



The ADVISOR

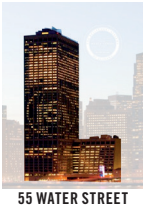
TEACHERS, EMPLOYEES, and JUDICIAL



Vol. XLII—No. 1

SERVING OVER 345,000 MEMBERS

July 2016



55 WATER STREET

55 Water Street Investment Gets Energy Project of the Year for 2016

The RSA owns the second largest office building in America, the largest being the Sear's Tower in Chicago.

55 Water Street is a 687-foot tall skyscraper and is the largest office building in Manhattan with nearly 4 million rentable square feet with two public parks/plazas, a 600-car indoor parking garage, as well as an on-site tenant-only cafeteria. 55 Water Street contains advanced infrastructure including emergency power, extended HVAC hours and above-standard power. The building is undergoing a lobby renovation that will enhance both the aesthetics and flow within the lobby to improve the overall experience for tenants and visitors.

Tenants at 55 Water Street include McGraw Hill Financial (S&P), Hugo Boss, Emblem Health and Liberty Mutual. The building is owned by New Water Street Corp., which is a wholly-owned entity of the Retirement Systems of Alabama.

55 Water Street has been awarded the NY Association of Energy Engineers – Energy Project of the Year for 2016, for the Ice Plant (Energy Efficient Chiller Plant). The awards are based on installed and successful projects and the winner is selected based on certain parameters of the system installed: how it is currently operating and a series of metrics which include: project installation costs, annual kWh reduction, peak electric demand reduction, the environmental impact in terms of reduction in carbon emissions, project payback and annual savings in energy and operational costs. ●

Trooper Shortages in Alabama

BY HANNAH LANE | WSFA

It's no secret that Alabama State Troopers are stretched thin after a series of budget cuts. But until you get in an accident or need one while stranded, you may not realize how much the trooper shortage impacts you or those

CONTINUED ON PAGE 2

“Save Our RSA Retirement” Facebook Page

EDITORIAL

Geoff Statum and David Harer are both Huntsville city firefighters, active in leadership roles in their Firefighters' Associations. They work 56-hour shifts, fighting fires, going on medical calls, and whatever else their job requires.

In their scarce spare time, they manage the “Save Our RSA Retirement” Facebook page, one of the fastest growing and now the largest site supporting a single pension fund on social media. They also travel around Alabama and other states at their own expense, meeting with firefighters and others in the RSA, telling them how their benefits and pensions are under threat from legislators who want to make changes to their pensions and to the Retirement Systems of Alabama (RSA).

Statum and Harer started the site in 2012 after they noticed attacks on firefighter retirement accounts in other states. They saw what the Arnold Foundation and the Pew Charitable Trust were doing to pensions in California, Utah, New Hampshire, Kentucky, Kansas, and Pennsylvania. They knew it was just a matter of time before it began happening in Alabama.

They both spent about 2½ years studying The Arnold/Pew playbook. When a bill proposing converting new hires within the RSA to a cash balance system, they went to work. They talked with state legislators, who promised them they'd leave firefighters out of any changes. But Statum and Harer knew that wasn't right and expanded their effort to educate and include all the members of the RSA on news and proposed legislation that would affect their retirement benefits.

The “Save Our RSA Retirement” page has grown from 300 members this time last year to more than 23,000 in June; growing at a rate of about 1,000 a day. It is clear their grass-roots coalition has taken hold in a big way. They plan to at least double that number by fall when the Legislature returns, so their strength in numbers will make a difference at the Statehouse. Their goal has been and still is to hold legislators accountable for actions regarding the benefits and pensions of members of the RSA.

“At over 23,000 members, we need to all be active to protect our retirement from the greed of Wall Street. It doesn't matter what part of the RSA you are in, ERS, TRS or JRF...we all must stand united,” said Harer.

Recently Statum was awarded the prestigious Jim Clinton Award, given to one of 3,500 firefighters who have done the most for his local association. He was nominated by his coworkers for the work he did with Harer to protect pensions and benefits for firefighters.

To support their effort, go to Facebook's “Save Our RSA Retirement” page and join. ●

Alabama's Medicaid Problem

BY ALAN ALEXANDER, *BIRMINGHAM BUSINESS JOURNAL*

Gov. Robert Bentley has yet to announce if he will call a special session to find a solution for the state's Medicaid program. The Alabama Senate voted 26-1 to level fund Medicaid at \$700 million, which is \$85 million less than what the Alabama Medicaid Agency had requested in budget hearings.

If the remaining \$85 million isn't met, Bentley said targeted cuts will occur to Medicaid that would save the program up to \$120 million. But those cuts will also severely impact medical access in Alabama. Experts say without full funding for Medicaid, the program will collapse.

According to the Medical Association

of the state of Alabama, more than half of infant deliveries are covered by Medicaid, and nearly half of all children in Alabama are covered by the program as well. Medicaid also provides coverage for 60 percent of the nursing home population. In all, that accounts for roughly a quarter of the state's population.

"Alabama already runs the most bare-bones Medicaid program in the country, so to end this legislative session without an appropriate funding solution is more than heartbreaking - it's dangerous," said Mark Jackson, executive director of the Medical Association.

If there's not enough financial support

for Medicaid, the AMA may be forced to stall the program's transition to a managed care system, a setup designed to reduce costs by contracted arrangements between state Medicaid agencies and managed care organizations. The agency has yet to announce if it intends to do so. That reform involves local health care players UAB Health System, St. Vincent's Health System and Viva Health. These providers have been hiring numerous employees to manage the newly-eligible patients within their regional care organizations. ●

TROOPER SHORTAGES IN ALABAMA (CONTINUED FROM PAGE ONE)

who keep you safe.

Twelve o'clock in the afternoon and Senior Trooper Lee Walls hits the ground running as soon as he clocks in to work. With the amount of ground he has to cover, he has no time to waste.

"Our jurisdiction is anywhere outside the city limits. If we were to take a trip and outline my territory, it would take a while to drive it, without stopping one vehicle. I would say just driving the outskirts of my entire [jurisdiction would take an] hour and a half, two hours maybe," said Walls. "You are looking at basically from Alabama 14 all the way out to Dallas County almost into Selma, shoot back up towards 82 north of Maplesville into Jemison, then across I-65 back down near Millbrook. That's a lot of area."

The nine-year veteran covers Autauga and Chilton counties, and Monday, like most days during his shift, he's the only trooper on duty for Autauga County. While he rode with Walls, it took more than an hour to get through less than half of his coverage area. At one point we were riding along in Marbury on US 31 in Autauga County. If he got called to an accident in north Chilton County, it would take Walls at least an hour to get there. "I've driven between 350-400

[miles] in one day," states Walls.

Since he started, the number of troopers assigned to Autauga County has gone from nine to two. The results are the same statewide with one county, Bullock, not even having an assigned trooper. Walls says the demand of trooper's schedules is tough. "We're currently on a rotating style schedule. We all take turns working days and nights," Walls said. "Yeah, schedules are tough. We get moved around a lot. We may work a day shift one day, a night shift the next and that's just in order to make sure things run properly and to get it done."

In 2010, the number of troopers in highway patrol was 366, dropping by nearly 100 in five years. Last year, there were 272 troopers in highway patrol, now Alabama is at 259.

Compared to other southern states, Alabama's numbers are drastically different. Florida has 1,174 troopers, Louisiana has 589, South Carolina has 550, Kentucky has 541, Georgia has 509, and Tennessee has 467. Alabama does have more than Mississippi at 130, but that's because Mississippi State Police only responds to calls on state and federal highways and not county roads like Alabama.

"You normally see a lot of state troopers out; we are on our way to Birmingham, but he's the only one I've seen today," said Michael Straughn. We caught up with Straughn while riding along with Walls. He and his family were on the side of I-65 outside of Prattville. Walls pulled over when he saw Straughn changing a flat tire. "I was glad to see him pull up and when he pulled up I told my wife, 'baby we got a state trooper on us now so we're good,'" explained Straughn.

Straughn was on his way to Birmingham from Brewton, and Walls was the first trooper he had seen all day on his trip. He says besides the need for a trooper to help keep his family safe while changing a flat, speed is nearly out of control. "I had my cruise control set at 75, and people are blowing past me like I'm sitting still," said Straughn. "So yes, we really need some more state troopers out here on the road patrolling the highway."

Troopers say speed is the number one problem with fewer of them patrolling. Recently, troopers have taken pictures of stops they have made with people speeding. They have caught people going far past the limit, upwards of 90, 100, even 120 miles per hour. ●

**Annual Report
Available**

Telephone 877.517.0020 or 334.517.7000
or Write* - RSA Annual Report, P.O. Box 302150, Montgomery, AL 36130-2150
or Request Online at www.rsa-al.gov
* Include your Name/Address and Zip Code

Opioids: The problem of pain

SOURCE: *THE ECONOMIST*

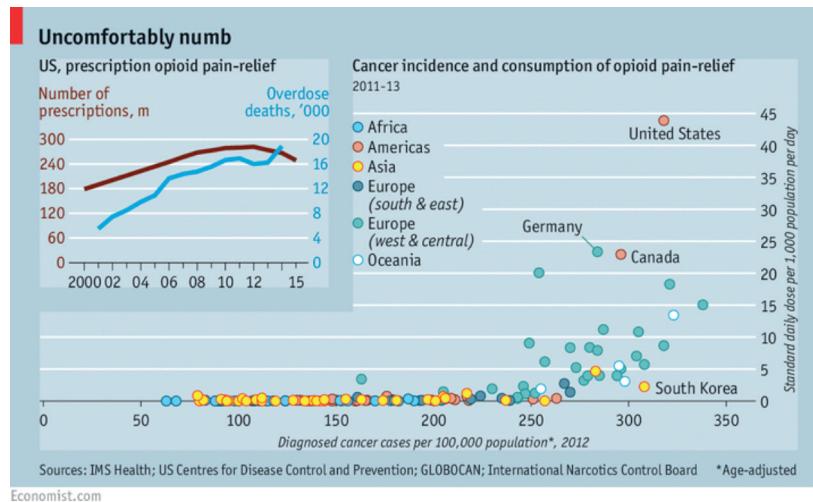
[...] America's fee-for-service health model also gave them a financial incentive to provide patients with what they asked for – especially if it led to repeat prescriptions. Whatever the motivation, haphazard clinical practice and spotty oversight led to addiction and death. In 1999-2014 more than 165,000 Americans died from prescription-opioid overdoses. The typical victim was poor, white and single—though wealthy people are not immune [...]

Opioids kill by slowing the respiratory system. A person who has taken too many—or who combines a

standard dose with depressants such as alcohol, anti-anxiety pills or sleeping aids—may lose consciousness and stop breathing. According to the National Safety Council, an American non-

profit, the difference between an effective and a lethal dose is “small and unpredictable”. Data are patchy, but state statistics suggest that many victims of opioid poisoning have legitimate prescriptions for chronic pain.

Newer evidence suggests that other drugs might be better for chronic pain. Andrew Kolodny of Physicians for Responsible Opioid Prescribing, an advocacy and research group, says



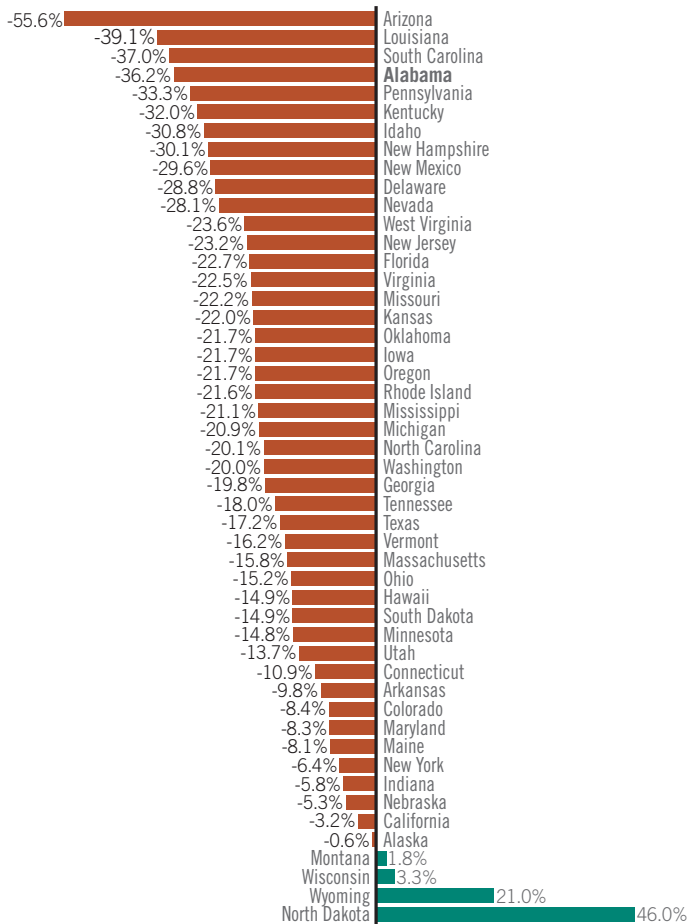
that a combination of non-opioids, such as paracetamol and ibuprofen, can relieve acute pain at least as well—and certainly more safely.

A handful of other rich countries are struggling with opioid misuse, too. Canadians are increasingly getting hooked on and killed by the drugs, says Benedikt Fischer, who studies prescription-drug misuse at the University of Toronto's Centre for Addiction and Mental Health. Britain, by contrast, has largely avoided creating opioid addicts. According to Cathy Stannard, a pain specialist at Southmead Hospital in Bristol, its publicly funded national healthcare system means doctors have no incentive to over-prescribe. And prescription records are held centrally, so a patient bouncing from doctor to doctor in search of pain pills would quickly be spotted [...]

State Funding for Higher Education Remains Far Below Pre-Recession Levels in Most States

Percent change in state spending per student, inflation adjusted, 2008-2016

Source: Center on Budget and Policy Priorities | CBPP.ORG



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

Start Planning Your Summer Getaways 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



Member Hotel
Discounts Webpage

ENJOY YOUR SUMMER
A Special Deal
FOR RSA MEMBERS

**The Battle House,
A Renaissance Hotel—Mobile—\$109**
• July 16-21, 31 • August 1-7, 11-31
• September 1-15, 18-30

The Renaissance Riverview Plaza—Mobile—\$99
• July 16-18, 24-26, 31 • August 1-2, 12-31
• September 1-14, 18, 22-30

Marriott Grand—\$109 plus a 15% resort fee
• July 13, 17, 27-28 • August 7-9, 14-18, 21-22, 28-29
• September 5-6, 11, 18, 25

**Marriott Grand—RSA Golf Package—\$179
plus a 15% resort fee —Promotional code—R2A**
Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package
• July 13, 17, 27-28 • August 7-9, 14-18, 21-22, 28-29
• September 5-6, 11, 18, 25

**Marriott Shoals—Florence—\$99;
Breakfast Package \$124**
• July 5-7, 10-12, 14, 24-25, 31
• August 1, 4-7, 14-15, 18-21, 23-25, 28-31
• September 1, 5-8, 11, 25

Renaissance Ross Bridge—Hoover—\$109
• July 1, 3-8, 10-11, 14, 19-21, 26-27, 29-30
• August 2-11, 14-31
• September 1-15, 18-19, 21-22, 25-28

Opelika Marriott—\$99
• July 3-7, 17-25, 31
• August 1-4, 7-9, 14-18, 21-25, 28-31
• September 5-8, 11-12, 18-19, 25-26

Prattville Marriott—\$89
• July 3-11, 17-18, 24-25, 31
• August 1-4, 7-11, 14-15, 21-28
• September 4-6, 8-12, 18-19, 25-26

Renaissance Montgomery—\$109
• July 1-9, 14, 23, 30-31
• August 1-2, 7-8, 10-14, 22
• September 3-6, 10-12, 15, 18, 25-29
RSA Spa Package—**\$189—Promotional code—R2A**
• July 1-2, 5-9, 14, 23, 30 • August 2, 10-13
• September 3, 6, 10, 15, 27-29

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

800-228-9290 Ask for RSA rate. **Promotional
Code: R2A** on www.rsa-al.gov
Book Online and Save RSA \$4.

Who the U.S. Owes

Top holders of U.S. treasuries:

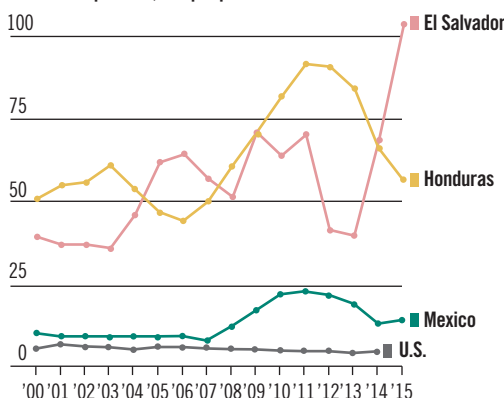
Country	Holdings in March 2016 In Billions
1. China	\$1,244.6
2. Japan	\$1,137.1
3. Cayman Islands	\$265.0
4. Ireland	\$264.3
5. Brazil	\$246.4
6. Switzerland	\$230.0
7. United Kingdom	\$227.6
8. Luxembourg	\$221.3
9. Hong Kong	\$200.3
10. Taiwan	\$182.3
11. Belgium	\$153.8
12. India	\$118.9
13. Saudi Arabia	\$116.8

Source: Treasury Department

Dubious Distinction

Last year, El Salvador's murder rate surpassed Honduras's to become highest in the world outside of a war zone

Homicides per 100,000 people



Sources: World Bank (through 2013); Governments of U.S. and Mexico, press reports (2014-15)



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
Christopher C. Gallup

Information Technology Services
Michael T. Baker

Investments
R. Marc Green

General Counsel
Leura G. Canary

Legislative Counsel
Neah L. Mitchell

Member Services
Penny K. Wilson

PEEHIP
Donna M. Joyner

RSA-1
Rhonda H. Peters

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