

FOR YOUR INFORMATION:

ON TUESDAY, MAY 4, I WENT TO JEFFERSON CITY FOR THE HOUSE HEARING ON SB 714 WHICH WOULD COMBINE STATE PENSION BENEFITS. ACCOMPANYING ME WAS STEVE LANGHORST, AUDREY SPITZNAGLE, AND NANCY CRAIG (WHO IS VICE PRESIDENT OF REGION 8 - MRTA). OTHERS ATTENDING WERE SUPERINTENDENT TERRY NOBLE FROM THE MEHLVILLE SCHOOL DISTRICT AND PAT CLEMENTS WHO CAME WITH HER HUSBAND.

THERE WERE BETWEEN 150 TO 200 RETIRED TEACHERS FROM THROUGHOUT THE STATE WHO ATTENDED THE HEARING. THE HEARING ROOM WAS TOTALLY PACKED AND SOME HAD TO BE IN THE HALLWAY OUTSIDE THE HEARING ROOM.

THERE IS AN ARTICLE ON THE FRONT PAGE OF THE ST. LOUIS POST DISPATCH TODAY (WEDNESDAY) THAT GIVES A SYNOPSIS OF THE HEARING. IT IS ENTITLED "EX-TEACHERS PROTEST BILL ON PENSION CHANGES". YOU CAN EITHER READ IT IN YOUR POST DISPATCH OR PULL IT UP ON THE INTERNET.

THE FIRST PERSON TO TALK WAS SENATOR JASON CROWEL. HIS BILL, SB 714, HAS ALREADY PASSED THE SENATE. HE, AS THE PERSON WHO SUBMITTED THE BILL, PRESENTED IT TO THE HOUSE RETIREMENT COMMITTEE. I WOULD DESCRIBE SENATOR CROWELL AS FOLLOWS: VERY ARTICULATE, VERY INTELLIGENT, VERY ARROGANT, AND VERY RUDE.....

THERE WAS NO ONE ELSE IN THE AUDIENCE TO SUPPORT SENATOR CROWELL'S BILL. HOWEVER, APPROXIMATELY 10 PEOPLE SPOKE AGAINST THE BILL. MRTA WAS REPRESENTED BY WALTER COCHRAN WHO IS STATE PRESIDENT OF MRTA. (PLEASE SEE BELOW THE STATEMENTS HE MADE CONCERNING SB 714) OTHERS WHO SPOKE AGAINST THE BILL WERE TWO ST. LOUIS PUBLIC SCHOOL TEACHERS, THE AFL-CIO TEACHERS GROUP, INDIVIDUALS WHO WORK FOR THE STATE PRISONS, OTHER RETIRED TEACHERS, ETC. ALL OF THEM DID AN OUTSTANDING JOB IN THEIR PRESENTATIONS OPPOSING SENATE BILL SB 714.

I WOULD SUGGEST YOU CONTACT YOUR STATE REPRESENTATIVES AND INDICATE THAT YOU OPPOSE SB 714.

JACK M. JORDAN

Subject: MRTA Testimony SS SB 714 TESTIMONY

Mr. Chairman and members of the committee

My name is Walter Cochran. I am the President of MRTA the Missouri Retired Teacher Association and Public School Personnel

On behalf of our 14 member Legislative Committee, the 28 member of the MRTA Board of Directors and over 18,000 members, I wish to testify in opposition to SS SB 714 as written **EVEN THOUGH PSRS/PEERS is excluded.**

SS SB 714 has three parts

#1 is the original SB 714 allowing the State Auditor to audit Missouri Public Pensions. MRTA is in favor of this

#2 is the benefit reduction of retirement benefits for state workers. MRTA does not like to see benefit reductions but supports this part of the substitute as it keeps a Defined Benefit Plan in place for state employees.

#3 is SB 1050 which creates a state retirement investment board. MRTA strongly opposes this part of the Substitute therefore the entire bill as written.

MRTA opposes the state investment board for the following reasons EVEN THOUGHT WE ARE EXCLUDED.

This language (SB 1050) never had a committee hearing in the Senate. There was no public comment allowed and started out as a Private Investment Company. Now we are not sure what it is.

It is the opinion of MRTA that public and employee funds demand extra accountability. The makeup and selection of the Board is not acceptable in this Substitute. There are no elected board members, the Governor does not appoint and the Senate does not confirm the board members instead the Governor approves. This is not common practice. Elections hold people accountable. Appointments made by the Governor hold the Governor and Senate accountable who are elected officials.

MRTA is an affiliate of the NRTA (National Retired Teachers Association) which is the education community of AARP. MRTA considers itself a student of defined benefit retirement plans nationwide. We read and hear horror stories about those states that have created investment boards such as proposed in this Substitute sometimes called POOLS. ALL of them across the nation include teacher retirement systems because they are usually very large in assets. ALL of them have had problems with, let us say at least ethics and at the most criminal corruption. This is because of the lack of oversight and accountability. MRTA believes the language in the substitute for 714 does not have enough protections and will allow both.

MRTA believes this investment board is not needed in Missouri at all. For example, our two funds in education, the teachers and the staff, were allowed to combine funds FOR INVESTMENT PURPOSES ONLY just last year and it went through this committee. THANK YOU for allowing that legislation to become law. It has made us more efficient. It has allowed investment efficiencies. This could be done for the other state retirement systems as long as you the legislature approves it, a governor signs it, and the elected/appointed boards of the systems involved vote it. That is accountability.

MOSERS has done a great job investing for the state employees. Many elected officials have stated so in the press. MOSERS has wonderful accountability. It has elected officials, state employees, and gubernatorial appointments all sitting on that board. WHY CHANGE IT?

ONE LAST COMMENT. Retired educators in all states especially in Missouri have always been "watchful" about anyone attempting to control or mandate use of our funds. This happens because our funds are usually very large and garner a lot of attention. This state investment board proposal makes us uneasy. Even though we are specifically excluded in this legislation, we sincerely believe that future legislatures will force us into this investment pool in the near future. With term limits in this state we are not comfortable with promises that we will be left alone.

In conclusion MRTA strongly opposes SS SB 714 as written because of the state investment board language.

I will glad to attempt to answer any questions.

Walter Cochran
MRTA President