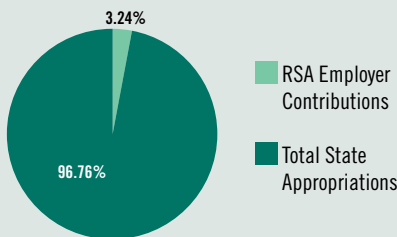


### FY 2017 RSA Employer Contributions As a % of State Appropriations



## Enjoying Leftovers

BY JAY REEVES | ASSOCIATED PRESS

In Alabama, the less sheriffs spend on feeding inmates, the more money they get to put in their pockets.

For decades, sheriffs have made extra money—sometimes hundreds of thousands of dollars—under a Depression-era system by feeding prisoners for only pennies per meal. Critics say the meals can be unhealthy, and a lawsuit against dozens of sheriffs combined with media reports about the practice threaten to end the one-of-a-kind system [...]

“I think everyone agrees that something needs to be done,” said Sonny Brasfield, executive director of the Association of County Commissions of Alabama. Republican Sen. Arthur Orr said he is working on a bill to abolish the practice. “This law is from the 1930s. Times change. It’s time we move on into the 21st century,” said Orr.

Back when chain gangs were common in the late 1920s, Alabama passed a law that gave sheriffs \$1.75 a day from the state to feed each prisoner, and sheriffs got to pocket anything that was left over. Jails in most of Alabama’s 67 counties remain on the system generations later. Sheriffs also get small payments from the state per jail. Some also receive payments from cities and the federal government for holding prisoners,

## TRS Update

BY DAVID G. BRONNER

### TRS RETIREE COLA

- The 2018 Legislative Regular Session resulted in the approval of a one-time retiree bonus for both the TRS and state retirees.
- The bonus will be \$1 per month for each year of service: For example, a 25-year retiree would get \$300; 30-year retiree would get \$360. Anyone who retired by April 1, 2018, will be eligible for this bonus.
- The Legislature and the RSA regret that the amount is not more significant, however, the funding was simply not available for a larger amount.
- This bonus will be included in your June 29, 2018, retirement check.
- TRS payroll on my arrival was \$2.5 million per month (9,950 retirees); 2018 is \$175 million per month (93,238 retirees).
- Some say this bonus is not good enough, but COLAs are very expensive and unfunded by the Legislature. The RSA is still paying for a COLA granted in 1978.

### PEEHIP

- We believe that there will not be a PEEHIP premium increase for next year. This will be the second consecutive year without an increase. BUT, this depends on us getting the necessary funding from the Legislature each year.
- The UnitedHealthcare Group Medicare Advantage (PPO) Plan has been a huge success, both in providing better benefits and service to our retirees and in saving PEEHIP money, which allows us to not increase premiums or reduce benefits.
- **In the May Advisor: In Oklahoma, a teacher with 26 years of service makes \$1,803 per month before tax, but insurance for her and her husband is \$1,447 per month. That leaves them left with \$155 per month!**
- PEEHIP has little or no control over doctors, hospitals, drugs, or member usage.

# Following the (Golf) Trail that Started them All

BY TOM MACKIN | THE NATIONAL GOLF FOUNDATION

To say Alabama's economy wasn't going well in 1990 would be an understatement. Unemployment was high, home sales were low, there was little capital investment and a negative image of the state lingered from civil rights issues dating back decades. Then along came the Robert Trent Jones (RTJ) Golf Trail.

Initially funded with \$100 million by the Retirement System of Alabama (RSA), the 26-course system spread across hundreds of miles has spurred golf tourism and travel within the state while fostering cooptation—cooperation across a wide range of competing facilities. The RTJ Trail would also set the standard for the dozens of golf trails, with themes as varied as their geographic locations, which have followed across the country.

There's the Brew City Golf Trail in metro Milwaukee; the Florida Historic



ROSS BRIDGE, HOOVER

PHOTO BY MICHAEL CLEMMER

Golf Trail, featuring courses built between 1897 and 1947; Indiana's Pete Dye Golf Trail, centered around seven courses by the legendary course designer; and New York's Rip Van Winkle Golf Trail, a nod to a fictional literary character who called the Catskills home. But none have taken the especially unique approach employed by The Robert Trent Jones Trail.

Beyond quality course and accommodations, a major factor in the Trail's success was the RSA's \$3 billion investment in media companies, including Raycom Media (with 64 television stations) and Community Newspaper Holdings (125 papers). It was a move that generated \$50 million annually in free publicity for the RTJ Trail and the state. Up until that point, the state tourism budget was no more than \$2 million a year.

More than a quarter century later, the results speak for themselves. In 1990, tourism spending in Alabama totaled \$1.8 billion. By the end of 2017, that spending was up to almost \$15 billion.

"It was a pass-through state for people traveling from the Midwest to Florida, or the East Coast to New Orleans," said Dr. Mark Fagan, author of "The Robert Trent Jones Golf Trail: Its History and Economic Impact."

"The cumulative impact of the Trail is phenomenal," Fagan added. "We already had attractions like the Bellingrath Gardens south of Mobile, and the U.S. Space & Rocket Center in Huntsville. The only thing that really changed was the RTJ Golf Trail, adding the hotels and all of the promotion that went with it."

Of the more than 500,000 rounds played along the Trail annually, half are by out-of-state golfers who helped spread the word, leading to positive change in the state's image.

"You had people coming to Alabama for the first time," said Fagan. "The image was moving to 'This is a nice place to live.' And industry started to follow."

"Mercedes Benz built a plant in Tuscaloosa in 1997. Then you had Toyota, Honda, and Hyundai all come in as well. Kia built a plant just over the border in Georgia that had an impact on RTJ's Grand National facility. In Mobile, Airbus came in with the aerospace industry. The state is now doing so much better in terms of employment, capital funding, and revenue. You can't give all the credit to the Trail, but it was a very important piece in all of that. Without the image enhancement, a lot of it wouldn't have happened."

While no other golf trail around the country has approached the success experience in Alabama, many states have seen benefits from a rise in brand awareness through marketing and cooptation. And that, more than directly driving the revenue, is the key to a trail's success, according to Gene Brothers, Associate Professor, Equitable and Sustainable Tourism, North Carolina State University.

*(Editor's Note: With the exception of Tennessee, most other trails are merely marketing programs of private/public courses to increase tourism.)* ●

## Enjoying Leftovers

CONTINUED FROM PAGE ONE

further boosting income. Add up all the money and a dash of frugality, like purchasing low-cost grub and accepting donated food, and sheriffs can wind up with large profits from jailhouse kitchens.

Attorney Aaron Littman, who helped sue earlier this year trying to find out how much sheriffs are making off jail food, said lawyers regularly hear complaints about poor living conditions and lousy food in jails. "It's no way to run government," said Littman, of the Atlanta-based Southern Center for Human Rights. Alabama is the only state with such a setup, he said. Littman questions the legality of sheriffs pocketing the money.

The Southern Center, which advocates for change in the criminal justice system, sued with the non-profit Alabama Appleseed for Law and Justice in January to make 49 sheriffs release information that would show how much they are making off jail food. Sheriffs have refused, arguing in court that the numbers are personal and private [...] ●

## TRS FUNDING STATUS

- Our TRS funding status is stable and gradually improving.
- It currently sits at a little over 68% for TRS. It was 25% when I arrived.

## INVESTMENTS

- TRS earned 10.77% for the year ending September 30, 2017.
- Average returns over the last 8 years is about 9.7%, while the assumed rate of return has been lowered from 8.0% to 7.75%.
- **Last year, the total costs for RSA investment professionals was \$9 million. Similar size systems, Maryland and South Carolina, had costs over \$340 million and \$360 million, respectively.**

## LEGISLATIVE RELATIONSHIP

- The RSA was beat up by the Joint Committee on Pensions, but they took no adverse action.
- The Speaker and Senate Pro-Tem are supportive of the RSA. We are currently on good terms.
- It is your responsibility to learn what the positions of the candidates are on your retirement and healthcare benefits. We need elected officials who will support public employees and their pay and benefits.
- There will be continued attacks on the RSA. They will be serious and

well-funded. The Arnold Foundation funded PEW \$10 million and helped fund the Alabama Policy Institute. Koch Brothers have 50+ universities on the payroll at over \$77 million.

- You must remain vigilant of these attacks and respond to them.

## PENSION REFORM

- We do not need further pension reform. We have already done that.
- In 2011/2012, the Tier 2 plan was created and increased costs to active members.
- Tier 2 members had benefits reduced by 25%, the most in the country. Personally, I feel the cuts were excessive and will likely hurt recruiting public service employees in the future.

## ALABAMA MUST HAVE MORE REVENUE

- The Legislature must find additional or new revenue to provide necessary services for Alabama citizens.
- Prisons, mental health, and State Police are grossly under-funded.
- Lack of increasing revenue is the single biggest reason that public employees and education personnel, both active and retired, have not received increases in compensation through pay raises, COLAs, or one-time bonuses.
- **In the April Advisor: Alabama has the lowest taxes in 10 Southeastern**

**states. All 10 exceeded Alabama in revenue. A couple of illustrations: LA by \$4 billion; AR by \$3.5 billion; KY by \$3 billion; MS by \$2.6 billion.**

## RSA FUNDING REQUESTS ARE NOT THE PROBLEM WITH THE BUDGET

- RSA funding requests are less than the amount we received in 2008-2009.
- Total RSA funding is about 3.2% of total state expenditures.

## MONITOR THE "SAVE OUR RSA RETIREMENT" FACEBOOK GROUP TO STAY UP-TO-DATE ON CURRENT ISSUES AFFECTING THE RSA.

## "WE NEED YOU TO HELP US" PROTECT YOUR TRS AND PEEHIP BENEFITS

- Be active in your retiree organization.
- Be vocal in supporting legislators and other elected officials who support you. Be vocal and critical about those who do not. Make no mistake: Elected politicians are either for you or against you!
- Be vigilant about attacks on your benefits by the Legislature and from outside groups such as PEW, The Arnold Foundation, and the Koch Brothers.
- These groups have money, and an agenda that is not good for you. ●



**A FREE CAR TAG**

## WANT TO HELP?

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

# VOTE TUESDAY, JUNE 5TH

## “Know Who Supports or Doesn’t Support the RSA”

**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—\$119**  
 • June 5-6, 8-14, 15-21, 22-30  
 • July 1-3, 13-15, 18-26, 29-31  
 • August 1-3, 11-30

**The Renaissance Riverview Plaza—Mobile—\$109**  
 • June 1-3, 8-9, 13, 20-27 • July 18  
 • August 1-3, 9-15, 17-31

**Marriott Grand—\$127** plus a 15% resort fee  
 • June 3-4, 13 • July 22-24, 29-31  
 • August 12-14, 19-20, 26-29

**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  
 • June 3-4, 13 • July 22-24, 29-31  
 • August 12-14, 19-20, 26-29

**Marriott Shoals—Florence—\$109**  
 • June 3, 10, 17 • July 8, 15, 22, 29-30  
 • August 5, 12, 19, 26-27

**Renaissance Ross Bridge—Hoover—\$119**  
 • June 3-7, 10-14, 17-21, 24-30 • July 1-31  
 • August 1-2, 4-9, 11-31

**Opelika Marriott—\$109**  
 • June 3-7, 10-12, 17-21, 24-28  
 • July 5-12, 15-19, 22-26, 29-31  
 • August 1-2, 5-9, 13-15, 19-24, 26-27

**Prattville Marriott—\$89**  
 • June 5, 8-9, 17-18, 23-25, 29-30  
 • July 1-5, 8-9, 15-16, 22, 26, 29  
 • August 2, 5-6, 9, 12, 16, 19-20, 23

**Renaissance Montgomery—\$119**  
 • June 10-11, 17, 20 • July 2-7, 21-22, 26-29  
 • August 8-12, 20-22  
 RSA Spa Package—\$199—Promotional code—R2A  
 • June 20 • July 3-7, 10-12, 21, 26-28  
 • August 8-11, 21-22

*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](http://www.rsa-al.gov)  
**Book Online and Save RSA \$4.**

**Identity fraud rose to a record  
 16.7 million**  
 U.S. victims who lost  
**\$16.3 billion** in 2017.

Source: Javelin Strategy & Research survey of 5,000 adults

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**Pay in Perspective**  
 As the minimum-wage debate rages in the U.S., one common argument is that a blanket rule would place undue burden on rural businesses (since a dollar goes a lot further in LaFayette, Ga., than in Los Angeles). But even so, what a minimum wage buys on average in the U.S. still lags that of many other developed countries.

**WEEKLY NATIONAL MINIMUM WAGE ADJUSTED FOR PURCHASING POWER**

GERMANY	\$450
FRANCE	\$430
IRELAND	\$404
U.K.	\$387
TURKEY	\$316
U.S.	\$313
SPAIN	\$291
POLAND	\$278
PORTUGAL	\$244

Source: Eurostat, assuming dollar-to-euro exchange rate at \$1.24

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**Chief Accountant & Financial Officer**  
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**Employees' and Judicial Retirement**  
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 Christopher P. Townes

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 Montgomery, Alabama 36130-2150  
 Phone: 334.517.7000  
 877.517.0020

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