

00:00
well good morning and first of all I
00:03
want to say thank you to the media for
00:05
working with us today to be present I
00:08
want to say thank you to my fellow
00:10
superintendents in this region for being
00:13
present here today in participating in
00:16
this very important press conference I
00:18
want to say thank you to our school
00:20
board members from Owensboro Davis
00:24
County who are able to make today's
00:25
event appreciate each and every one of
00:27
you being here miss Brinkley Roush with
00:32
me appreciate you also being here
00:34
and Mr. RT Marks appreciate you here as
00:36
well our message today is purely focused
00:40
on the profession of teaching in public
00:42
education in the Commonwealth of
00:44
Kentucky but the real reason why that
00:47
summons us together here today is a
00:48
laser focus on our kids in their future
00:51
and for the generation of kids that will
00:54
follow in the Commonwealth of Kentucky
00:57
we're stepping out of our school
00:59
districts today to come together to talk
01:02
about a very very important issue that
01:04
affects all of us the focus of the press
01:07
conference today specifically on KTRS
01:10
and CERs while there are eight pension
01:13
systems in the commonwealth of Kentucky
01:15
these are the two that are relevant to
01:18
our employees as they are all
01:19
participants in either of those two
01:21
systems and while that and why also that
01:24
this matters essentially to every
01:27
citizen and resident of our region as
01:29
well as Kentucky three key points that I
01:33
want to emphasize here with you today
01:34

first of all the quality of our teachers
01:37
can we continue to attract and retain
01:40
that most vital asset to our profession
01:43
also how this pension issue will affect
01:47
the education of our children not only
01:49
today but in the generations that would
01:51
follow and also the increased cost that
01:55
must be weighed on taxpayers with the
01:58
pfm reports recommendations as it is
02:01
outlined so clearly and on public view
02:04
our goal here today is to talk about and
02:07
provide facts about the current pitch
02:09
and pension system
02:10
concerns about some of the proposals
02:12
referenced in the pfm
02:14
for in our vision for an appropriate
02:17
sensible solution and path forward we
02:20
desire to be an integral part of this
02:22
conversation the entire K RS system
02:26
that's all eight pensions is about
02:28
thirty three billion dollars in debt
02:30
however our teachers and our support
02:33
personnel deserve a stable and sensible
02:36
pension plan most importantly the
02:38
employees deserve a clear path forward
02:40
that ensures that this is not a concern
02:42
for them when they ultimately make that
02:45
choice to retire as this conversation
02:48
takes place across the state I first
02:51
want to address the myths and
02:53
misperceptions that may be floating
02:55
around in the public eye first how is
02:59
the Kentucky Teachers Retirement System
03:00
funded well I will show you that
03:03
teachers pay 13% of their salaries
03:06
annually into the Teachers Retirement
03:08
System they've done this faithfully all
03:11
along since 2008 the state has failed to

03:15
pay the tune of one point nine billion
03:18
dollars towards the unfunded liability
03:21
in the pension system this has had an
03:23
enormous compounding effect when it's
03:26
coupled with the assets that were had to
03:28
had to be sold by the Kentucky Teachers
03:30
Retirement System when you pull all that
03:32
together it's had a 3.8 billion dollar
03:34
impact on the Teachers Retirement System
03:38
obviously that weighs heavy and the
03:40
unfunded liability that we see today but
03:43
to be clear that problem has spanned
03:45
multiple years multiple administrations
03:48
and of course both political parties
03:52
teachers today do not pay in the Social
03:54
Security this is very very important
03:57
point they also cannot receive any
04:00
Social Security benefits either from a
04:02
public job they may have held prior to
04:04
or post retirement or from a spouses
04:07
benefit that was not even a participant
04:09
at all in the retirement system they are
04:12
completely and totally and absolutely
04:14
dependent upon teachers retirement for
04:16
their income Teachers Retirement is a
04:20
social security replacement plan we go
04:23
back to 1930 when Roosevelt introduced
04:26
Social Security all across some air
04:28
at that point in time the teachers again
04:32
across America in each state had a
04:34
choice to exempt teachers or include
04:36
them Kentucky continues to make that
04:39
choice and we think that's the choice
04:40
that we should make moving forward the
04:43
average teacher in Kentucky retires with
04:46
30 years or more of experience they
04:48
retire at an average age of 59
04:51

they draw an average pension benefit of
04:55
\$38,000 per year and again please
04:58
remember that's with no Social Security
04:59
included and so as I believe that
05:03
anytime that we do not agree with our
05:08
solution that's proposed in the pfm
05:10
report I think its inherent upon us to
05:13
make sure that we include what that
05:16
solution might look like and so for our
05:19
purposes we support a shared
05:21
responsibility solution where we work
05:24
together both as employees employers as
05:28
well as in retirees and as well on what
05:31
is best for Kentucky and most
05:33
importantly what is best for Kentucky's
05:36
kids this approach worked successfully
05:39
in 2010 to fix the health insurance fund
05:42
and it can work again employees
05:45
employers and the state can work
05:46
together towards a sensible economically
05:49
feasible solution that will result in
05:51
the long-term solvency of TRS the
05:55
evidence is clear Kentucky must undergo
05:58
significant tax reform that results in
06:01
more state revenue this affords all
06:04
people a better plan that costs less to
06:06
support and maintain and support
06:09
sustainable growth in the state of
06:11
Kentucky thank you next up from Ohio
06:16
County we will have mr. Scott loose
06:22
Matt touched on a few of these things
06:25
but let's talk now about what's being
06:27
proposed the proposal is to shift
06:31
teachers retirement to social security
06:33
401k plan why is this a bad idea from a
06:37
financial standpoint since the 30s when
06:40
Social Security was created teachers
06:42
have always been excluded because TRS is

06:45
more secure and less expensive than the
06:47
Social Security program the pfm report
06:51
acknowledges that Social Security and
06:52
the 401 contributions are more expensive
06:56
than current TRS plan and that's on page
06:59
16 of the pfm report so that's that's a
07:02
fine point to remember Social Security
07:05
has more risk to both Kentucky taxpayers
07:07
and employees its unfunded liability is
07:11
so much greater than that of TRS 10
07:14
times as much liability Social Security
07:17
is already a stress system with
07:19
projections that will run out of money
07:21
in 2030 for doesn't make any sense to
07:25
add more people to Social Security
07:26
payroll and escalate the depletion of
07:28
those funds Social Security is
07:32
controlled by the federal government the
07:34
state would lose control which further
07:36
increases the risk to the Kentucky
07:38
taxpayers self security is a permanent
07:42
decision once the end you're you're
07:44
never out this reason alone should give
07:47
us pause before rushing in and
07:48
potentially making a mistake we can
07:50
never rectify we need to consider does a
07:54
new system create greater instability
07:57
with lack of Future teacher's
08:00
contributing and dependent upon the
08:02
state to fund the plan which will cost
08:05
more money with no new funding sources
08:07
proposed and these these are some of the
08:10
facts that we feel like are important
08:12
for people to know because some of these
08:15
are what's really getting everyone up in
08:17
arms to start with but you know we do
08:22
not think that these proposals are
08:25

what's best for our teachers and
08:27
retirees and that's what one reason we
08:30
want to share that with you all today
08:31
thank you
08:36
next up we'll have mr. Kyle Estes who of
08:40
course is from Hancock County Public
08:42
Schools
08:46
Thank You mr. Kirk Bell superintendents
08:48
ladies and gentlemen press board members
08:50
guests
08:51
thanks for the opportunity to be here
08:53
and share our concerns this is an
08:55
important issue if you think about some
08:58
of the proposals that mr. Lewis and mr.
09:00
Robbins have already outlined on the 401
09:02
K system and social security plan there
09:06
will be an impact on our youth I think
09:08
everyone here in the audience and to my
09:12
right also would agree with that each of
09:15
us know understand the important
09:17
resource to astute and the teacher is in
09:19
that classroom teachers are molding and
09:23
developing the future of our children of
09:27
the Commonwealth we all know teachers do
09:30
not enter the profession for the pay or
09:33
the benefits however one major draw of
09:36
the current system is the retirement
09:38
helps us with retaining those teachers
09:42
many of those teachers I think mr.
09:45
Robbins alluded to will work 30-plus
09:47
years and most of the time they're 59
09:49
years of age or older because of there
09:53
was the incentive in the current system
09:55
and obviously their love for our youth
09:59
statistics show that for every one
10:01
dollar the teacher retirement system
10:04
pays out the economic benefit in
10:06
Kentucky is one dollar and 43 cents this

10:11
statistic coupled with a decline of the
10:14
89% of retired teachers that reside in
10:16
the Commonwealth will be compromised
10:19
with the current proposals as teachers
10:21
will retire earlier and move to
10:24
neighboring states to continue their
10:26
profession we will lose some of our best
10:29
teachers which will hurt kids and
10:31
produce a negative economic impact at
10:34
the same time the proposed social
10:37
security system for new teachers will
10:38
make teacher recruitment more
10:40
challenging in the future than it is
10:43
right now and each of these gentlemen
10:45
note to my right know that it's already
10:48
a difficult task to recruit the very
10:50
best without our quality retirement
10:53
system for teachers teachers pay must be
10:56
must be substantially higher
10:59
for a profession to meet the the match
11:02
that the profession of masters level
11:06
requirement for comparable career paths
11:11
sadly this is a point that's not part of
11:14
the pfm audit and it's not receiving
11:18
much discussion among our legislators
11:21
further for those individuals we are
11:24
able to to entice to the profession
11:26
I believe those teachers will now seek
11:29
other opportunities at the midpoint of
11:32
the career as the grass looks greener in
11:35
other areas where they can receive
11:37
greater compensation the Commonwealth
11:40
continues to make great strides in
11:42
education ranking as high as the top 20
11:45
in the nation by the Education Week 2016
11:47
quality counters report each person here
11:52
to my right
11:53

again desires to continue improve and
11:55
move Kentucky to the top of the charts
11:58
in the nation this cannot be done
12:00
without the very best teachers it is
12:04
unfortunate that this conversation is
12:06
about taking away benefits from teachers
12:08
because it should be about how we can
12:11
provide greater incentives to retain and
12:14
attract the very best to the field
12:16
without quality people working with our
12:19
youth
12:19
there will be an inevitable decline in
12:22
the years to follow in every quality of
12:24
life measure including health care
12:27
recreation service industries emergency
12:31
responders roads and infrastructure
12:35
those risk to our society should be at
12:38
the forefront of this issue thank you
12:44
all right next up from McClain County
12:48
we'll have mr. Terry
12:54
your allowance being here this morning
12:56
started appreciate our fellow
12:58
superintendents board members medium the
13:01
members of the press the Teacher
13:03
Retirement System affects all certified
13:06
school employees CERs the County
13:12
Employee Retirement System is a picture
13:14
plan for non certified school employees
13:17
such as secretaries teachers aides
13:22
foodservice maintenance and others these
13:27
individuals account for about half of
13:29
the school district employees these
13:32
employees contribute 5% of wages to
13:35
their retirement with the employer
13:37
contributing 19% they also pay in to and
13:43
receive Social Security CERs is better
13:48
funding than most of the state
13:50
retirement plans at 59% our position is

13:56
to recommend separating CRS from the
13:59
current K RS system going forward a
14:03
position that is also supported by
14:06
leadership of other groups participating
14:09
in CRS thank you next up from
14:18
Muhlenberg County we'll have mr. Robert
14:20
Davis
14:24
thank you so what are we doing and what
14:28
can you do we hope that today's event
14:31
illustrates the fact that we're on the
14:33
same page superintendents and districts
14:36
across the state are united on this
14:37
issue
14:38
we're in communication with each other
14:40
often we talked to our elected officials
14:42
we want to ensure that everyone
14:45
understands that this issue is not
14:47
limited to school employees or teachers
14:51
or government workers it goes far beyond
14:54
that we need everyone understand that
14:56
each and every person in the state of
14:58
Kentucky each taxpayer will be affected
15:01
about what's decided certainly the ones
15:03
who write reside in the districts
15:05
represented here today so what can you
15:07
do first we ask you to be informed
15:10
hopefully today helps with that we ask
15:13
that you call the legislative call
15:15
center at 1-800-318-2596
15:51
thank you and I echo everybody's thanks
15:55
and again my welcome to our district and
15:58
Sutton today I'm gonna close today by
16:01
talking about economic growth and the
16:03
important role that education plays with
16:06
economic growth it is well-documented
16:09
that economic growth is spurred by
16:13
investment in education study after
16:16

study show the economic growth education
16:19
relationship and its impact on tax
16:22
policy these studies indicate that
16:25
investments in k-12 education higher
16:28
education and public infrastructure are
16:31
the three most important decisions that
16:34
a state can make for the for the economy
16:37
of the state states with the highest
16:39
investments have the strongest economies
16:43
money matters dis investments and cuts
16:47
at the state level like the recent 17
16:50
percent cut that we're all trying to
16:52
deal with are hurtful and they weaken
16:56
the state economy a lack of state
16:59
investment in education is also pushing
17:02
more and more of the burden to the folks
17:05
in the back of the room our local Boards
17:07
of Education they have to make difficult
17:10
decisions that burden local communities
17:13
and local school districts there is a
17:15
net positive effect on the local
17:18
economies as a result of investment in
17:21
education but more than that quality of
17:24
living is directly impacted our
17:26
communities in this region especially
17:29
are blessed with outstanding public
17:32
school districts but we have to remember
17:34
that schools are successful kids are
17:38
successful because of excellent teachers
17:41
we simply cannot afford to risk a future
17:45
in which school districts are bankrupted
17:47
by crushing financial liabilities while
17:50
at the same time risking an exodus of
17:53
educators education is never a cost it
17:58
is an investment why does this matter
18:02
the answer is simple
18:05
because our kids now thanks again to my
18:10
colleagues and the fellow

18:12
superintendent's and thanks to all of
18:15
you for attending today and I think our
18:17
group is going to come out everybody
18:21
will kind of come up here I would ask
18:24
our media partners if you can ask your
18:25
question as loud as possible so that we
18:28
could pick up that up we are live on
18:30
Facebook as well thanks to DCPS and
18:32
their a couple students from DCPS we
18:34
appreciate you guys coming out so that
18:36
we have a larger audience will have
18:37
several recordings of this as well and
18:39
of course would like to thank Laura
18:40
Wilson as well who helped put together a
18:42
lot of this you did a lot of the legwork
18:43
so I want to give her some recognition
18:45
so again if you will ask your questions
18:46
loud we'll all be here you can address
18:48
wherever you want and it's it's open for
18:50
you guys whenever you're ready
19:02
you don't get the fun bus together too
19:05
often that's okay
19:15
simply I mean let me refer to 2010
19:18
because that's when it happened Jim and
19:20
in Kentucky and in 2010 we were dealt
19:24
with a health insurance crisis if you
19:27
will and so at that point in time what
19:32
was introduced was an additional a
19:34
percentage increase in the employees
19:36
contribution to TRS the employer which
19:42
would be the boards of education as well
19:44
as the state so each of us during that
19:48
period of time and over a six-year span
19:50
of time contributing an additional 3%
19:53
each towards the solvency of the health
19:57
insurance fund and so in context with
19:59
the solution that we have here today and
20:01

I would be remiss to say here too that I
20:04
left out of my comments earlier that I'm
20:07
thankful that the legislature this past
20:10
session had made a choice to contribute
20:13
the equivalent of about half a billion
20:15
dollars into the Teachers Retirement
20:16
System so those numbers will
20:19
prove in this past year we had a net
20:22
15% return on investments so we should
20:26
see a very nice increase in terms of the
20:29
percentage there but we feel like we've
20:32
accomplished the shared responsibility
20:34
plan before an objective and that was to
20:38
make the health insurance fund solvent
20:40
and we feel like that's achievable again
20:44
in fact we don't feel like there really
20:46
are other options that we could
20:48
entertain the social security pieces we
20:50
talked about earlier simply cost
20:52
taxpayers more money lesser benefit and
20:55
it also introduces more more risk into
21:00
the system so that's an effect of three
21:02
strikes that I would make into that
21:05
comment and I would add on that the the
21:08
social security piece is a bad deal for
21:10
taxpayers you just look at some of the
21:13
states West Virginia Pennsylvania
21:15
there's been states all around the
21:18
country that have gone down that road
21:20
and many of backed away from it or have
21:23
wished they had not done it so I think
21:26
the tribe there's a track record there
21:28
and I think taxpayers just need to
21:30
beware because it's a bad deal right can
21:53
you can I can I ask you to refund your
21:55
question I'm not quite sure what you're
21:57
asking Social Security okay 401ks with
22:11
Social Security that that solution okay

22:14
absolutely the starting pay certainly an
22:16
issue but what I would say there is that
22:20
the total cost to the taxpayer via the
22:23
match the employer then has to make a
22:26
match so when you bring all that
22:27
together it's more costly to the teacher
22:29
to the individual teacher I think is
22:31
your question is how is it
22:33
disadvantage the teacher first of all
22:36
with social security that increases the
22:38
age issue okay
22:40
so that it would be projected that we
22:42
could have teachers teaching at 65 years
22:45
old we are in the youth business
22:47
okay that's we teach children and we
22:50
know as we age that affects our ability
22:53
to deliver that level of service to our
22:56
students as an example I talk about a
23:00
kindergarten class where oftentimes you
23:03
walk into a classroom you'll see the
23:04
teacher in the floor working with her
23:07
students and reading to her students
23:09
that becomes a much more difficult
23:11
challenge as that person gets older
23:14
health issues all kinds of different
23:16
things start to compound for a teacher
23:18
to be teaching at that age in the
23:20
classroom the other piece is just it's
23:23
it's purely economics that social
23:25
security in a 401 K will result in
23:28
a lesser benefit to teachers so when it
23:31
comes to the attractiveness package all
23:34
of a sudden we've lost a benefit okay
23:37
that attracts people to the profession
23:40
but not it's not only the recruitment
23:42
piece it's the retention piece because
23:44
we know that a number of folks after
23:47

their they've worked in the teaching
23:48
profession or any profession for that
23:50
matter after they've been with us you
23:52
know six to ten years they start to look
23:55
at other options and the pension has
23:58
been one of the things that have kept
24:00
folks into the retirement system and
24:03
kept them into teaching when otherwise
24:05
they may have hopped out and went to a
24:06
different route career was evidence that
24:11
that this is going to be hurtful
24:14
this has been talked about for a couple
24:15
years so this report you know I think is
24:17
it was really a culmination of a lot of
24:19
rhetoric and you know our the deans of
24:22
our colleges of education or public
24:24
universities are already reporting about
24:26
a 30 percent decline in people enrolling
24:29
in teacher education programs so that in
24:31
and of itself the instability is going
24:33
to create a glut for us to have to deal
24:35
with in three or four years so you know
24:39
I think that that's only gonna get worse
24:42
and also right now that no some of our
24:46
districts and maybe every one of them
24:48
we're having trouble attracting quality
24:50
teachers that as it is we have openings
24:52
right now where we have positions that
24:54
we can't feel and we really feel like
24:57
this statistical make this situation
24:58
worse if I could add to that and Matt
25:03
alluded to it but if you really think
25:07
about a 401 K system which is highly
25:10
regarded in the private industry and
25:12
that's where most people are at and they
25:14
have Social Security supplement that but
25:16
if you compare the pay to a profession
25:19
that requires a master's degree like is

25:23
required of Kentucky teachers the pay is
25:25
dramatically lower for our teachers in
25:27
the Commonwealth so if we were going
25:31
to do something like take away their
25:33
defined benefits plan the pay has to go
25:37
up dramatically and there's no
25:39
discussion about how to increase the pay
25:41
for teachers at this time so no matter
25:44
the solution that we come up with in the
25:46
Commonwealth and legislators craft
25:47
there's gonna have to be more revenue
25:50
and that to me is really the issue and
25:52
and what we talked about with the Social
25:54
Security going to the Social Security
25:56
route that's going to take even more
25:58
revenue than than what is required to
26:00
fix the system with the shared shared
26:03
responsibility approach that we were
26:04
talking about
26:14
you
English (auto-generated)