

SB 88: Retirement Systems; Defined Benefit Option

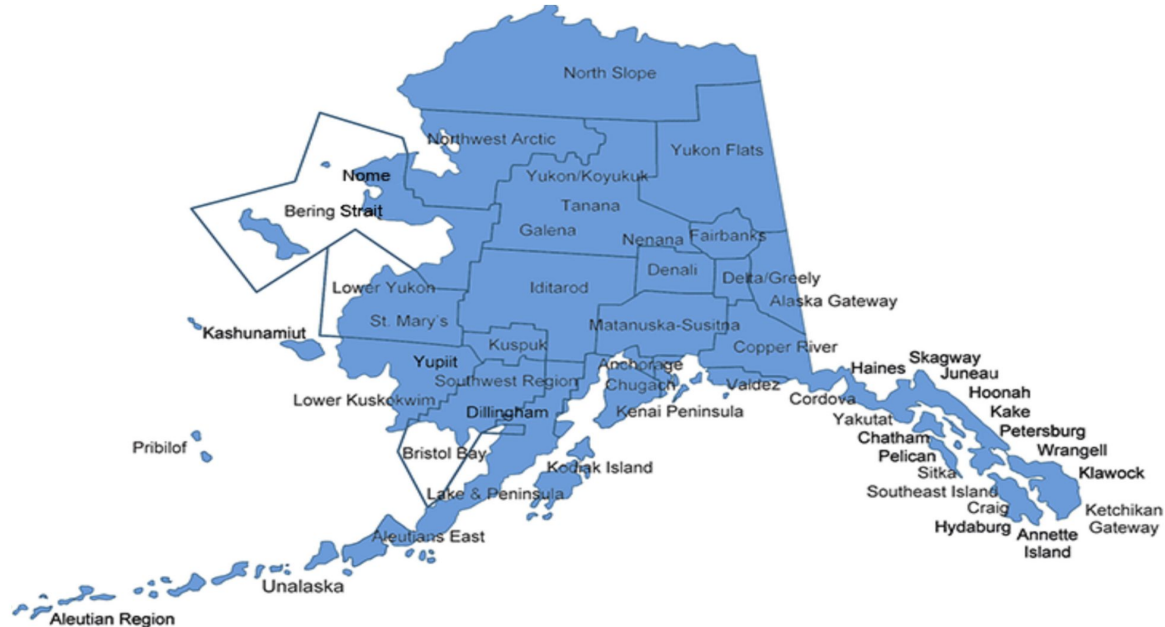
Alaska's Recruitment and Retention Crisis



Dr. Lisa S. Parady

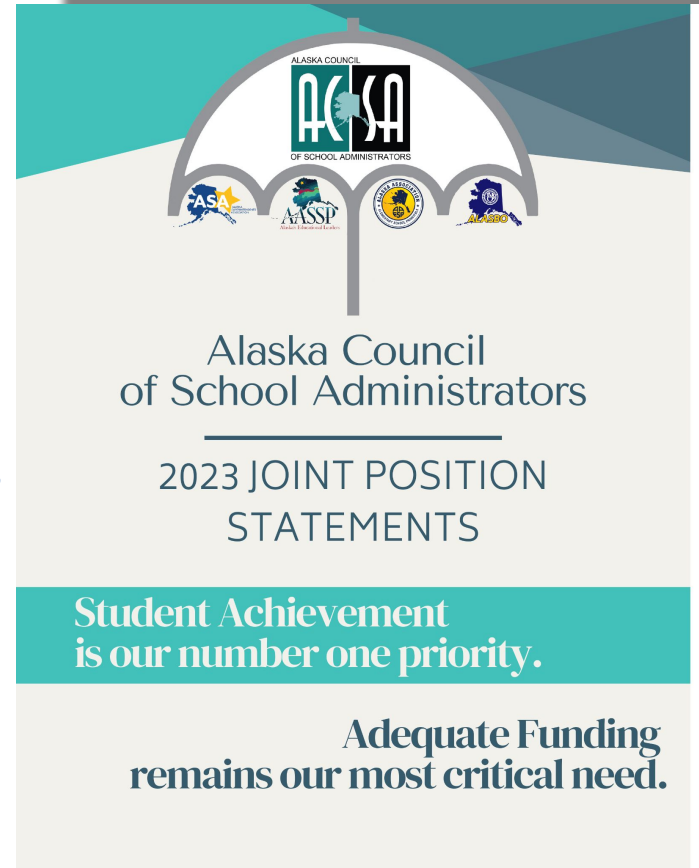
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Supporting Alaska's School Districts



Student achievement
is our ***number one priority***

Adequate Funding remains
our ***most critical need***



Educator Turnover in Alaska

Rural schools and students are hardest hit by turnover

Rural schools have much higher teacher and principal turnover than urban or urban-fringe schools, with 64 percent of rural-remote teachers who turn over leaving the state or the profession.

Average annual turnover rates for 2012/13 to 2017/18



Teachers and principals who were prepared outside Alaska were more likely to turn over the following year

Teachers and principals prepared outside of Alaska had higher turnover rates compared to teachers and principals prepared in Alaska.

Average annual turnover rates for 2012/13 to 2017/18



Source: REL Northwest

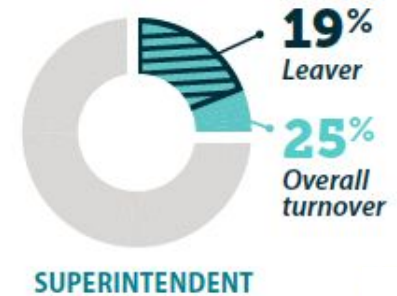
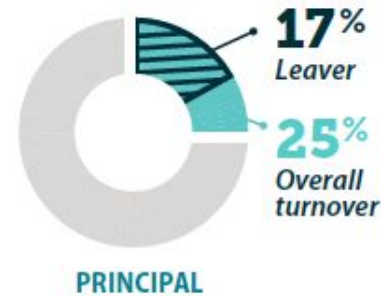
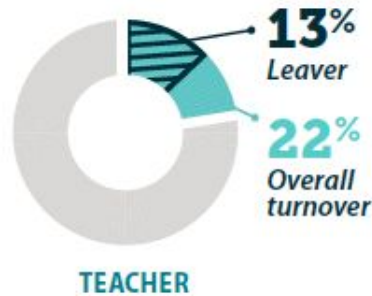


Educator Turnover in Alaska

Most of Alaska's turnover was educators leaving Alaska or the profession

Statewide turnover rates from 2012/13 to 2017/18 remained steady for teachers but varied for principals and superintendents.² Nearly 60 percent of teacher turnover involved "leavers"—individuals who left Alaska or remained in the state but were no longer educators. For example, in 2017/18, 13 percent of teachers left the profession or their position, while 9 percent of teachers went to a new district or school but remained in the Alaska public school system.

Turnover rates in Alaska for 2017/18



Source: REL Northwest



Costs of Turnover

- ISER Study - 2017
 - Every time Alaska replaces a teacher, it costs the school district over \$20,000
- RAND Study - 2019
 - Average cost to replace a principal is \$75,000



Costs of Turnover

	Separation	Recruitment	Hiring	Orientation & training
Cost	\$2,449	\$1,910*	\$4,902	\$11,170
Percent of total cost	12%	9%	24%	55%
Estimate includes	Administrative, maintenance, & security tasks	Job fairs, advertising	Screening applicants, interviews, administrative processes	Professional development, onboarding, & new teacher support
Our total calculated cost: \$20,431 per teacher				

Source: ISER Study



Educator Turnover

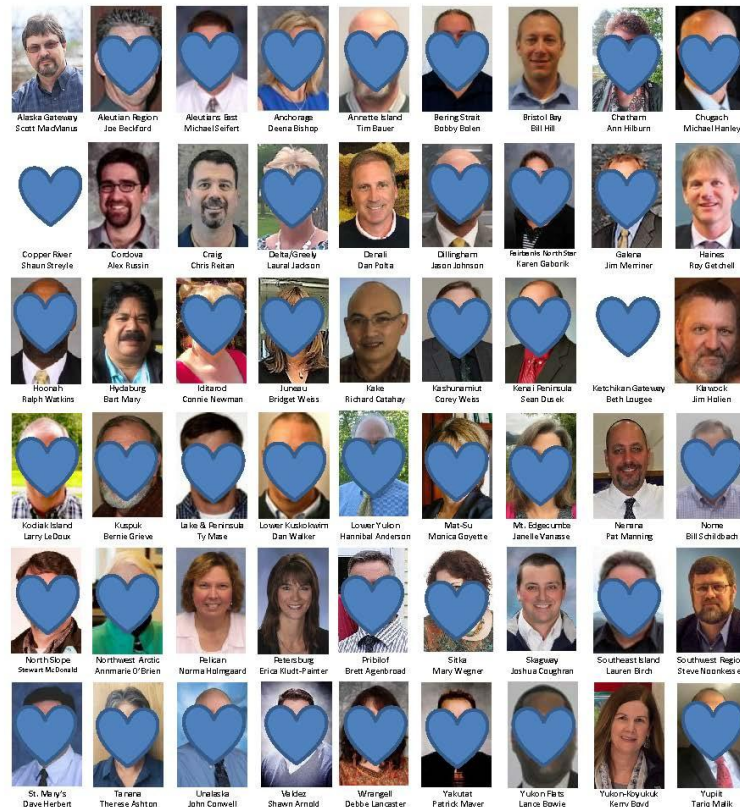
The PK-12 Instability
Equation

Superintendent
Turnover

+ Principal Turnover

+ Teacher Turnover

Instability



How does turnover harm student achievement?

In Alaska high teacher turnover correlated with poor student achievement

	Average Teacher Turnover	Average Percent of students scoring proficient in Reading
5 Lowest Turnover Districts	8.7%	85.8%
5 Highest Turnover Districts	37.9%	46.9%

Retirement System for Educators

- According to the Economic Policy Institute the average teacher earns 21% less than other professionals with a college degree
- A portion of this gap can be offset by providing a robust retirement system for educators



Preparing, Attracting and Retaining Qualified Educators

- Retaining highly effective educators and leaders is imperative to increase student achievement and eliminate academic disparity for all of Alaska's students.
- A nationally competitive compensation and benefits package, combined with a robust retirement system is imperative to attract and retaining effective educators



How retirement benefits rank for educators

Table 1.2: Personal Importance Top 15 Rankings for Subgroups by Role.

Personal Importance Item	Total (N=4223)	Current Educator (N=2704)	Current Administrator (N=351)	Other (N=284)
adequate compensation for assigned duties (salary)	1	1	2	2
positive workplace conditions	2	2	3	1
personal connections with students	3	3	6	3
retirement benefits	4	4	1	6
good healthcare benefits	5	5	4	5

Source: TRR Survey Results prepared by DEED



How retirement benefits rank for educators

Table 2.1: Ranking of all 34 Solution Influence items from most important (1) to least (34).

Ranking	Solution Influence Items (Part 2)
1	competitive salary commensurate with cost of living
2	enhanced salary schedule (scale based on years of experience, etc.)
3	state goes back to a defined benefit retirement system
4	annual retention incentives
5	additional opportunities for salary advancement
6	improved healthcare in the state
7	contributing into social security
8	state moves to a hybrid retirement with personal and state investments
9	portability of my retirement savings
10	creating or strengthening webs of support (new hire walkthrough process, teaching support, community support, leadership support, etc.)

Source: TRR Survey Results prepared by DEED



Other
states
know
Alaska isn't
competitive



Thinking of Teaching in Alaska? BEWARE

Alaska is the ONLY state in the nation that does not allow their teachers to participate in the National Social Security system, and yet provides no defined pension or benefit for their teachers with a start date after 2006. You will be unable to apply for National or State disability benefits or disability insurance if you can't work due to injury or disease.

As soon as you start teaching for Alaska any social security benefits you've accrued will be cut.

Windfall Elimination Act <https://www.ssa.gov/pubs/EN-05-10045.pdf>

Any social security benefits your spouse has accrued will now not go to you if they die before you.

Government Pension Offset <https://www.ssa.gov/pubs/EN-05-10007.pdf>

I taught in Alaska almost 10 years and when I got a terminal disease and called the AK Division of Retirement & Benefits for support I was told I can't even apply for a disability benefit and got a letter that finally told me the truth of my predicament:
"Since you are a Tier 3 member, you may only apply for an Occupational Disability and the benefit, should you be approved, is a monthly monetary benefit only. Your medical coverage will not become effective until you reach retirement age 65 and then, only if you have also accrued a minimum of 10 years of service. We look forward to working with you on your disability application.
Sincerely, Caleb Brown AK Retirement & Benefits Technician- Disability Unit

Don't take my word for it- do thorough research, You are Tier 3-Research "What's wrong with Tier 3 Teacher Retirement in Alaska". They want to keep hiring people without informing them of the broken system. I wasn't told the extent of the inhumanity until it was too late. I'm sharing in hopes no one else has to go through what I am.
https://www.newsminer.com/opinion/community_perspectives/we-re-hemorrhaging-teachers-how-alaska-s-broken-retirement-system-is-harming-students/article_20ce34d6-4997-11ec-85dd-7f9440f9fe19.html
<https://www.kpea-kpesa.org/article/house-bill-220-retirement-tier-iii-educators>
http://www.akleg.gov/basis/get_documents.asp?session=32&docid=77813



Friends don't let friends teach in Alaska

Solutions

Offering a defined benefits option to Alaska's Educators

- Will help close the gap in retention and in Alaska's School
- Will attract new teachers to the state



Thank you! Questions?

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Leadership, Unity, and Advocacy for Public Education