



Don't Jump the Gun: The Need for Caution and Accountability in School Choice

BY DAVID G. BRONNER

The recent school choice movement, commonly referred to as parental choice, is advocating for the creation of Education Savings Accounts (ESAs) funded by public monies for all students, regardless of household income and current enrollment status. These accounts would be funded from all taxpayers' dollars, not just parent taxpayer dollars. The creation of such a new and expansive government-funded education program should be undertaken with caution and full consideration of the potential impacts on public education.

The Alabama Policy Institute (API) published a report (<https://alabamapolicy.org/>) on school choice in Alabama and nationally. The report gives an overview of the states that have established ESAs or voucher programs with universal eligibility. Based on the messaging from school choice advocacy groups, one would think that most other states have ESAs with universal eligibility and Alabama is late to the game. But based on the API report, these programs are relatively new, enacted by only a handful of states, with most having accountability and testing requirements.

Only six states have enacted universal ESAs, with only two currently in effect this school year (Arizona and Florida). Arizona is the oldest but it only took effect in the 2022-23 school year. Three states

(Arkansas, Iowa, and West Virginia) are phasing in universal eligibility for ESAs over the next few years. Five of the six states have accountability measures. Four states (Arkansas, Florida, Iowa, and West Virginia) require testing for participating students, while Utah requires parents to submit annual education reports. Three states (Florida, Iowa, and West Virginia) also impose requirements on participating schools, and two states (Arkansas and Iowa) require private school attendance for ESA eligibility.

The bottom line – “a one-size-fits-all” solution is not being used across America, and Alabama is anything but behind the curve on this issue. In fact, according to The Heritage Foundation, Alabama ranks 18th in the nation in school choice based on its tax-credit scholarship program, which was recently expanded during the last legislative session, and its charter schools, which were authorized by legislation passed in 2015.

If the Legislature wants to expand its school choice options and enact ESAs, it should not be done at the expense of traditional, charter, and magnet public schools, which may be the only realistic options for children in many areas, including rural Alabama. The Legislature has recently launched new initiatives, such as the programs created under the Literacy and

Numeracy Acts, to continue to improve public education. Any new school choice programs should not undo these efforts or shift focus away from continued efforts to improve public education.

Accountability measures should play a major role in any school choice legislation. There is no accountability where the parents of the children receive money directly with no assurance that the money will be spent on the child's education. At the very least, testing is needed to ensure that children are learning.

The API report on school choice relies upon test results to support the argument that academic performance in Alabama's public classrooms is inadequate and that a change needs to be made. **If these tests are necessary to measure the education outcomes of public schools, shouldn't they also be used to measure the education outcomes of ESAs?** Public schools are held accountable for how they spend public dollars and for whether they are adequately educating our children. The same accountability should apply to ESAs.

We all have an interest in making sure that every child in Alabama has access to the very best education. Let's not jump the gun – any school choice expansion should be handled with caution and accountability to ensure that all children benefit. ●

50-Year Analysis of RSA's Key Metrics — 1973-2023

BY MARK FAGAN

This analysis shows changes for RSA (TRS, ERS, JRF) membership, contributions, investment income, total revenue, benefits paid, and invested assets since 1973. It is in nominal dollars (not adjusted for inflation) and not an account-

ing or actuarial analysis.

The RSA experienced exponential growth from 1973-2023. All metrics showed percentage increases except the ratio of active to retired members. Total members, employee contributions,

benefits paid, and retired members steadily increased each year. Active members and employer contributions increased but fluctuated mildly through the years.

Total contributions, investment income, and total revenue increased but fluctuated the most through the 50 years due to the cyclical changes in the economy and capital markets. Investment income made up 55% of the total revenue (45% from total contributions) from 1973-2023.

For a healthy defined benefit pension plan, contributions plus investment income (total income) must be greater than benefits paid in order to grow

invested assets. From 1973-2023, total income exceeded benefits paid by \$44.1 B, which set up total invested amounts to increase 8,965% in the 50 years ended September 30, 2023.

In the **last 50 years**, the RSA had only five years with losses in investment income. These years were 2001 and 2002 (terrorist attack on 9/11), 2008 and 2009 (financial crisis/Great Recession), and 2022 (COVID-19 aftermath). Also, the last 50 years had **seven recessions**: 1973-1975 (oil crisis), 1979-80 (energy crisis), 1981-82

(stagflation), 1989-91 (Savings and Loans crisis), 2000-01 (dot-com crash), 2007-2009 (great mortgage crisis), and 2020 (COVID-19).

At the end of 1973, there were 6.49 active members for each retired member, and at the end of 2023, there were 1.39 active members for each retired member. The continually decreasing number of active members per retired member means revenue depends more on investment income to pay benefits and prevent losses in invested assets. ●

RSA MEMBERS, CONTRIBUTIONS, INVESTMENT INCOME, TOTAL REVENUE, BENEFITS PAID, AND INVESTED ASSETS FROM 1973-2023 (M=Million, B=Billion)					
	1973	2023	1973-2023 Increase	1973-2023 % Change	1973-2023 Total
Membership Entities	399	1,245	846	212%	
Total Members	111,938	394,256	282,318	252%	
Active Members	97,002	229,515	132,513	137%	
Employee Contributions	\$28 M	\$936 M	\$908 M		\$19 B
Employer Contributions	\$62 M	\$1.62 B	\$1.56 B		\$31.5 B
Total Contributions	\$90 M	\$2.56 B	\$2.47 B		\$50.5 B
Investment Income	\$33 M	\$5.03 B	\$5 B		\$63.1 B
Total Income	\$123 M	\$7.59 B	\$7.47 B		\$113.6 B
Retired Members	14,936	164,741	149,805	1,003%	
Benefits Paid	\$40 M	\$4.0 B	\$3.96 B		\$69.8 B
Total Income minus Benefits Paid	\$83 M	\$3.6 B	\$3.52 B		\$44.1 B
Invested Assets	\$460 M	\$41.7 B	\$41.2 B		\$41.7 B
Active Members per Retired Member	6.49	1.39	-5.10	-79%	

Students Suffered Big Setbacks in Pandemic

BY MATT BARNUM, THE WALL STREET JOURNAL

The most comprehensive global look at test scores since the pandemic shows learning loss is a stubborn worldwide problem, with American 15-year-olds experiencing similar or slightly less severe setbacks compared with peers in other countries.

Economically developed nations saw substantial drops in reading and math on international exams, according to new

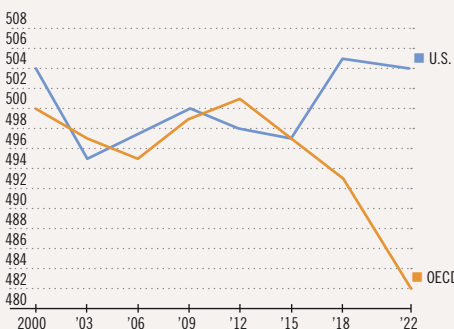
data released Tuesday [12/5/2023]. U.S. scores also declined sharply in math but held roughly steady in reading.

Among 37 participating countries in the Organization for Economic Cooperation and Development, which coordinates the exam, **the U.S.'s scores now rank sixth in reading, 12th in science, and 28th in math.** These were slight improvements compared with 2018, the last time the exam was given....

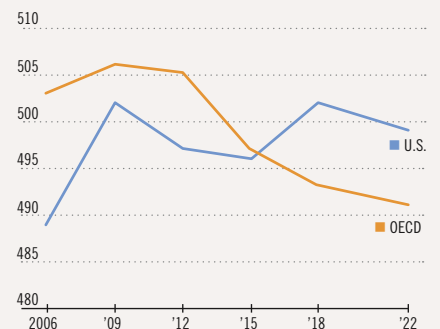
PISA Math Scores



PISA Reading Scores*



PISA Science Scores



*U.S. results are not available for 2006 Source: OECD

Alabama Success Stories

University of South Alabama Breaks Ground on New Medical School Building

The University of South Alabama (USA) broke ground on December 8, 2023, on the new 250,000-square-foot Frederick P. Whiddon College of Medicine building that will allow the university to graduate more physicians and accelerate research and innovation.

The \$200 million facility, set to be completed in 2026, will round out a medical education hub on campus that includes the College of Nursing, the Pat Capps Covey College of Allied Health Professions, the Health Simulation Building, and the Charles M. Baugh Biomedical Library. When the new building opens, more than 500,000 square feet of campus facilities will be dedicated to healthcare education and research.

“This facility will offer our future students the most advanced learning and research opportunities anywhere in the country,” said USA President Jo Bonner. “It will transform medicine to the unique needs of our community while educating and training the next generation of providers, and it further enhances our position as the Flagship of the Gulf Coast.”

The new Whiddon College of Medicine building will provide state-of-the-art laboratory spaces that will create flexibility and efficiency for research today and in the future. It will also allow for expanding the class size of first-year medical students from 80 to 100, with the capability of increasing to 120; at the same time, the nation faces a projected shortage of healthcare providers.

“This is an investment in the future of healthcare to meet the needs of Alabamians,” said Dr. John Marymont, dean of the Whiddon College of Medicine and vice president for medical affairs. “By national metrics, this medical school produces high-quality physicians that stay in the state, helping meet the needs in primary care as well as in rural and underserved areas at an affordable cost.”

The Whiddon College of Medicine is one of 158 accredited MD-granting institutions in the United States and one of only two in the state. More than 1,139 of its graduates are practicing medicine in Alabama. According to the Association of American Medical Colleges, the College consistently ranks in the top tier nationally for graduates practicing in underserved areas.

Key stakeholders have responded to help invest in the state’s healthcare. In one of his final acts as an Alabama U.S. Senator, Richard Shelby set aside \$60 million in federal appropriations for the new facility. The USA Foundation contributed \$30 million, while the state of Alabama has given \$50 million in support of the project.



“Alabama proudly recognizes the value of the Whiddon College of Medicine, and by breaking ground on this state-of-the-art facility, we are further positioning one of our state’s premier institutions to connect our people with the care they need,” said Gov. Kay Ivey.

Many others have also recognized the critical need to build a new College of Medicine. The city of Mobile will give \$10 million, and Mobile County has pledged \$5 million.

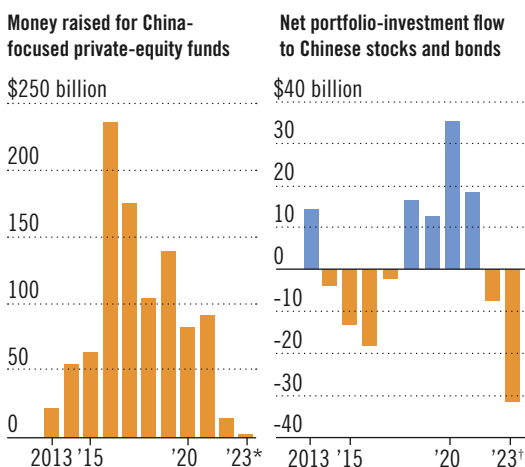
Alabama Power, The Caring Foundation of Blue Cross and Blue Shield of Alabama, the Bedsole Foundation, the Daniel Foundation, and others have also given transformational gifts.

The university has set an additional \$30 million philanthropic goal to see the project through to completion.

The University of South Alabama and USA Health have more than 11,000 employees, making it one of the largest employers in the region.

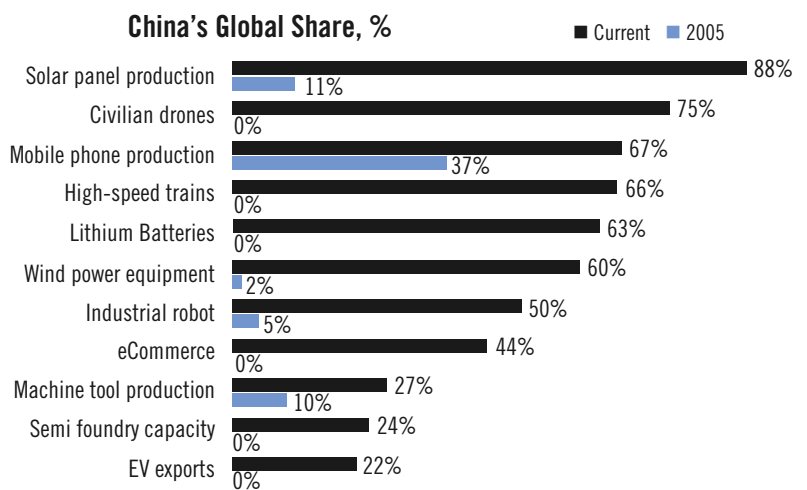
This is a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov.

Investors Fall Out of Love with China



*2023 data is through Nov. 23 †2023 data is through Oct. 31
Source: Preqin (money raised); State Administration of Foreign Exchange (flows)

But China Is The World Leader in the Fourth Industrial Revolution



Source: Various via KKR

Spring Travel Looks to Be Very Busy, Start Planning Your Spring Getaways at RSA's Outstanding Hotels, Spas, and RTJ Golf



Member Hotel
Discounts Webpage

RETIREMENT SYSTEMS OF ALABAMA
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P.O. BOX 302150
MONTGOMERY, ALABAMA 36130-2150

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U.S. POSTAGE
PAID
MONTGOMERY, AL
PERMIT NO. 402

ENJOY YOUR WINTER/SPRING A Special Deal FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel \$129

- February 14-26 • March 1-5, 10-12, 17-19, 24-31
- April 1-4, 14-16, 22-24, 28-30

The Battle House RSA Spa Package \$244

- February 14, 19-21, 26
- March 4-5, 11-12, 18-19, 25-27
- April 1-3, 15-16, 22-23, 29-30

Riverview Plaza \$119

- February 14-15, 18-20, 23-28
- March 3-5, 10-12, 20-21, 24-28, 30-31
- April 4-6, 14-16, 19-21, 28-30

Grand Hotel (plus a 15% resort fee) \$137

- February 2-4, 11-13, 18-19, 21-22, 25-28
- March 6-7, 13-14, 20-21 • April 7-9, 28-30

Grand Hotel RSA Golf Package (plus a 15% resort fee) \$209

- February 2-4, 11-13, 18-19, 21-22, 25-28
- March 6-7, 13-14, 20-21 • April 7-9, 28-30

Grand Hotel RSA Spa Package \$285 (plus a 15% resort fee)

- February 2-4, 11-13, 18-19, 21-22, 25-28
- March 6-7, 13-14, 20-21 • April 7-9, 28-30

Marriott Shoals \$119

- February 4-5, 11-13, 18-19
- March 3-5, 17-18, 24-26 • April 1-2, 7-8, 14-15

Marriott Shoals RSA Spa Package \$229

- February 4-5, 11-13, 15, 18-19, 25
- March 3-5, 17-18, 24-26
- April N/A (Closed for Renovation)

Renaissance Ross Bridge \$129

- February 3-4, 7-8, 18-20, 27-28
- March 6-7, 13-15, 18-19, 27-28, 30-31
- April 1-4, 28-30

Renaissance Ross Bridge RSA Spa Package \$260

- February 4, 7 • March 3, 18-19 • April 14, 21-23

Auburn/Opelika Marriott Resort \$119 (plus a 10% resort fee) Web reservation will show \$144, including \$25 resort fee. Guest will only be charged RSA rate at checkout.

- February 7-8, 11-15, 25-27
- March 3-6, 10-14, 17-21 • April 1-2, 7-10

Auburn/Opelika Marriott Resort RSA Spa Package \$234 (plus a 10% resort fee)

- February 7-8, 11-12, 14-15
- March 3-4, 6, 10-11, 13-14, 17-18, 20-21
- April 1-2, 7-10

Prattville Marriott \$109

- February 14-15, 21-22, 24-25
- March 10-11, 24-25, 30-31
- April 7-8, 14-15, 21-22

Renaissance Montgomery \$129

- February 4-5, 16-17, 25-26
- March 24-28, 30-31 • April 7-8, 21-22, 27-28

Renaissance Montgomery RSA Spa Package \$244

- February N/A • March 26-28, 30 • April 13, 27

Specific room requests may require additional charge.

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

Corporate/Promotional Code: R2A
on www.rsa-al.gov

Book Online and Save RSA \$4.

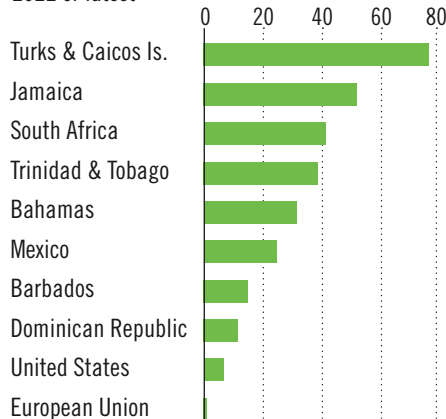
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Spring Vacation Beware – The Americas

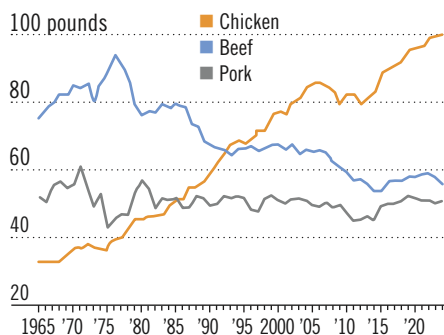
A Deadly Burden

Homicides per 100,000 people
2022 or latest



Sources: InSight Crime; UNODC; Eurostat

U.S. Meat Consumption, per capita*



*2023 and 2024 data are estimates
Source: USDA (meat consumption)



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