

Momentum Builds for HB 1383

Based on Tim Lee's *Inside Line* of 3-28/4-4-13

It has been over two weeks since TRTA Day at the Capitol, and the impact is still being felt. Many legislators continue to comment on our members' organization, positive attitude, knowledge of the issues, and passion for protecting and improving benefits for TRS retirees.

Before March 20, there were just over 30 authors and co-authors on Representative Jim Keffer's **HB 1383** which calls for increasing funding for the TRS pension fund to 6.9% in FY 2014 and 7.4% in FY 2015. Last February Tim Lee had set a goal of 100 co-sponsors. **As of Sunday the April 7th, HB1383 has 99 authors and co-authors and that includes virtually all representatives in CCART's local geographical membership: John Davis [Dist. 129 - Webster/NASA/LaPorte area], Greg Bonnen [Dist. 24 - League City/Dickinson/Friendswood/Santa Fe], Craig Eiland [Dist.23-Texas City-LaMarque-Galveston] and Ed Thompson [Dist. 29, Alvin/Pearland].**

By March 20 all but John Davis and Craig Eiland had signed on to sponsor HB 1383 but by the end of day on the 21st, after serious discussion with several constituents during TRTA Day. both representatives were on the list of co-authors. Chris Mendez, Rep. Davis' Legislative Aide, reflected on our TRTA Day experience in an email sent later in the week:

On March 20th, the Clear Creek Association of Retired Teachers (CCART) embarked on a journey to the State Capitol... motivated to express their support for H.B.1383... During CCART's visit, Frank and Sandra Barzilla, Joan Schneck, Janet Millican-Fountain, Margaret Briggs, and James Bailey, had the opportunity to meet privately with Representative John Davis... in the agriculture museum to discuss H.B.1383. The meeting... must have been influential and powerful; because shortly after, Representative Davis co-authored H.B.1383

to support the Retired Teachers.... Although it is necessary to support current educators, we must never forget the teachers who educated our current leaders!

Shortly after the Davis conference, Rep. Bonnen's Legislative Aide Logan Jack escorted another CCART group (Dan and Tina Chelette, Tom and Marie O'Neal, Terry Stoloski, Janna Thomas, Joanne Holmes, Bonnie Melton, LouAnn Hollis and Jill Macomber) to the vestibule of the House Chamber. There we met with Rep. Greg Bonnen for several minutes. We were all very appreciative of his early support of HB1383 and HB103.

On a darker but hopeful note: Up until last week neither the Senate nor the House version of the budget supported a funding level to support HB1383. However, last Thursday [April 4] in the budget debate in the House, Rep. Jim Keffer offered a successful amendment to Article 11 of the budget bill. That addition should greatly improve the chances that HB1383 will be fully funded. Article 11 is the section of the budget often referred to as the "wish list" article, but it keeps the funding discussion alive and is a very important procedural component in the Texas legislative process.

On that same day, another amendment by Rep. Bennett Ratliff was added. This amendment requires that any TRS pension fund "settle up" dollars that may be owed back to the state instead go to the TRS-Care fund. This method of "settle up" was used in the previous biennium, placing \$98 million into the TRS-Care fund.

SB 643 and HB 103 Could Provide a 13th Check

Based on Tim Lee, *Inside Line*, 2-28-13

SB 643 (Sen. Bob Deuell) and HB 103 (Rep. Larry Gonzales) are companion bills that would provide the opportunity for a 13th check for school retirees. The last such check was provided in 2005, five years ago. In the 12 years since the last annuity adjustment in 2001 inflation has eroded over 20% of our income. We now find it much more difficult to pay for basic necessities. While we are very grateful for the 2005 check, financial relief is woefully needed. HB 103 and SB 643 would use excess pension fund earnings

to support a desperately needed supplemental payment for TRS annuitants.

HB103 and SB643 would not have any adverse impact on the fund, as they maintain minimum levels of funding for the TRS pension fund. The bills would not guarantee anything more than a one-time additional payment (keeping the overall cost very low for the system). Currently HB103 has 29 authors and co-authors and is in the Pensions Committee.

TRTA Day in Austin: a Capitol Success

Based on Tim Lee, *Inside Line*, 3-22-13

Over 1,000 TRTA members came together at the Texas Capitol in Austin on March 20. Members arrived by bus and car, wearing bright red shirts and carrying red bags. Retirees came from as far away as Connecticut and Colorado, and every area of Texas was represented!

Four busses from the Houston area carried 212 enthusiastic retirees including 17 from CCART arriving at the capitol between 9 and 9:20am. An ocean of red then blanketed the galleries of the House and Senate as each session opened and resolutions appreciating the contributions of retired teachers were enthusiastically passed in each chamber. Many members visited legislators and their staff members, sharing information about the bills that TRTA supports.

If you want to look at the flyer passed out to many legislators it is available at trta.org. Look for "Day at the Capitol" and click on "read more." That document provides details on each TRTA-supported bill and a chart showing the cost of goods and services in 2001 and 2013.

HB99 to connect State Contribution to Social Security base

Tim Lee, *Inside Line*, 3-28-13

HB 99 [currently in the Pensions Committee] is a bill that requires the state to tie their base-level contributions to the TRS to no less than what the federal government requires in contributions for the Social Security program.

This legislation has tremendous actuarial value for the TRS fund. In 1995, the Texas Legislature dropped its funding to TRS from 7.31% of the aggregate active teacher payroll to the

constitutional minimum of 6%. At that time, the decrease in funding for TRS was said to be temporary, meant to last for only one biennium. It was not until 2007 that the Legislature raised their contribution to the TRS fund. If the Legislature had at least contributed the same amount that the federal government requires private employers to make on behalf of their employees to Social Security (6.2%), TRS would have over \$1 billion more in the trust fund today. In other words, that 0.2% difference has cost your TRS fund over \$1 billion.

Worse than that, if the state had maintained a 7.31% funding level, the pension trust fund would have over \$8 billion more today!

TRTA has long held the position that the state's underfunding of the TRS pension fund is one of the main reasons that retirees have not had a real cost-of-living increase in 12 years and the system is not actuarially sound today.

The market losses in 2001, 2008, and 2009 also played a significant role in the unfunded liability; but so does state funding policy. 95% of Texas school employees do not participate in Social Security, and the state and school districts have saved billions of dollars over the years by not making contributions to the federal program....

Bill sponsor Rep. Charles Perry has taken a very positive step with **HB 99**.... TRTA agrees with Representative Perry. We believe this bill should be advanced this session!

Texas Tribune Credits Tim Lee Newsletter in Helping Defuse Thursday's Budget Debate

The highly respected online newspaper *Texas Tribune* alerted readers with several quotations from Tim Lee's *Inside Line*. [Texas Tribune, 4-3-13] TRTA Director Lee had warned us to be wary of numerous disingenuous amendments planned by several Tea-Party freshmen for last Thursday's budget debate. Those amendments turned out to as duplicitous as predicted. These changes were largely aimed at diverting state expenditures from several Tea Party-targeted programs to the TRS-Care fund. However, in a day-long session lasting well into the night, each amendment was rejected or withdrawn by House vote.

As the Tribune tells of Tim Lee's forewarning:

"On all other amendments related to TRS-Care, TRTA urged House members to follow the lead of House Appropriations Chairman Jim Pitts, R-Waxhachie, and John Otto, a Dayton Republican and the point person on education on the appropriations committee.

"We know that TRS-Care is facing a future funding crisis," the letter reads, adding that the association has confidence that legislators will address the issue "when the time is right."

The letter could potentially defuse debates Thursday on each of the approximately 37 amendments filed by the group of freshman Republicans."

And defuse appears to be the correct descriptor verb for what happened the next day in the 12-hour House debate.

Despite Budget Games played with TRS-Care Last Week's Budget Debate were Filled with Positive References to TRS Fund

Tim Lee, Inside Line, 4-5-13

Now that the Texas House has adopted its version of the state budget, the next step is to take the bill to conference committee where Senate and House designees discuss and agree to final budget changes. TRTA email campaign encouraged House members to adopt two TRTA-developed amendments. They support the work being done by legislators to increase funding for our TRS pension trust fund and TRS-Care program!

Last Thursday's debate was very supportive of TRS retirees. Several freshmen members tried to redirect dollars from other parts of the budget to the TRS pension fund or TRS-Care program. These were not new dollars but dollars already allocated for other state services, programs, or agencies. While TRTA does not oppose the Texas House evaluating its budget priorities and determining how TRS can receive higher appropriations, TRTA already has been engaged in an ongoing discussion with House and Senate leaders to make improved appropriation levels possible for TRS programs.

TRTA remains concerned that outside organizations seem to be involved actively in pushing for the budget reallocation efforts. We know they will try to beat up members who voted for the originally planned budget allocations, stating that these votes were

putting other spending priorities above retired teachers.

These groups, however, do not support TRTA positions and retirees' interests in preserving the defined benefit pension plan and TRS-Care health insurance program. **TRTA members need to send a clear message to all House members: "Thank you for seeing through the rhetoric being foisted into the budget decision process about TRS retirees."**

The organizations that want to attack legislators for their votes last night are on record as wanting to do away with our defined benefit plan.

TRTA believes that every legislative member was acting on their commitment to TRS retirees. **The level of support for retired educators in the Texas House came through loud and clear all day. Your influence on the Texas House floor diminished many attempts to politicize what truly was a good-natured debate on the funding of our state's commitment to TRS retirees.**

Please thank these legislators for their hard work and commitment to finding new solutions to our core issues: protecting the defined benefit plan, making the pension fund actuarially sound, improving TRS-Care funding, and finding a way to provide a real retirement increase for TRS members!

TRTA is very appreciative of several key House members last night: House Appropriations Chairman Jim Pitts; House Appropriations Subcommittee Chairman John Otto; House Energy Resources Chairman Jim Keffer; House Pensions Chairman Bill Callegari; and Representative Bennett Ratliff.

[All of our local House members backed the TRTA amendments: Reps. John Davis, Greg Bonnen, Ed Thompson and Craig Eiland.]

We are making good progress this session.

Remember that many other groups are working to counter your best interests. They are trying to quiet TRTA, minimize your issues, and ultimately defeat our legislative agenda and advance their own.

Their agenda is not designed to protect your pension. It is designed to eliminate the defined benefit plan completely, and remove the access TRS retirees have to a quality health care plan and true retirement security.

12 Facts Every Texan Should Know about TRS and Retired Educators

1. TRS is not coordinated with Social Security (95% of Texas public school employees do not pay into the federal program).
2. TRS is not providing rich benefits for annuitants or excessive COLAs (TRS retirees have not received an annuity increase in 12 years).
3. TRS is 36% less rich than comparison plans in other states while still providing a great value to its members (\$1867 average monthly annuity)
4. TRS has never been subject to a member or legislative funding "holiday."
5. TRS is presently underfunded because the Texas Legislature committed less money to the system when the markets were high and did not put more money in when the markets were low.
6. TRS has earned more than \$50 billion since the two major market declines in 2008 and 2009, managing its assets without kneejerk reactions and staying the course.
7. TRS has a strong record of high investment returns (8.6% average over 25 years).
8. TRS pumps over \$7 billion into the state economy every year in benefit payments.
9. TRS is not a tremendous burden on Texas taxpayers (taxpayers contributed \$1.6 billion in 2011, while active members contributed \$2.2 billion and the system earned \$14.6 billion).
10. The members of TRTA continually work to improve their local communities, giving from their hearts more than 5,970,080 hours of volunteer service in 2012, equivalent to a value of more than \$130 million.
11. Retired educators volunteer in schools and promote lifelong learning by providing more than 600,000 books to children through the Children's Book Project, including 145,433 last year alone.
12. Retirees are conscious of the effect their health has on the world around them and work to preserve the TRS-Care program by reducing doctor visits through the Walks-A-Million Program, collectively taking 24,186,286,321 steps toward greater wellness in 2012.

Contact Your Legislators in Austin

Sen. Larry Taylor - 512-463-0111
Rep. John Davis - 512-463-0734
Rep. Greg Bonnen - 512-463-0729
Rep. Ed Thompson - 512-463-0707
Rep. Craig Eiland - 512-463-0502

A friendly legislative aide will answer the phone and deliver your message to your representative or senator.

You can also type "Texas Legislature Online" on your search engine and a host of information is available including things like the progress of bills, committee meetings and even the text of specific legislation. If you click on "members" a website for each legislator can show committee memberships and even a map of the representative or senator's district.

Rep. Thompson to Open District Office Next Saturday Morning

Rep. Ed Thompson [Dist. 29, Alvin Pearland] will open his district office next Saturday, April 13, 2013. The office is located in Pearland at **2337 North Galveston Avenue.**

Constituents and guests are invited to join him for a town hall meeting and open house between 9:30-11:00 am.

"We look forward to welcoming everyone to the new office and visiting about what's been going on so far during session, as well as what's still to come," said Representative Thompson. Thompson will discuss the 83rd Legislative Session, the budget and status of legislation he has introduced. Please come with any questions, concerns or ideas you have, or simply to meet Representative Thompson, his District Director and staff from the Capitol.