

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

January 31, 2023

8:03 a.m.

**MEMBERS PRESENT**

Representative CJ McCormick, Chair  
Representative Kevin McCabe, Vice Chair  
Representative Tom McKay  
Representative Justin Ruffridge  
Representative Rebecca Himschoot  
Representative Donna Mears

**MEMBERS ABSENT**

Representative Josiah Patkotak

**OTHER LEGISLATORS PRESENT**

Representative Andrew Gray

**COMMITTEE CALENDAR**

HOUSE BILL NO. 22

"An Act relating to participation of certain peace officers and firefighters in the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska; relating to eligibility of peace officers and firefighters for medical, disability, and death benefits; relating to liability of the Public Employees' Retirement System of Alaska; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 22

SHORT TITLE: PEACE OFFICER/FIREFIGHTER RETIRE BENEFITS

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

01/19/23	(H)	PREFILE RELEASED 1/9/23
01/19/23	(H)	READ THE FIRST TIME - REFERRALS
01/19/23	(H)	CRA, STA, L&C, FIN
01/24/23	(H)	CRA AT 8:00 AM BARNES 124
01/24/23	(H)	Heard & Held
01/24/23	(H)	MINUTE(CRA)

01/31/23

(H)

CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE ANDY JOSEPHSON

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 22, as the prime sponsor.

CHRISTOPHER WRIGHT

Juneau, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 22.

SARAH CANNARD, Firefighter/EMT

Capital City Fire/Rescue

Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

RYAN FROST, Senior Policy Analyst

Pension Integrity Project

Reason Foundation

Portland, Oregon

**POSITION STATEMENT:** Testified during the hearing on HB 22.

MICHAEL JENSEN

Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 22.

CHRIS WIGNER, Lieutenant

Bethel Police Department

Bethel, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

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PATRICK MESSMER

Seward, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

TAYLOR ELBERT

Utqiagvik, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

ALLAN HEINEKEN

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

TYLER BELK

Alaska Professional Fire Fighters Association  
Eagle River, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

DARRELL EVANS, President  
Anchorage Police Department Employees Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 22.

#### **ACTION NARRATIVE**

[8:03:37 AM](#)

**CHAIR CJ MCCORMICK** called the House Community and Regional Affairs Standing Committee meeting to order at 8:03 a.m. Representatives McKay, Ruffridge, Himschoot, Mears, McCabe, and McCormick were present at the call to order.

#### **HB 22-PEACE OFFICER/FIREFIGHTER RETIRE BENEFITS**

[8:03:48 AM](#)

CHAIR MCCORMICK announced that the only order of business would be HOUSE BILL NO. 22, "An Act relating to participation of certain peace officers and firefighters in the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska; relating to eligibility of peace officers and firefighters for medical, disability, and death benefits; relating to liability of the Public Employees' Retirement System of Alaska; and providing for an effective date."

[8:04:36 AM](#)

CHAIR MCCORMICK invited questions from the committee members.

[8:05:12 AM](#)

REPRESENTATIVE MCCABE recalled that Representative Josephson had stated that there was no fiscal note for HB 22 and that the bill was conservative. He inquired about the lack of a fiscal note and the analysis from Buck Global LLC.

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, urged Representative McCabe not to misquoting him. He clarified that he had stated the opposite, reiterating that there was a \$6

million cost to the bill. He indicated that the fiscal notes would be forthcoming.

REPRESENTATIVE MCCABE apologized for the misstatement. He shared his understanding that during the initial bill hearing, the bill sponsor had suggested that the legislation was conservative and would have zero cost to the state.

REPRESENTATIVE JOSEPHSON contended that the bill itself was conservative for the following reasons: it would only cover 7.5 percent of all public employees; the proposal was vetted by multiple actuaries and stakeholders; the plan included levers to increase the employee contribution rate; and the plan had a "high five" rule, as opposed to a "high three." He asserted that HB 22 was a net cost-saving mechanism. He explained that the annual \$6 million price tag was due to the decision to marginally slow the new cohort's contribution to the unfunded liability. Nonetheless, he estimated that it would only take six months longer to pay off the unfunded liability if the bill were to pass. He emphasized that the legislation was not being rushed, as it had come before the legislature numerous times in previous years.

[8:08:40 AM](#)

REPRESENTATIVE MCCABE expressed concern about the information that had been provided to the committee by the Department of Public Safety (DPS). The DPS survey, he said, indicated that a defined benefit retirement package was of concern to 9 percent of employees. He suggested that the results of the survey did not support the bill sponsor's position that the retirement and benefits system was the reason people were leaving the state. Further, he expressed concern about the numbers provided by the Anchorage Police Department Employees Association (APDEA) in a spreadsheet titled, "Copy of New Officer Costs APDEA Sgt Darrell Evans" [included in the committee packet], which listed a patrol car in the costs of training a new recruit. He characterized the numbers as erroneous and claimed that it did not cost \$100,000 to \$200,000 to train a new employee. He requested "real numbers," as opposed to "fake numbers," so the committee could make an intelligent decision.

REPRESENTATIVE JOSEPHSON opined that Representative McCabe had attacked, in a derogative way, every state agency with his comments. He asked whether that was Representative McCabe's intent.

REPRESENTATIVE MCCABE emphasized that the decision to advance HB 22 would affect the lives of Alaska for decades to come. He maintained his belief that the numbers provided to the committee were incorrect.

REPRESENTATIVE JOSEPHSON stated that one set of numbers was provided by Commissioner James Cockrell, DPS, who was appointed by the governor. He urged Representative McCabe to take it up with him. Further, he disagreed with the contention that only 9 percent of employees had expressed concern about the retirement and benefits system. He directed attention to a chart that showed a returned to a defined benefit system as a 22 percent factor. He posited that although the employee exit interviews were somewhat ambiguous, invited and public testimony would show otherwise.

[8:12:28 AM](#)

REPRESENTATIVE HIMSCHOOT expressed her interest in learning about pensions in general. She requested an example of a profession in which pensions were offered.

REPRESENTATIVE JOSEPHSON answered the U.S. Military, postal workers, and judges. He further noted that public safety employees received pensions in 49 of the 50 states - citing all but Alaska.

REPRESENTATIVE HIMSCHOOT sought to confirm that a pension was a method for distributing the risk of retirement.

REPRESENTATIVE JOSEPHSON confirmed. He pointed out that the decision to take bullets and die in fires was unique to the public safety cohort.

[8:15:35 AM](#)

REPRESENTATIVE HIMSCHOOT shared her understanding that should the bill pass, the state would be burdened for decades to come. She inquired about the 17.74 percent vacancy rate within DPS and asked how that impacted the state.

REPRESENTATIVE JOSEPHSON answered, "It's an enormous burden." He stated that the cost of training each new officer was between \$100,000 and \$200,000; therefore, the state, as well as municipalities, were suffering from the constant need to retrain new hires as employees left the state. Further, he highlighted the cost of overtime to cover vacant shifts in addition to the

cost of inexperience. He added his belief that a \$6 million burden was insubstantial in comparison.

REPRESENTATIVE HIMSCHOOT asked whether the training expenses were inclusive of the trainee's salary.

REPRESENTATIVE JOSEPHSON said it could be. He offered to follow up with the answer.

REPRESENTATIVE HIMSCHOOT expressed her interest in further clarifying the components of the training expenses.

REPRESENTATIVE HIMSCHOOT asked whether Alaska could afford this pension proposal if half the state's population were to leave, similar to Detroit.

REPRESENTATIVE JOSEPHSON said he could not envision that scenario, nor did he foresee it happening. He opined that the comparisons to Detroit held little value and were "lacking in sufficient basis." He noted that a previous version of this legislation, House Bill 55, passed the House last year by a vote of 25-15. He posited that the bill offered a \$6 million-dollar chance at retaining the DPS workforce.

REPRESENTATIVE HIMSCHOOT discussed the vacancy rate and drew a comparison to the education sector. She inquired about the 17.4 percent vacancy rate within DPS and asked how that impacted Alaska communities.

REPRESENTATIVE JOSEPHSON addressed an ongoing problem in rural Alaska and urged the legislature to invest more in housing for public employees in those small communities. He conveyed frustration on behalf of rural Alaska. However, he declined to speak on behalf of individual agencies.

[8:23:05 AM](#)

REPRESENTATIVE MCKAY established that states were allowed to default but could not file for bankruptcy. He reported that eight states were approaching default, driven by their defined benefit programs. He described what he believed to be an unintended consequence of implementing HB 22: poaching from local workforces to staff public safety agencies at the state level. He claimed that the new hybrid retirement plan would entice local police and fire officers to apply for positions within DPS, thus hurting the local communities. He mentioned that federal employees with a defined benefit plan in Alaska had

an attrition rate of 7.5 percent, indicating that the 6 percent attrition rate [for nonretirement separations] within DPS was tolerable. He addressed the declining population in Alaska. He pointed out that Alaska had borrowed \$16 billion from state savings since 2016 to pay for state government; further, he touched on cuts to the Permanent Fund Dividend (PFD). He expressed hesitancy towards increasing the state's cost burden to pay for a new retirement plan. He requested an analysis of this proposal from the Division of Retirement and Benefits, Department of Administration (DOA) and additional time for considering the bill. In closing, he opined that a defined contribution plan was favorable due to the portability and flexibility it offered employees.

REPRESENTATIVE JOSEPHSON, in response to Representative McKay's concern about the state poaching from local governments, said he had never heard of that. He contended that municipal public safety workers received better pay; nonetheless, HB 22 would cover both local police and the state troopers. He acknowledged that the state had spent \$16 billion from savings; however, he pointed out that no taxes had been implemented during that time to offset spending. He explained that drawing from savings was the only option to pay for the government, as there was no new source of revenue. In response to concerns about depleting the Earnings Reserve Account (ERA), he expressed support for enforcing [the 5 percent of market value (POMV) draw.] He further noted that the actuarial analysis from Buck Global LLC was, in fact, conducted on behalf of DRB. He assured the committee that DRB had been engaged in every phase of the process.

REPRESENTATIVE MCKAY pointed out that many Alaskans equated a PFD reduction to a tax. For that reason, he argued that Alaskans had been taxed.

[8:30:42 AM](#)

REPRESENTATIVE MCCABE suggested that numbers may have changed since the Buck Global LLC survey was conducted two years ago. He expressed an interest in hearing from Alexei Painter, Legislative Finance Division, on the potential impacts to Alaska's economy. He cited an article that reported a national resignation rate of 18 percent and, among all responding police departments, a 45 percent increase in retirement rates. He opined that, while the issue should be addressed, a 6 percent vacancy rate was not a "bell ringing emergency." He pointed out that individuals had more control over the management of a

defined contribution system, as opposed to a defined benefit, which would "vaporize" upon the death of the employee and his/her spouse. He remarked, "I can't think of a worse entity [in] the world to control my retirement than the State of Alaska legislature."

REPRESENTATIVE JOSEPHSON understood that Representative McCabe did not want the government controlling his pension; however, many senior citizens disagreed, he said. He suggested that there was a real misunderstanding about the bill. He described the new retirement plan as "being in its own silo."

[8:35:19 AM](#)

CHAIR MCCORMICK opened public testimony on HB 22.

[8:36:23 AM](#)

REPRESENTATIVE JOSEPHSON, in response to Representative McCabe's assertion that the actuarial reports were two years old, clarified that they were conducted seven months ago.

[8:36:56 AM](#)

CHRISTOPHER WRIGHT noted that he was a law enforcement officer with the Anchorage Police Department (APD) testifying in his personal capacity. He requested that the committee reject a return to a pension, which he believed, would not benefit individual police officers. He opined that pensions were an outdated method for providing retirement and benefits to workers. He argued that the goals of the proposed pension plan would stifle flexibility and career growth opportunities. He claimed that the concept of forcing police officers to remain in a job was "an abject outcome" that should be rejected. He recounted his former career as an investment manager, suggesting that the transition to a defined contribution system enabled average-income Americans to build wealth. He shared his belief that public safety workers deserved a cost-specific alternative that would allow for individual responsibility and rewards. He opined that HB 22 would not solve the retention challenges.

[8:41:04 AM](#)

REPRESENTATIVE MCCABE asked whether there was "any possible way" that training costs amounted to \$200,000 per officer.

MR. WRIGHT said he was not privy to APD's budget. Nonetheless, he opined that the numbers [provided by DPS] did not seem accurate.

REPRESENTATIVE MCCABE asked whether the average APDEA member supported "what APDEA leadership was putting forward with defined benefit."

MR. WRIGHT noted that he became involved with the board because he didn't feel it was accurately representing the union members. He opined that [APDEA] leadership was "off base" on this issue. He questioned the benefit to individual police officers of removing flexibility and career growth opportunities. He reported that there had been a recall election that centered around this issue. He stated that many of the officers he had spoken with did not support a return to defined benefits.

[8:43:47 AM](#)

REPRESENTATIVE HIMSCHOOT asked how long Mr. Wright had worked in the investment field.

MR. WRIGHT answered 20 years.

REPRESENTATIVE HIMSCHOOT asked what kind of training was involved and whether continuing education was required.

MR. WRIGHT said, at the time, yes. He said he obtained a master's degree in business administration (MBA) and described his background in servicing pension plans, defined contribution plans, and defined benefit plans.

REPRESENTATIVE HIMSCHOOT pointed out that, given his background, Mr. Wright was particularly well positioned to manage his personal finances. She asked whether his colleagues had the same expertise.

MR. WRIGHT answered no. Nonetheless, he said the notion that the average person could not manage a 401(k) plan was misguided. He added that education opportunities were available to police officers. He stated that long-term investments could be set up with basic guidance and did not require daily management by the employee.

REPRESENTATIVE HIMSCHOOT anecdotally reported that people in the education sector had difficulty managing their investments and often hired professionals to assist, which was an added expense.

She pointed out that under a defined contribution plan, the risk fell on each individual. By contrast, the risk would be shared across the cohort with a defined benefit plan.

MR. WRIGHT argued that the cost of hiring an investment professional was much lower than the cost of a guaranteed pension plan.

REPRESENTATIVE HIMSCHOOT asked whether Mr. Wright was referring to the cost to the individual.

MR. WRIGHT answered yes.

[8:48:00 AM](#)

REPRESENTATIVE RUFFRIDGE inquired about the reason for the APDEA recall election and asked Mr. Wright to share the results.

MR. WRIGHT explained that he, Christopher Wright, was the reason for the recall election. He believed that the recall was in response to his effort to contact senators and offer testimony that opposed leadership's position on the proposed legislation. However, he contended that APDEA never took an official position on House Bill 55 until recently. He reported that he won the recall election.

[8:49:27 AM](#)

REPRESENTATIVE MCCABE inquired about the difference between a 401(k) plan managed by the state and a 401(k) plan managed by the individual.

MR. WIGHT asserted that that an individual had the ability to personally tailor his/her investments better than a government entity. He said that, although he appreciated the idea of Social Security as a safety net, the program did not provide enough for retirement. Similarly, the pension plan proposed under HB 22 would not be enough for retirement, he argued.

[8:52:17 AM](#)

REPRESENTATIVE HIMSCHOOT re-emphasized that the risk of investment and age was distributed under a pension plan whereas mismanaged investments under a defined contribution plan could result in difficulties if employees lived longer than they had planned for. She asked whether Mr. Wright disagreed with that statement.

MR. WRIGHT said he understood those risks. Nonetheless, he suggested that the cost of a guaranteed pension plan was too high. He indicated that portfolio performance would be better under a well-established 401(k) system.

[8:54:24 AM](#)

SARAH CANNARD, Firefighter/EMT, Capital City Fire/Rescue, said she was testifying on behalf of the International Association of Fire Fighters (IAFF) and the Alaska Professional Fire Fighters Association (AKPFFA). She recounted her experience attending an IAFF conference for new members from departments across the West Coast region, during which time she was made aware of how the pay and benefits for firefighters in Alaska paled in comparison to other states. She recalled the members' disappointment when House Bill 55 failed to advance. She emphasized the importance of a dignified retirement after a career in public service. She highlighted the need for firefighters and EMTs across the state and the inability to retain employees. Furthermore, she reported that she stood a 68 percent change of contracting some form of cancer, which was the leading cause of death for firefighters across the country, in addition to the risk of breast cancer. She indicated that the majority of firefighters understood that other investment solutions were needed to diversify their retirement; further, that a pension was a crucial part of that diversity. She said neither she, nor her partner, who was also a firefighter, wanted to leave Alaska; however, they may run out of options. She added that, for now, she was willing to stay with the hope that firefighters in Alaska would someday soon be afforded the same protection and security as their peers in the Lower 48.

[8:58:33 AM](#)

REPRESENTATIVE MCKAY said he was not denying that firefighters should have a pension. Instead, he questioned what kind of pension they should have. He suggested that there were significant benefits to a defined contribution plan, as opposed to a define benefit plan. He emphasized the respect and he held for Alaska's public safety officers while reiterating his concern about how to tackle the issue.

MS. CANNARD noted that she was representing the majority opinion in her department [Capital City Fire/Rescue].

[8:59:49 AM](#)

REPRESENTATIVE MCCABE pointed out that the military had transitioned from a pension plan to a "blended retirement system." He asked whether the City and Borough of Juneau offered any kind of retirement benefit for its firefighters.

MS. CANNARD shared her understanding that yes, some retirement was received from the city; however, it was not enough. She shared a personal anecdote about her mother, who was a Tier I retiree.

[9:01:46 AM](#)

REPRESENTATIVE MEARS asked whether Ms. Cannard was taking personal responsibility for her financial planning and retirement.

MS. CANNARD said, emphatically, yes. She conveyed that retirement and financial planning was a popular topic of discussion at the fire house. She noted that, although firefighters were fiscally minded, they would welcome additional help.

[9:04:38 AM](#)

RYAN FROST, Senior Policy Analyst, Pension Integrity Project, Reason Foundation, briefly discussed the work he engaged in at the Reason Foundation. He acknowledged the difficulty of designing a retirement system. He highlighted the risk involved in year one of the hybrid plan proposed in HB 22, noting that the risk was higher than the average defined benefit plan. Further, he believed that additional funds would be needed in the future if any "bad experience" were to occur, as the benefit was guaranteed. He reported that the investment return assumption utilized in HB 22 was higher than the national average; however, lowering it, he said, would make the plan more expensive. He related to the committee what would have happened had House Bill 55 passed last year. Had the plan been implemented, he explained, presumably all public safety workers hired after 2006 would have transferred their assets from the defined contribution plan into the new tier of the Public Employees' Retirement System (PERS) defined benefit plan. He suggested that all the recently transferred liabilities, priced at the discount rate of 7.3 percent, would have resulted in tens of millions of dollars in unfunded liabilities before the plan even reached one year old, as PERS earned -6 percent last year. He indicated that the rate of 7.3 percent was too high with

regard to current market forecasts. Currently, he said, pension systems across the country were racing to get below 5.5 percent. He questioned the decision to start the new tier well above that. He informed the committee that he used to work for the public safety pension system in the state of Washington, arguing that it was the higher salary, not the pension plan, that was encouraging employees to leave Alaska for the Lower-48.

[9:08:40 AM](#)

REPRESENTATIVE MCCABE asked Mr. Frost to discuss the risk associated with the high return assumption in HB 22.

MR. FROST shared his understanding that the current PERS assumed rate of return was 7.25 percent, which was too high. He explained that the expected rate of return was, actually, between 5 and 6 percent according to the 10-to-15-year market forecast for institutional investors, like public pension plans. For that reason, large pension systems across the country were racing to drastically lower their assumed rate of return, which was costly, as dropping rates made the present value of liability more expensive.

[9:10:42 AM](#)

REPRESENTATIVE HIMSCHOOT asked whether the salary for public safety employees in Alaska was comparable to their counterparts in Washington.

MR. FROST estimated that employees' salaries in Washington were nearly double that of out-of-state workers.

REPRESENTATIVE HIMSCHOOT concluded that Mr. Frost did not know the average salary in Alaska; however, he suspected that Washington was a high salary state for public safety officers.

MR. FROST said, "Correct."

[9:12:15 AM](#)

MICHAEL JENSEN shared that he had retired as a sergeant after 25 years with APD. He noted that he retired with a pension. He expounded on his personal background and career in law enforcement training. He anecdotally reported that the challenges faced by the recruitment division were significant, adding that filling the academy with applicants was always a

challenge. He believed that the portability of the 401(k) plan allowed quality officers to leave the state after five years.

[9:16:07 AM](#)

REPRESENTATIVE MCCABE inquired about the pay increase from officer to field training officer (FTO).

MR. JENSEN did not know the exact number. He recalled that the increase in pay for FTOs was nominal.

REPRESENTATIVE MCCABE asked whether a 457(b) [deferred compensation plan] was available to Mr. Jensen, as a public employee.

MR. JENSEN said he had a 401(k) in addition to a 457, adding that he was unsure about the "(b)."

[9:19:29 AM](#)

CHRIS WIGNER, Lieutenant, Bethel Police Department, said he spent 20 years as a police officer in the state of Georgia, in part, to ensure that he would collect a pension upon retirement. He noted that he was speaking in favor of the pension plan. He addressed the retention and recruitment difficulties in rural Alaska, opining that the portability of the existing defined contribution plan was the reason officers were leaving after the vesting period. He argued that the promise of a pension would help with recruitment and longevity.

[9:22:22 AM](#)

CHAIR MCCORMICK asked Lieutenant Wigner to illustrate the retention issues in rural Alaska.

LIEUTENANT WIGNER discussed safety issues for both the community and for the officers, as they were entering into dangerous situations without backup due to high vacancy rates.

[9:23:21 AM](#)

REPRESENTATIVE RUFFRIDGE sought to confirm that Lieutenant Wigner had suggested that public safety officers were moving to Bethel with the intention of leaving after five years. He asked whether the existing retirement plan was inherently appealing to a certain type of person. He asked whether it was the people,

not the retirement system, who were prompting the issues with recruitment.

LIEUTENANT WIGNER acknowledged that the current system provided recruits with an "out" after five years. He recommended incentivizing people to stay longer with a pension plan. He added that [Bethel Police Department] was recruiting to the best of its ability.

REPRESENTATIVE RUFFRIDGE asked whether the current system was designed to recruit people who were planning to leave.

LIEUTENANT WIGNER answered yes.

[9:26:20 AM](#)

REPRESENTATIVE MCCABE asked whether Lieutenant Wigner could survive solely on his Georgia pension.

LIEUTENANT WIGNER said he chose to move to Bethel to fulfill a lifelong dream of living in Alaska. He did not know whether he could live solely on his Georgia pension.

REPRESENTATIVE MCCABE provided a hypothetical scenario involving a Bethel police officer who disliked Alaska and wanted to leave but had to stay for 15 years to acquire his/her pension. He inquired about the character of that police officer.

LIEUTENANT WIGNER speculated that the hypothetical officer didn't seem to have the mindset of serving his/her community. In contrast, he pointed out that there would also be officers who want to do a good job and progress in the department to retire under the pension plan.

[9:28:57 AM](#)

REPRESENTATIVE MCKAY shared a personal anecdote about his experience working in the oil and gas industry. He opined that it would be cruel to "force" employees to remain in a place where they did not want to live, suggesting that morale and motivation would be low. He pointed out that Alaska was not for everyone. He emphasized the importance of portability.

LIEUTENANT WIGNER agreed. However, he pointed out that every person had a choice. He conveyed that a pension plan wasn't eliminating choice; instead, it allowed officer to choose longevity and career growth in addition to the guarantee of a

solid retirement plan. He emphasized that no one would be held against their will.

CHAIR MCCORMICK sought to confirm that Bethel police officers followed a two-week rotation that afforded them the opportunity to travel home if they lived out of state.

LIEUTENANT WIGNER answered yes. Currently, he said, only two officers on the force were residents of Bethel.

[9:32:48 AM](#)

PATRICK MESSMER informed the committee that he had worked as a police officer for 23 years in Alaska and served on the board of the Alaska Public Employees Association (APEA). Since 2006, when the state switched from a defined benefit plan to a defined contribution system, he observed workers leaving at increased rates, which resulted in a loss of experience as Tier III pension officers retired. He affirmed that around the five-year mark, public safety workers were leaving Alaska for states with a pension plan. He reported that the ability to solve and prevent crimes was impacted by the decrease in experience and staffing levels. He pointed out that although Tier IV officers had a 401(k) plan, they were without Social Security. He characterized Alaska's PERS as the worst in the country. He discussed the negative effects of inadequate staffing and provided anecdotal examples. He urged the legislature to "do the right thing" and reinstate the original pension system. He shared his understanding that the entire Seward Police Department was in favor of making a return to a defined benefit pension.

[9:35:51 AM](#)

TAYLOR ELBERT, stated his support for HB 22, noting that he currently served as the deputy director of the North Slope Borough Fire Department. He expressed concern about his family's finances should he continue to dedicate his professional life to the Alaska fire service. He attested to "the great hollowing out" that Representative Josephson had referenced. He reported that 28 of the 63 uniformed personnel in his department had less than four years of experience as a firefighter. By contrast, only 12 personnel had 10 years or more of experience. He said Alaska communities deserved experienced firefighters with the knowledge to make tactical decisions in a timely manner. Experience, he said, comes from longevity in the field. He emphasized the need for a retention

tool that would keep firefighters in the profession, so that new officers would have a chance to learn from experienced professionals. He opined that HB 22 is necessary to retain and recruit officers who want to remain in Alaska.

[9:38:47 AM](#)

REPRESENTATIVE MCCABE asked whether the North Slope Borough Fire Department followed a two-week rotation.

MR. ELBERT said the flight paramedics worked a rotational schedule; however, the majority of the department did not.

[9:39:38 AM](#)

REPRESENTATIVE RUFFRIDGE asked how many officers had left the state after five years of service.

MR. ELBERT did not know the answer and declined to speculate.

[9:40:48 AM](#)

ALLAN HEINEKEN informed the committee that he was a captain within the Fairbanks Fire Department testifying in his personal capacity. He anecdotally reported that people who wanted to stay in Alaska to raise their families were leaving the state because it was not economical to remain. He implored the committee to focus on future public safety workers who would be impacted by this decision.

[9:43:20 AM](#)

TYLER BELK, Alaska Professional Fire Fighters Association (AKPFFA), noted that he was a member of the IAFF Local 1264 and served as a firefighter/paramedic at the Anchorage Fire Department. He emphasized his deep familial roots in Alaska, adding that his family intended to stay in the state. He stressed the importance of providing financial security to public safety workers via HB 22. He reported that even the most conservative states, like Texas and Florida, funded a public safety pension for police officers and firefighters. He said he was nearing a pivotal point in his career that would require making long-term financial decisions with regard to a pension. As a paramedic, he said he was highly sought after by West Coast states, noting that the City of Los Angeles was offering paramedics a signing bonus of \$50,000. He opined that if Alaska

did not make a change, officers would continue to leave, and the problem would worsen.

[9:45:58 AM](#)

REPRESENTATIVE MCCABE sought to confirm that Mr. Belk had stated that Los Angeles was offering a \$50,000 signing bonus.

MR. BELK confirmed that Los Angeles was offering a \$50,000 signing bonus.

REPRESENTATIVE MCCABE asked whether the signing bonus was being offered because the city was facing a worker shortage, similar to Alaska.

MR. BELK speculated that a signing bonus of that amount was an indication that large shortages were being forecasted. He posited that offering a signing bonus was not an option for Alaska. He believed that a pension plan would make the state more competitive.

REPRESENTATIVE MCCABE said his intention was to highlight that despite California's pension plan, a signing bonus was still required for recruitment.

[9:48:50 AM](#)

REPRESENTATIVE MEARS asked how long Mr. Belk had served in the Anchorage Fire Department.

MR. BELK answered seven years.

[9:49:10 AM](#)

REPRESENTATIVE MCKAY highlighted California's fiscal instability, opining that the state was not an example of financial responsibility.

MR. BELK agreed. Nonetheless, he pointed out that Alaska was competing with California for recruitment. He anecdotally reported that high-ranking officers faced challenges with recruitment because Alaska did not offer a pension, which was often the first question asked by candidates. He characterized the lack of a pension plan as embarrassing.

[9:50:48 AM](#)

REPRESENTATIVE RUFFRIDGE sought to confirm that Mr. Belk had stated that [officer] shortage was a nationwide issue, and that Alaska was not competitive. He asked whether that was an accurate summation.

MR. BELK confirmed that Representative Ruffridge had offered an accurate summation.

REPRESENTATIVE RUFFRIDGE suggested that Mr. Belk was "frustrated." He asked whether that was true.

MR. BELK answered yes. He explained that his frustration was derived from watching successful colleagues leave this state. He added that his departed colleagues were well-respected pillars of the community.

[9:52:36 AM](#)

DARRELL EVANS, President, APDEA stated his support for HB 22. In response to comments regarding the portability of a defined contribution system, he shared his understanding that the proposed legislation offered a vesting period, adding that a defined benefit plan would not erase employees' portability. He discussed officer training and return on investment. He explained that after officers graduated from the training academy, the basic certificate received from the Alaska Police Standards Council functioned as a "ticket" to lateral hire in another department, which provided officers with the ability to easily leave Alaska for another state. He opined that Alaska had the highest trained officers, noting that other states actively sought out Alaska's officers for lateral hire. He shared his personal background in law enforcement. He reported that in 2022, 46 officers resigned from APD for various reasons, adding that his department was unable to keep up with the rate of attrition, as the academy only graduated 20 officers at a time.

[9:56:30 AM](#)

REPRESENTATIVE MCCABE referred to the Microsoft Excel spreadsheet of training costs, titled "Copy of New Officer Costs APDEA" [included in the committee packet]. He inquired about the list of "Uniform/Equipment" at the APD Training Center and asked whether items, such as tasers and drug test kits, belonged to the police department.

MR. EVANS confirmed that those items belonged to the department; however, some equipment, like drug test kits, were one-time use items.

REPRESENTATIVE MCCABE highlighted the Motorola Radio listed for \$5,000 under "APD IT" and argued that such items should not be included in training costs. He characterized the numbers as inflated and requested the exact cost of training to make an intelligent decision.

[9:59:19 AM](#)

REPRESENTATIVE RUFFRIDGE asked how the attrition rate of 47 officers compared to prior years.

MR. EVANS declined to comment on past years, as this was his first year in his current role as president of APDEA.

[10:00:31 AM](#)

CHAIR MCCORMICK [closed public testimony] and announced that HB 22 would be held over.

[10:01:09 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 10:01 p.m.