



**NORTH SLOPE BOROUGH SCHOOL DISTRICT
MEMORANDUM**

TO: Esther Evikana, President
Members of the Board

THROUGH: David Vadiveloo, Superintendent *DSVvadiveloo*

FROM: Earl San Nicolas, Interim Human Resources Director
Megan Williams, Director of Finance *MW*

DATE: March 13, 2026

SUBJECT: **Resolution 26-03, HB78**
Restoration of a defined benefit retirement plan

Memo No. SB26-110
(Action Item)

NSBSD Policy Manual:

N/A - Operational

NSBSD Strategic Plan Summary:

Staff Support & Professional Development

Goal 6: Build and sustain a thriving workforce aligned with the mission of this District

Issue Summary:

House Bill 78 (HB 78), currently under consideration by the Alaska State Senate, would establish a Defined Benefit pension option for teachers and public employees participating in the Teachers' Retirement System (TRS) and the Public Employees' Retirement System (PERS). Senator Kopp has requested that school districts consider adopting formal resolutions expressing support for House Bill 78 and submitting letters of support to the Alaska Legislature as the bill continues to move through the legislative process.

In 2006, Alaska eliminated Defined Benefit (DB) pensions for new teachers, replacing them with a 401(k)-style defined contribution (DC) plan known as the [Teachers' Retirement System \(TRS\) Tier III/IV](#). This shift was aimed at managing unfunded liability but has since been linked to significant recruitment and retention crises. In 2005 the turnover rate for Alaskan teachers was approximately 12%. In 2025 it was approximately 28% which is the highest in the nation. Alaska is currently the only U.S. state that does not provide teachers with a Defined Benefit (DB) pension plan or mandatory Social Security participation. This is identified as a significant reason for turnover and reluctance to teach in the State.

Under the proposal, TRS & PERS employees would be eligible for retirement at age 60 or after 30 years of service, and employees hired between July 1, 2006, and June 30, 2026, would have the option to voluntarily enroll in the new plan. The proposed pension sub-trusts under HB 78 are structured to begin with zero unfunded liability at the plan's effective date. Assets would be transferred on an actuarially equivalent basis to ensure all credited service is fully funded at inception. The plan also includes built-in financial safeguards, such as adjustable member contribution rates and





conditional cost-of-living adjustments, intended to maintain the funded status of the trust without requiring employer contributions beyond existing statutory limits.

Additionally, projections indicate that employer contribution rates for TRS and PERS under HB 78 would remain within the existing statutory cap – TRS 12.56 percent and PERS 22.00 percent of total payroll - and may decrease slightly over time as improved teacher retention stabilizes the workforce.

Background:

Alaska is currently facing a severe and ongoing school staff recruitment and retention challenge. School districts across the state report significant teacher vacancies at the start of each school year, often requiring reliance on long-term substitutes, emergency certifications, and out-of-state recruitment efforts as temporary measures to fill critical positions.

Since the closure of Alaska’s Defined Benefit pension system in 2006, the State’s Defined Contribution retirement plan has not provided teachers or other public employees (under PERS) with guaranteed retirement income and offers limited structural incentives for educators and school staff to remain in Alaska’s schools for long-term careers.

Research consistently demonstrates that Defined Benefit retirement plans are among the most effective policy tools for improving long-term educator retention, particularly in rural, remote, and high-need school districts.

Proposed Motion:

“I move that the NSBSD Board of Education adopt Resolution 26-03, a resolution in support of House Bill 78, relating to the restoration of a Defined Benefit plan for Alaska educators.”

Moved by: _____ Seconded by: _____

Advisory Vote: _____ Vote: _____

Signature: *DS Vadiveloo*

Email: david.vadiveloo@nsbsd.org

Signature: *Maged*

Email: megan.williams@nsbsd.org

