



News

Express

Kentucky Retired Teachers Association

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May 2016

KTRS Trustee Election:

This May the retired and active KTRS membership will elect an “active teacher” trustee. This year there is no incumbent “active teacher” trustee running for reelection. Both of the “active teacher” candidates appear to be qualified. Please vote! This election is important!

You should receive your retired teacher (yellow) ballot soon from KTRS. For your vote to count the ballot must be returned to KTRS by May 31, 2016.

KTRS ACTIVE TEACHER TRUSTEE CANDIDATES FOR 2016



KERI MEADOR (Louisville) has been employed as a science teacher with the Jefferson County Public School system since August 2000. During this time, she gained approval from the Kentucky Department of Education to create the state’s first forensic science course. She was key in leading an awareness campaign for child soldiers in Uganda, resulting in her school being nationally recognized for their efforts and two students awarded free travel to Uganda to aid in educational recovery. Keri has been selected numerous times to participate in teacher professional development around the world, including Argentina, Kenya and Japan. Keri has taken on educational leadership roles at the state level, currently serving on the Kentucky Education Association’s Science Cadre and TALK committee. She holds a master’s degree in teaching from Spalding University, a master’s in Zoology from Miami University, and is Nationally Board Certified. Keri is passionate about understanding and advocating for quality education and valued teachers. She is knowledgeable about the current state of the Kentucky Teachers’ Retirement System (KTRS) and understands the various factors key to its sustainability and prosperity. With teachers taking on more hybrid roles in the state, she is confident teacher voice and empowerment will guide her to make decisions proving favorable for our teachers.



JOSH UNDERWOOD (Maysville) I am a 16 years teaching veteran in the area of middle and high school science and am currently the physics teacher at Mason County High School. My educational background consists of a BS and a MA from Morehead State University and a MS from Montana State University all in science education. I have also renewed my National Board Certified Teacher status in physics. I have been active in numerous organizations in education. I am a past president of the Ky Science Teachers Association, a **planning committee member** for KEA's TALK conference and a past member of KEA's National Board Certification Jump Start team. I have shared what I have learned through these opportunities by presenting at local, state and national conferences and workshops. During my teaching tenure, I have been fortunate enough to have been recognized for my work by being a recipient of honors such as the KY High School Teacher of the Year and the KEA Teacher of the Year. I share all of this information to let you know that I am invested in education, particularly that of our students here in Kentucky, and that I would appreciate the opportunity to be your representative on the KTRS board.

For Your Information:

Retired teachers will receive a 1.5% COLA effective July 1, 2016.

2015-16 Membership News:

We reached our 2015-16 membership goal of 30,616! The total membership of 30,880 is an increase of 685 over last year. This marks the 28th consecutive year of membership growth. This is noteworthy because many state retired teacher associations across the country continue looking for ways to reduce their losses rather than increase their numbers. Congratulations to all our devoted members who helped make this possible.

2016 General Assembly:

The General Assembly made the 2016 legislative session a roller coaster ride, regularly alternating between optimism and despair. The Kentucky Constitution allows the General Assembly to meet for a maximum of 60 days in even-numbered years, and the session must end by April 15. The final day of the 2016 General Assembly was Friday, April 15.

The budget plan that lawmakers agreed to and officially approved in the Senate and House before adjourning the 2106 legislative session shortly before midnight on Friday night represents a mixture of Senate and House priorities and compromises where the chambers met in the middle so that a budget could pass into law.

The approved budget can generally be described as one in which savings were sought wherever possible so that more money could go toward shoring up the state's troubled public pension systems. In total, \$1.284 billion in new funding is going toward pensions.

KTRS and Retired Teachers Related Bills that Did Pass:

The Budget:

House Bill 303 will guide \$21 billion worth of state spending over the next two fiscal years. The two-year state budget plan is aimed at creating savings in many areas and using more revenue to shore up public pension systems. The budget will pour \$1.28 billion into the state pension systems. KTRS will receive \$973M towards the unfunded Annual Required Contribution (ARC). The budget plan makes no cuts to K-12 education while authorizing the governor's plan to cut most state agency funding by nine percent over the biennium. State spending will decrease by 4.5 percent for most public colleges and universities.

Pension Oversight:

House Bill 271 requires all state-administered retirement systems to report specific information on their members or members' beneficiaries to the state Public Pension Oversight Board each fiscal year. The information is to be used by the board to plan for future expenses and recommend changes to keep the retirement systems solvent.

Permanent Fund:

House Bill 238 creates the "permanent fund" for public pensions funded in the Executive Branch budget bill, or HB 303. It also sets out specific requirements for public pension system reporting, including the requirement that an actuarial audit be performed on the state-administered retirement systems once every five years.

KTRS and Retired Teachers Related Bills that Did Not Pass:

- HB172** **Teacher Retirement System** (NELSON, R) AN ACT relating to survivor benefits in the Kentucky Teachers' Retirement System. Removes marriage as a disqualifying event for a widow or widower that is receiving survivor's benefits from KTRS.
- SB2** **Retirement** (BOWEN, J) AN ACT relating to retirement. Requires more transparency and accountability for the state pension systems, including fees and transactions with third party services. Provides for the appointment of additional trustees by the governor. Bans use of placement agents and requires adherence to state contract law.
- SB45** **Public Retirement Information** (MCDANIEL, C) AN ACT relating to the disclosure of public retirement information. Requires the disclosure, upon request of the retirement benefit information of current and former members of the General Assembly and all state pension plans.

The Kimbler-Bourgard Foundation:

On December 7, 2015, the KRTA Executive Council took the first step in establishing the Kimbler-Bourgard Foundation. The Council approved combining the N.O. Kimbler Memorial Fund, Inc., and the Bourgard Fund and directed the executive director to file the appropriate paperwork to "Do Business As" (DBA) the Kimbler-Bourgard Foundation.

Historical Background

The N.O. Kimbler Memorial Fund, Inc., was established in 1991. The N.O. Kimbler Scholarship Program has grown to the point where in 2015-16 we awarded one \$1,600 scholarship to each of Kentucky's 16 public community and technical colleges.

In 1928 Caroline Bourgard's Will was admitted to probate in Jefferson County, Kentucky. In the Eleventh paragraph of the Will, Ms. Bourgard made the following bequest:

...that the sum of ten thousand \$10,000 dollars be converted into an endowment fund and designated the "Emma Bourgard Fund for Aged, Infirm and Destitute Teachers" –This fund may be annexed to

the fund that is being raised to provide for a 'Home for Aged Teachers.' If this project should fail to materialize then the interest shall be used and may be placed in the hands of the Louisville Board of Education for the amelioration of aged and destitute teachers.

In July 2008, Frost Brown Todd Attorneys LLC contacted KRTA about taking responsibility for the funds once the Caroline Bourgard Charitable Trust was dissolved. In April 2009, we were asked to take possession of funds because the Bourgard Trust had been dissolved in September 2008.

In September 2009, a Bourgard Funds Ad Hoc Committee was appointed to determine possible uses of the Bourgard funds including investment options. The Ad Hoc Committee recommended to the KRTA Executive Council that the Bourgard Funds be invested for a minimum period of five years.

Current Status

In June 2015, another Ad Hoc Committee was appointed to explore the next steps for the Bourgard Fund. At the December 2015 Executive Council meeting, the Council approved the following resolution:

- Place the Bourgard Fund under the auspices of the N.O. Kimbler Memorial Fund, Inc.
- File appropriate paper work with the Kentucky Secretary of State for the N.O. Kimbler Memorial Fund, Inc., to "Do Business As" (DBA) the Kimbler-Bourgard Foundation.
- Initial focus – continue the N.O. Kimbler Scholarships and ramp up benevolence initiatives for retired teachers during the next 3-5 years.
- Utilize Contempo Direct, Inc., to provide fund raising consulting and management services (renewable on an annual basis) to grow the proposed foundation's investment account.
- Merge the current separate N.O. Kimbler and Bourgard Fund investment accounts. If feasible, initial distribution for benevolence would occur in connection with our 60th (Diamond Celebration) in FY2018. If not, the initial distribution would not occur before FY2020.
- Within the next 2 years establish an Ad Hoc Committee(s) to develop guidelines for distributing benevolence funds.

Future Plans

Working for the common good and helping those who need our support are two very important KRTA goals. It has been a tough time for a number of our members and this seems an appropriate time to lay the appropriate groundwork for a KRTA benevolence program.

We believe that the biggest issue will be finding those members who need help. Many people find it very difficult to request help for themselves, yet they are very willing to help others.

The Kimbler-Bourgard benevolence initiative will be a program founded by retirees for retirees. Each of us can do something to help each other. We can be compassionate and generous by supporting the Kimbler-Bourgard Foundation's first fund raising effort this spring. Information on this fund raising effort was in your mailbox in April. Together we can make Ms. Caroline Bourgard's 88-year-old final wish a reality.

Social Security News:

KRTA continues to work on these Social Security issues: Mandatory Coverage, Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). Currently, discussion on the Social Security penalties (i.e. WEP) is getting some attention. We continue to work at the national level with the Coalition to Preserve Retirement Security (CPRS).

Primary Elections:

In May 2016 Kentucky citizens will elect 100 Representatives to the House of Representatives and 19 Senators to the State Senate. Each of us must work hard to see that the individuals elected during both of these elections are committed to keeping KTRS as a “defined benefit group retirement plan” and meeting the ARC until the system is fully funded. It is imperative that each of us knows his/her Representative and Senator candidates’ positions on KTRS.

Remember KRTA is bipartisan. We do not endorse candidates or contribute money to political campaigns. We work hard encouraging KRTA members to educate themselves on the feelings and positions of each candidate. That said, we should be quite partisan about issues that affect us.

Retired Teacher Issues:

As we move forward, four (4) issues that will impact future teacher retirees and us are: improving the actuarial soundness of KTRS; maintaining KTRS as a “defined benefit group retirement plan;” keeping the governance of KTRS as it is presently constituted; and mandated social security. As we continue to build on the excellent relationship we have with Gary Harbin, his staff and the KTRS Board of Trustees, along with the respect KRTA enjoys with members of the General Assembly, we should be able to meet the challenges ahead.

KRTA continues to grow and prosper. Much of the credit for this success belongs to the many dedicated volunteer leaders we have at the local, district, and state levels. Take the time to thank your local, district and state RTA leaders for their efforts.