



# ADVISOR



TEACHERS, EMPLOYEES, PUBLIC, STATE POLICE AND JUDICIAL

Vol. XXXIV — No. 11

SERVING OVER 325,000 MEMBERS

May 2009

## The Shoals

By Mike Goens, *Times Daily*

Few people likely believed it when the head of the Alabama Retirement Systems made a pledge back in 2002 to work closely with the Shoals to provide an economic spark then and into the future.

David Bronner, chief executive officer at RSA, was working with the area's elected officials at the time—mayors of the four largest cities and chairmen of the Colbert and Lauderdale commissions—on a project that promised to turn our area into a tourist destination.

He said then that he would find ways to help the area economically as long as our government leaders worked together and were willing to hold up their end.

There are some who took the man for his word, but others—and I heard from several—thought he was just giving lip service. Those naysayers said he wanted to make a modest financial investment and use local tax money and assets to help build two courses on the Robert Trent Jones Golf Trail and a luxury hotel, all of which would make money for his retirement systems account.

The critics, some of whom at the time mocked and made fun of him in the public arena, figured Bronner would milk what he could from the community and be on his way to bigger and better things.

Unquestionably, those folks could not have been more wrong.

We have continued to see example after example of Bronner's commitment to the area. And, folks, he has given far more than lip service. He has backed up his pledge with money, a lot of money.

Just last week, Bronner committed another \$275 million to help National Alabama complete and equip its massive railcar manufacturing plant in Colbert County. In case you have lost count, he now has \$625 million tied up in that project.

When you add a \$100 million-plus investment in the successful tourism project and another \$206 million or so to provide stability to Wise Metals, you're looking at a total financial commitment of about \$970 million.

That's not lip service by any critic's imagination.

"I told you guys up there that I was going to be a partner and



## RTJ Visitors

Golfers visiting Alabama's Robert Trent Jones Golf Trail in April traveled from around the world.

The top 10 states with golfers visiting "The Trail" in order were: Ohio, Illinois, Texas, Georgia, Florida, Tennessee, Indiana, California, Kentucky and Louisiana. For the month of May, Texas leads the way!

Please continue the outstanding job you have done for years in making our visitors feel better than being at home.

## PARCA Quarterly

By Randolph Horn

With a shortfall in the current state budget and the prospect of reduced revenue in the coming year, the Public Affairs Research Council of Alabama (PARCA) surveyed Alabamians to assess the public response to the current budget dilemma. The poll addressed several areas: 1) public priorities concerning major areas of government service provision; 2) attitudes concerning two state financial processes—earmarking and proration; 3) public assessments of the impact of large budget cuts on state services; and 4) public willingness to pay increased taxes to avoid cuts in state services. A scientific sample of 494 respondents was collected between January 6th and 22nd through random-digit dialing of Alabama households and cell phone users. The margin of error for the total sample is  $\pm 4.4\%$ . Some questions were asked of a subsample of 360 respondents. The subsample has a margin of error of  $\pm 5.2\%$ .

### I. PUBLIC PRIORITIES

Respondents were asked a series of questions related to their priorities for state legislative action this year and their assessments of state government performance. When asked what was the most important issue for the Legislature to address this year, over a third gave responses related to jobs and the economy. One-fifth identified education, and nearly

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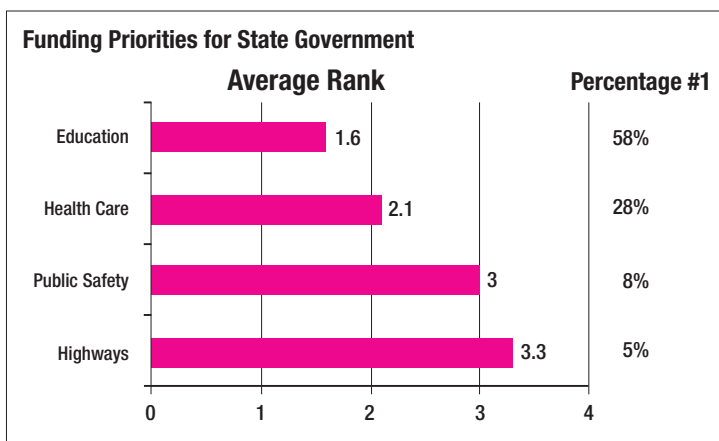
## PARCA *continued from page 1*

10% identified the budget shortfall or proration. There was little variation across demographic groups, although those with higher levels of education were more likely to list education as a priority, while those with less education were more likely to identify jobs and the economy. Those with higher income levels were slightly more likely to identify the budget shortfall or proration as the most important issue.

Four major areas of government investment were identified for respondents in random order: education, health care, highways, and public safety. Respondents were asked to identify one of these areas as the most important service the state provides and to rank the remaining areas. Nearly three-fifths identified education as the most important area of government service....

Figure 1 shows the percentage of #1 rankings and average rank for each of the four functions, with 1 being the highest rank and 4 the lowest.

Figure 1



## The Shoals *continued from page 1*

I meant it," Bronner said the other day when I questioned him about pumping more money into National Alabama.

Having had a front row seat as the tourism project rolled out, I saw probably eight or 10 times when obstacles were put up in what seemed like a calculated effort to stop the project. Bronner could have just walked away at each stage and no one would have blamed him.

He hung in there to the end, though, and the Shoals now has some amenities that few communities our size can boast. ■

## II. ATTITUDES ABOUT STATE BUDGETING PROCESSES

Respondents were told about the dedicated revenue streams for education and highways. They were then asked if it was a good idea or a bad idea to earmark taxes to fund a particular area of government service. Nearly two-thirds identified earmarking as a good idea. Those with higher levels of education were more likely to say that earmarking was a good idea.... Respondents were asked if revenues should be earmarked in each of the four main areas of government investment.... Just over two-thirds thought revenue should be earmarked for health care, with women indicating slightly more support than men. Nearly two-thirds thought revenue should be earmarked for highways. About three-fifths said that revenue should be earmarked for public safety.... Respondents were also asked about strategies for dealing with budget shortfalls. Respondents were informed that state law requires across-the-board cuts when revenue falls short during a budget year. They were asked if this was a good way to keep the

budget in balance, or if the budget should be balanced in some other way. A majority preferred to balance the budget another way; less than forty percent indicated that across-the-board cuts were a good way to balance the budget. Older respondents were more likely

to support proration than others. Even though proration is required by law, respondents were asked what they thought would be the best way to address revenue shortfalls. Nearly half indicated support for setting aside money in advance to address shortfalls, with a fifth advocating having the Legislature reconvene to address a budget crisis. Only about 16% supported across-the-board cuts when other options were available....

### CONCLUSION

The 2009 PARCA survey reveals much about public priorities and expectations with regard to the budgeting process of the state of Alabama. The

public endorses earmarking to dedicate revenue streams to important programs. Those who see earmarking as overused or overly restrictive confront a considerable challenge in bringing the public around to their position. Proration is less favorably viewed. Most Alabamians would prefer alternative methods for addressing revenue shortfalls.

While majorities support earmarking revenue in each of the major areas of government service addressed in this survey, there are significant differences in how the services are valued. Education is not only ranked number one, but more people express willingness to pay additional taxes to support it. That is not to say that support is uniform for all things educational: there are some differences in public assessments of the impact of large cuts in different education programs. While health care ranks number two in the list of priorities, it mirrors education in terms of the public's desire to protect its revenue stream and willingness to pay additional taxes to avoid substantial cuts. Alabamians evince support for public safety and highways, with majorities supporting earmarking and large minorities indicating willingness to pay additional taxes to avoid cuts in these areas. Even though recognized as important, public safety and highways are seen as second-tier priorities behind education and health care.

*Note:* Complete question text and survey results may be found at <http://parca.samford.edu/presentations.html>. ■

## WANT TO HELP?



### A FREE Car Tag

Tired of that worn-out dealer tag on the front of your car? Would you like to help the RSA and our Alabama Tourist Department advertise "Alabama's Robert Trent Jones Golf Trail" on your front bumper? If so, call to request a tag at 334-517-7000, or 877-517-0020, or write:

Tag, P.O. Box 302150  
Montgomery, AL 36130-2150

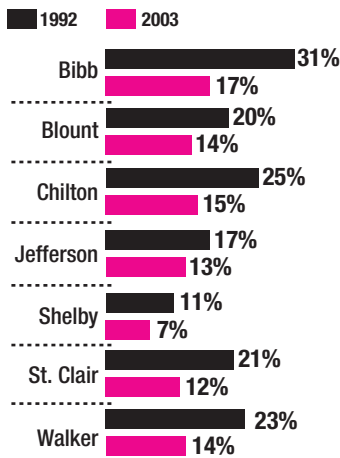
# Illiteracy By County

By Tiffany Ray, *Birmingham News*, staff writer

Literacy rates have improved in all but one Alabama county since the early 1990s, but 15 of every 100 people in the state still reach adulthood without learning to read, new statistics show.

## METRO AREA LITERACY IMPROVES

The percentage of people 16 and older who are functionally illiterate declined in all seven metro-area counties.



Source: National Center for Education Statistics

Percentage of people 16 and older who are functionally illiterate, by county, in 2003.

Alabama	15%	Etowah	14%
Autauga	13%	Fayette	17%
Baldwin	11%	Franklin	19%
Barbour	23%	Geneva	16%
Bibb	17%	Greene	31%
Blount	14%	Hale	26%
Bullock	34%	Henry	18%
Butler	21%	Houston	12%
Calhoun	15%	Jackson	15%
Chambers	20%	Jefferson	13%
Cherokee	16%	Lamar	18%
Chilton	15%	Lauderdale	13%
Choctaw	23%	Lawrence	21%
Clarke	21%	Lee	13%
Clay	18%	Limestone	14%
Cleburne	17%	Lowndes	28%
Coffee	13%	Macon	25%
Colbert	15%	Madison	10%
Conecuh	23%	Marengo	22%
Coosa	21%	Marion	16%
Covington	16%	Marshall	15%
Crenshaw	19%	Mobile	16%
Cullman	13%	Monroe	20%
Dale	13%	Montgomery	14%
Dallas	24%	Morgan	20%
DeKalb	18%	Perry	27%
Elmore	13%	Pickens	21%
Escambia	19%	Pike	19%



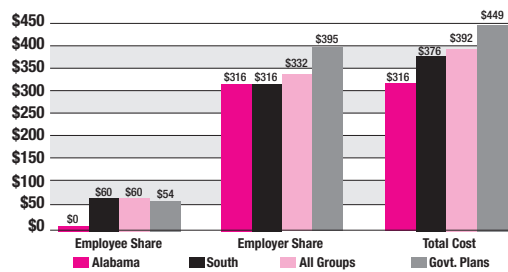
Randolph	19%	Tuscaloosa	14%
Russell	21%	Walker	14%
Shelby	7%	Washington	20%
St. Clair	12%	Wilcox	30%
Sumter	28%	Winston	16%
Talladega	18%		
Tallapoosa	16%		

## THE KAISER FAMILY FOUNDATION 2008 ANNUAL SURVEY

# The Rest of the Story

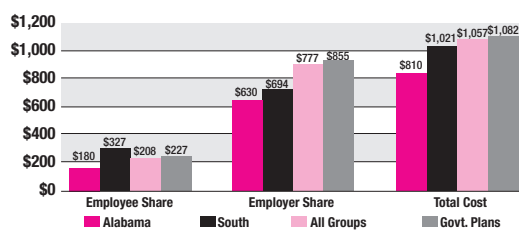
Recent media reports have made much of the fact that State employees pay nothing for their health insurance. However, the untold story is how the State's share of the employee coverage compares to other employers nationally. As the charts below show, while State employees pay less than others for their individual coverage, the State also pays much less on average for individual coverage than other employers. In addition, while the employee's share of family coverage (\$180) is lower than other groups, the State's share (\$630) is also lower than other groups surveyed. Yes, the employee has a good deal, but so does the State! ■

### Single Coverage Contributions



Employee premium does not include tobacco user premium.

### Family Coverage Contributions

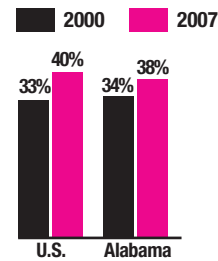


Source: State Employees' Insurance Board (SEIB)

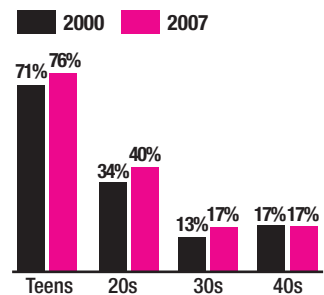
## unwed

### UNMARRIED MOMS

The percentage of women giving birth who are unmarried is on the rise



### BY AGE GROUP (Alabama)



Source: Alabama Dept. of Public Health

ENJOY YOUR SPRING/SUMMER  
A Special Deal  
FOR RSA MEMBERS

**The Battle House,  
A Renaissance Hotel – Mobile – \$89**

- May 14–16, 22–25, 29–31
- June 4–6, 12–14, 19–20, 28–30
- July 5–7, 10–16

**The Renaissance Riverview Plaza –  
Mobile – \$79**

- May 14–16, 22–25, 29–31
- June 4–6, 12–14, 19–20, 28–30
- July 5–7, 10–16

**Marriott Grand – \$89** plus a 14% resort fee

- May 3–7, 10–13, 17–18, 24–28
- June 3–4, 7–10, 28 • July 5–6, 12, 22–23, 26–28

**Marriott Grand – RSA Golf Package – \$169**

Ask for code – LOCD

Includes: Deluxe Room, One Round of Golf for Two People.

Call for Tee Times after booking package

- May 3–7, 10–13, 17–18, 24–28
- June 3–4, 7–10, 28 • July 5–6, 12, 22–23, 26–28

**Marriott Shoals – Florence – \$79**

- May 10–12, 17–18, 25–27, 31
- June 10–11, 18, 21–23, 28–29
- July 6–7, 19–21, 26–27

**Renaissance Ross Bridge – Hoover – \$89**

- May 2–6, 8–11, 21, 24–31
- June 2–4, 7–11, 14, 18, 25, 28
- July 1–2, 5–7, 12–16, 19, 26–28

**Opelika Marriott – \$79**

- May 1–3, 7, 10, 17–30
- June 2–4, 7, 16–18, 21–30
- July 1–15, 19–23, 26–31

**Prattville Marriott – \$79**

- May 1–6, 8–12, 14, 17–27, 29–31
- June 1, 7–9, 13–15, 18, 21–24, 28
- July 1–9, 12–16, 19–23, 26–29, 31

**Renaissance Montgomery – \$89**

- May 1, 5, 10–14, 16–17, 21, 24–31
- June 1–2, 5–11, 14–16, 19–23, 26–30
- July 1–6, 8, 10–12, 16, 18–19, 25, 29–31

**RSA Spa Package – \$159**

Ask for code – LOCD Includes Deluxe Room

- May 5, 12–14, 21, 26–28
- June 2, 9–11, 16, 23, 30
- July 1–2, 8, 16, 29–30

Rates available the 1st of the month and are not applicable to groups.

Code: RABM, 800-228-9290

Internet promo code: R2A on [marriott.com](http://marriott.com)

**Nominations for TRS Board  
Election due by September 4**

Candidates are currently being sought for the following positions for the TRS Board of Control:

- Teacher Position No. 1
- Teacher Position No. 2
- Support Personnel Position No. 1
- Retired Position No. 1
- Postsecondary Position

Applicants must submit completed nomination petitions by 4:00 p.m., September 4, 2009, to be eligible to compete in the upcoming election. Nomination packets are available on our Web site at [www.rsa-al.gov](http://www.rsa-al.gov) or contact Deborah Kirk at 877-517-0020.

The election will take place in October 2009 with the terms of service beginning July 1, 2010. Teacher Position No. 1 is currently held by Mrs. Teresa Harbison, Teacher Position No. 2 by Mr. John R. Whaley, Support Personnel Position No. 1 by Mr. Robert Smith, Retired Position No. 1 by Mrs. Sarah Swindle, and Postsecondary Position by Dr. Susan Brown.

**States with the Highest  
Bankruptcy Rates**

Bankruptcies per 1,000 people

	2009*	2008	Percent Increase
Nevada	8.8	7.2	22.4%
Tennessee	8.5	7.7	11.5
Georgia	7.3	6.3	15.8
Alabama	7.3	6.3	16.0
Michigan	6.8	5.4	26.9
National Average†	4.3	3.6	18.1

\* Annualized rate based on January through March figures

† Includes District of Columbia

Sources: Mike Bickford, Automated Access to Court Electronic Records; Robert Lawless, Univ. of Illinois College of Law



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Marcus H. Reynolds

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**Member Services**

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**RSA-1**

Teresa B. Pettus

**Teachers' Health Insurance**

Lee M. Hayes

**Teachers' Retirement**

Donald L. Yancey

The Retirement Systems of Alabama

201 South Union Street

P.O. Box 302150

Montgomery, Alabama 36130-2150

Phone: 334-517-7000

877-517-0020

RSA Web site

[www.rsa-al.gov](http://www.rsa-al.gov)

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Enjoy Your State  
Visit Your Hotels, "The Spa Trail" and "RTJ Golf Trail!"