



Spending One-Time Money

BY DAVID G. BRONNER

Alabama has dealt with state problems such as prisons, mental health, as well as others for decades. Yet, steady progress has taken place in recent years, thanks to our current legislators and governor.

In the early 1970s, during the first term of Gov. Fob James, our state was broke like New York City. Thanks to the sale of leases in the Gulf of Mexico hundreds of millions of one-time dollars came to Alabama. However, the governor and State Legislature were concerned about wasting this sudden wealth. Some issues were addressed, but the bulk went into the Heritage Trust Fund. These investment earnings would help Alabama's revenue funding for decades to come.

The infrastructure legislation that became law last November was supported by both Democrats and Republicans in Washington. It requires these funds to be spent over the next couple of years or returned to the government. But it should not be used as an excuse to raid the Alabama Education Trust Fund (AETF) because sales and income taxes are what

fund the AETF.

Each decade has had its problems: During the 1980s the savings & loan banks failed, later the technology markets blew up, then the mortgage crisis hit in 2008-2009, followed by our current pandemic. New problems and recurring ones, like tornados and hurricanes, are always going to seriously affect Alabama. As a conservative state that is in the top five poorest, we must maintain a reasonable rainy day account.

As I have stated for decades, "Low taxes are good, but having among the lowest is just dumb." Why, you might ask? Because you cannot compete with other states in the recruiting of industry or have reasonable social services for our citizens. Let us face the fact that without proper funding we can only talk about solving a significant problem. As my dad said to me, "Ideas without money, remain ideas."

Clearly, a few politicians do not help Alabama by bad mouthing Washington, when in fact, Washington is giving us one-time money to solve old problems as well as those from the pandemic. Yet,

because of the billions of one-time Washington money, a couple of state politicians want to solve old problems like removal of the \$0.04 grocery tax, expand health-care to 230,000 Alabamians, change the income tax threshold from below \$20,000 up to \$50,000, no tax on 401(k)'s, as well as others, all of which should be done, BUT will negatively affect the inflow of revenue to the AETF.

Education has been underfunded in Alabama FOREVER. The state income and sales taxes go into the AETF for funding kindergarten through universities, as well as providing pension and insurance benefits for retired public employees. **Reductions in revenue to the AETF will severely damage existing programs.** Those ideas are absolutely critical problems to solve, but not without new revenue.

Why can we not vote on gaming that will give us \$700+ million in new revenue, plus thousands of new jobs that cost nothing to create? ●



On January 11, 2022, the Legislature convened for the 2022 Regular Session and has been working on a number of RSA-related bills, including bills to modify ERS and TRS Tier II, provide retiree bonuses, modify the return to work rules for retirees, and change the benefit option available to surviving spouses of retirement-eligible members who die in active service.

RSA Legislative Update

BY NEAH SCOTT, LEGISLATIVE COUNSEL

Once again, the Legislature is considering bills to modify ERS and TRS Tier II by allowing 30-year service retirement, providing hazardous duty credit to FLC members, and slightly increasing the member contribution rate. The House always passes the Tier II modification bills, but they typically stall out in the Senate. Hopefully, this is the year for final passage.

Due to labor shortages in various areas of public employment, legislators are considering changes to the return to work laws that would allow additional flexibility for public employers to hire retirees to fill vacancies. The RSA is working with these legislators to ensure that these changes would not harm the RSA and would give

Analysis of the RSA Funds from 1973-2021

BY MARK FAGAN

The RSA had the following increases from 1973-2021: 268,697 total members; 125,236 active members; 143,461 retired members; \$789 million in employee contributions; \$1.34 billion in employer contributions; \$2.13 billion in total contributions; \$8.67 billion in investment income; \$10.79 billion in total revenue; \$3.66 billion in benefits paid; and \$45.39 billion in invested assets.

The RSA has the following totals from 1973-2021: 380,635 total members; 222,238 active members; 158,397 retired members; \$17.29 billion in employee contributions; \$28.24 billion in employer contributions; \$45.53 in total contributions; \$63.94 billion in investment income; \$109.87 billion in total revenue; \$61.93 billion in benefits paid; and \$2.013 billion more in investment income minus benefits paid.

The RSA's employer contributions totaled \$10.96 billion more than employee contributions from 1973-2021. The RSA's invested income totaled \$18.41 billion more than total contributions from 1973-2021. The RSA's investment income totaled 58% of the RSA's total revenue from 1973-2021. The RSA's invested assets in 2021 (\$45.96 billion) are \$430 million more than total contributions from 1973-2021 (\$45.53 billion). The RSA's investment income from 1973-2021 (\$63.94 billion) was \$2.013 billion more than benefits paid from 1973-2021 (\$61.93 billion).

The \$2 billion surplus of the RSA's investment income over benefits paid is equivalent to the appraised value of the RSA's RTJ Golf Trail, resort hotels, and office buildings in Montgomery and Mobile. None of the above real assets in Alabama were paid for with employee or employer contributions. Because the RSA's investment income more than covered the RSA benefits paid from 1973-2021, the RSA contributions from 1973-2021 remain as the RSA invested assets for generating income to pay future benefits by the RSA.

The RSA office buildings in Alabama, paid for by the excess of investment income over benefits paid, provide a nice working environment and safe parking for state employees who are members of

SUMMARY OF MEMBERS, CONTRIBUTIONS, INVESTMENT INCOME, TOTAL REVENUE, BENEFITS PAID, AND INVESTED ASSETS FOR RSA FROM 1973-2021				
	1973	2021	1973-2021 Increase	1973-2021 Total
Total Members	111,938	380,635	268,697	
Active Members	97,002	222,238	125,236	
Employee Contributions	\$28 M	\$817 M	\$789 M	\$17.286 B
Employer Contributions	\$62 M	\$1.4 B	\$1.338 B	\$28.244 B
Total Contributions	\$90 M	\$2.217 B	\$2.127 B	\$45.530 B
Investment Income	\$33 M	\$8.7 B	\$8.667 B	\$63.942 B
Total Revenue	\$123 M	\$10.917 B	\$10.794 B	\$109.866 B
Retired Members	14,936	158,397	143,461	
Benefits Paid	\$40 M	\$3.7 B	\$3.660 B	\$61.929 B
Investment Income Minus Benefits Paid	-\$7 M	\$5 B	\$5.007 B	\$2.013 B
Invested Assets	\$623 M	\$45.961 B	\$45.338 B	

the RSA. The RSA's office buildings helped revitalize downtown Montgomery and

Mobile while not taking money from the contributions to the RSA. ●

RSA LEGISLATIVE UPDATE

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employers the needed flexibility.

A number of bills to grant bonuses to ERS and TRS retirees have been introduced. It is expected that the Legislature will pass retiree bonuses, but the amount is still being debated. The Alabama Retired State Employees' Association and the Alabama Education Association, along with its retiree division, the Alabama Education Retirees Association, are working to ensure that retirees receive a meaningful bonus.

Finally, a bill has been filed by Rep. Ellis (R-Columbiana) to change the benefit option that is available to surviving spouses of retirement-eligible members that die in active service. Currently, these spouses may choose between a lump-sum payment or 50% of what the member would have been eligible to receive had they retired. This bill would allow surviving spouses to receive 100% of what the member would have been eligible to receive. The bill has a lot of support from legislators, employers, and employee associations, and we are hopeful that it will pass this session.

Check out the RSA's Legislative webpage for weekly summaries and our bill tracking chart at www.rsa-al.gov/about-rsa/legislation/. ●

Make Your Vote Count!

TRS Board of Control Election Information

As of the nomination deadline of January 31, 2022, the following three Teachers' Retirement System (TRS) Board of Control candidates were unopposed: Ricky Whaley, Teacher Position No. 2; Susan Williams Brown, Postsecondary Position; and William Walsh, Higher Education Position No. 1.

Regular election ballots for the remaining positions will be mailed by March 4, 2022, and must be returned to YesElections no later than 4:00 p.m., April 15, 2022. The remaining positions are Teacher Position No. 1, held by Amy Crew; Support Personnel Position No. 1, held by Susan Lockridge; and Retired Position No. 1, held by Peggy Mobley. Elected members and those unopposed will begin their three-year term of service on July 1, 2022.

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 the:

- **Teacher Position No. 1**, you must be an

Alabama Success Story

Nonprofit Free 2 Teach supports public school teachers and children with supplies

Free 2 Teach, located in Madison County, is focused on supporting children with supplies and ensuring teachers do not have to spend out-of-pocket. Volunteers operate a 10,000 square foot “free teacher store,” where area public school teachers can shop each month. With doors open from July through May, Free 2 Teach is a community-supported, volunteer-driven organization with a small staff who are on a mission: Make Madison County an awesome place to teach, live, and learn.

“Our goal at Free 2 Teach is to empower teachers and equip children,” says Executive Director, Alison Kling. “We believe that a teacher should not have to spend out-of-pocket for supplies for their classroom. At the heart of all we do is the child: ensuring they have fresh supplies and enriched lessons. We love teachers and our volunteers, staff, and donors show that love by giving their time, energy, and resources to ensure our educators have support and that students do not have to go without.”

Free 2 Teach shifted its shopping policies in October 2021 in response to a growing need they were seeing across the community. Teachers can now shop every month at the free supply store, rather than every other month. Additionally,

the organization worked with a software developer who created a new teacher check-in and check-out system with inventory barcode scanners. This makes shopping even easier for teachers and volunteers.



“My heart is warmed when a teacher is excited to have found the materials they need for a special project that otherwise would have been skipped or broken their bank account,” says Free 2 Teach volunteer Renee Gardiner. “The thrill of a brand-new teacher walking into Free 2 Teach for the first time – it’s like a child in a toy store at Christmas.”

“Because of Free 2 Teach, there is never a question about my students having supplies,” says science teacher Mylina Dillard. “No one has to ask for pencils, new students can be supplied on the first day they come to school, and students don’t have to be embarrassed if they don’t have

what they need. Free 2 Teach provides so much and takes the pressure off of me, parents, and students.”

Since July 1, 2021, Free 2 Teach has already broken its record over previous years: Supporting 1,518 shops, opening its doors to teachers from all 84 schools in Madison County’s three public school systems, and giving away \$796,743 in free resources. To date, the organization has given away over \$8 million in its ten-year history.

“We are very thankful for our teachers and for the support of our community of donors and volunteers. We can’t do this alone: There are so many ways to say thank you to teachers, including volunteering with us here at the store, switching your Redstone Debit Card to a Free 2 Teach Debit Card, becoming a monthly supporter with as little as \$5 a month, or making an end-of-year gift toward our efforts,” says Kling. For more information and to get involved, head to www.free-2-teach.org.

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. ●

RSA Spas in Top 100

Four of the Top 100 spas for 2021 in North America were in Alabama on the RTJ Spa Trail and are owned by the Retirement Systems of Alabama: The Spa at The Battle House, Spa at Grand National, Spa at Ross Bridge, and Spa at the Shoals.

The Top 100 Spas of 2021 list includes 84 spas from the United States, 13 spas from Canada, and three from Mexico.

The RTJ Spa Trail has six spas across Alabama. “We are truly honored to have four spas featured on the list and believe all of our spas offer world-class experiences at a time when people really need them,” said Taylor Fields, Corporate Director of Spa for PCH Hotels & Resorts. “Our Spas at Ross Bridge, Opelika, Florence, and Mobile make this prestigious international list for 2021.” Other spas on the RTJ Spa Trail are at the Grand Hotel Golf Resort & Spa, Autograph Collection and Renaissance Montgomery Hotel & Spa at the Convention Center. ●



Spa at Grand National

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The Battle House,

A Renaissance Hotel \$119

- March 3, 9-10, 13-19, 23-29 • April 2-9, 13-18, 24-28
- May 1-5, 8-12, 15-19, 22-31

The Battle House RSA Spa Package \$219

- March 14-16, 23, 28 • April 4-6, 13, 25-27
- May 2-4, 9-11, 16-18, 23-25, 30-31

Riverview Plaza \$109

- March 3, 6-12, 23-24, 27-29
- April 3-6, 13-14, 17-18, 24 • May 1, 6-12, 22-31

Grand Hotel \$127 plus a 15% resort fee

- March 1-2, 6, 16-17, 20, 27 • April 3, 10
- May 1-2, 8, 15-16

Grand Hotel RSA Golf Package \$199 plus a 15% resort fee

- March 1-2, 6, 16-17, 20, 27 • April 3, 10
- May 1-2, 8, 15-16

Grand Hotel RSA Spa Package \$259 plus a 15% resort fee

- March 1-2, 16-17 • April N/A • May N/A

Marriott Shoals \$109

- March 6, 13, 20 • April 3, 10, 17, 24
- May 1, 8, 15, 22

Marriott Shoals RSA Spa Package \$210

- March 6, 13, 20 • April 3, 10, 17, 24
- May 1, 8, 15, 22

Renaissance Ross Bridge \$119

- March 14-15, 17, 20, 22-24 • April 3, 17 • May N/A

Renaissance Ross Bridge RSA Spa Package \$223

- March N/A • April N/A • May N/A

Auburn/Opelika Marriott Resort \$109

- March 2, 8-9, 13, 15, 20-22, 27
- April 6, 13, 18-19, 24-25 • May 11, 15, 22-25

Auburn/Opelika Marriott Resort RSA Spa Package \$201

- March 2, 9 • April 6, 13 • May 11, 25

Prattville Marriott \$89

- March 6-7, 20, 27 • April 3-4, 17, 24
- May 1-2, 8, 22

Renaissance Montgomery \$119

- March 13, 17, 30-31 • April 16-17, 21, 24 • May 8

Renaissance Montgomery RSA Spa Package \$223

- March 17, 30-31 • April 16, 21 • May 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
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MAKE YOUR VOTE COUNT

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active member currently contributing to the TRS who actively instructs students in grades K-12.

- **Retired Position No. 1**, you must be a former active member of the TRS and on the TRS retirement payroll.
- **Support Personnel Position No. 1**, you must be an active member currently contributing to the TRS and working as a maid, custodian, bus driver, lunchroom worker, cafeteria worker, secretary, clerk, clerical assistant, maintenance worker, or other non-certificated employee working an average of 20-hours-a-week. All active members who are not otherwise eligible to vote for another position (in this or any other election) shall be eligible to vote for the Support Personnel Position.

Eligible members will be able to vote by mail, phone, or the internet. Instructions will be included with the paper ballot. More information about the candidates can be found on the RSA website.

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. ●



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