

From: Tim Shumway <timshumway1@gmail.com>

Sent: Thursday, April 9, 2026 10:56 AM

To: Assembly <assembly@petersburgak.gov>

Subject: Support for Resolution #2026-10

Petersburg Borough Assembly Members,

I am contacting you asking that you support Petersburg Borough Resolution #2026-10, A resolution in support of a return to a defined benefit retirement system for public employees, including House Bill 78. I will be present on Monday to share my opinion in person, but I wanted to give you a little context for this resolution.

As you may know, in 2006, the state of Alaska changed Public Employee Retirement System (PERS) and Teacher Retirement System (TRS), creating a defined contribution system instead of a defined benefit (pension) system. In addition, all Alaska teachers and most public employees are not eligible to participate in social security. Alaska is the ONLY state in the nation that provides no retirement security - either through SS or a pension - to those employees. While each of us works hard to serve our communities, we are also forced to consider whether we can do so without sacrificing a stable future or risking outliving their savings. This has created a situation that makes recruitment and retention incredibly difficult.

I started teaching in Alaska in 2006 - the year this change occurred, meaning my entire career I have been tempted to take the resources from my defined contribution account and leave the state. My wife, as a nurse at the medical center, is also subject to this system, and leaving Alaska to build a more secure retirement is a *constant* consideration for us. In fact, the current PERS/TRS system incentivises this, and I have seen it happen countless time with colleagues across the state and right here in Petersburg - early career teachers start raw, grow and learn and improve in their work, become more effective, then become vested and take all of their experience (and their employer's contributions to the defined contribution plan), and move on to other states or positions that will allow them to build a stable retirement either through a pension or access to social security. What was once a strength and competitive advantage in hiring people to work in and for communities in our state - a stable, secure retirement - has now become our most disastrous disadvantage. Teacher turnover is up dramatically across Alaska, including in Petersburg, as a result of these policies.

House Bill 78 offers a reasonable, responsible solution to this problem. It offers teachers and public employees the option of buying into a pension system, securing retirement. It rewards and incentivizes remaining in public service while remaining fiscally responsible. This is achieved through the risk-sharing between the state and employees. If the plan falls below 90% funded, the rate that employees contribute would rise to make sure that there is no unfunded liability for the state.

I would also like to address an amendment that Sen. Stedman is set to propose today (1:30pm, April 9) in the Senate Finance committee. His amendment would raise the cap that employers would be asked to contribute from 22% to 24%. In my opinion, this amendment is a *poison pill* - an attempt to undermine support for the bill from employers like the Borough and school district. The structure of the bill already provides security for the state because it increases *employee* contributions if the plan is less than 90% funded - making Sen. Stedman's amendment unnecessary. I urge you to immediately reach out to Senator Stedman's office and express your disapproval.

Thank you so much for your service to our community, and for taking the time to consider my perspective on this issue.

Respectfully,

Tim Shumway