

**ALASKA STATE LEGISLATURE  
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 31, 2025

1:33 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Kelly Merrick, Vice Chair  
Senator Elvi Gray-Jackson  
Senator Forrest Dunbar  
Senator Robert Yundt

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 137

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; extending the termination date of the Board of Nursing; extending the termination date of the Board of Parole; and providing for an effective date."

- MOVED SB 137 OUT OF COMMITTEE

SENATE BILL NO. 21

"An Act establishing the Alaska Work and Save Program; establishing the Alaska Retirement Savings Board; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 28

"An Act relating to the Public Employees' Retirement System of Alaska and the teachers' retirement system; providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska and the teachers' retirement system; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 137

SHORT TITLE: EXTEND BOARDS: MIDWIVES, NURSING, PAROLE

SPONSOR(s): SENATOR(s) BJORKMAN

03/19/25 (S) READ THE FIRST TIME - REFERRALS  
03/19/25 (S) L&C, FIN  
03/24/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/24/25 (S) Heard & Held  
03/24/25 (S) MINUTE(L&C)  
03/31/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 21

SHORT TITLE: AK WORK & SAVE PROGRM; RETIRE. SAVINGS BD

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/10/25 (S) PREFILE RELEASED 1/10/25  
01/22/25 (S) READ THE FIRST TIME - REFERRALS  
01/22/25 (S) L&C, FIN  
03/31/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 28

SHORT TITLE: RETIREMENT SYSTEMS; DEFINED BENEFIT OPT.

SPONSOR(s): SENATOR(s) GIESSEL

01/10/25 (S) PREFILE RELEASED 1/10/25  
01/22/25 (S) READ THE FIRST TIME - REFERRALS  
01/22/25 (S) L&C, FIN  
03/21/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/21/25 (S) Heard & Held  
03/21/25 (S) MINUTE(L&C)  
03/31/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

MATT CHURCHILL, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented a brief recap of SB 137.

MICHAEL GARVEY, Policy Director, Alaska Civil Liberties Union  
(ACLU) of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Testified with concerns on SB 137.

MAXINE LABERGE, Staff  
Senator Bill Wielechowski

Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Presented SB 21.

HUNTER LOTTSFELDT, Staff  
Senator Bill Wielechowski  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Presented the explanation of changes from version A to version N of SB 21.

SENATOR CATHY GIESSEL, District E  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Sponsor of SB 28.

KEITH BRAINARD, Research Director  
National Association of State Retirement Administrators (NASRA)  
Georgetown, Texas  
**POSITION STATEMENT:** Testified by invitation on SB 28.

DOUGLAS SCHRAGE, Chief  
Anchorage Fire Department  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified by invitation on SB 28.

SEAN CASE, Chief  
Anchorage Police Department  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified by invitation on SB 28.

BILL MEERS, Business Representative  
Public Employees Local 71  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified by invitation on SB 28.

LON GARRISON, Executive Director  
Association of Alaska School Boards  
Juneau, Alaska  
**POSITION STATEMENT:** Testified by invitation on SB 28.

#### **ACTION NARRATIVE**

[1:33:45 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:33 p.m. Present at the call to

order were Senators Merrick, Gray-Jackson, Dunbar, Yundt and Chair Bjorkman.

**SB 137-EXTEND BOARDS: MIDWIVES, NURSING, PAROLE**

[1:34:55 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 137 "An Act extending the termination date of the Board of Certified Direct-Entry Midwives; extending the termination date of the Board of Nursing; extending the termination date of the Board of Parole; and providing for an effective date."

[1:35:43 PM](#)

MATT CHURCHILL, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented a brief recap of SB 137, on behalf of the sponsor:

[Original punctuation provided.]

This Bill extends the sunset dates of three professional boards (Direct-Entry Midwifery, Nursing, and Parole) and follows the recommended six-year extension for each of the Boards of Midwifery and Nursing to June 30, 2031 and the recommended four-year extension of the Board of Parole to June 30, 2029.

[1:37:13 PM](#)

CHAIR BJORKMAN opened public testimony on SB 137.

[1:37:41 PM](#)

MICHAEL GARVEY, Policy Director, Alaska Civil Liberties Union (ACLU) of Alaska, Anchorage, Alaska, testified with concerns on SB 137. He focused on Section 3, which would extend the Alaska Board of Parole until 2029. The audit report recommended renewal but highlighted the need for stronger legislative oversight due to an unexplained decline in parole approval rates. He said the ACLU disagrees with a statement by the board's chair that it is inaccurate to compare yearly overall discretionary parole approval rates since comparing aggregate data is a routine practice in criminal justice. He urges lawmakers to require the board to provide more detailed reporting on how statutory and regulatory criteria apply in its decisions. Greater transparency would allow the legislature to ensure fairness, consistency, and accountability in parole decisions. He said SB 137 would also help policymakers identify barriers to reentry, such as limited behavioral health treatment, and consider solutions. Since incarceration costs the state over \$200 per day compared to \$13

for probation, better data from the board would support more effective use of public funds while fulfilling the intent of renewing the parole board.

[1:40:23 PM](#)

CHAIR BJORKMAN closed public testimony on SB 137.

[1:40:34 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:40:36 PM](#)

SENATOR MERRICK moved to report SB 137, work order 34-LS0732\A, from committee with individual recommendations and attached fiscal note(s).

[1:40:51 PM](#)

CHAIR BJORKMAN found no objection and SB 137 was reported from the Senate Labor and Commerce Standing Committee.

[1:41:05 PM](#)

At ease.

**SB 21-AK WORK & SAVE PROGRM; RETIRE. SAVINGS BD**

[1:43:21 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 21 "An Act establishing the Alaska Work and Save Program; establishing the Alaska Retirement Savings Board; and providing for an effective date."

[1:43:46 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:43:48 PM](#)

SENATOR MERRICK moved to adopt the committee substitute (CS) for SB 21, work order 34-LS0254\N, as the working document.

[1:43:56 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:44:21 PM](#)

MAXINE LABERGE, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, presented SB 21 on behalf of the sponsor and moved to slide 2, What is Alaska Work and Save:

[Original punctuation provided.]

- Establishes an auto-IRA program for all Alaskan employees who qualify.
- Creates an option to allow PFD checks to go toward retirement.

**SB 21 would be established in the Department of  
Revenue**

- The Commissioner, or designee, would be responsible for establishing, executing and creating appropriate rules for program
- Allows discretion to partner with other states to lower costs even more for participants

[1:45:17 PM](#)

CHAIR BJORKMAN asked for an explanation of the difference between the committee substitute and the current legislation.

[1:427 PM](#)

HUNTER LOTTSFELDT, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, presented the explanation of changes from version A to version N of SB 21:

[Original punctuation provided.]

Sec. 4 Amending AS 44.25

AS 44.25.400 Changes the administration of the Alaska Work and Save program from a board to the commissioner of revenue or their designee.

AS 44.25.410 Defines the purpose of the program instead of establishing the Alaska Retirement Savings Board

AS 44.25.420 Defines the powers and duties of the program administrator instead of the powers and duties of the board

AS 44.25.430 Outlines the confidentiality of information for program participants in place of the assigned the attorney general as legal council for the board.

AS 44.25.440 Outlines the complaint process for the program in place of compensation for trustee.

AS 44.25.450-470 are deleted.

AS 44.25.490 adjusts the definitions to comport with the change from a board structure to an administrator structure.

Sec. 5 is changed from uncodified law setting the initial appointment for the board to setting the effective date.

Sec. 6 is deleted.

[1:46:17 PM](#)

CHAIR BJORKMAN removed his objection.

[1:46:22 PM](#)

CHAIR BJORKMAN found no further objection and CSSB 21 was adopted as the working document.

[1:46:34 PM](#)

MS. LABERGE continued with slide 2:

[Original punctuation provided.]

-Establishes an auto-IRA program for all Alaskan employees who qualify.

**Program Participants**

- Would be enrolled automatically upon hiring
- Can decide to opt-out or adjust rate
- May contribute PFD towards their retirement

[1:47:03 PM](#)

MS. LABERGE moved to slide 3, Why Does Alaska Need an Auto IRA program:

[Original punctuation provided.]

- 54 percent of households have no retirement savings
- Alaskans aged 60+ account for 20 percent of the population and growing
- Median retirement savings for ages 65-74 is \$200,000, age 75+ is \$130,000

MS. LABERGE said that Alaska needs an Auto IRA program because it helps strengthen small businesses, provides for Alaska's aging population, makes jobs more appealing to applicants, and growing evidence shows it saves money in the long run.

[1:47:45 PM](#)

MS. LABERGE moved to slide 4, Survey of Alaska Small Businesses:

[Original punctuation provided.]

A recent survey of small businesses in Alaska shows:

- 64 percent don't offer retirement of any kind, with cost being the biggest factor
- 70 percent support an Alaskan retirement savings option

Current Cost of an IRA program for businesses:

A survey of 121 plans with less than \$2 million in assets found that:

- provider fees could vary from \$4,800 to \$17,000 per year (this figure does not include investment fees)

MS. LABERGE stated that a small business is considered a business with less than 500 employees and in Alaska 99 percent of the businesses are considered small businesses.

[1:48:43 PM](#)

MS. LABERGE moved to slide 5, SB 21 Supports Small Businesses:

[Original punctuation provided.]

- 12th year of out-migration of working aged Alaskans
- Work and Save eliminates the high costs and bureaucracy for businesses
- Allows small businesses to:

Better recruit and retain employees  
Stay competitive with larger businesses

[1:49:04 PM](#)

MS. LABERGE moved to slide 6, Other States Have Already Started:

[Original punctuation provided.]

- As of this year, 17 other states have enacted their own auto-IRA programs
  - Of those 17 states, 7 of them have entered partnership agreements.
    - Colorado Partnership for a Dignified Retirement (PDR): Colorado, Maine, Delaware, Vermont, Nevada
    - MyCTSAVINGSProgram: Connecticut and Rhode Island
- Interstate partnerships allow for faster enactment and possibly lower fees.
- Similar federal legislation has recently been proposed

[1:49:55 PM](#)

MS. LABERGE moved to slide 7, Summary:

[Original punctuation provided.]

SB 21 will create a system like other states, providing small business a mechanism for their employees to save for retirement. This will allow for competition between big and small businesses for quality talent. SB 21 will help Alaskans better prepare for their future, improving their quality of life.

[1:50:22 PM](#)

SENATOR GRAY-JACKSON expressed concern about seniors living in poverty, noting that since 2010 the rate has doubled from 5 percent to 10 percent.

[1:51:08 PM](#)

CHAIR BJORKMAN asked for an example of how an employee would experience the Auto IRA program, from being hired, completing initial paperwork, to how the employee would encounter and interact with the program in practice.

[1:51:29 PM](#)

MS. LABERGE responded that it's her belief the program would be included in new-hire paperwork for jobs without other retirement

options. Employees would be automatically enrolled to contribute a portion of each paycheck but may choose to opt out during onboarding.

[1:52:06 PM](#)

CHAIR BJORKMAN asked whether the program requires additional administration for employers or requires employers to contribute more money into their plan.

[1:52:20 PM](#)

MS. LABERGE replied that the program doesn't require employer contributions. Employees fund it through paycheck deductions, and in Colorado, employers report it takes under an hour to set up and less than 15 minutes per month to maintain.

[1:53:07 PM](#)

SENATOR MERRICK asked if Alaska has considered joining any of the partnership agreements listed in slide 6.

[1:53:18 PM](#)

MR. LOTTSELDT opined that joining Colorado's program is advantageous because combining small states lowers asset management fees—Colorado's is just 0.23 percent, paid by participants at no cost to the state. She said creating a separate program in Alaska would likely result in higher fees due to the smaller participant base.

[1:54:39 PM](#)

CHAIR BJORKMAN held SB 21 in committee.

[1:54:44 PM](#)

At ease.

**SB 28-RETIREMENT SYSTEMS; DEFINED BENEFIT OPT.**

[2:00:23 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 28 "An Act relating to the Public Employees' Retirement System of Alaska and the teachers' retirement system; providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska and the teachers' retirement system; and providing for an effective date."

[2:00:56 PM](#)

SENATOR CATHY GIESSEL, District E, Alaska State Legislature, Juneau, Alaska, sponsor of SB 28. She stated that the sectional analysis is in a chart form and explained the chart defines how [SB 28] would affect public safety employees, non-public safety employees, and teachers. The other columns describe the rationale for the policy choice and lists which section and page to find specific policy language. [This chart can be found on the Alaska State Legislature website under SB 28, in the documents section].

SENATOR GIESSEL moved to page 1 and referenced the benefit categories on the left column of the cart as Employee Contribution, Employer Contribution and Employer Fee for Late Payments Reduced to Normal Interest. She said all the entities, public safety, non-public employees and teachers, used to pay 1.5 times the interest rate on late payments. SB 28 reduced late payments to just interest.

[2:03:40 PM](#)

SENATOR GIESSEL continued with page 2 and explained the benefits on the left column of the chart that vesting rules are the same across all three groups, while retirement qualifications differ for public safety, versus non-public safety and teachers. The chart also outlines each group's benefit calculation formula, with the last row, final average salary based on the five highest non-consecutive payroll years.

[2:04:19 PM](#)

SENATOR GIESSEL moved to page 3 and explained the benefits on the left column of the chart and said that SB 28 removes the cost-of-living adjustment (COLA) for all entities but provides post-retirement inflation protection for all employees. Retirement medical coverage remains consistent with PERS Tier IV and TRS Tier III.

[2:05:09 PM](#)

SENATOR GIESSEL moved to page 4 and explained the benefits on the left column of the chart:

The columns on the left describe disability and death benefits and the requirement of separate accounting. So, these are going to have some new accounts, separate from the Legacy Define Benefit, separate from the Defined Contribution that we have right now. We require these accounts to be accounted for separately.

[2:05:36 PM](#)

SENATOR GIESSEL moved to page 5, and addressed the benefit categories on the left column of the chart:

The subject addressed on this page are requirements for the sub-trusts, keeping these monies clearly transparent. Teacher retirement members that have Public Retirement Service may add that public service compensation to their Teachers Retirement Service for benefit calculations. So, it just shows a teacher, during the summer, [working] part-time goes and counts salmon at a weir, they're earning Public Employee Retirement System (PERS) time. They can combine that with their Teacher Retirement System, which is what they do the rest of the year. Then the question at the bottom of page five of seven, "What happens to current Defined Contribution employees hired after June 30, 2006 (that's when the defined benefit went away) if this becomes law?" The chart answers that question for each of those three employee entities.

[2:06:40 PM](#)

SENATOR GIESSEL moved to page 6, and referred to the column on the [left] of the chart:

"What happens to a Defined Contribution employees who convert to the new Defined Benefit plan if their Defined Benefit service time credit is different than their service time under Defined Contribution?" So, this describes the process that those employees can use to move into a Defined Benefit. If they don't have enough in their defined contribution to buy the amount of time they can possibly pay for it themselves, they can decide to have a deduction taken out of future payrolls or maybe they just are fine with lesser credit in a defined benefit than they would have had. There's choices there. What it really boils down to is working closely with the Division of Retirement and Benefits individually. The last box on page, 6 of 7, is "What happens to new employees, hired after the bill goes into effect, if this became law?" The answer for all three entities is the new employees would automatically be enrolled in a Defined Benefit retirement plan.

[2:07:55 PM](#)

SENATOR GIESSEL moved to page 7, and addressed the benefit categories in the left column of the chart:

"What happens to former Defined Contribution employees who left their Defined Contribution accounts active who are re-employed in service if this bill became law?" Well, they could reactivate that plan and again use the hours in their Defined Contribution to purchase time in Defined Benefit. Then the last [box on the page]. "What happens to former Defined Contribution employees who did not leave their Defined Contribution accounts active who are re-employed in service if the bill became law?" In that case employees would not have kept their account open and they could opt to convert to their [Defined Contribution] plan into a new Defined Benefits plan."

[2:09:12 PM](#)

SENATOR YUNDT referenced page 1, Employee Contribution and that contributions are adjustable between 8 and 12 percent, which is good because it shares the risk. However, regarding the post-retirement section on page 3, with inflation protection in place but retirees no longer contributing. He asked if inflation were to spike significantly, would the responsibility fall on current employees to increase contributions above 8 percent to maintain fund balance, or is there a mechanism for retirees to help cover the shortfall when inflation exceeds returns.

[2:10:04 PM](#)

SENATOR GIESSEL replied that there is no provision for retirees to contribute if inflation spikes above normal. Retirees who leave Alaska receive only 50 percent of the inflation adjustment to encourage staying in-state, meaning the fund's earnings must cover any unusually high inflation.

[2:11:09 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 28.

[2:11:25 PM](#)

KEITH BRAINARD, Research Director, National Association of State Retirement Administrators (NASRA), Georgetown, Texas, testified by invitation on SB 28:

[Original punctuation provided.]

NASRA members are the directors and administrators of roughly 90 state and local public retirement systems. In Alaska, our member is Kathy Lea, who is the director of the division of retirement and benefits.

My opinions do not necessarily reflect those of Ms. Lea or her office.

2:12:00 PM

MR. BRAINARD continued with his testimony:

Rather than speak to the particular details of this bill, I want to focus my remarks on retirement plan design in general. My overarching message is that it is possible to design and implement a retirement benefit for public employees in Alaska that meets the legitimate needs of all stakeholder groups: public employees, public employers, and taxpayers.

I have been in my present role since 2002, and I remember when Alaska closed its defined benefit plans to new hires. Since that closure, some in Alaska have pointed to defined benefit plans as fundamentally and irredeemably flawed. Critics of traditional pensions have contended that defined benefit plans are, by definition, unsustainable and inevitably will lead to fiscal ruin for the plan sponsor. I have seen and heard that message repeated countless times in Alaska, that DB plans are inherently defective and unaffordable and will surely lead the state and its political subdivisions to a fiscal crisis.

I am here to tell you that that notion is simply false. If the Alaska Legislature wishes to avoid unfunded liabilities and to ensure retirement plan costs remain stable, those objectives are reasonable and attainable. There are retirement plans sponsored by states and cities across the country that have achieved these objectives, and that continue to do so year in and year out.

Traditional pension plans remain the predominant type of retirement plan for the nation's millions of employees of state and local government. Most of these plans are in actuarial and fiscal condition that ranges from manageable to excellent, and overall, that condition has been improving in recent years.

My organization annually measures the amount that states and local governments spend on pension benefits for their employees. Based on the latest available data, for fiscal year 22 and projected for FY 23,

states and local governments will spend just above five percent of everything they spend on pension benefits for their employees. This number is higher for some states and lower for others, but for the nation as a whole, this rate of spending has remained remarkably stable and helps to illustrate that public pension costs can remain stable.

2:14:28 PM

MR. BRAINARD continued with his testimony:

NASRA does not endorse any one type of retirement plan, such as a defined benefit or a defined contribution plan. What NASRA does support is a retirement plan that contains features that are known to achieve key objectives for all plan stakeholders: employers, employees, and taxpayers.

These key stakeholder objectives include that employers need to attract and retain qualified employees who are needed to perform essential public services, such as teaching in schools, protecting the public, building and maintaining roads and infrastructure, and performing the range of services we rely on government go provide. Employees want a competitive compensation package that includes a decent retirement benefit. And taxpayers want public services provided at a cost that is reasonable and predictable.

Before I describe the elements of retirement plan design that are known to facilitate a mutual attainment of stakeholder objectives, I will point out to you three examples of retirement plans sponsored by states that have stable costs and unfunded liabilities that are either nonexistent or negligible and entirely manageable.

- The South Dakota Retirement System operates with fixed contribution rates for employees and employers: six percent of pay paid by both employees and employers; eight percent each for public safety officers. The retirement system has a funding policy that keeping those required costs and maintaining a fully funded pension plan are essential. And the retirement plan has done

so for years. The SDRS is a traditional defined benefit plan.

- The Wisconsin Retirement System is similar: their required contribution rates are comparatively low and stable, and the plan has remained fully funded or nearly so for many years. The Wisconsin Retirement System also is a traditional defined benefit plan.
- The Nebraska state and county retirement plans are cash balance plans, which are similar to a traditional defined benefit plan, with the primary differences being that retirement benefits are affected by the plan's investment performance and by the participant's age at retirement. Together these plans provide retirement benefits for nearly all non-teacher public employees in the state. The plans are overfunded, meaning they have an actuarial surplus, and their costs are modest and stable, at around 7.5 percent of payroll.

[2:16:57 PM](#)

MR. BRAINARD continued with his testimony:

There are other examples of public retirement plans that feature stable costs and minimal unfunded liabilities, but you get the idea. The overarching message I want to convey is that a good retirement plan is defined not by its label—defined benefit, defined contribution, hybrid—but rather by the way the plan is designed. To institute long-term sustainability into the plan, building flexibility into the way the plan is designed is key.

Some of the characteristics of retirement plan design found to facilitate key stakeholder objectives are:

- Cost sharing between employers and employees. That means that employers and employees alike contribute to the cost of the plan.
- Assets that are pooled and professionally managed, an arrangement that earns a higher return for the pool at a lower level of investment risk.

- Lifetime benefit payouts, meaning that once an employee qualifies for a retirement benefit and elects to retire, that employee should be able to receive a benefit they cannot outlive.

These core features of retirement plan design are known to promote employees' retirement security, to reduce expenses, and to enhance the ability of employers to attract and retain employees.

[2:18:38 PM](#)

CHAIR BJORKMAN asked where does the design of SB 28 fall in comparison to retirement plan models in South Dakota, Wisconsin, and Nebraska regarding cost and value.

[2:19:21 PM](#)

MR. BRAINARD replied that he will get back to the committee with an answer after he analyzes the legislation.

[2:19:56 PM](#)

DOUGLAS SCHRAGE, Chief, Anchorage Fire Department, Anchorage, Alaska, testified by invitation on SB 28 and stated that Alaska's lack of a defined benefit pension for public safety creates major retention issues, costing taxpayers millions in recruitment and training. While Anchorage can recruit new firefighters, experienced journeyman firefighters leave after five years for other states that offer defined benefit pensions and lucrative signing bonuses. He said this has forced Alaska fire departments to recruit only in-state and invest heavily in paramedic training, costing over \$100,000 per trainee. Smaller rural departments are disproportionately affected, and as Tier 3 employees retire, turnover and long-term costs are expected to further rise.

[2:26:02 PM](#)

SEAN CASE, Chief, Anchorage Police Department, Anchorage, Alaska, testified by invitation on SB 28 and emphasized that a defined benefit retirement system for Alaska police officers would benefit both officers and the state by:

-Ensuring financial security through a stable, predictable pension.

-Attracting and retaining talent, making Alaska more competitive and reducing turnover.

-Promoting community stability by keeping experienced officers who build trust and local knowledge.

-Providing financial sustainability and predictability, shielding officers from market risks.

-Upholding the state's commitment to officers who risk their lives for public safety.

He urged the committee to pass SB 28, stressing it honors officers' service while strengthening communities.

[2:29:00 PM](#)

BILL MEERS, Business Representative, Public Employees Local 71, Anchorage, Alaska, testified by invitation on SB 28 and stated that eliminating defined benefit pensions and replacing them with Tier IV defined contribution plans has made recruitment and retention in Alaska's public sector far more difficult, turning many jobs into a revolving door. He said in the past, solid retirement and benefits offset lower wages, but now employees leave Alaska after five years for better-paying jobs. To keep workers, the union has offered advanced step placement just to attract candidates. He urged lawmakers to support SB 28, arguing that restoring a defined benefit system is essential for stabilizing the workforce, retaining staff, and recognizing employees' value.

[2:33:22 PM](#)

LON GARRISON, Executive Director, Association of Alaska School Boards, Juneau, Alaska, testified by invitation on SB 28. He read the following testimony:

[Original punctuation provided.]

Chair Bjorkman and members of the Senate Labor & Commerce Committee. My name is Lon Garrison. I serve as the Executive Director of the Association of Alaska School Boards. We are a nonprofit association established in 1954, serving 52 of Alaska's school districts. I am pleased to offer my testimony in support of SB 28.

AASB's Board of Directors has adopted three legislative priorities for the year. One of those priorities is the retention and recruitment of teachers, administrators, and staff

[2:33:58 PM](#)

MR. GARRISON continued with his testimony:

Our legislative priorities, along with the supporting resolutions and beliefs of the AASB membership, are attached to my written testimony.

AASB has consistently advocated for a defined benefit program as the best choice for staff retirement investments. In 2005, the AASB membership passed the following resolution and has continued to strongly support reinstating a defined benefit option:

AASB supports re-establishment of a defined benefit retirement program that improves the hiring and retention of highly qualified and effective staff.

School districts are grappling with a persistent crisis in retaining qualified teachers and staff due to inadequate funding, challenging working and living conditions, and benefits that are often not competitive with those in other states. This situation undermines our capacity to deliver quality education to Alaskan students and complicates the efforts of school boards to fulfill the state's obligation to public education each day.

One of the most critical factors in a student's success is the quality of the educator working with them. While effective learning depends on having a high-quality teacher, it is essential for the entire school system to support this vital interaction between teacher and student. This requires assistance from various school staff to enhance the learning experience. Thus, moving to a defined benefit program will impact a wide variety of staff.

School boards across the state face unprecedented challenges in allocating rapidly dwindling resources. The shortage of applicants, coupled with inadequate funding, results in staff shortages that exacerbate the situation. The lack of a defined benefit retirement option undermines Alaska's ability to attract and retain essential public service employees.

In recent years, numerous districts have turned to J-1 or H-1B visa programs to address teacher shortages by hiring international staff. These programs serve as temporary solutions to fill vacancies with qualified professionals. However, more districts are increasingly relying on them. With the Trump administration's intensified focus on immigration, even these short-term solutions may be at risk of disappearing. Relying on such programs should not be necessary. Alaska needs competitive salaries and benefits to attract new staff and retain current employees.

[2:36:48 PM](#)

MR. GARRISON continued with his testimony:

SB 28 seeks to establish a new retirement system that motivates educational professionals to commit to careers in Alaska. It incorporates past lessons, distributes risks among participants, and sets retirement age and qualification criteria that are more aligned with contemporary needs. Furthermore, SB 28 retains the existing contribution rates for PERS and TRS from school districts, which is a positive advancement. It's essential to acknowledge the persistent challenges faced by school districts, municipalities, and boroughs, as they struggle to make these contributions due to the unpredictability and inadequacy of state and federal funding.

A couple of years ago, during a meeting facilitated by AASB between school board members and their legislators, a legislator asked, "What is the difference between spending and investment?" School board members often refer to investment in staff and students. A board member replied, "Investment implies an expectation of a beneficial dividend or outcome, while spending is merely a response to an expense." In our view, a competitive and attractive defined benefit program is an investment in recruiting and retaining quality staff, which leads to improved student outcomes.

AASB calls on the Legislature to address this urgent need. This is one of the resources we have to enhance Alaska's competitiveness in the public sector job

market. Investing in this initiative benefits our students, communities, and the entire state.

[2:39:17 PM](#)

CHAIR BJORKMAN held SB 28 in committee.

[2:39:50 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:39 p.m.