

Random Notes

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RETIREMENT BOARD SENDS NEW RECS TO LEGISLATURE

The State Teachers Retirement System has sent a third set of recommendations designed to improve the system’s fiscal integrity to the Ohio legislature. Two previous proposals—one in 2009 and the other in 2011—were not acted upon by lawmakers.

Leaders of the state’s public pension systems were promised quick action (before the summer recess) on the recommendations so long as two conditions were met: that there is stakeholder support for the changes and that the transition for those nearing retirement is a smooth one. STRS believes both conditions have been met in its latest proposal. The plan has broad-based support in the form of endorsement by members of HPA (Healthcare and Pension Advocates). Both state teacher organizations—OEA and OFT—are members of HPA and have endorsed the plan.

The highlights of the latest retirement rules proposal include: computing a member’s final average salary using the five highest earnings years, effective August 1, 2015 (the highest three are currently used); using a retirement formula of 2.2% for every year of service, effective August 1, 2015; increasing the member’s portion of the retirement contribution from 10% to 14% over a four year phase-in at 1% per year beginning July 1, 2013; permitting members who are eligible to retire on July 1, 2015 to continue working beyond the effective date of the changes and to retire under the retirement formula in place had the member retired on July 1, 2015; and, deferring for 60 months the Cost of Living Adjustment (COLA) for all new retirees effective August 1, 2013. All retirees as of July 1, 2013, will not receive a COLA on their next anniversary. They would be granted a 2% COLA effective July 1, 2014.

If the legislature approves STRS’ recommended retirement eligibility rules, for both full and reduced retirement benefits, they will be phased-in as shown in Tables 1 and 2, respectively:

Unreduced Benefit for Retirement Between:	Minimum Age and Years of Service
Now-7/1/2015	Any age and 30 yrs.
8/1/2015-7/1/2017	Any age and 31 yrs.
8/1/2017-7/1/2019	Any age and 32 yrs.
8/1/2019-7/1/2021	Any age and 33 yrs.
8/1/2021-7/1/2023	Any age and 34 yrs.
8/1/2023-7/1/2026	Any age and 35 yrs.
8/1/2026	Age 60 and 35 yrs.
8/1/2015	Age 65 and 5 yrs.

Table 1. Eligibility for Unreduced Benefit

Note that effective August 1st, 2026, in order to be eligible for a full retirement benefit, an Ohio teacher would have to be at

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least 60 years old and must have completed a minimum of 35 years of eligible STRS service. Under the new proposed formula, the teacher’s retirement benefit would be 77% of his or her final average salary (2.2% x 35).

Actuarially Reduced Benefit for Retirement Between:	Minimum Age and Years of Service
Now-7/1/2015	Age 55 and 25 yrs.
8/1/2015-7/1/2017	30 yrs. Or age 55 and 26 yrs.
8/1/2017-7/1/2019	30 yrs. Or age 55 and 27 yrs.
8/1/2019-7/1/2021	30 yrs. Or age 55 and 28 yrs.
8/1/2021-7/1/2023	30 yrs. Or age 55 and 29 yrs.
8/1/2023	30 yrs.
8/1/2015	Age 60 and 5 yrs.

Figure 2. Eligibility for a Reduced Retirement benefit

The changes being proposed by STRS will allow the pension fund to meet its statutory obligation to pay off its financial liabilities over no more than a thirty year period. While the changes represent less benefit and more cost to members, they will insure the system’s continued solvency to everyone’s benefit. Any eligibility changes to the plan must be approved by the legislature. Further legislative delay may require more drastic changes to address the problem.

NEGOTIATIONS PACE SLOWS AS BOARD GRAPPLES WITH STAFF, BUDGET CUTS

Teams for the Akron Board of Education and AEA have begun negotiating toward a successor Agreement to the one which expires June 30, 2012.

While there are many issues to resolve that do not involve new costs to the district, there are a few Association proposals that, if agreed to, would entail additional costs to the Board. By the same token, among the Board’s proposals are some that are intended to reduce district costs. Discussion of such cost issues, including wage and fringe benefit proposals, has been minimal thus far as both sides wait for the Board to take formal action on budget cuts, determine what amount of millage to ask voters to approve in November and to finalize a new Five-Year Spending Plan once those decisions are made. At last Monday’s meeting, the Board voted to cut \$18.2 million from next year’s budget, the lion’s share of which, of course, are classroom teaching positions. Just how many of the jobs that were cut will result in teacher lay-offs isn’t clear yet. Many of the reductions will be offset by retirements. To be sure, there will be Akron teachers filing unemployment claims this summer. Just coincidentally, the number of administrators retiring this year perfectly matches the number of administrators the Board can afford to lose without the entire institution crumbling to its very foundation. The only

(Please see “Negotiations” on back page)

What Do You Think?

What Attracts Good Teachers to Hard-to-Staff Schools?

School districts across the country—particularly urban districts—have been experimenting for years with ways to attract highly effective teachers to hard-to-staff schools and to keep them there once they arrive. Such schools are defined by statistics that show, for example, a higher than normal number of teachers seeking to transfer out of the building. Or, in districts where teachers have no or limited ability to voluntarily leave, research tends to define hard-to-staff schools as those where attrition rates are high, absenteeism is greater than average, staff experience and training levels are less than average and offers of employment to new teachers and experienced teachers from outside the district are not as readily accepted as might be the case with a different assignment. It's safe to assume, as studies support, that hard-to-staff buildings are not so hard to staff in areas of the country where the market is flooded with unemployed teachers; the operative words here are "highly effective teachers." Even in areas where there is an oversupply of teachers, attracting the most effective to hard-to-staff buildings has been problematic.

One of the strategies in our Race to the Top Scope of Work is to offer incentives to teachers to move to our most challenging buildings. Numerous surveys of teachers in recent years have asked teachers to identify what perks, for lack of a better word, they feel would persuade them to accept an assignment to a challenging building. Surprisingly, and invariably, more money alone is not enough to convince a teacher to accept the challenge. In virtually all of the literature we've reviewed, the single most important factor teachers look for in the workplace is an **effective and supportive building principal**. Compensation often finishes near the top of the list, but several other incentives provide stiff competition, at least as far as teachers are concerned. Here is a list of strategies, some tried, some suggested, teachers have identified as important to attracting quality teachers to hard-to-staff buildings:

- Effective, supportive building leadership
- Reduced class sizes
- Self-designed professional development plans
- Higher salaries
- Teacher participation in faculty and principal selection
- Clean, orderly, safe workplace
- Duty-free schedules
- Additional preparation time
- Financial assistance for post-graduate coursework
- Technology resources (laptops, notepads, organizers, etc.)
- Early dismissal days (for planning and PD)
- Additional time for collegial planning

We're interested in your views. Please visit our website at www.akronteach.org and complete the survey on incentives to attract high quality teachers to hard-to-staff buildings. We will post the survey results on the website at the end of May.

PLEASE NOTE!

AEA SUMMER OFFICE HOURS
MONDAY-FRIDAY, 10 a.m. – 4 p.m.
MONDAY, JUNE 11 THROUGH AUGUST 24
CLOSED JULY 4TH
330.434.2181

Negotiations

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certainty surrounding the entire budget mess is that there will be no members of the management team banished to a classroom or putting in an appearance on the unemployment line with teachers. Cuts made to date fall about \$6 million short of the latest projected deficit (\$24 million). Whether the Board uncovers a position or two among middle and senior managers to help reduce the \$6 million or decides to try to balance the budget on the backs of those closest to the classroom (and improved student achievement) remains to be seen. We're not betting the farm on the former happening. A thus far calm series of negotiating sessions will likely heat up as the Board finalizes its budget issues and what to do about them going forward.

Before negotiations begin, bargaining teams routinely agree to and sign-off on a set of ground rules to guide the process. That's always been the case with AEA and the Board. One constant among the ground rules over the years has been that neither party will comment in the press about their specific proposals without the agreement of the other side. This year, within a few short weeks after the parties signed the rules, Superintendent David James announced to the Beacon Journal (5/8/12) what essentially is the Board's proposal on wages...a salary freeze and no advancement on the schedule for incremental steps or longevity. James has engaged in other examples of "negotiating in the press." Earlier this year, he commented on the amount of the deficit he expected employees to cover through additional health care contributions. We cannot believe that the Superintendent is not aware that such comments, at least while negotiations are taking place, amount to an Unfair Labor Practice. On the other hand, it is just as difficult for us to believe that he sees any value in pitting the public against his own employees, particularly with a levy just around the corner. We've asked the Board's lead negotiator to speak with Mr. James about publicly discussing the Board's negotiating proposals and have reason to believe the habit will stop.



LAST MINUTE REMINDERS

May-June Retirees: Severance pay meeting at AEA, May 17, 4:00 p.m.

Building Reps: Representative Election results due in the AEA Office by May 18th.

Building Reps: Please update and finalize your summer home e-mailing list by the end of the year. Once completed, please send a copy to AEA. This task is particularly important this year as we may need to communicate quickly with you and the membership regarding the status of negotiations.

Everyone: Have a safe and relaxing summer recess.



New Address?

Members who have changed their address since completing the membership enrollment form last fall are urged to send their new address to us before the close of the year. Please complete the form below and pony it to us before the summer recess. Thank you.

Name: _____

New Address: _____

House Number and Street

Apt.

City

ZIP