



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 358,000 MEMBERS

January 2019

Statement of Changes in Fiduciary Net Position - Unaudited For the Twelve Months Ended September 30, 2018

amounts in millions

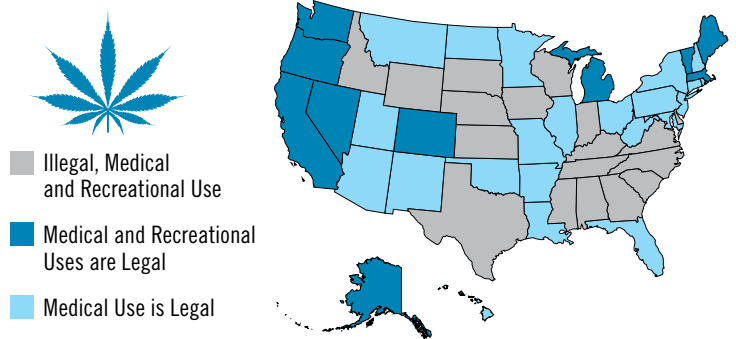
Employees' Retirement System		Teachers' Retirement System	
Additions			
Contributions			
\$242	Employee	\$494	
426	Employer	803	
668	Total Contributions	1,297	
1,098	Total Net Investment Income	2,264	
\$0	Transfers from PEEHIP	25	
1,766	Total Additions	3,586	
Deductions			
1,097	Retirement Allowance Payments	2,204	
50	Return of Contributions and Death Benefits	63	
12	Administrative Expense	22	
3	Depreciation	6	
1,162	Total Deductions	2,295	
604	Net Increase	1,291	
Net Position Restricted for Pension Benefits:			
12,115	Beginning of Year	24,640	
\$12,719	End of Year	\$25,931	

(Editor's Note: In good years, Investment Earnings Cover Retirement Payments.)

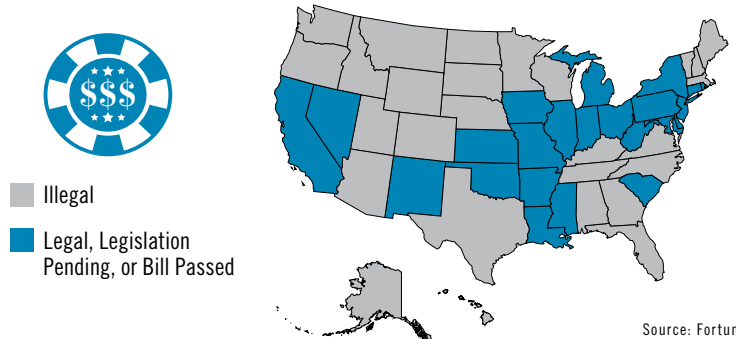
Alabama Needs Reasonable Taxes to Solve Problems, If Not, We Need to Consider a Lottery, and What Other States Are Doing.

LEGALIZE IT! We all have vices. For some, it's a nightcap; for others it's betting on sports while puffing on a joint. In what feels like a long time coming, American states are moving toward legalizing the latter. Ten states and Washington, D.C., have sanctioned medicinal and recreational marijuana for those over age 21, and 33 more states allow medicinal use. Sports betting has been fully legalized in six states, with three more on the way, and 15 more with bills pending.

LEGALIZATION OF MARIJUANA



GAMBLING, SPORTS BETTING



Source: Fortune

NCPERS Code of Conduct for Public Pension Service Providers

The National Conference of Public Employee Retirement Systems (NCPERS) has developed an objective process to determine whether foundations, think tanks, and other nonprofit entities engage in ideologically, politically, or donor driven activities to diminish public pension sustainability. The objective process includes evaluating these entities on the following criteria:

- Advocates or advances the claim that public defined benefit plans are unsustainable.

- Advocates for a defined contribution plan to replace the public defined benefit plan.
- Advocates for a poorly designed cash balance plan to replace the public defined benefit plan.
- Advocates for a poorly designed combination plan to replace the public defined benefit plan.

CONTINUED ON PAGE 2

- Links school performance evaluation to whether it sponsors a defined benefit plan to its teachers/employees.
- Miscellaneous activities to diminish public pension sustainability and retirement security.

Based on the criteria above, NCPERS has determined the following foundations, think tanks, and other nonprofit entities engage in ideologically, politically, or donor driven activities to undermine public pensions:

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> • Alabama Policy Institute* • American Enterprise Institute • American Legislative Exchange Council • Brookings Institution • California Common Sense • California Policy Center • Goldwater Institute* • Heritage Foundation • Howard Jarvis Taxpayers Association • Illinois Policy Institute* • Independent Institute • Jessie Ball DuPont Fund • Laura and John Arnold Foundation | <ul style="list-style-type: none"> • MacIver Institute* • Mackinac Center for Public Policy • Manhattan Institute for Policy Research • Massachusetts Taxpayers Foundation • Mercatus Center at George Mason University • National Council on Teacher Quality • National Right to Work Committee* • Nelson Rockefeller Institute of Government • Pension Fairness for Illinois Communities* • Pioneer Institute | <ul style="list-style-type: none"> • R Street Institute • Reason Foundation • Retirement Security Initiative* • Show Me Institute • Stanford Institute for Economic Policy Research (SIEPR)* • StudentsFirst • Taxpayers for Sustainable Pensions • Teacherspensions.org • Texas Public Policy Foundation • The Pew Charitable Trust • UnionWatch • Urban Institute • Wyoming Liberty Group ● |
|---|---|--|

*NEW in 2018

American Airlines **American Way**

PROBLEM SOLVED HOW THE ALABAMA STATE PENSION FUND BECAME ONE OF THE STATE'S BIGGEST ECONOMIC DEVELOPMENT ASSETS

WHEN DAVID BRONNER was appointed the head of the Retirement Systems of Alabama, the pension fund for the state's public employees, the year was 1973 and he had a challenge on his hands. At that time, the RSA was underfunded with around \$500 million to its name, representing only 25 cents on every dollar it was owed, and Bronner saw that some creativity was needed to turn things around.

"Alabama has tremendous beauty, tremendous assets, and tremendous people, yet it hangs out as the fifth-poorest state in the country, so something had to be done to change the dynamics," he says. "In a state like this, if you are going to keep the pension fund sound, you have to make the whole state financially better off. My philosophy was the stronger that I could make Alabama, the stronger the pension fund would be."

By the end of the 2017 fiscal year, the RSA had grown to where it now managed 23 funds, with aggregate assets in

excess of \$41 billion. And it had done so while making a series of investments in Alabama that have elevated the state as a place to live, visit, and do business.

For example, Bronner put his support and resources behind the efforts to attract Mercedes-Benz to the state, which has since proved to be the catalyst for Alabama's large auto manufacturing sector. A slew of investments in Montgomery and Mobile real estate, including the state's tallest building, the RSA Battle House Tower, have transformed each of the cities' skylines. And the acquisition of one of America's largest local television companies, Raycom Media, allowed the RSA to promote Alabama in houses all across the country. Perhaps most notably, starting in the

early 1990s, the RSA financed a string of golf courses and hotel developments all around Alabama. The Robert Trent Jones

Golf Trail now includes 468 holes at 11 sites, with more than 12 million rounds played to date,

and has been instrumental in the state's evolution as a visitor destination.

"We've done factories in the Shoals, we've done factories in Birmingham, we've done factories like Mercedes in Tuscaloosa, but that only affects probably a 50 or 75-mile radius," says

Bronner. "The Trail was something that would take tourism from roughly \$1.8 billion a year, and most of that was beach traffic, up to \$15.4 billion." **(Editor's Note:** This is one page of a 40-page supplement in American Airlines worldwide flight magazine.) ●

FACT FILE

With 26 different courses across its 11 locations, the Robert Trent Jones Golf Trail hosts more than 1,100 events each year.

Gas Tax for Shoals RSA Development Paid

BY CARTER WATKINS | WHNT

It's one of the biggest community funded projects to take place in the Shoals in recent history. By the end of November, taxpayers in Colbert and Lauderdale County's will have paid off the debt surrounding it.

It was hard to envision in the early 2000s. How could a golf course, hotel, and conference center change the landscape of economic development in north-west Alabama?

The Retirement Systems of Alabama was willing to bet on the project, they just needed the Shoals to have a vested interest. "We knew it was going to have

an impact," stated Rex Burleson with the Public Park Authority of the Shoals. "We didn't know how large of an impact."

The Public Park Authority of the Shoals was created at the front end of the RSA proposal. They have overseen the project including going to the bond market for \$18 million. The money would be paid back through a two cent gas tax voted on by the people. To date – it's worked. "People are coming in here from all over the United States and even other continents," Burleson explained. "It's really fun and enjoyable to meet these people."

Burleson has served on the park authority since its inception. One of their proudest moments has come, the \$18-million bond will be paid off on November 30, 14 years ahead of schedule – which means their part of a two cent gas tax will be coming off the pumps. "It's something that will be here for a long time. And the jobs, and the manufacturing it has brought in," said Burleson.

Three major manufacturing facilities were direct spin-offs from the work first done in 2000. It proved governments from different sides of the river could work together to make things happen [...] ●

Alabama Success Stories

RETIREE VOLUNTEERS AT THE SUNSHINE SCHOOL AT CHILDREN'S HOSPITAL

Retirement means different things to different people. For some it means having the freedom of time and financial security to travel more. For others it means the chance to move to the beach or the lake, or perhaps get closer to grandchildren.

For Janet Ezekiel, retirement presented the opportunity to serve hospitalized children teaching at The Sunshine School at Children's of Alabama hospital in Birmingham. Ezekiel retired from Jefferson County Schools after a rewarding 25-year career as an Exceptional Education Teacher.

"A lot of people don't even realize that Children's has its own school," Ezekiel said. "But once they stop to think about it, they realize it makes perfect sense. And I have been blessed to work in a facility where education is highly valued and supported by the families, staff, and community."

Children's Sunshine School exists to serve ill and injured children treated at Alabama's only freestanding pediatric hospital. A staff of seven teachers works at patients' bedsides and/or within a small traditional school setting to help children maintain a normal routine during their hospitalization.

Education, of course, plays a significant role in every child's life. The Sunshine School, in particular, supports

Children's patients and their families by providing structure and showing children that they can expect to return to normal events and have opportunities to be creative and productive during hospitalization.

Ezekiel said the role of hospital teacher is far different than when she taught within a traditional school, but her duties generally include:

- Assisting patients with completing school assignments
- Making recommendations for a new or updated school plan for re-entry based on individual needs
- Collaborating with the patient's medical team to ensure comprehensive care
- Providing educational activities and individual instruction in a classroom or at bedside if necessary

"Working in this part of education has been gratifying to provide educational assistance and advocacy for our patients," she said. "Parents and caregivers really welcome the school services we provide as they are sometimes overwhelmed with their child's medical issues and needs.

Patients do not always want to think about school while here, but they do like the fact that we are able to request reduced work if needed."

School re-entry programs are also beneficial for patients who might need support when re-entering their regular

school setting, Ezekiel said.

For more information about Children's and The Sunshine School, visit www.childrensal.org/SunshineSchool.

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. ●



Janet Ezekiel at The Sunshine School

Start Planning Your Spring 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 WINTER/SPRING
A Special Deal
FOR RSA MEMBERS

**The Battle House,
A Renaissance Hotel—Mobile—\$119**
• January 5-9, 11-19, 27-31
• February 1-13, 18-20, 25-28
• March 10-13, 21-28, 31

The Renaissance Riverview Plaza—Mobile—\$109
• January 5-10, 13-18, 27-29
• February 2-12, 18-19, 27
• March 10-12, 24-26, 31

Marriott Grand—\$127 plus a 15% resort fee
• January 1-13, 19-24, 27-31
• February 1-6, 10-13, 17-18, 24-28
• March 3, 6-7, 13-14, 17-20, 24-28

**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
• January 1-13, 19-24, 27-31
• February 1-6, 10-13, 17-18, 24-28
• March 3, 6-7, 13-14, 17-20, 24-28

Marriott Shoals—Florence—\$109
• January 1-21, 27 • February 3, 10-11, 17, 24
• March 3, 7, 10, 17, 24, 31

Renaissance Ross Bridge—Hoover—\$119
• January 1-31
• February 1-7, 10-12, 14, 17-28
• March 1-5, 10-31

Opelika Marriott—\$109
• January 1, 6-14, 20-21, 27, 31
• February 1-4, 10-11, 17-18, 28
• March 1-2, 5-7, 9-24, 31

Prattville Marriott—\$89
• January 1-6, 10, 13, 17, 20-21, 27, 31
• February 3-4, 10-11, 17-18
• March 10, 24, 31

Renaissance Montgomery—\$119
• January 1-6
• February N/A
• March 17
RSA Spa Package—\$199—Promotional code—R2A
• January 2-5
• February N/A
• March 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.

TRS Board of Control Election Results

The TRS Election Committee met Monday, December 3, to certify the regular election results. Amy Crew ran unopposed for Teacher Position No. 1. Ricky Whaley was re-elected to Teacher Position No. 2, Susan Lockridge was re-elected to Support Personnel Position No. 1, Susan Brown was re-elected to the Postsecondary Position, Joseph Van Matre was re-elected to Higher Education Position No. 1, and Peggy Mobley was re-elected to Retired Position No. 1. Their three-year terms will begin July 1, 2019. Congratulations to all the winners! ●

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



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Chief Accountant & Financial Officer
Diane E. Scott

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Neah M. Scott

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