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SERVING OVER 370,000 MEMBERS

November 2021

# **Special Session Should be Special**

BY DAVID G. BRONNER

very 10 years, following the census, states are required to redraw district lines to adjust the boundaries of various voting districts for legislative purposes.

The normal political game that is played is merely this: Whichever political party (Democrat or Republican) has the current majority works even harder to preserve their majority and control. Often, the session is a battle between elected politicians and the public that pays the bill and gets zero results.

We can do better! There is not a conceivable justification for NOT including gambling in the special session. The legislation has basically been agreed to by various parties, including an official study commission.

The gambling proposal will generate nearly a billion dollars in new revenue (without a tax increase) to solve decades-old problems. The Study Commission determined the proposal would result in \$700 million cash for the state with no offset from business incentives (which were \$300 million plus for each auto plant), all while gaining 12,000 new jobs!

Governor Ivey: Let's get it done like you have for roads and prisons. Let our people vote!

## Get Your Covid Shot to Avoid Hospital Bills or Death

Charges hospitals have negotiated with insurers for respiratory patients who spend more than **four days on a ventilator** – a common Covid-19 treatment – vary dramatically among hospitals and insurers.

#### Negotiated rate by percentile



## **Polarization of Politics**

BY DAVID G. BRONNER

A little over five decades ago, I arrived in Tuscaloosa from Minnesota. At that time, you had as much of a chance in finding a Republican as you did a diamond mine in Alabama.

In most midwest states, you always had a close split between Republicans and Democrats, with about ten percent being Independents. My dad was a Republican, my mom was a Democrat, and I chose to be an Independent – as I believe there are rotten apples in both barrels.

How do we try to explain today's divisiveness that rips our country apart? Listening to the words of one politician – Mo Brooks – made my head hurt. ALFA, the Business Council of Alabama, and the U.S. Chamber of Commerce (three of our conservative and business-friendly organizations) were called out by him. He stated they were "Socialist Democrats" and aligned with liberals. I guess he taught them for not endorsing him!

An article published in *The Wall Street Journal* and written by Gerald F. Seib is an excellent column on why the "Political Center" has eroded. Here is a summary of a few of his points:

- Polarization in American politics isn't merely between two parties but also within each of them.
- State legislatures have drawn lines that pack like-minded voters to the left or right of the center.
- A safe seat allows a member to merely play to the party base resulting in no need to speak to the other party or even moderates and independents in the center.
- In a district where neither party had over a five point advantage (55 vs. 45 considered a swing district), they work with the other party. In 1997, there were 164 swing districts, but today there are only 78.

## **History of RSA Dexter Avenue Building and Datacenter in Montgomery**

BY MARK FAGAN

he old Alabama Judicial Building on Dexter Avenue had been vacant since 1994. It was built in 1926 as a Scottish Rite Temple and purchased by the state in 1932. It housed the Supreme Court and Appellate Court of Alabama, the Attorney General's office, and the Supreme Court Library. It was renovated in 1940. The courts and library moved into the new Heflin-Torbert Judicial Building in 1993. The RSA traded 150 parking spaces in a parking deck to be used by the Attorney General's office for the building and property. The RSA chose to preserve this history of Alabama and add office space to its holdings as the RSA Dexter Avenue Building.



This building encases the fully-restored historic Alabama Judicial Building with a 50-foot-high structural glazed



grand vestibule. The restored portions were adapted for premium office space and a multi-purpose center featuring the original Supreme Court chamber and lobby. The main four-story lobby/atrium has limestone walls, a grand staircase, polished granite, glass, and stainless steel. The Honor Courtyard has bronze statues of the five Chief Justices who served in the building, and the names of the Associate Justices are etched on the serpentine water wall. Key rulings of the courts during these periods, the first four sections of the Alabama Constitution, and the Alabama Preamble are etched in stone throughout the courtyard.

In 2016, the RSA became a partner in Alabama's first Internet Exchange as a collaboration between Montgomery, Montgomery County, area universities, Maxwell Air Force Base, and the Air Force Cyber College. The RSA Dexter Avenue Datacenter hosts the exchange. It is expected to pass exchanges in Miami, Florida; Nashville, Tennessee; and Jacksonville, Florida; to become the No. 2 busiest exchange in the Southeast for data volume. This exchange was compared to the beginning of auto manufacturing in Alabama. It was expected to bring many high-tech companies to the area and eventually have a more significant economic impact than Hyundai's \$4.8 billion.

The RSA Dexter Avenue Datacenter maintains a SOC 2 Type 2 certification, one of the industry's newest. It serves over 20 companies with over 300 secure racks, mainframes, disk arrays, and supercomputers and provides 24/7/365 management of all systems and access control. Building services include uninterrupted power supply systems, environmental controls, biometric controls, and HD video cameras. Tenants in the office portion of the building include the Alabama Securities Commission, BB&T Bank, Wingers Sports Bar & Grill, and many professional groups.

### **Illinois Pension Debt**

#### BY ADAM SCHUSTER, SENIOR DIRECTOR OF BUDGET AND TAX RESEARCH

llinois' worst-in-the-nation public pension debt grew 19% year over year. It will continue hurting the state economy and job growth, driving more people out of Illinois unless there are reforms. Illinois' pension debt reached an all-time high of \$317 billion as of June 30, 2020, according to credit rating agency Moody's Investors Service – more than double the state's official estimate.

Illinois' pension crisis has been rated the worst in the nation, measured by pension debt relative to state gross domestic product, since fiscal year 2014. Pension debt increased 19% from \$261 billion at the end of fiscal year 2019. Official reporting of pension debt by the state of Illinois puts the debt at less than half of Moody's estimate, \$144.4 billion at the end of fiscal year 2020. State estimates use much more optimistic and less realistic assumptions about investment returns.

Because the state systemically underestimates its pension debt, it also underestimates the taxpayer contributions necessary to keep the debt from growing each year. During the past decade, officially reported growth in pension debt outpaced the state's initial projections by \$24 billion. Growth in annual taxpayer contributions exceeded state estimates by about 15% per year on average, causing taxpayers to contribute \$7.6 billion more than projected during the decade. Still, that extra money has not slowed a mushrooming pension debt. The state's regular upward revisions demonstrate Moody's method, which is more in line with private-sector standards, is more accurate.

Because employee contributions to the pension funds and benefits paid out are both fixed by state law, taxpayers must make up for any shortfall caused when investment returns miss rosy targets. For example, the largest of Illinois' five state pension systems, the Teachers' Retirement

## **Alabama Success Story**

## Montgomery County District Attorney's Office Helping Montgomery Families Initiative

he Montgomery County District Attorney's Office Helping Montgomery Families Initiative (HMFI) has gained national attention for a new program to assist children who have witnessed traumatic events. This new program, launched in December 2020, is called the OpenDoors Program. The OpenDoors Program aims to help children who have witnessed traumatic events receive counseling, therapy, and mentorship provided by a licensed professional. The program is designed to minimize the consequences of trauma on children and families impacted by homicides. It seeks to assist children and families in restoring the balance in their lives.

Montgomery County District Attorney Daryl Bailey states there are one to three shootings in Montgomery each day. "That's a lot of possible kids who have been exposed to violence. It doesn't necessarily have to be a homicide, just a shooting can be traumatic to a child who has witnessed that," says Bailey. "Many never get professional help, which could lead them to act out in school and sometimes lead to trouble publicly."

Tim Anderson, Jr., director of the HMFI, says, "Our community recognizes that there is an alternative. There are opportunities for families to be whole again. Even though they have witnessed and experienced something that's terribly damaging, we recognize that there is change they can experience, and we are glad our families experience that."

The OpenDoors Program was a keynote topic at the National District Attorneys Association conference held in Virginia this summer. The success of the OpenDoors Program has led other district attorneys' offices across the nation to desire to develop similar programs. DA Bailey says, "We're actually the trailblazers here and leading the way, so it's something to be very proud of."

The program involves a four-step process: A member of the Montgomery County District Attorney's Office Investigations Unit will arrive at the crime scene and canvass the area for any children under 18. Then, HMFI will assess the child and their family, and the HMFI Multidisciplinary Team will coordinate services based on each family's needs. The HMFI Multidisciplinary Team will follow up within 72 hours and do an additional canvass of the area, looking for children who may have experienced trauma related to the recent criminal event. Lastly, HMFI will reach out to Montgomery Public Schools and notify the Multidisciplinary Team partners that a student has experienced trauma.

"I would love to see the program expand and duplicate all over the country, even more so I would love to see our program expand right here in our community. There are a lot of people that have been impacted by gun violence over the last decade and beyond, and I think that



having a solution like this is really going to literally change lives, and we're interested in that the most," says Anderson.

The OpenDoors Program has partnered with the Montgomery Public Schools, the City of Montgomery, the Montgomery County Commission, the Montgomery Police Department, the Montgomery County Sheriff's Office, and Parakeleo' Counseling, LLC. To learn more about the OpenDoors Program, contact HMFI at 334.832.1666.

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 <u>communication</u>. <u>correspondences@rsa-al.gov</u>.

#### CONTINUED FROM PAGE TWO

System, reported a 0.52% return on investment in fiscal year 2020, which included the first four months of the COVID-19 pandemic. That was far short of the TRS's 7% return target and helped grow the debt.

Generous pension benefits allow many government workers in the five state systems to retire in their 50s with multi-million dollar pensions after having contributed only about 4-6% of expected payouts. Combined with the state's poor accounting and funding practices, this explains why Illinois spends more of its tax revenue on pensions than any other state but still has the largest gap between current payments and what would be required to pay down the debt without reforms.

### Illinois View of Pension Debt Much Rosier than Moody's

Illinois pension debt is more than double what the state estimates when Moody's Investors Service uses more realistic accounting assumptions to value debt in the five statewide public pension systems.



Chart: @illinoispolicy • Source: Illinois Commission on Government Forecasting and Accountability, Moody's Investors Service • Created with Datawrapper

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## 2021 ERS Board **Special Election Results**

he ERS Board Election Committee met on September 28 and certified the special election results for the new position. Congratulations to Mike Gillespie on his election to the Active or Retired Local Employee Position. Mr. Gillespie's four-year term began October 5, 2021.

### **U.S. Military Deaths by Conflict**



Source: Department of Defense, U.S. Census Bureau



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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• January 1-6, 9-10, 16-17, 23-24, 27, 30-31 **Renaissance Montgomery \$119** 

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