

## Jeff Kasper Testimony to the North Dakota Legislature

Chair xxx and members of the xx Committee,

For the record my name is Jeff Kasper, I am the Business Manager for the Alaska Public Employees Associations headquartered in Juneau, Alaska. Prior to this role I served 17 years in various roles with the Alaska Dept. of Health and Social Services and the Dept. of Fish and Game. I grew up in Minnesota and I am a veteran. Thank you for the opportunity to testify today.

I am appearing before the Committee today to urge you to be cautious in moving towards eliminating the North Dakota defined benefit pension program. The Alaska Legislature made the decision to abandon a pension program for new employees in 2005, and since then, we have seen a catastrophic drop off in the ability of the state to attract and retain public employees. Seventeen years later we lack the ability to reliably provide even the most basic public services to our citizens. Currently, nearly 1 in 4 jobs across all state agencies are unfilled and recruitments are yielding few to any qualified candidates for critical jobs.

For many years, the employment pattern among Alaska public employees was to work a full 30-year career and retire. Wages for public employees have not been competitive with the private sector, but the promise of a secure and reliable retirement was enough to balance the equation and long-term employment was typical. Since Alaska ended its pension program, opting instead for 401(K) style plan, new employees no longer have an incentive to work a full career in public service. This has led to a new employment pattern where employees come to work for the state, are trained, stay for five years, and then cash out their 401(k) and move to the private sector to higher paid jobs, or out migrate to work in public service in other states like Washington, Idaho, or Montana. All of which offer defined benefit pensions. Alaska's population is declining which has made it difficult for outside investors to keep our economy moving forward.

This is the case across all job classes including state troopers, heavy equipment operators, plow drivers, public health nurses, road engineers and information technology professionals, and oil and gas experts just to name a few. This phenomenon has been testified to by everyone from the Commissioner of the Alaska Department of Public Safety, the President of the University of Alaska, City Managers, Mayors, and police and fire chiefs across the state.

From a managerial standpoint eliminating pensions was a disaster. As a citizen the impacts are even more startling. What happens when public agencies consistently run between a 15 and 40 percent vacancy rate year to year?

Well, as can be expected the services that people rely on fall apart. Currently the Alaska Division of Public Assistance is collapsing. Alaskan's applying for emergency SNAP benefits are faced with a 6-month wait due to the agency being about half staffed. There have been recent news reports that elders in rural areas are being hospitalized with malnutrition because they have not received their benefits. Needy Alaskans are literally starving.

Thousands of families are not getting enough food to eat, and all of this because the department can't find and keep employees. Federal lawsuits have been filed and the same Department is facing a Medicaid deadline that if not met will result in a \$100,000 fine for every day that the work is delinquent.

Basic needs such as snowplowing have been strained by lack of public employees. Governments have struggled finding qualified plow drivers and mechanics to keep the fleet operating. Alaska's largest city, Anchorage, was essentially paralyzed by the inability to clear snow following snow storms this winter. Public schools were closed for 7 days and commerce came to a virtual standstill for nearly 2 weeks. The amount of snow was out of the ordinary, but the lack of snowplows was.

Police staffing is stretched paper thin as well. According to the FBI, in 2020 65 percent of Alaska police officers were assaulted in the course of doing their jobs, compared to the national average of 11.5 percent, and the North Dakota average of 16.9 percent. The Anchorage Police Department and Alaska State Troopers leadership attributed this to the high vacancy rate, and the need to send out officers to calls without backup because we simply don't have the officers.

The abject failure of the state to recruit and retain public servants affects each and every Alaska citizen, business and family. When Alaska got rid of pensions we we're the guinea pig for the rest of the country, and our experience is a 17-year study in what not to do. For the sake of your state please do not make the same mistake we did.

Thank you

,