



# The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



Vol. XXXIX — No. 2

SERVING OVER 330,000 MEMBERS

August 2013

## The Moral Consequences of Blocking Medicaid Expansion

Source: Reuters

Ohio's Republican governor, John Kasich, is no fan of President Barack Obama's health reform law. But he has become an unlikely proponent of one element of Obamacare—expansion of Medicaid health-care coverage for the poor—and he has a warning for his fellow party members about the moral consequences of blocking it.

“When you die and get to the meeting with St. Peter, he's probably not going to ask you much about what you did about keeping government small, but he's going to ask you what you did for the poor. You'd better have a good answer,” Kasich, a Christian conservative, says he told one Ohio lawmaker. “I can't go any harder than that. I've got nothing left.”

Most Republicans oppose Obama's Patient Protection and Affordable Care Act as a costly, ineffective and unnecessary expansion of government. But some Republican governors, like Arizona's Jan Brewer and Michigan's Rick Snyder, have broken ranks to embrace the law's Medicaid expansion as a practical way to help the poor while infusing their state budgets with billions of dollars in federal funding to pay for it.

Kasich has gone further. His message of morality goes straight to the Republican Party's allegiance to traditional American values including charity, and should resonate with religious conservatives within its influential Tea Party faction. ■

## President Bush's Medicaid Administrator

Source: The Associated Press

Gail Wilensky, who ran Medicare and Medicaid under George H. W. Bush's administration, stated the following: “For me, it is really quite surprising—particularly in the years with 100 percent federal funding—that some states are saying no. This is depriving the poorest of the citizens of an important benefit.”

## Eight Insights on Medicaid Expansion in Alabama

By David G. Bronner

1. Georgia is projected to create 70,000 new jobs from Medicaid expansion. Since Alabama has half the population of Georgia, Medicaid expansion could possibly generate 35,000 new jobs for Alabama. Even if expansion of Medicaid only created 17,500 jobs, that would still be the largest influx of new jobs in Alabama's history.
2. Adding \$15-17 billion, about \$1.5 billion per year, to Alabama's economy is a big deal that helps all 67 counties with the federal government paying 90% of it.
3. If someone comes to you and says invest \$1 billion (\$771 million is supposed to be the number) and gives you \$15 billion back, it is a great deal. I will take that deal all day long. Alabama pays nothing for \$1.5 billion in each of 2014, 2015, and 2016. It is not until 2020 that Alabama pays its 10% share.
4. Alabama's \$771 million to \$1 billion investment will generate over \$1.7 billion in tax revenue, create tens of thousands of jobs, and help over 300,000 women and children in need. These are the Alabamians I am speaking up for.
5. Major critics of Obamacare were Republican governors—including Florida's Rick Scott, Arizona's Jan Brewer, Michigan's Rick Snyder, and New Jersey's Chris Christie (who will likely be the Republican frontrunner in 2016)—and have all agreed to take the money! Governor Scott said, “Looking at the numbers, there's no way to pass this up.”
6. Everyone talks about wanting to help poor people in the Black Belt. Hello! That is where most of the new jobs would be going.
7. Alabama invested \$380 million in Mercedes for an initial 1,000 jobs, which has now grown to around 4,000 to 5,000 jobs. The state invested \$180 million in Airbus, creating an initial 1,000 new jobs. No economic development investment in the world would bring the state 35,000 new jobs. Even if Alabama only received 10,000 to 15,000 new jobs that would still be the largest influx ever in Alabama's history. Only government has the ability to produce jobs on that scale.
8. Get over it. Let's do what is right and responsible for Alabama and its citizens. Alabama starts to lose federal funds and rejects thousands of new jobs starting January 1, 2014! ■

# The Ultimate Play

By Steve Millburg, *Alabama Magazine*

It took a couple of days for the Robert Trent Jones Golf Trail to work its magic on Connie Gibson. When the spell finally kicked in, it hooked her completely.

Last year, the Gibson clan spent a week playing five different 18-hole courses on the trail—which totals 369 gorgeous holes of championship golf plus 99 additional short-course holes, all spread across 11 Alabama sites. Connie, who describes herself as “not a really great golfer,” and brother Norman came down from Indiana. Father Harry, a retiree and longtime golfing enthusiast, and brother Mark drove up from Florida.

Robert Trent Jones Sr., legendary golf-course architect and the guiding genius behind the trail, never believed in coddling golfers. All of the courses feature multiple tee placements to accommodate players of differing skill levels and hitting power. But even from the front tees, each hole presents a challenge.

“The first day, I was frustrated and angry,” says Connie. “I thought, ‘Why did I come all this way and spend all this money?’ Because I’m so bad, and this was so hard!”

Then she decided to relax, not worry about her score, take a mulligan (golfing parlance for “do over”) whenever she needed one, and just enjoy the glorious surroundings.

“By the end of the week,” she says,

“I couldn’t wait to go back. I would love to play every single course. I really would. Because they were beautiful.”

The Robert Trent Jones Golf Trail constitutes one of the biggest, most unusual, and most scenic economic-development projects ever undertaken. The Retirement Systems of Alabama (RSA), which administers the state’s public pensions, created the trail in order to diversify its assets and give Alabama a financial boost.



It succeeded spectacularly. The first courses opened in 1992. Now, 500,000 people play the trail each year. The RSA has also developed eight luxurious resort hotels to accommodate them. “As golf attractions go,” wrote *Golf Magazine* columnist Joe Passov in 2012, “it’s unequaled in the U.S. simply for offering a large quantity of world-class golf at municipal course prices.”

Connie Gibson certainly agrees. “It’s just a treat and a pleasure to play a professional course,” she says. “Most professional courses are way out of my league financially.” Greens fees for all but two of the trail

courses start at \$46, about the same as at a public city course.

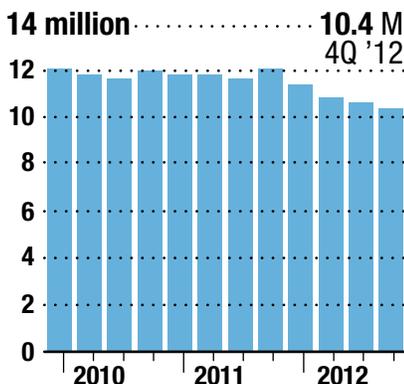
Each layout reflects Jones’ passion for preserving—and sometimes enhancing—the land’s natural beauty and heritage. The first hole at the Judge course at Capitol Hill in Prattville, for example, overlooks the Montgomery skyline a startling 200 feet above the fairway. A picturesque old mule barn stands along the signature fifth hole of the Highlands course at Hampton Cove in Huntsville. Jones said Grand National in Opelika, on Lake Saugahatchee, was the greatest site for a golf complex that he’d ever seen, and he distilled the essence of its allure into the stunning 15th hole of the Lake course, which curls through the trees and around the water to an island green.

The Gibsons left Alabama just as impressed with the hospitality of the trail employees as they were with the courses themselves. Even with carts, the hikes to the elevated greens started taking a toll on Harry’s legs and Mark’s bad knee. No problem; each day, the starter attached a flag to the cart allowing the pair to drive right up to each green. “They were really nice people,” Harry said. “They went out of their way to make you happy.”

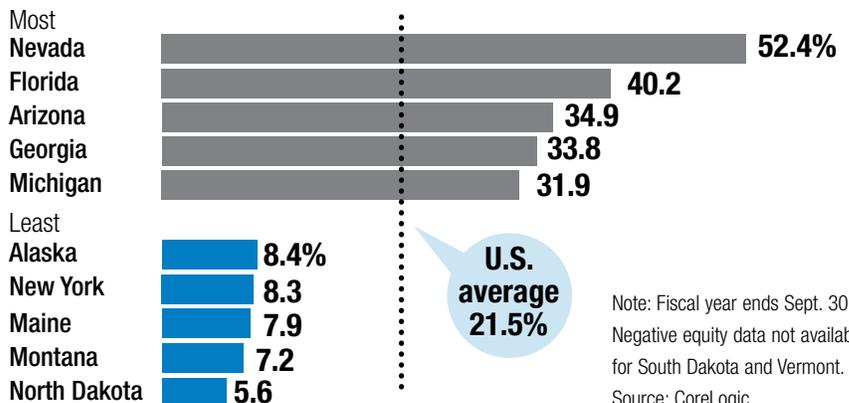
Connie summed up the trail simply: “It’s just an experience—an experience of a lifetime.” (Editor’s note: The story had 17 large golf course photos.) ■

## HOUSEHOLD FINANCE

U.S. households owing more on their mortgage than what their home is worth, by quarter



Percentage of all home mortgages that have a negative equity by state, fourth quarter 2012



Note: Fiscal year ends Sept. 30; Negative equity data not available for South Dakota and Vermont. Source: CoreLogic

# Still Time to Govern Responsibly

Editorial: *Times Daily*

David Bronner, CEO of Retirement Systems of Alabama, is advocating the financial sense of expanding Medicaid in Alabama. Everyone does not agree with David Bronner when he speaks, but most would do well to at least listen when it comes to money matters. The CEO of Retirement Systems of Alabama is well known in the Shoals for hundreds of millions of dollars in investments that have led to hundreds of good jobs and enhanced the area's reputation as a tourist destination.

Bronner has advice for those in the state who oppose expanding Medicaid through the federal Affordable Care Act. "Get over it," he said bluntly in a speech Tuesday. Bronner acknowledged that many in the audience, made up of members of the Rotary Club of Tuscaloosa, don't want to hear about Obamacare. "But I don't care," he said. Bronner blasted Alabama's refusal to expand Medicaid for

330,000 Alabamians who need medical coverage.

He said Georgia is projected to receive 70,000 new jobs from Medicaid expansion. Alabama, which has about half the population, could expect to get 35,000 new jobs, the largest influx of new jobs in the state's history. Bronner said \$15 billion to \$17 billion flowing into Alabama is a "big deal" that helps all 67 counties, with the federal government paying 90 percent of it.

"If someone comes to you and says invest \$1 billion (actually its \$771 million) and gives you \$15 billion back, it is a great deal," Bronner said. "I'll take that deal all day long." He cites Republican governors Rick Scott of Florida, Jan Brewer of Arizona, and Chris Christie of New Jersey as among those who are trying to take the money. "Looking at the numbers, there's no way to pass this up," Scott said.

Now, Jesse Salinas, Alabama director of American Association of Retired Persons, is advocating Medicaid expansion for seniors in the state. "We are especially interested in more than 55,000 Alabamians between the ages of 50 and 64 who would become eligible and who now may be hurting for health care," Salinas writes. He points out the dilemma that many workers 50 and over face if they lose their jobs and have to accept low-wage positions without affordable insurance. "Many of us wake up in the middle of the night, worrying we could be next," he says.

We understand why conservative state leaders may overlook the humanitarian aspects of expanding Medicaid. We don't understand, however, why these leaders — who preach fiscal responsibility — refuse to cooperate in what could be an economic boom to the state. ■

## "An Alabama Problem" – Forensic Sciences

By Erin Edgemont @ al.com

The evidence room of the Dothan Police Department overflows with seized marijuana, cocaine, and other drugs. The evidence logs are "bulging," Dothan Police Lt. Bubba Ott said, as the department is forced to keep evidence, primarily narcotics, long enough for confirmation from the Alabama Department of Forensic Sciences that police identification of the substance is correct.

The closing of three regional laboratories, understaffing, and budget cuts have caused a backlog of cases for court systems and law enforcement across the state that can't bring suspected criminals to court without a drug chemistry report.

"From a statewide perspective, we are 30,382 behind in cases right now," Montgomery Regional Laboratory Director Katherine Richert said. "Our oldest case here is from July 2012." The Montgomery Regional Laboratory is 10 months behind in drug chemistry cases due to understaffing and an influx of new cases after Dothan Regional Laboratory closed in July 2011.

Forensics laboratories in Birmingham, Huntsville, Mobile, Tuscaloosa, and Auburn face similar or greater backlogs in

drug chemistry cases, Alabama Department of Forensic Sciences Director Michael Sparks said. Labs will begin to get caught up when newly hired chemists, now in an 18- to 24-month training program, are able to examine evidence, he said. The top illegal drugs in the state continue to be marijuana, methamphetamine, and cocaine (crack). Heroin and LSD are working their way back into the state, authorities say.

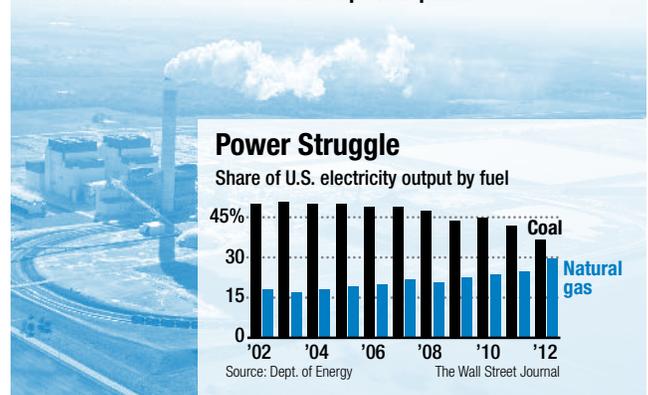
Montgomery County District Attorney Ellen Brooks said that as of June 1, the county had 664 cases pending that can't be sent to a grand jury because they are awaiting reports from the Department of Forensic Sciences. Of those cases, 567 are drug cases, and that number has doubled since last year. Brooks said the Department of Forensic Sciences' backlog creates a delay for drug offenders getting into rehabilitation programs and increases the risk of police officers losing their notes, getting transferred or retir-

ing before cases go to trial.

Ott said Dothan police run into the problem of getting misdemeanor drug offenders prosecuted before the one-year statute of limitations runs out.

Suspects charged with drug trafficking can have bonds set at \$500,000 or higher, but they will often petition the court to have their bonds reduced, knowing they have a good chance for success, he said. "They (judges) can't justify keeping them in jail for two to three years while waiting on evidence," Ott said. ■

Illinois's Prairie State coal-fired power plant



# It Is Time For Your Summer/Fall Getaway at RSA's Outstanding Hotels, Spas, and RTJ Golf

## RETIREMENT SYSTEMS OF ALABAMA

201 SOUTH UNION STREET  
P.O. BOX 302150  
MONTGOMERY, ALABAMA 36130-2150

PRSR STD  
U.S. POSTAGE  
**PAID**  
MONTGOMERY, AL  
PERMIT NO. 402

### ENJOY YOUR SUMMER/FALL A Special Deal FOR RSA MEMBERS

#### The Battle House, A Renaissance Hotel—Mobile—\$109

- August 1-31 • September 1-16, 20-30
- October 1-3, 9-21, 25-27, 30-31

#### The Renaissance Riverview Plaza—Mobile—\$99

- August 1-31 • September 1-16, 20-30
- October 1-3, 9-21, 25-27, 30-31

#### Marriott Grand—\$109 plus a 15% resort fee

- August 4-5, 11-14, 18-26
- September 2-7, 15-17, 22-24, 29-30
- October 1-2, 6-8, 13-15, 30-31

#### Marriott Grand—RSA Golf Package—\$179 NEW! Enter Promotional code—R2A

Includes: Deluxe Room, One Round of Golf for Two People.  
Call for Tee Times after booking package

- August 4-5, 11-14, 18-26
- September 2-7, 15-17, 22-24, 29-30
- October 1-2, 6-8, 13-15, 30-31

#### Marriott Shoals—Florence—\$99

- August 4-5, 11-12, 18-19, 22, 26
- September 2-4, 8-9, 15, 29-30 • October 6-7, 27

#### Renaissance Ross Bridge—Hoover—\$109

- August 1-4, 6, 8-29
- September 2-5, 8-9, 12, 15, 19, 22-23, 29-30
- October 1-3, 6, 13-17, 20-24, 27-31

#### Opelika Marriott—\$99

- August 1, 4-8, 11-14, 18-22, 25-28
- September 1-4, 8-11, 15, 19, 22-26, 29-30
- October 1-2, 6-9, 13-17, 20, 27-30

#### Prattville Marriott—\$89

- August 1, 4-6, 8-15, 18, 22-28, 31
- September 1-9, 12-21, 23-25, 29-30
- October 6, 12-13, 26-27

#### Renaissance Montgomery—\$109

- August 1-3, 7-15, 18, 23-25, 27, 29-31
- September 1-3, 6-9, 12-15, 18-19, 21-30
- October 1-5, 7-8, 13, 19-22

#### RSA Spa Package—\$189

#### NEW! Enter Promotional code—R2A Includes Deluxe Room

- August 1, 7-8, 13-15, 27, 29
- September 3, 12, 18-19, 24-26 • October 1-3, 8, 16, 22

Rates available the 1st of the month  
and are not applicable to groups. Specific room  
requests may require an additional charge.

800-228-9290 Ask for RSA rate.

NEW! Promotional Code: R2A

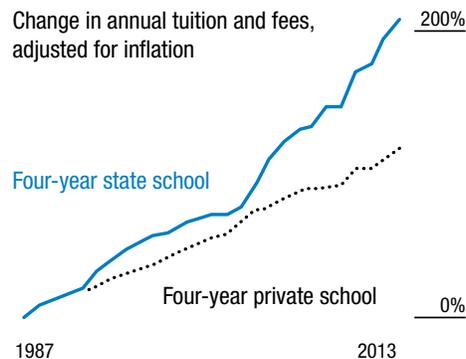
on [www.rsa-al.gov/hotels.htm](http://www.rsa-al.gov/hotels.htm)

**Book Online and Save RSA \$4.**

## Cost of College

State funding cuts, campus investment, and  
hefty executive salaries have pushed up costs

Change in annual tuition and fees,  
adjusted for inflation



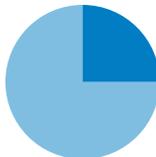
## Debt then and now

Young graduates owe, on average  
90 percent more than a decade ago

Share of 25-year-olds  
with student loans

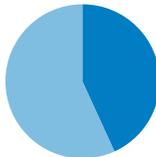
Average loan  
balance

2003  
25%



\$10,648

2012  
43%



\$20,326

Data: Federal Reserve Bank of New York, National Center  
for Education Statistics, College Board



### CEO

David G. Bronner

### Deputy Director

Donald L. Yancey

### Executives

#### Communications

Michael E. Pegues

#### Chief Accountant & Financial Officer

Diane E. Scott

#### Employees' and Judicial Retirement

William F. Kelley, Jr.

#### Field Services

Robert J. Crowe

#### Information Technology Services

Michael T. Baker

#### Investments

R. Marc Green

#### General Counsel

Leura G. Canary

#### Legislative Counsel

Lindy J. Beale

#### Member Services

Penny K. Wilson

#### PEEHIP

Donna M. Joyner

#### Teachers' Retirement

Christopher P. Townes

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 Website

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