



Retired Public Employees of Alaska, APEA/AFT

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March 13, 2023

The Honorable Senator Cathy Giessel
Senate Majority Leader
Alaska State Capitol – Room 427
Juneau, AK 99801

Dear Senator Giessel:

I am writing on behalf of the Executive Board of the Retired Public Employees of Alaska (RPEA) to thank you for your introduction of Senate Bill 88, legislation that offers a return to defined benefit PERS and TRS systems.

The RPEA believes that successful passage of this important legislation to return to a defined benefit retirement system will greatly improve the ability of public entities across Alaska to hire and retain qualified, professional staff. As retirees, we have seen the impact on the public workforce since 2006, when Alaska left a defined benefit system, including the impact on our own extended families, with sons, daughters, and grandchildren opting not to stay in the state in which they grew up. Providing a defined benefit to public employees is a matter of workplace and workforce fairness.

Please do not hesitate to contact the RPEA if we can be of any assistance to you and the co-sponsors of this important legislation in advocating for passage of this bill.

Very truly yours,

Randall Burns
President
Retire Public Employees of Alaska

cc: RPEA Executive Board



ALASKA STATE EMPLOYEES ASSOCIATION

American Federation of State, County & Municipal Employees Local 52

Alaska State Employees Association Letter of Support for SB 88
March 10, 2023

Dear Senator Giessel:

On behalf of the Alaska State Employees Association (ASEA) and the 8,000 hard-working public employees we represent, I write to express our appreciation for sponsoring SB 88. Returning to a defined benefit pension system will squarely address the recruitment and retention crisis facing public employers. SB 88 provides a path to stabilizing employment in public service for the benefit of families and communities across our great state.

The current defined contribution retirement plan has placed a turnover tax on the delivery of essential public services across Alaska. Qualified employees at all levels of government can find better pay and promising retirement elsewhere. A defined contribution retirement rewards short term interests of additional work experience and a portable investment account. With marketable experience and a nest egg, many employees soon look for new jobs that offer certainty in retirement.

This revolving door of employment reflects the tragically easy choice between a career in public service versus long-term retirement goals. As Alaska's public sector workforce continues to be replaced and retrained, there are undeniable downstream impacts for the vulnerable beneficiaries of government agencies, services, and programs. Turnover in some state agencies has become so acute that 40% vacancy rates in certain divisions are now commonplace. Bonus schemes have been employed as a stop-gap measure to shore up retention in the Office of Children's Services, state correctional facilities, Alaska Pioneer Homes, and dozens of other agencies. In fact, turnover is so significant across the executive branch that Governor Dunleavy has removed by executive order the higher education requirement for most state jobs to recruit from a larger pool. While we understand the motivation, that action alone is a half measure to increase the candidate pool without offering an incentive to stay.

Our members safeguard our water and manage our natural resources. They clear our roads and inspect our bridges. They shelter our children and connect families to vital services. Our members are Alaskans who make Alaska work. With your support behind SB 88, a defined benefit retirement option will incentivize our members and many more working Alaskans to stay in their jobs, while attracting more qualified workers to public service. A defined benefit offers Alaskans the opportunity to retire with dignity, which they deserve for their service to our great state.

Sincerely,

Heidi Drygas
Executive Director
ASEA/AFSCME Local 52





Confidential Employees Association
APEA/AFT (AFL-CIO) Local #6133

March 11, 2023

Dear Senator Giessel,

My name is Danelle Beck, President of the Confidential Employees Association (CEA), the human resources, and classified staff union for the State of Alaska. On behalf of our 175 members, I commend you for sponsoring Senate Bill 88, as well as your co-sponsors, and urge the entire legislature to show the same support for retirement security.

The Confidential Employees Association members are the people who process payroll, the people who approve recruitments and hires, the people who ensure state positions are classified according to the merit principle, and the people to whom the State of Alaska confers with when department leaders need guidance for personnel matters. The value our members provide is indispensable to the efficient administration of state government.

As human resource professionals we recognize that recruitment and retention problems for state employees are driven by myriad issues, but first and foremost among them is the lack of a reliable retirement system in the public sector. Creating a sustainable pension program is the first and most important step in returning state and local government jobs to their former status as attractive careers.

Our human resources community has seen significant attrition as many employees have retired and not been replaced or have fled to the private sector. This reduction in staff has had severe consequences to our ability to be efficient conducting even ordinary state business. Over the last two years, the payroll section has **experienced a 40% vacancy rate**. This means that we are consistently on the precipice of 14,000 state employees not being paid. Payroll employees often are covering three or four times of what should be their normal workload.

Reductions in recruitment services has meant that Department of Administration lacks the people power to fill vacancies. Classification studies that were promised to bring employee salaries to more competitive rates at a minimum of at least two years out. Labor Relations is experiencing staggering caseloads with less staff than any point in recent memory. This comes at the same time as state supervisors are dealing with performance and behavioral concerns due to burnout and understaffing among their direct reports. Turnover and working conditions have career state employees deciding to leave state service, and often the state overall for better quality of life. Countless PERS Tier IV members recognize they are facing a potential financial free fall due to low wages now, and in retirement, because they know unless they hit the market just right their defined contribution plan will be inadequate. In this market our members are struggling to buy homes, pay for childcare, and are sacrificing time with their families by working two or three jobs to make up the difference.

Our members are professionals. Many of us wish to work full careers in public service and continue to pour ourselves out to serve fellow Alaskans, but our ethic of sacrifice should not be used against us. The sad truth is even the most giving are nearing their limit out of sheer exhaustion. Morale has taken a huge hit across SOA and the public sector in general. Service to the public should be met with a retirement plan that allows us to retire with dignity. By passing Senate Bill 88 employees, employers, retirees, and the public would all be incentivized to ensure that our retirement plan will be successful by sharing the risk, and the benefit. Out of all the bills introduced this session, Senate Bill 88 is the most significant way to show your constituents you believe in Alaska and Alaskans as much as we do, and is a vote of confidence in your employees, and the in the services they provide to the public overall.

Defined Contribution Plans have proven unsuccessful and it's time to make a change forward to a plan that Alaskans can be proud of. Let's show the next generation of young Alaskans that giving back to your community through public service is worth the sacrifice and can lead to a fulfilling life and secure future for them and their families.

Sincerely,

A handwritten signature in blue ink that reads "Danelle J. Beck". The signature is fluid and cursive, with the first name "Danelle" and last name "Beck" clearly legible.

Danelle J. Beck
President, Executive Board
Confidential Employees Association
Local 6133, APEA/AFT

From: [Sen. Cathy Giessel](#)
To: [Julia OConnor](#)
Subject: FW: SB88
Date: Wednesday, March 15, 2023 11:45:18 AM

From: Elizabeth Redlinger-Eklund <enreklund@gmail.com>
Sent: Wednesday, March 15, 2023 11:17 AM
To: Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>
Subject: SB88

Dear Senator Giessel,

I am writing to you in support of Senate Bill 88. I appreciate your introducing this bill and recognizing the importance of a defined benefit retirement plan for teachers and other public employees. As a mid-career teacher, I see the value in creating a retirement program that encourages my colleagues to stay in Alaska. Our students benefit when we can recruit and retain high-quality teachers.

With gratitude,

Elizabeth Redlinger-Eklund
Senate District E Resident

From: [Sen. Cathy Giessel](#)
To: [Julia OConnor](#)
Subject: Fwd: Restore Pension for Alaska Teachers
Date: Saturday, March 11, 2023 12:43:41 PM

Best regards,
Cathy

Senator Cathy Giessel
Sen.Cathy.Giessel@akleg.gov
907.465.4843

Sent from my iPhone

Begin forwarded message:

From: Gloria Cluff <cluff@gci.net>
Date: March 11, 2023 at 11:28:46 AM AKST
To: "Sen. Cathy Giessel" <Sen.Cathy.Giessel@akleg.gov>
Subject: Restore Pension for Alaska Teachers

Senator Giessel,

I am a teacher in the Anchorage School District. I have been a full time teacher since 2011 so I am on tier 3. I was a substitute teacher for 10 years prior to being hired full time. I chose to stay home with my children as they were growing up. But what this did was to make it impossible for me to "retire" from teaching from the state of Alaska due to the tier structure and the minimal amount that is put aside in the defined contribution plan.

I am now within 4 years of when I am going to stop teaching. I am seriously considering taking my experience out of state (Wyoming has a plan that you can retire vested in their pension plan for only 4 years of teaching). I hate to do this because my home and heart will always be in Alaska, but I just can't afford to keep teaching here. I am a special education teacher so I know my services will be valued and appreciated anywhere I choose to go. I only wish that it could be staying here so I can retire with money enough to be able to live in Alaska.

Sincerely,
Gloria Cluff

From: [Sen. Cathy Giessel](#)
To: [Julia OConnor](#)
Subject: Fwd: Senate Bill 88
Date: Sunday, March 12, 2023 1:51:42 PM

Best regards,
Cathy

Senator Cathy Giessel
Sen.Cathy.Giessel@akleg.gov
907.465.4843

Sent from my iPhone

Begin forwarded message:

From: Laura Eastham <lauraeastham50@gmail.com>
Date: March 12, 2023 at 1:06:03 AM AKST
To: "Sen. Cathy Giessel" <Sen.Cathy.Giessel@akleg.gov>
Subject: Senate Bill 88

Senator Giessel,

I am a teacher of 17 years. I missed tier 2 by two weeks. With the threat of medicare being taken away by the current national administration I am thinking that I will never retire. The stock market where I have my retirement linked to is unpredictable. I try not to think about the investments that are made on my behalf, but my fund is not growing as much as I would like. When I was in college back in the 80's I was told that a 401 k would have to be at 250,000 in order to retire. That was then, I'm sure the amount has changed. The thing is even though I have been saving aggressively for all my teaching career my fund is still not at that marker. I feel like a pension would alleviate the worry I feel about retirement. I am approaching 60, and would feel less worried if I knew I would have a base monthly allowance that would not disappear when the market drops.

I've known so many great educators who left the field because the benefits do not out way the hard work educators must put in to become successful teachers. I feel a pension would be an incentive worth investing in to keep good educators in Alaska and in the field. Please bring back a pension to Alaska public employees. We are all hard working, dedicated, and loyal workers and need the peace of mind a pension would bring.

Thank you for your consideration,

Laura Eastham

From: [Sen. Cathy Giessel](#)
To: [Julia OConnor](#)
Subject: FW: SB 88
Date: Wednesday, March 15, 2023 11:42:25 AM

From: Tim Parker <tparkerak@gmail.com>
Sent: Wednesday, March 15, 2023 11:08 AM
To: Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>
Cc: Julia OConnor <Julia.OConnor@akleg.gov>
Subject: SB 88

Dear Sen. Giessel,

Thank you for introducing SB 88. This is a balanced fix to the current TRS III and PERS IV problems.

It is clear that current TRS III and PERS IV employees in public education are being left behind with an inadequate plan for retirement. Most don't know it when they are hired and a large number leave Alaska's schools when they figure it out.

I have had the sad job of informing thousands of public education employees about the specifics of their TRS III and PERS IV plans. The most common reactions are shock, anger, and tears.

While a small percentage of employees step up to tackle the inadequacy of the current system, most don't have the energy, time, or ability to do this. What they have been asked to do since 2006 requires a high level of financial acumen, and the reality is that scant few have made proper plans. That means that the majority of public education employees will suffer greatly when they reach their golden years.

The reality is that Social Security provides a floor for almost every employee in the United States with the exception of some PERS IV and TRS III employees in Alaska. Two choices made this happen: the decision by some PERS and all TRS employees to opt out of Social Security (made decades ago), and the decision in 2006 to switch from a defined benefit to a defined contribution style retirement. The decision to remove the floor puts thousands of Alaska public employees in a situation where they can run out of money when they are in their 60s, 70s, 80s, or 90s. Nobody knows how long they will live, but for those who happen to outlive their savings, we have a moral obligation not to leave them penniless. That is a promise that the United States made to all employees when Social Security was enacted almost 100 years ago, and it's a promise that we owe all of our public sector employees in Alaska.

SB 88 provides a fair balance between risk for the state and risk for employees.

Thank you for supporting this important piece of legislation.

Sincerely,

Tim Parker

Past president, NEA-Alaska

United Academics
AAUP/AFT local 4996
P.O. Box 755895
Fairbanks, AK 99775-5895
unitedacademics.net



March 10, 2023

To Senator Giessel,

On behalf of the 1,099 University of Alaska faculty members of United Academics, thank you for sponsoring SB88 to return Alaska's public employees to a defined benefits system. A robust and competitive retirement system is a crucial part of fixing the faculty recruitment and retention problem increasingly experienced by the University of Alaska. According to a recent Board of Regents presentation, UA employee turnover is at 10.6%, leading to significant costs for recruitment and training. This is money that could be better spent on existing employees and serving the UA mission.

UA competes with institutions in the Lower 48 to attract and retrain the top scholars in their fields. Those scholars teach UA students and conduct important research, all of which benefits Alaska's future and brings money to the state. However, our compensation packages can't compete with outside institutions anymore, due to UA's lower-than-average wages and Alaska's lackluster defined contribution retirement system. Too many faculty members come to UA for a few short years and leave for better compensation.

A robust defined benefits system would help make our compensation packages more competitive when compared to Lower 48 employers. SB88 would help UA retain and recruit faculty members. A defined benefits system would help ease the high turnover at UA and across the state, keeping our talented workers in the state to fill necessary jobs and contribute to Alaska's economy.

We are counting on the Alaska Legislature to do what's right for Alaska's public workforce and Alaska's economy: pass SB 88.

Sincerely,

Abel Bult-Ito
President, United Academics AAUP/AFT Local 4996
Professor of Neurobiology and Neurophysiology
Department of Biology and Wildlife
University of Alaska Fairbanks