is pretty valuable,” he says.

Appeared in the January 3, 2017, print edition as ‘401(k) Pioneers Lament What They Started’.