

Vol. LI—No. 7

SERVING OVER 405,000 MEMBERS

January 2026



**Y**ou might say this is not the most interesting subject! Unfortunately, it can lead to a host of future problems when setting up a budget for fiscal year 2027 this month.

For the last four years, Alabamians from conservative to moderate to liberal organizations have demanded tax relief from elected officials due to growth in state revenue and tons of federal money that followed COVID to every state. Now those monies are gone!

Remember that Alabama state government collects the 49<sup>th</sup> lowest taxes in America from its citizens. Only in Alaska, with a tiny population but lots of oil production revenue, do citizens pay less in state taxes.

Every Alabama business owner knows that basic accounting rules must be followed to survive or else go bankrupt. Common sense tells us expenses can be greater than revenue for only a short period of time, through borrowing. If Alabama is to move forward each year, we cannot continue to underfund education (Higher Education and K-12) or social services, like mental health and public safety (state police and courts), as we have done in past decades, and still stay competitive with other states in the Southeast, as we have worked hard to accomplish.

**WE HAVE A MEGA PROBLEM FOR 2027.** Alabama, like every state, experiences normal inflation; yet, we Alabamians cut about \$1.7 billion in taxes

(revenue) over the last three years without any effort to replace that with new revenue sources. That paints a bleak picture for the future. Thanks to some forward-thinking legislators, several reserve funds were established; however, even these funds may not be sufficient if they are fully depleted, because there are bound to be problems beyond 2027.

Let me simply say that way too many Alabamians missed, or slept through, the basic accounting class that teaches required expenses do not easily disappear. You cannot cut major tax revenue without causing problems, as has been stated for the last three years. ●

## Happy Holidays To All!

## PEEHIP's Funding Dilemma

BY NEAH M. SCOTT, LEGISLATIVE COUNSEL

**F**or a decade, the Public Education Employees' Health Insurance Plan (PEEHIP) has managed increasing healthcare costs without increasing member premiums, copays, and deductibles. In fact, the PEEHIP Board of Control decreased premiums for Medicare-eligible members in 2021 to pass along the significant cost-savings it achieved for the Medicare Advantage Prescription Drug Plan (MAPDP).

Due to escalating cost increases, PEEHIP cannot continue with level funding. During the 2025 Legislative Session, PEEHIP requested, for the first time in nine years, an increase in the employer contribution rate. The Legislature fully funded the request for the current fiscal year. To address the remaining gap, PEEHIP also approved the withdrawal of up to \$119 million from the Alabama Retired Education Employees' Health Care Trust Fund (Retiree Trust).

## The Retirement Systems of Alabama

Statement of Changes in Fiduciary Net Position – Unaudited For the Twelve Months Ended September 30, 2025 – in millions

	Total RSA In Billions	TRS In Millions	ERS In Millions	JRF
<b>ADDITIONS</b>				
Contributions				
Employee		\$636	\$383	\$5
Employer		1,196	763	25
New Units		-	3	-
Transfers In		8	8	-
Marketing & Advertising Revenue		1	-	-
Total Contributions	\$3.03	1,841	1,157	30
Investment Income				
Total Net Investment Income	4.89	3,175	1,678	37
Total Additions	7.92	5,016	2,835	67
<b>DEDUCTIONS</b>				
Retirement Allowance Payments		2,753	1,466	44
Return of Contributions and Death Benefits		71	59	-
Transfers Out		8	8	-
Administrative Expenses		30	16	1
Depreciation		9	4	-
Total Deductions	4.47	2,871	1,553	45
<b>Net Increase</b>	<b>3.45</b>	<b>2,145</b>	<b>1,282</b>	<b>22</b>
<b>Net Position Restricted for Pension Benefits</b>				
Beginning of Year	49.48	32,487	16,612	377
End of Year	<b>\$52.93</b>	<b>\$34,632</b>	<b>\$17,894</b>	<b>\$399</b>

CONTINUED ON PAGE TWO

## PEEHIP's Funding Dilemma

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Even with these actions, PEEHIP projects the need to take an additional \$31 million to \$74 million before the end of fiscal year 2026. The shortfall does not end there. PEEHIP is projecting a \$380 million shortfall for fiscal year 2027, with an even larger deficit expected in fiscal year 2028 if current healthcare trends persist. While PEEHIP has requested full funding for the 2027 shortfall, it is uncertain whether the Legislature will be able to appropriate the entire amount, particularly following the additional \$124 million already approved for fiscal year 2026.

While the Retiree Trust could be used to cover some of the shortfall for 2027, just

as it will be used for 2026, relying on the Retiree Trust to backfill ongoing operational needs is not a sustainable strategy. No new funding is being deposited into the Retiree Trust, and continued withdrawals would erode PEEHIP's only financial reserve dedicated to unforeseen or catastrophic healthcare costs. The Retiree Trust was established to help stabilize the long-term liability associated with retiree healthcare, rather than serving as an annual budget balancing mechanism.

There must be long-term solutions to ensure that PEEHIP remains sustainable and can continue to provide healthcare

coverage for educators, education retirees, and their families. As healthcare costs continue to rise nationally and utilization remains high, PEEHIP's challenge is not merely a one-year problem but a structural one. Addressing this issue will require coordinated action among PEEHIP leadership, policymakers, and stakeholders to ensure that the program remains stable, affordable, and positioned to meet the needs of Alabama's educators for years to come. ●

**A big nest egg is good.**

Boost your savings with



## America's Oldest Golf Resorts

BY JAMES A. FRANK, [LINKSMAGAZINE.COM](http://LINKSMAGAZINE.COM)

**A**merica's oldest golf resorts combine the elegance and traditions of days gone by with some fun and challenging courses.

In 1766, two years after the Old Course at St. Andrews shrank from 22 holes to 18, an 18-room wooden hotel opened near a series of natural hot springs in Virginia's Allegheny Mountains. Golf didn't come to The Homestead Resort for another 126 years, but that property still holds the titles of both first resort and first resort golf course in the country.

A number of other early American golf resorts—all listed among the Historic Hotels of America, part of the National Trust for Historic Preservation—are still going strong, offering the chance to enjoy the modern game at long-tenured venues....

[The oldest,] The Omni Homestead Resort & Spa, Hot Springs, Virginia (1766)...[and the 6<sup>th</sup> oldest is the] Grand Hotel Golf Resort & Spa, Point Clear, Alabama (1847).

Long known as the "Queen of Southern Resorts," the original Grand Hotel opened on Mobile Bay with 40 rooms and a shaded gallery. Its military service began in 1863 as a makeshift hospital for the Battle of Vicksburg (a cemetery sits near the 18<sup>th</sup> tee of the Azalea course), and was later a World War II Army Air Corps training site. Perry

Maxwell—famous for Southern Hills, Old Town Club, and numerous renovations—opened the tree-lined Dogwood course in 1947. A second 18, Azalea, was finished in 1983. Both courses are part of the state's Robert Trent Jones Golf Trail... [The 10<sup>th</sup> oldest is the] Grand Hotel, Mackinac Island, Michigan (1887). ●



*Grand Hotel Golf Resort & Spa, Point Clear, AL*

# RSA Summer Internship Program Success Stories

BY BRIAN STEWART, DIRECTOR OF HUMAN RESOURCES

**T**here is nothing to do during the summer months," "I'm bored," "I do not have any money," "How do I obtain a job without any experience?" These are statements parents hear from their children in high school, trade school, and college. Well, the Retirement Systems of Alabama (RSA) has the answer: The RSA Summer Internship Program.

The RSA has been very successful with our RSA Summer Internship Program. The internship program has been highly beneficial not only for the RSA but also for the numerous interns who have participated in it over the years. RSA paid internships offer high school, trade school, and college students with practical hands-on work experience while completing tasks, significantly reducing our operating costs.

The RSA Summer Internship Program enables students to gain insight into the diverse operations and divisions that comprise the RSA, build their resumes, acquire valuable personal financial experience, and clarify their future career goals, making it a strategic investment in their professional futures. Interns gain valuable skill development and professional networking opportunities to bridge the gap between academic learning and a career

path, as well as essential soft skills like teamwork, communication, problem-solving, and time management.

Additionally, the internship program provides the RSA with a ready talented pipeline to fill vacant or newly created positions. The RSA invests time, effort,

forward-thinking mindset to our agency, making a huge difference now and continuing to do so in the years to come.

Pictured here are just a few of our former Summer Interns. Beginning with the front row, from left to right, are **Kyla Westry**, Retirement Benefits Analyst

in our RSA-1 Division; **Brock Bennett**, Investment Operations Specialist in our Investment Accounting Division; **Sarah Merizalde**, Executive Assistant II in our Employees' Retirement System Division; **Robert Mitchell**, Assistant Director of our Office Services Division; **Ikeem Means**, Director of our RSA-1 Division; and **William Whatley**, RSA Building Operations Manager II at our RSA Dexter Building.

The RSA Summer Internship Program has a limited number of posi-

and resources in creating meaningful and inclusive internship experiences. We are not just preparing interns for today, we are preparing an entire workforce for tomorrow.

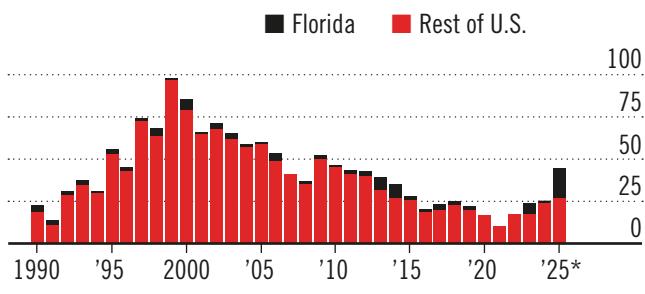
The RSA has successfully transitioned some temporary interns into permanent staff members, with 15 of those still actively employed with the RSA. The following RSA employees are a small sample of those who began as temporary Clerical Aides or Laborers as part of our RSA Summer Internship Program. These young people bring a fresh approach and a

tions in Montgomery each summer, with a focus on returning interns. The following link will direct you to information concerning the RSA Summer Internship Program: [www.rsa-al.gov/about-rsa/job-postings/summer-interns/](http://www.rsa-al.gov/about-rsa/job-postings/summer-interns/).

The RSA often has job postings for full-time permanent positions within our agency. This link will direct you to information concerning our current job postings: [www.rsa-al.gov/about-rsa/job-postings/current-jobs/](http://www.rsa-al.gov/about-rsa/job-postings/current-jobs/). ●

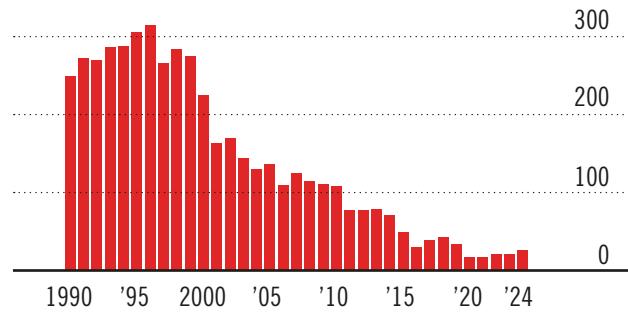


## Legal Injection



Source: Death Penalty Information Centre \* To November 20th

## New Death Sentences



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ENJOY YOUR WINTER  
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FOR RSA MEMBERS

## The Battle House, A Renaissance Hotel \$129

- January 1-6, 18-23 • February 1-4, 8-11, 18-28
- March 1-3, 8-10, 15-17, 22-24, 26-31

## The Battle House RSA Spa Package \$244

- January 5-6, 19-21 • February 2-4, 9-11, 18, 23-25
- March 2-3, 9-10, 16-17, 23-24, 30-31

## Riverview Plaza \$119

- January 1-6, 16-21
- February 1-4, 9-11, 18-23, 27-28
- March 1-3, 8-10, 22-24, 28-30

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

- January 7-8, 11-15, 29-31 • February 1-3, 8-11, 17-19
- March 11-12, 15-17, 29-30

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

- January 7-8, 11-15, 29-31 • February 1-3, 8-11, 17-19
- March 11-12, 15-17, 29-30

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

- January 7-8, 11-15, 29-31 • February 1-3, 8-11, 17-19
- March 11-12, 15-17, 29-30

## Renaissance Shoals \$119

- January 1-4, 8-16, 18-19 • February 1-4, 15-16
- March 8-9, 15-16, 22-23

## Renaissance Shoals RSA Spa Package \$229

- January 1-4, 8-16, 18-19 • February 1-4, 15-16
- March 8-9, 15-16, 22-23

## Renaissance Ross Bridge\* \$129 (plus a 15% resort fee)

- January 1-8, 11-16, 21-22, 24-31
- February 1, 5-6, 8-9, 11-12, 15-16, 21, 24
- March 15-16, 22-23, 29-30

## Renaissance Ross Bridge\* RSA Spa Package \$260 (plus a 15% resort fee)

- January 11-12, 25 • February 9, 11 • March 16

## Auburn/Opelika Marriott Resort\* \$119 (plus a 10% resort fee)

- January 4-5, 18-21 • February 1-4, 16-17
- March 1-2, 15-18

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

- January 4-5, 18-21 • February 1-4, 16-17
- March 1-2, 15-18

## Prattville Marriott \$109

- January 1-5, 9-11, 16-19, 22, 24-25
- February 1, 8-9, 15-18 • March 13-14, 22-23, 29-30

## Renaissance Montgomery \$129

- January 2-7 • February 1-2, 8-9, 27-28
- March 1-2, 22-23, 29-30

## Renaissance Montgomery RSA Spa Package \$244

- January 4-7 • February 1-2, 8-9
- March 1-2, 22-23, 29-30

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

Corporate/Promotional Code: R2A  
on [www.rsa-al.gov](http://www.rsa-al.gov)  
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\*Visit Member Discounts page for details.

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## Make Your Vote Count! TRS Board of Control Election Information

**B**allots for the Teachers' Retirement System (TRS) Board of Control regular election will be mailed by January 5, 2026, and must be returned to YesElections no later than 4:00 p.m., February 17, 2026. This election is for Retired Position No. 2, held by Anita Gibson. The elected member will begin their three-year term of service on July 1, 2026.

Elected members to the TRS/PEEHIP Board will only be elected by members from the same category of the retirement system. To be eligible to vote for Retired Position No. 2, you must be a former active member of the TRS and on the TRS retirement payroll.

Eligible members can vote by mail, phone, or the internet. Instructions will be included with the paper ballot. More information about the candidates can be found at [www.rsa-al.gov](http://www.rsa-al.gov).

By submitting your vote, you are confirming that you are eligible to vote for the position based on your classification. If your classification is incorrect, please contact the Elections Coordinator at 334.517.7192 or 877.517.0020. ●

WANT TO HELP?



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or write: Tag, P.O. Box 302150, Montgomery, AL 36130-2150



### CEO

David G. Bronner

Deputy Director – Administration  
Jo Moore

Deputy Director – Investments  
Marc Green

### Executives

Communications  
Deborah J. Kirk

Chief Accountant & Financial Officer  
Diane E. Scott

Employees' & Judicial Retirement  
William F. Kelley, Jr.

Employer Services  
Margaret B. Sellars

Field Services  
Christopher C. Gallup

Information Technology Services  
Michael T. Baker

General Counsel  
Jared H. Morris

Legislative Counsel  
Neah M. Scott

Member Services  
Penny K. Wilson

PEEHIP  
J. David Wales

RSA-1  
Ikeem R. Means

Teachers' Retirement  
Valerie Y. Summers

The Retirement Systems of Alabama  
201 South Union Street

P.O. Box 302150

Montgomery, Alabama 36130-2150

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877.517.0020

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