



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



Vol. XLIV—No. 10

SERVING OVER 358,000 MEMBERS

April 2019

Raising Alabama: The Need for More Revenue

Alabama tax collections rank 50th in the nation

BY MARK BULLOCK | WSFA

When it comes to funding state government, Alabama is the worst. According to data from the U.S. Census Bureau, the state ranks 50th nationwide in terms of tax collection. No other state collects less revenue. It's true that most people think having low taxes is a good thing. But having the absolute lowest is not a good sign, according to economic investors.

Every year, Alabama state lawmakers struggle to find the revenue needed to fund the state's agencies. And one of the state's leading investors is tired of it. He's calling for a much-needed revenue boost. "You have to have funds to meet minimum standards," explained the RSA's

TAX REVENUE ADVANTAGE OVER ALABAMA

SOURCE: U.S. CENSUS/PARCA

FLORIDA:	+ \$1.5 BILLION
GEORGIA:	+ \$1.5 BILLION
MISSISSIPPI:	+ \$2.5 BILLION

David G. Bronner. *[Editor's Note: Great leadership by Governor Ivey and legislators as they took the first big step with the gas tax increase to improve Alabama's future.]*

Under Bronner's leadership, the Retirement Systems of Alabama has helped bring about some of the state's most celebrated economic development projects, including Mercedes and Airbus. But Bronner says those types of

companies could lose interest in Alabama if the state can no longer pay for even basic programs.

He uses a college football analogy: "What if you had the lowest paid coaches with the worst facilities, do you think you'd be a national winner?" he asked. "I don't think so." When it comes to funding state government, Alabama is no "national winner."

An under-funded corrections department led to a troublesome federal lawsuit. An under-funded mental health department now means needy patients end up in jails instead of hospitals. And an

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Company Kudos

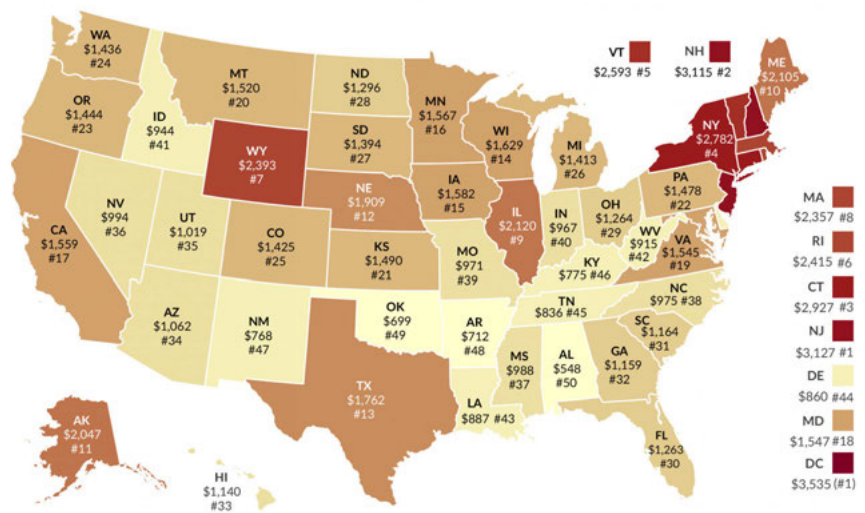
BY ERICA JOINER WEST, BUSINESS ALABAMA



Three of the spas on the Robert Trent Jones Spa Trail were recently ranked in the Top 100 Spas by Spas of America. Coming in no. 31 was the Spas at the Shoals in Florence, part of the Marriott Shoals Hotel & Spa. The Spa at Ross Bridge, located in the Renaissance Ross Bridge Golf Resort & Spa, came in at no. 33, while the Spa at Grand National (pictured here), part of the Auburn Marriott Opelika Resort & Spa at Grand National, came in at no. 53.

How Much Does Your State Collect in Property Taxes Per Capita?

State & Local Property Tax Collections per Capita, FY 2016



Notes: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Source: Census Bureau; Tax Foundation calculations.



under-funded public safety department has reduced the number of state troopers on the roads to a record low. “You have more police in the city of Montgomery than we have state troopers now,” Bronner said. “That’s just unheard of.” Bronner says just a slight tax boost – collecting what Mississippi collects, for instance – could solve all these problems and more.

According to the U.S. Census Bureau, each Alabamian pays about \$3,000 in combined taxes every year. That’s lower than any other state. Tennessee, for example, collects about \$50 more per person. Mississippi collects almost \$400 more per person. When added up, those figures represent a big financial advantage for other states. Our neighboring states of Florida and Georgia each collect \$1.5 billion more in taxes than Alabama every year. Mississippi collects \$2.5 billion more.

“There are definitely some issues that have to be addressed,” agreed State Representative Steve Clouse. Clouse is chairman of the Ways and Means General Fund Budget Committee. The Ozark Republican said this year could bring new revenue generating proposals since it marks the beginning of a new 4-year term.

“In the first year of a quadrennium, that’s when you really have to put forth some efforts that might not be 100% popular with the public,” Clouse said. But according to Clouse, only a gasoline tax hike has been discussed. The money raised would pay for infrastructure improvements like road and bridge construction. He says no other tax increases are on the table.

So what’s PLAN B? Bronner points to state-sanctioned gambling. Without new taxes, he says it’s the only answer. Bronner

has been advocating for a state lottery for decades. He says Alabama is losing out to other states. “Georgia, Florida, Tennessee. People are lined up for the lotteries over there in cars with Alabama tags on them,” Bronner said. Bronner also advocates for legalized sports betting in Alabama, now that the U.S. Supreme Court has paved the way.

A number of lottery bills have made their way through the Legislature in the past, but only one was approved. And in that case, the public voted it down [...]

For more information about Alabama’s tax structure and how it compares to other states, check out this data from the non-partisan, non-profit Public Affairs Research Council of Alabama, parcalabama.org. ●

Postretirement Employment

A retiree of the Employees’ Retirement System (ERS) or Teachers’ Retirement System (TRS) who is restored to active service with an ERS or TRS member agency may continue to receive full retirement benefits provided that the retired member meets both the following conditions:

1. Retiree must **not** be employed in a permanent full-time capacity.
2. The retiree’s compensation during the 2019 calendar year cannot exceed \$31,000.00. The earnings limit in calendar year 2019 and each calendar year thereafter shall be increased by the same percentage increase as the increase in the Consumer Price Index.

If a retiree’s compensation from an ERS or TRS member agency exceeds the above limit, the retirement benefit will be suspended for the remainder of the calendar year.

During the year in which retirement is effective, retirees are subject to a prorated earnings limit based upon the number of months remaining in the year.

Employment with private industry, private education, or a nonparticipating agency will not affect a service retiree’s benefit from the ERS. ●

Waste Not, Want Not

SOURCE: *THE ECONOMIST*

THE BEST WAY TO SOLVE THE WORLD’S WATER WOES IS TO USE LESS OF IT.

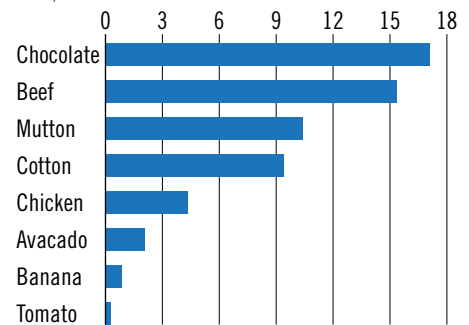
If the world is to reduce its use of water, the most obvious area in which to look for savings is where most water goes: agriculture. How much water this accounts for varies enormously from country to country. In Britain, which is a huge importer of embedded or “virtual” water (that consumed in producing any crop or product) accounting for as much as two-thirds of its water needs, it is relatively little. In Egypt it is about 84%, and in India as much as 90%. Viewed more broadly, as a global water “footprint” – a concept developed by Arjen Hoekstra, a Dutch scientist – including not just the direct uses of water in agriculture, but the indirect ones all the way along the chain from field to fork, agriculture accounts for 92%.

Much of this is wasted. “Flood” irrigation systems, where water is released to inundate fields or furrows, lose water to evaporation or to percolation (ie, to the soil itself before it can be absorbed by the crop’s roots). A common estimate is that flood-irrigation squanders 50% of the water it releases. Sprinkler systems can help with efficiency. But these, too, are imprecise, vulnerable to the wind and to loss of water through evaporation.

Far more effective are “drip” irrigation systems introduced in Israel in the 1960s and since spread around the world. As the name suggests, these direct limited amounts of water to the plants themselves, so that they get enough but not too much. Avi Schweitzer, chief technology officer of Netafim, an Israeli company that sells drip-irrigation equipment and technology in 110 countries, says that, by minimizing both evaporation and percolation, it manages to achieve 95–97% efficiency in delivering the water to the photosynthetic process....

The Worst for Thirst

Volume of water required to produce 1kg
2010, litres '000



Sources: Institute of Mechanical Engineers; Water Footprint Network

U.S. News & World Report Names Alabama's Top Hotels for 2019

With spring break and summer vacations quickly approaching, *U.S. News & World Report* analyzed hotels across the country and named its Top 15 List. They ranked the best hotels in Alabama based on an analysis of industry awards, hotel star ratings, and user ratings. Seven of the top 15 hotels are part of the Resort Collection along Alabama's Robert Trent Jones Golf Trail.

1. **The Battle House Renaissance Mobile Hotel & Spa – Mobile**
2. **The Grand Hotel Golf Resort & Spa – Point Clear**
3. Grand Bohemian Hotel Mountain Brook, Autograph Collection – Mountain Brook
4. **Marriott Shoals Hotel & Spa – Florence**
5. Fort Conde Inn – Mobile
6. The Westin – Huntsville
7. **Renaissance Birmingham Ross Bridge Golf Resort & Spa – Hoover**
8. Wind Creek Casino & Hotel – Atmore
9. Wind Creek Wetumpka – Wetumpka
10. Elyton Hotel, Autograph Collection – Birmingham
11. **Renaissance Mobile Riverview Plaza Hotel – Mobile**
12. **Renaissance Montgomery Hotel & Spa at the Convention Center – Montgomery**
13. **Auburn Marriott Opelika Resort & Spa at Grand National – Opelika**
14. The Admiral Hotel – Mobile
15. Perdido Beach Resort – Orange Beach

Alabama Success Stories The Alabama Law Enforcement Agency Protecting and Serving Alabama

BY HAL TAYLOR, SECRETARY OF LAW ENFORCEMENT

When Governor Kay Ivey appointed me to serve as her Secretary of Law Enforcement in the spring of 2017, she asked me to streamline operations, overcome budgetary obstacles, restore a sense of pride, and boost the number of officers protecting our great state.

Nearly two years later, I am proud to say that we have made remarkable strides.

In 2018, we added 56 new Troopers to patrol our state highways and waterways. These additional officers were strategically placed across the state based on workload. Trooper activity for the previous year was studied to more effectively target areas needing a greater public safety presence. With the new Troopers, ALEA leadership re-examined all patrol areas, officer distribution, work hours, and incident and citation data to determine better response times and improve public awareness of law enforcement on our roads. Through these and other efforts, Alabama had 36 fewer Trooper-investigated fatalities on its highways in 2018.

I am thankful for the tremendous support of Governor Ivey, as well as our Legislature which provided more than \$6 million to allow us to add more personnel and resources.

We are now hiring our third class of new Troopers. In April, we will have 23 more new Troopers and are expecting to hire an additional 65 officers in the fall. To further assist our highway and marine patrols, ALEA was able to replace a large portion of its aging fleet with modern police units designed

for law enforcement. We were able to replace vehicles, many with well over 200,000 miles, and boats that had been in service more than 20 years. We also added 17 new investigators to the State Bureau of Investigation, with plans for 16 more in the fall.

We still have more to do. We currently have 732 sworn personnel serving the Capitol Patrol, Marine Patrol, Highway Patrol, Driver License, and SBI. While 370 are dedicated to working our highways, our goal is to have 650 road Troopers providing 24-hour service in each of the state's 67 counties.

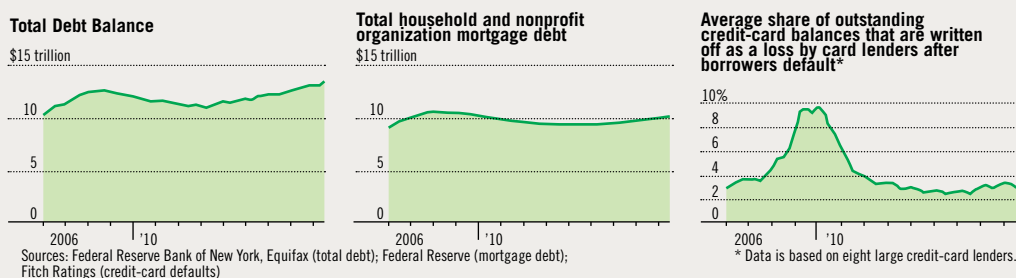
I encourage young men and women who are interested in pursuing a career in law enforcement to consider applying to our Trooper academy. ALEA recently restructured its recruitment program and produced a video showcasing the many facets of this diverse agency. I encourage everyone to go to ALEA.gov/employment to learn more about the exciting opportunities of state law enforcement.

We are open to new ideas and are consistently exploring ways to streamline our efforts without sacrificing public safety and the quality of services the citizens of Alabama deserve. It is an exciting time for our agency, and there is more to come.

This is a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like us to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov. ●

Rising Tide

U.S. consumers are taking on more debt amid a relatively strong economy. But rising credit-card losses suggest some consumers are taking on more debt than they can handle.





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A Renaissance Hotel—Mobile—\$119
 • April 2-4, 7-24, 28-30 • May 1-2, 7-31
 • June 1-5, 9-10, 14-18, 23-30

NEW The Battle House—RSA Spa Package—\$207
 • April 2-4, 8-12, 15-19, 22-24, 29-30
 • May 1-2, 6-9, 13-16, 20-23, 27-30
 • June 3-5, 10, 17-18, 24-27

The Renaissance Riverview Plaza—Mobile—\$109
 • April 1, 10-11, 14-18, 20-30
 • May 1-2, 7, 19-23, 26-30
 • June 1-2, 9-12, 15-18, 23-28

Marriott Grand—\$127 plus a 15% resort fee
 • April 1, 10, 21-22, 28-30
 • May 5, 8-9, 12, 19, 20-22, 27-28 • June N/A

Marriott Grand—RSA Golf Package—\$199
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
 • April 1, 10, 21-22, 28-30
 • May 5, 8-9, 12, 19, 20-22, 27-28 • June N/A

NEW Marriott Grand—RSA Spa Package—\$259
plus a 15% resort fee
 • April 1, 10, 21-22, 28-30
 • May 5, 8-9, 12, 19, 20-22, 27-28 • June N/A

Marriott Shoals—Florence—\$109
 • April 1-4, 7, 14, 21, 28, 30 • May 5, 12, 19
 • June 2, 9, 23

NEW Marriott Shoals—RSA Spa Package—\$210
 • April 2-4, 7, 14, 21, 28, 30 • May 5, 12, 19
 • June 2, 9

Renaissance Ross Bridge—Hoover—\$119
 • April 1-3, 7-12, 14-22, 28-30
 • May 1, 5, 8-13, 19-20, 26-30
 • June 2-3, 9, 13, 15-19, 23-27, 30

NEW Ross Bridge—RSA Spa Package—\$223
 • April 1-3, 7-10, 14-17, 21-22, 28-30
 • May 1, 5, 8, 12-13, 19-20, 26-29
 • June 2-3, 9, 16-19, 23-26, 30

Auburn/Opelika Marriott—\$109
 • April 1-4, 7-10, 14-16, 18-23, 30
 • May 1, 6-14, 27-28 • June 2-18, 21-27, 30

NEW Auburn/Opelika Marriott—RSA Spa Package—\$201
 • April 1-4, 7-10, 14-16, 18-23, 30
 • May 1, 6-14, 27-28 • June 2-18, 21-27, 30

Prattville Marriott—\$89
 • April 6-7, 14-15, 21-22, 28
 • May 5, 12, 19, 23, 26-27, 30
 • June 2, 9, 16, 23, 27, 30

Renaissance Montgomery—\$119
 • April 21-22 • May 5, 23, 26-27 • June 30
 RSA Spa Package—\$209—Promotional code—R2A
 • April N/A • May 2, 23 • June N/A

*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.

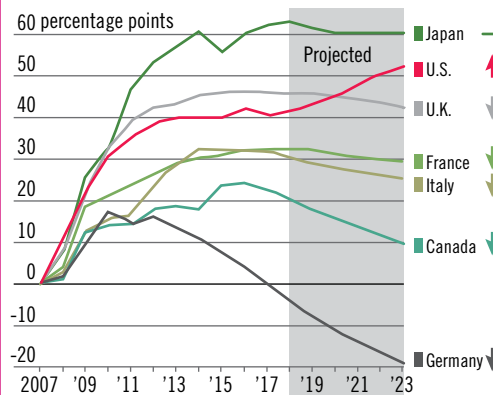
Member Hotel
 Discounts Webpage



State Treasurer John McMillan takes the Oath of Office from TRS Board Chair Luke Hallmark. He also joined the ERS Board.

At Nearly \$250 Trillion There Is Now More Debt Globally Than Ever

Change in central-government debt as a share of GDP since 2007



Source: Institute of International Finance

The ADVISOR

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 David G. Bronner

Deputy Director
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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