



Alaska Association of Student Governments

Executive Board Resolution #1

HB 78 Advocacy

Submitted by: Alaska Association of Student Governments Executive Board

Submitted: 4/22/2026

Be it Resolved that the Alaska Association of Student Governments supports the act of signing HB (House Bill) 78 into Alaska law.

- 1. Whereas,** the Alaskan Teacher Retirement System (TRS) is currently composed of three tiers;
- 2. Whereas,** TRS Tiers I and II were founded in 1955, and they “invest the assets of and provide funding for the state's public education employees employed before July 1, 2006. It operates as a defined benefit plan”;⁴
- 3. Whereas,** a Defined Benefit Plan is “a retirement benefits pension plan that guarantees a monthly or annual payment to retired employees based on a certain formula using years of employment, employee age and employee earnings”;⁵
- 4. Whereas,** a Defined Benefit Plan is highly beneficial for teachers, because after working a certain number of years in one state, they can retire with guaranteed pension money every year for the rest of their lives;
- 5. Whereas,** any teachers who moved to or plan to move to Alaska after July 1, 2006 are automatically enrolled in the Tier III retirement plan, which is not a Defined Benefits Plan. Instead, it is a Defined Contribution (DC) Retirement Plan;
- 6. Whereas,** a DC Retirement plan operates as a traditional 401(k)-style plan. Generally, teachers contribute 8% of their salary and an employer contributes 7% to an investment account. The teacher's retirement depends on the investments made, so there is no guaranteed payout based on the investments toward a 401(k);⁸

7. **Whereas**, the Tier III retirement plan has alarming consequences. An analysis by the Chief Investment Officer of the State of Alaska showed that, “after working a 30 year career, as many as 75% of TRS members could run out of retirement savings after 20 years of retirement – with no Social Security as a safety net”;¹⁰
8. **Whereas**, the Tier III retirement plan also leaves almost no incentive for educators to spend their entire career and retire in Alaska. After 5 years, an Alaskan teacher can take all the money from the DC Retirement Plan out of the investment account and leave Alaska with no penalty. In some cases, this can even actively encourage teachers to leave Alaska after 5 years to seek other places with a more reliable retirement system;¹⁰
9. **Whereas**, Around 23% of Alaskan teachers leave their schools annually, a rate that has consistently remained high over the past decade;¹¹
 - i. The national teacher turnover rate being 7-8%;¹²
 - ii. Around 1,797 teachers leave per year;¹¹
 - iii. \$20,341 is needed to replace each departed educator;¹¹
 - iv. \$36,714,507 spent each year on turnover expenses;¹¹
10. **Whereas**, Alaska is currently the only state that does not offer teachers a defined benefit pension, placing the state at a competitive disadvantage in recruiting and retaining educators;³
11. **Whereas**, currently, Alaska is the 5th most expensive state to live in, which serves as a challenge for retired teachers keeping up with inflation, and for new teachers on the Tier III Retirement Plan;⁸
 - i. Alaska is one of only four states to raise teacher salaries by less than 70% over the last 30 years;⁸
 - ii. In addition to i, Alaskan teachers experienced a real wage decrease of about 4% in the last 20 years;⁸
 - iii. Teachers who began in 2020 started at least 3% lower than those in the past, and that pay gap has expanded over time;⁸
12. **Whereas**, HB 78 seeks to address this critical retirement issue. House Bill 78 proposes reestablishing a defined benefit pension system for Alaska’s teachers and public employees, providing a guaranteed and stable source of retirement income;¹
13. **Whereas**, HB 78 allows public employees the option to choose between a defined benefit pension plan and the current defined contribution system, opting for a plan that best benefits their financial and retirement needs;¹
 - i. The bill includes provisions allowing current employees the option to opt into the pension system and convert existing retirement savings into defined benefit service credit;²
14. **Whereas**, “Labor economists argue that [Tier I and Tier II Retirement plans] gave Alaska a huge competitive advantage attracting teachers, despite a higher cost of living and the

adjustment to remote rural life.”⁸ Since HB 78 advocates for similar retirement plans, it could have the same effect;

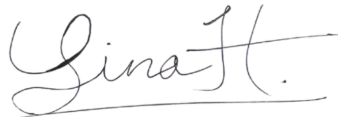
15. Whereas, “The variable multiplier for the proposed pension increases the longer a member is in the system, rewarding those who stay in Alaska and continue to remain in public service. In theory, this could support retention”;¹

16. Whereas, teacher retention and recruitment directly impact classroom stability, educational quality, and student outcomes across Alaska;

Therefore, be it resolved that the Alaska Association of Student Governments supports HB 78’s passage regarding our Alaskan educators' well-being.

Action Statement: If passed by the general assembly of AASG, the authors of this resolution will send it to the Alaska state legislature, specifically all members, advocating for the support for the passage of HB 78.

The resolution passes with unanimous consent.



AASG Vice President, Lina Hischer



AASG Executive Director, Cassandra Mirosh

Sources:

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