

 <p>vol. 10 no. 2 Clear Creek Assoc. of Retired Teachers, Editorial Board: Ginny Darling, &amp; Vee &amp; Frank Stansfield, Co-Chairs, James Bailey &amp; Paul Arnold</p>	 <p>Oct. 9, 2012</p>
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**Early Voting begins October 22<sup>nd</sup>  
and ends Friday November 2<sup>nd</sup>  
Voting by mail applications must be  
into the County Clerk by October 26<sup>th</sup>**

Most early voters go the second week; voters averse to standing in line should go the week of Nov. 22-27. Some of us have already voted by mail but the vote-by-mail deadline looms. If you wish to vote by mail get your application to the County Clerk as soon as possible but it must be in his office no later than October 26. To get an application form go to

[harrisvotes.com](http://harrisvotes.com)  
or write to

Harris County Clerk  
P.O. Box 1148  
Houston, TX 77251-1148

For Galveston County go to  
[galvestonvotes.org/early-vote-mail-FAQ.htm](http://galvestonvotes.org/early-vote-mail-FAQ.htm)

Or write to  
Elections Division,  
Galveston County Clerk  
P. O. Box 2450  
Galveston, TX 77553-2450

**Harris County Early Voting Location**  
Freeman Branch Library  
16616 Diana Lane, 77062

**Galveston County Early Voting Locations**

Dickinson Community Center 2714 Highway 3 Dickinson, Texas	Bacliff Community Center 4503 – 11th Street Bacliff, Texas
League City County Annex 174 Calder Road League City, Texas	Friendswood City Hall 910 S. Friendswood Dr. Friendswood, Texas
Clear Creek Intermediate School 2451 East Main St. League City, Texas	Kemah Civic Center 800 Harris Ave. Highway 146 Kemah, Texas

**Early Voting Hours**

October 22-26: . . . 8:00 a.m. - 4:30 p.m.  
October 27: . . . 7:00 a.m. - 7:00 p.m.  
October 28: . . . 1:00 p.m. - 6:00 p.m.  
October 29- Nov.2: 7:00 a.m. - 7:00 p.m.

**Some GOP leaders say call for state pension overhaul is not warranted**

Kate Alexander, *Austin American Statesman*, 9-17-12

**Despite political rumblings that Texas should move away from public pensions, some key Republican House members say the statewide pension funds for teachers and state workers should not be overhauled. Several members of the House Pensions, Investments and Financial Services Committee, which has been tasked with looking into the sustainability of the multitude of pension funds that serve public workers in Texas, have said the guaranteed pension benefits serve both the employees and taxpayers well.**

**State Rep. Rob Orr**, R-Burleson, who is said to be in the running to be chairman of the committee in the next legislative session, said state pension funds are in good financial shape and should not be lumped into the discussion about poorly run plans. Both plans have more than 80 percent of the assets they need to cover long-term benefits, which experts deem a critical threshold.

"It appears to me that the state is doing a superior job compared to a lot of the other pension plans, and the focus should be on the plans that are in trouble," Orr said, adding that some of the municipal plans, in particular, are out of whack.

Some conservative interest groups have said that Texas should follow the lead of other states and wean teachers, state employees and other public workers off a guaranteed pension benefit, which ensures a monthly retirement check until a member dies. Instead, they advocate moving to a retirement account akin to a 401(k). The groups, including the **Texas Public Policy Foundation** and other fiscally conservative leaders, often have the ear of Texas' top political leaders.

"Here in the Austin echo chamber you're starting to hear it's going to be a priority," said state **Rep. Rafael Anchía**, D-Dallas, who is a member of the committee and opposes doing away with the guaranteed pensions.

Committee Chairwoman **Vicki Truitt**, R-Keller, who lost her bid for re-election in the primary, urged her returning colleagues not to get caught up in the national tumult around public pensions and instead keep the focus on Texas, where the statewide funds are in good financial shape. "That is who we need to keep in mind the taxpaying public and the state employees and the welfare of the state in general," Truitt said during a two-day hearing last week on pensions.

**The state has avoided the mistakes that other pension plans have made because of constitutional and statutory provisions that require annual contributions from both the state and the members and that limit benefit increases.**

**Members of both the teacher and employee retirement systems in Texas have not received an ongoing cost-of-living boost since 2001.**

Even so, there is a lot of chatter that some powerful political forces will push the issue. If they succeed in spurring legislative changes, today's retirees and probably current vested members of the pension plans would not be affected. Future employees, however, could face drastically different retirement options.

Anchía said that any move to drop the pensions for new hires would be driven by ideology rather than the facts. **A recent analysis from the Teacher Retirement System of Texas showed that each of the alternative options under discussion would require a larger state contribution to provide the same level of benefit. Under a plan similar to a 401(k), it would cost 138 percent more to keep the benefits level, according to the analysis mandated by the Legislature.**

In a similar report issued [in September], the Employees Retirement System of Texas found that closing the guaranteed pension to new hires and moving them to a 401(k)-like system would drain the assets of the \$22 billion pension fund in 27 years and then cost \$3 billion a year afterward. Under the current structure, the state would only have to increase contributions by \$259 million per year to make the fund "actuarially sound."

Orr noted that Texas' state workers are paid less than their counterparts in the private sector with an average salary of about \$41,600 and that their retirement is not plush. The average pension annuity is about \$18,600, according to the Employees Retirement System.

"I think it will be more expensive to the taxpayers of the State of Texas" to move to a 401(k)-like system, Orr said. "Where are the savings? The savings in other states were from a reduction in benefits. Our benefits are already as low as you can get."

**Talmadge Heflin** of the Texas Public Policy Foundation said he is working on a report to show how the transition away from the guaranteed pension can be done in a way that saves money. That report is set for November.

"The main reason for doing it is to give a certainty, a predictability for the state the taxpayers and the

employees," Heflin said. "Yes, the employees will share some of the risk but they also will get to share additional reward if their fund performs better than what they anticipate. It's a risk and reward deal," said Heflin, a former chairman of the House Appropriations Committee.

## Testimony on Public Employee Pensions Before the House Committee on Pensions, Investments and Financial Services

René Lara, Legislative Director, Texas AFL-CIO, 9-12-12

**The public pension systems for teachers, state employees and other public workers in Texas are sound. While our state's pension funds are healthy, the benefits they provide our retired public employees are inadequate, largely due to the low employer contribution rate. Raising the employer matching rate a little, along with the existing employee contribution, plus the strong investment returns enjoyed by these funds, will ensure our public servants' retirement security....** [C]ollectively, pension funds are able to invest in much the same way as very wealthy individuals and endowments--through the purchase of stocks, bonds, real estate and other investments by professional fund managers.

Unfortunately, groups such as the American Legislative Exchange Council (ALEC) and the John Arnold Foundation want to take our members' access to low-cost, professional money managers. These and other critics are calling public pension funds "unsustainable," while recommending the creation of individual retirement accounts. They claim that our public pension funds are facing imminent danger. Not true, not in Texas.

We believe that Texas voters envisioned a defined-benefit plan when they approved the teachers' and state employees' pension systems in our state constitution. Since then, these pension systems and the many local pension plans have survived the worst downturns in our economy.

The Teacher Retirement System (TRS), for example, after the worst recession ever, had a funding ratio of 82.7 percent last year. Any funding ratio above 80 percent is considered healthy.... Raising the state's employer contribution levels back to the levels of the early 1990s will not bankrupt the State of Texas. But turning public pension funds into 401K-type of accounts will certainly bankrupt most public employees in their old age. Keep in mind that many public employees, such as teachers, do not qualify for Social Security. That is why they rely on their pension fund as their safety net.

Finally, as you develop your recommendations to the entire Texas House of Representatives, we ask that you keep in mind the economic value of our state pension systems to our neighbors, friends, family members and the communities in which they spend their retirement income.

## TRS Pension: If It Ain't Broke Don't Fix It

Forest Wilder, *Texas Observer*, 8-31-12

....You may recall that there is a campaign afoot to "reform" (i.e. radically change) Texas' public pensions for teachers and other public employees. Basically, the reformers want to abandon the defined-benefit model, which guarantees certain retirement benefits, and replace it with a defined-contribution system built potentially on self-managed accounts such as 401(k)s. There's also talk of raising the retirement age and other cuts to benefits. The problem, though, is that Texas' public pension systems are in pretty good shape, popular with workers and the alternative is risky. Still, the interests pushing for change are powerful and persistent. So, the Legislature ordered the Teacher Retirement System and the Employees Retirement System to take a closer look at their funds. The TRS report... found that switching to a defined-contribution model would be more expensive, result in reduced benefits to retirees and is unnecessary.

As it is, the pension fund is solvent through 2075—a good sight better than, say, Social Security—and could be solvent indefinitely if the state would modestly increase its share from the current 6.4 percent to 8 percent, comparable to other states. Teachers could pay a slightly larger share too to help solve the problem.

If teachers were to invest their retirement benefits, TRS estimates that 92% would do worse than the current system. A typical 62-year-old retiree who made his or her own investments could expect to have income of just 28% of their teacher salary, about \$12,500 a year. The federal poverty level for a household of one is \$11,700.

The reason is simple: Professionally-managed investment pools perform significantly better than individual investors—8.6 percent vs. 5.3 percent, according to the TRS report.

So, the upshot is that the current system is performing well but needs some moderate changes to maintain health in the long run. Nonetheless, it will probably do little to dent the ambitions of the wrecking crew, including the corporate-funded Texas Public Policy Foundation.... If it ain't broke don't fix it, right? Well, it seems that breaking it is the point.

## Candidate Lineup for October 22

All remarks are derived from candidate's websites.

### State Senate District 11

**Larry Taylor** (larrytaylor.com) R- Friendswood

"His voting record has earned him accolades as a "Taxpayer Advocate" and a "Champion for Free Enterprise." His Republican colleagues in the State House of Representatives unanimously chose him twice to lead their Caucus and he has been selected to Chair several committees..... Larry supports more local control for school districts and will vote to reduce or eliminate many of the unfunded mandates that currently burden public

schools." Taylor is endorsed by the National Rifle Assoc., most business lobbies and 15 local mayors. He is currently serving his 5th term in the Texas House.

**Jacqueline Acquistapace**, D - Pearland  
(jacquelineacquistapace.com)

"I'm a mom with 2 kids attending public high school. I'm concerned about education. Teachers Need To Teach not be Crowd Control....

I'm the eternal optimist I believe in Miracles and that anything is possible. "Can't is a Four Letter Word" I can, I have, and I will do anything I set my mind to. I've set my mind to being your next State Senator."

### State Representative District 129

**John Davis** (votejohndavis.com) R - Clear Lake City

Davis has a very pro-business record and is **unopposed**. "A college education is not a reality for many people. We should encourage vocational education for students that will not attend college, so that they are able to get jobs. We should also focus on making High School classes more relevant in order to bring down the high school drop-out rates." John's wife Jayne Anne is a former elementary school teacher for CCISD.

### State Representative District 24

**Greg Bonnen** (drgregbonnen.com) R - Friendswood

"In 2003, Dr. Bonnen and his partners founded Houston Physician's Hospital and began treating patients there in mid-2005. He has served as chairman of the board since 2006. Today, the Hospital provides a variety of acute and specialty care to communities throughout Southeast Texas and employs over 170 area residents. He also serves on the Board of Directors for Heritage Bank." His "Issues" page indicates strong support for a variety of very conservative positions such as keeping "taxes low to retain and attract jobs," removing "unnecessary regulations" and stopping "frivolous lawsuits that stifle small business growth," standing firm "against a state income tax," and supporting local control of education." Bonnen also supports "our community colleges and universities as they train the workforce of tomorrow."

**Rusty Cates** (rustycates.com) D - Dickinson

- Fully Fund the Public Education System
- End Unfunded Mandates
- Improve Efficiencies So That More Resources are available For the Classroom [& Community Colleges]
- Make College and University Education affordable.

Under education, for example, he says that "radicals" in the last Legislature broke the Constitutional promise to provide for "the support and maintenance of an efficient

system of public free schools.... They took \$5.4 billion out of the funding of our public schools even in the face of growing enrollment.

The vast majority of students in the 24th Texas House District attend schools that the Texas Comptroller has rated 5 of 5 Stars for efficiency; the quality of educational achievement per dollar spent. Every business person knows that when you take resources away from an already efficient operation you do not increase efficiency; you reduce effectiveness.”

### **Congressional District 14**

**Randy Weber**, Alvin (randyweber.org) R  
Elected to the Texas House in 2008, Weber has earned an enviable record as a principled conservative. As a small businessman, Weber understands the trials and tribulations that our job creators face in today’s lackluster economy. [He] will fight for the economic backbone of our economy by reducing the bureaucratic red-tape and job-killing regulations from Washington that stifle our growth and by cutting taxes on small and family-owned businesses, helping them to develop, prosper and create jobs. who gets results. He has served on the committees of Environmental Regulation, Public Education and as Vice Chair of Border and Intergovernmental Affairs.....

**Nick Lampson**, Beaumont (lampson.com) D  
“Congress has continued to underfund education even as they run record federal deficits. At the same time, localities are facing their own deficits, and schools are trying to juggle record enrollments and rising numbers of pupils who have disabilities and difficulty speaking English. And when the federal government fails to live up to its promises on education funding, that can mean higher property taxes in Texas. Additionally, we must do more to hold down the skyrocketing cost of college tuition.... We cannot afford to allow a college degree get beyond the reach of more and more students.... I will work to bring down the cost of a college education.” Many consider Lampson a Blue Dog or fiscally conservative Democrat meaning that he sometimes votes with Republicans.

### **State Representative District 23**

**Wayne Faircloth** (votefaircloth.com) R  
Faircloth is a State Farm Agent in Dickinson who believes “government should work like a business. Overtaxing prevents growth. Limiting business means limiting jobs. I want to encourage small business and bring relief from over regulation. Minimize frivolous lawsuits to bring relief to business in Texas. Supporting the energy business in Texas only makes sense.”

**Craig Eiland**, (craigeiland.net) D  
Eiland, named a Texas Monthly 10 best Legislator, is the incumbent and known for past TRTA support. Eiland wants to “scale back high-stakes, standardized tests,... slash red tape from Austin [and] protect Seniors’ Health Care.”

### **Congressional District 22 \***

**Pete Olson** (olsonforcongress.com) R  
Olson, a graduate of Clear Lake High School, puts upfront “Less Spending, Less Taxes and Less Regulation” with an “environment under which businesses can feel confident to reinvest, expand, and hire new workers. Only private sector job growth can help stabilize our nation’s economy .... No government “stimulus spending” or phony “jobs bill.” On energy he supports “natural gas, and cleaner coal technologies to vastly expanded nuclear power, oil sands, and increased production both onshore and off.” On immigration he wants “borders with fences, increased surveillance, increased man power, detention facilities.”

**Kesha Rogers** (kesharogers.com) D  
Rogers [Sugarland] calls herself a “LaRouche Democrat and advocates a range of diverse policies: immediate impeachment of Pres. Obama, reinstatement of Glass-Steagall and space colonization & planetary defense. For a richer explanation go to her website.

### **Congressional District 36 \***

**Steve Stockman** (congressmanstevestockman.com) R  
Stockman is a former Congressman (‘95-’96) from League City who opposes “citizenship and benefits to anchor babies... recognition of homosexual marriage and background checks, waiting periods, and registration for firearms.” He favors declaring English the official U.S. language, a federal law stating that life begins at conception and “cutting government spending.”

**Max Martin** (max4congress.com) D  
Martin is a Clear Lake area educational software businessman who believes that all income [including capital gains] should be taxed at the same earned income rate that was in effect during the Clinton administration. Martin supports the “Dream Act” and welcoming “the honest, hard-working undocumented residents to our country, help to educate them and their children and let them be a part of our growing society.” He also supports increasing the minimum wage to \$10 an hour.

\* In the Clear Creek ISD area the border separating CD36 and CD22 lies on along Highway 3 except for an area SW of Diana between Bay Area Blvd and Pineloch which is in CD22.