

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE
JANUARY 26, 2026
1:32 P.M.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Kelly Merrick, Vice Chair
Senator Forrest Dunbar
Senator Robert Yundt

MEMBERS ABSENT

Senator Elvi Gray-Jackson

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 78 (FIN) AM (EFD FLD)
"An Act relating to the public employees' retirement system and the teachers' retirement system; and providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the public employees' retirement system and the teachers' retirement system."

- HEARD & HELD

SENATE BILL NO. 170

"An Act relating to gaming; relating to bingo; relating to pull-tabs and electronic pull-tab systems; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 78

SHORT TITLE: RETIREMENT SYSTEMS; DEFINED BENEFIT OPT.

SPONSOR(s): FINANCE

01/31/25	(H)	READ THE FIRST TIME - REFERRALS
01/31/25	(H)	FIN
02/10/25	(H)	FIN AT 1:30 PM ADAMS 519
02/10/25	(H)	Heard & Held
02/10/25	(H)	MINUTE (FIN)
02/11/25	(H)	FIN AT 1:30 PM ADAMS 519
02/11/25	(H)	Heard & Held
02/11/25	(H)	MINUTE (FIN)

02/18/25 (H) FIN AT 1:30 PM ADAMS 519
 02/18/25 (H) Heard & Held
 02/18/25 (H) MINUTE(FIN)
 02/27/25 (H) FIN AT 1:30 PM ADAMS 519
 02/27/25 (H) Heard & Held
 02/27/25 (H) MINUTE(FIN)
 04/02/25 (H) FIN AT 1:30 PM ADAMS 519
 04/02/25 (H) Heard & Held
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 04/03/25 (H) FIN AT 1:30 PM ADAMS 519
 04/03/25 (H) Heard & Held
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 04/04/25 (H) FIN AT 1:30 PM ADAMS 519
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 04/29/25 (H) FIN AT 1:30 PM ADAMS 519
 04/29/25 (H) Heard & Held
 04/29/25 (H) MINUTE(FIN)
 04/30/25 (H) FIN AT 1:30 PM ADAMS 519
 04/30/25 (H) Heard & Held
 04/30/25 (H) MINUTE(FIN)
 05/07/25 (H) FIN AT 1:30 PM ADAMS 519
 05/07/25 (H) Moved CSHB 78(FIN) Out of Committee
 05/07/25 (H) MINUTE(FIN)
 05/09/25 (H) FIN RPT CS(FIN) NEW TITLE 6DP 3DNP 2AM
 05/09/25 (H) DP: HANNAN, GALVIN, JIMMIE, FOSTER,
 JOSEPHSON, SCHRAGE
 05/09/25 (H) DNP: JOHNSON, ALLARD, TOMASZEWSKI
 05/09/25 (H) AM: BYNUM, STAPP
 05/10/25 (H) DIVIDE THE AMENDMENT FAILED Y15 N23 E2
 05/12/25 (H) SUSTAINED RULING OF CHAIR Y21 N19
 05/12/25 (H) TRANSMITTED TO (S)
 05/12/25 (H) VERSION: CSHB 78(FIN) AM(EFD FLD)
 05/13/25 (S) READ THE FIRST TIME - REFERRALS
 05/13/25 (S) L&C, FIN
 01/23/26 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 01/23/26 (S) Heard & Held
 01/23/26 (S) MINUTE(L&C)
 01/26/26 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 170

SHORT TITLE: GAMING; ELECTRONIC PULL-TABS

SPONSOR(s): BJORKMAN

04/11/25 (S) READ THE FIRST TIME - REFERRALS
 04/11/25 (S) L&C, FIN
 04/16/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

04/16/25	(S)	Heard & Held
04/16/25	(S)	MINUTE(L&C)
04/28/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/28/25	(S)	Heard & Held
04/28/25	(S)	MINUTE(L&C)
05/02/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
05/02/25	(S)	Heard & Held
05/02/25	(S)	MINUTE(L&C)
05/07/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
05/07/25	(S)	Heard & Held
05/07/25	(S)	MINUTE(L&C)
01/26/26	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

REPRESENTATIVE CHUCK KOPP, District 10
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Summarized HB 78 on behalf of the sponsor.

KONRAD JACKSON, Staff
 Senator Jesse Bjorkman
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented the summary of changes from version I.A to version G for HB 78.

DAN DOONAN, Executive Director
 National Institute on Retirement Security
 Arlington, Virginia

POSITION STATEMENT: Testified by invitation on HB 78.

KONRAD JACKSON, Staff
 Senator Jesse Bjorkman
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented a brief recap of SB 170.

ACTION NARRATIVE

1:32:02 PM

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Merrick, Dunbar, Yundt and Chair Bjorkman.

HB 78-RETIREMENT SYSTEMS; DEFINED BENEFIT OPT.

1:33:08 PM

CHAIR BJORKMAN announced the consideration of CS FOR HOUSE BILL NO. 78(FIN) am(efd fld) "An Act relating to the public employees' retirement system and the teachers' retirement system; and providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the public employees' retirement system and the teachers' retirement system."

[1:33:43 PM](#)

REPRESENTATIVE CHUCK KOPP, District 10, Alaska State Legislature, Juneau, Alaska, summarized HB 78 on behalf of the sponsor. He stated that HB 78 addresses three issues: the loss of mid-level and senior talent, rising costs under the current system, and the need for a modern retirement plan. HB 78 proposes an affordable, predictable system to improve recruitment and retention while staying on track to pay off existing legacy obligations by 2039.

[1:36:04 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:36:06 PM](#)

SENATOR MERRICK moved to adopt the committee substitute (CS) for HB 78, work order 34-LS-0493\G, as the working document.

[1:36:16 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:36:31 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented the summary of changes from version I.A to version G for HB 78.

[Original punctuation provided.]

Summary of Changes - ver. I.A to ver. \G

Page 1, Line 4: Title change.

Section 38: Pg 22, line3-9, Insert new section, AS 14.25.540(a) providing a non-vested member of the teachers' retirement system, first hired before July 1, 2026, may elect to participate in the defined contribution retirement plan. Following sections are renumbered accordingly.

Section 96: Pg 51, lines 27 to page 52, line 2, Insert new section, AS 39.35.940(a) providing a non-vested

member of the public employees' retirement system, first hired before July 1, 2026, may elect to participate in the defined contribution retirement plan.

Following sections are renumbered accordingly.

Sections 100 and 101: Conforming changes.

[1:38:04 PM](#)

CHAIR BJORKMAN removed his objection; found no further objection and CSHB 78 was adopted as the working document.

[1:39:02 PM](#)

DAN DOONAN, Executive Director, National Institute on Retirement Security, Arlington, Virginia, provided a presentation on HB 78 and moved to slide 2, Change in AK Teacher Turnover from 2009 to 2024: Percent Quitting During First Five Years. He said after reviewing teacher turnover in the first five years after hire, the system actuary concluded that:

- 2009 study: Estimated 18 percent turnover in year one, 15 percent in year two, and declining thereafter.
- 2014 study: Found actual turnover was higher than projected.
- 2024 study (two studies later): Shows 25 percent turnover in year one and 19 percent in years two and three, with similar increases in later years.

The actuaries were not wrong; they analyze full census data each time. The key takeaway is that employee behavior has changed, with more teachers leaving earlier in their careers.

[1:40:50 PM](#)

MR. DOWNING moved to slide 3, AK Teacher Turnover: 2009 to 2024, Ultimate Assumptions, and stated that early defined contribution (DC) plan assumptions (dark blue bars) projected turnover about 10 percent higher than the defined benefit (DB) plan due to limited history. In 2014, actuaries raised those assumptions after finding higher than expected departures, and by 2024, turnover among experienced workers ages 30 to 50 reached 8 to 10 percent. He said turnover has gradually increased across all plans, not just teachers. Meanwhile, about one-quarter of teachers remain in the legacy DB tier, where turnover is much lower, around 3 to 4 percent, despite working alongside those in the DC plan.

[1:42:32 PM](#)

MR. DOWNING moved to slide 4, High Turnover Invites Even More Turnover, and read the following:

[Original punctuation provided.]

-When you are losing a lot of employees, a higher share of your workforce is new (i.e. first 5 years).

-Newly hired workers are almost always more likely to quit.

-13 to 30 percent quit in early years, as opposed to 9 percent afterward

-Double-Whammy: It is both the share of experienced workers and the retention rates that drive turnover and impact services.

-Hiring managers need to be less selective.

MR. DOWNING noted if a school receives 40 applications and needs 10 teachers, the school can hire its top 25 percent of candidates. If the school needs 30, it may have to hire nearly all viable applicants. He said when candidates are a strong fit, they are more likely to stay and perform well.

[1:43:42 PM](#)

MR. DOWNING moved to slide 5, Percent of Teachers Quitting: 15th Year of Service, and stated that losing experienced teachers is highly unusual. He said based on system experience at the 15th year of service, combined turnover for males and females in the DC plan is about 9 percent.

[1:45:35 PM](#)

CHAIR BJORKMAN held HB 78 in committee.

[1:45:39 PM](#)

At ease.

SB 170-GAMING; ELECTRONIC PULL-TABS

[1:46:51 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 170 "An Act relating to gaming; relating to bingo; relating to pull-tabs and electronic pull-tab systems; and providing for an effective date."

[1:47:30 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented a brief recap of SB 170

and stated that SB 170 would legalize electronic pull tabs in Alaska, with a few minor cleanup changes. Rising inflation has increased paper pull tab costs from about half a cent to 4-7 cents, significantly reducing nonprofit margins. SB 170 would add electronic pull tabs as a lower-cost supplement to paper versions, aiming to improve nonprofit profitability while keeping paper pull tabs in place.

[1:49:34 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:49:37 PM](#)

SENATOR MERRICK moved to adopt the committee substitute (CS) for SB 170, work order 34-LS-0213\T, as the working document.

[1:49:49 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:49:53 PM](#)

MR. JACKSON presented the summary of changes from version I to version T for SB 170.

[Original punctuation provided.]

Summary of Changes - ver. I to ver. \T

Section 4. Inserted new section. Amends AS 05.15.080(b) requires the annual reports to the department include the source and monetary value of marketing or promotional material received from a distributor.

The following sections are renumbered accordingly.

Section 20. AS 05.15.180(e) is amended to clarify that the top prize for a bingo session may not be more than \$10,000 and not more than \$2500 for a bingo game. The total value of all door prizes may not exceed \$40,000 per month or \$480,000 per year. Drafting convention changes were made to paragraphs 1, 2 & 3.

Section 25. Amends new AS 05.15.181:

Subsection (g) is amended to prohibit a manufacturer from providing or receiving gifts or anything of value.

Amends subsection (i) to prohibit a manufacturer from distributing electronic pull-tabs to a distributor if

an ownership interest in that distributor is held by the manufacturer.

[1:51:45 PM](#)

MR. JACKSON continued with the summary of changes for SB 170:

Section 26. AS 05.15.183(a) is further amended to prohibit the issuance of an electronic pull-tab endorsement to a distributor's license should an ownership interest be held by a manufacturer, a parent or sister company or subsidiary of a manufacturer. (Pg 12 ln 18-20)

Section 29. AS 05.15.183(h) is amended:

(8) Removed the term "subsidiary".

(9) Restricts distribution of electronic pull-tabs by a distributor from a manufacturer referenced in AS 05.15.181(i). (Pg 10, ln 25 to Pg 11, line 1)

Inserts new paragraph (10) Specifying a distributor may not distribute a pull-tab game to a permittee or licensee that is owned or managed by a close relative of an owner or employee of the distributor.

Amends (j) by adding a reporting requirement for all marketing or promotional items provided under this subsection to include the value and location where the items will be used or displayed. (Pg 14, ln 1215)

Amends (m) specifying a contract may not include an incentive or bonus and there may not be a penalty based on the length of the contract. (Pg 14, ln 25-27)

Section 32. Amends AS 05.15.186 (e) to specify the ideal payout may not exceed 90%. Senate Bill 170 - 34-LS0213\ver I to ver T

Section 37. Amends AS 05.15.187

(j) to require the designated person in charge must be onsite and provide direct oversight of the gaming system(s). (Pg 17, ln 29-30)

Amends (k) changing optional limits on tablets in play to mandatory limits. Adds an alternate method of calculating the number of tablets which may in play on a premises (based on occupancy or 10 tablets, whichever is greater).

Former paragraph (n) is deleted and the remaining paragraph is re-lettered.

Amends re-lettered (n) to remove \$250 gift cap. (No gifts may be accepted.)

[1:54:54 PM](#)

MR. JACKSON continued with the summary of changes for SB 170:

Section 41. Amends AS 05.15.188

(l) establishing permittee payout to a vendor for electronic pull-tabs may not be more than 25 percent.

(q) is amended to require monthly payments by a vendor to a permittee be made not later than the 15th day of the month for the previous month's sales. Allows a distributor to assist a vendor in the transfer of these payments subject to department approval. Grants the department authority to adopt appropriate regulations.

(t) is amended to remove \$250 gift cap. (No gifts may be accepted.)

Section 47. AS 05.15.690(40) is amended to expand the definition of a "qualified organization" to add a school-based booster club in existence for less than three years if the club is supporting an activity which has been in existence for three years prior to application. (Pg 21, ln 10-15)

Section 51. Conforming changes.

Section 52. Adds new transition section to permit adoption of regulations by the department.

Following sections are renumbered.

Section 53. Adds immediate effective date for Sec. 52.

Sections 54 and 55. Conforming changes.

[1:57:34 PM](#)

SENATOR DUNBAR noted that [version T], Section 20, increases the limits from \$20,000 to \$40,000 per month and from \$240,000 to \$480,000 per year, effectively doubling them to account for inflation. He said Section 4, "Amends [AS 05.15.080(b)] require annual reports to the department, include the source and monetary value of marketing or promotional material received from a distributor" and asked why tracking those promotional items is necessary.

[1:58:33 PM](#)

MR. JACKSON replied that tracking promotional items relates to removing the \$250 cap on gifts by eliminating gifts altogether while still allowing marketing and promotional materials. He said Section 4 requires that the source and value of those marketing and promotional materials be reported to the department.

SENATOR DUNBAR asked who receives the materials from the distributor.

MR. JACKSON replied that the materials are coming from a vendor to a licensee.

SENATOR DUNBAR asked why the state is concerned about where the materials come from.

MR. JACKSON replied this section relates to gifts. The goal is to eliminate gifts to ensure that anything of monetary value is tracked to prevent improper or unethical activity.

SENATOR DUNBAR stated that the concern is whether a distributor could use gifts to encourage vendors to carry only its products, potentially pushing competitors out of the market. He asked whether less scrupulous activities lead to monopolistic behavior.

MR. JACKSON replied that one concern is that gifts could create the appearance of buying influence to place a particular company's pull tabs in a business. He said promotional and marketing materials are common in most industries, though the goal is to avoid perceived influence.

[2:01:29 PM](#)

CHAIR BJORKMAN commented that limits on vertical integration, gifts, and exclusivity are intended to maximize competition among manufacturers and distributors, which helps protect and maximize the profits of nonprofit organizations. He said allowing significant inducements or market control by one supplier could raise costs and the ability of charities to generate revenue. Charitable gaming in Alaska exists to fund nonprofits, not to maximize private profit, so strict statutory guidelines are necessary to protect the public interest.

[2:03:38 PM](#)

CHAIR BJORKMAN removed his objection; found no further objection and CSSB 170 was adopted as the working document.

[2:03:52 PM](#)

CHAIR BJORKMAN held SB 170 in committee.

2:04:18 PM

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:04 p.m.