



TSTA WRITTEN TESTIMONY TO THE SUNSET COMMISSION

On behalf of the 65,000 members of the Texas State Teachers Association (TSTA), the following are comments in response to the Sunset Commission's invitation to provide testimony before the commission on November 12, 2020.

TSTA would like to express our gratitude for the Legislature's attention to our Teacher Retirement System (TRS) during the 86th session. We understand and appreciate that the Texas Legislature made history by, for the first time, enacting a long-term and cost-effective plan that will increase the financial stability of TRS. Our members also saw a "13th check" of up to \$2,000. But, TSTA Retired members believe that TRS's retirees and active educators deserve more than they are currently receiving.

For many of our members, annuity payments from TRS are their main source of income and often do not adequately cover their modest budgets. So, while the 13th check was appreciated, many of our members are still hurting financially. The majority of our retired members used the one-time supplemental payment to cover basic needs that they had put off for months or years, including doctor visits, home repairs, prescriptions and outstanding medical debt. Even as retirees struggle to make ends meet, they also feel ignored by the very system that they contributed a portion of their modest paychecks to throughout their careers.

As noted in the Sunset Staff Recommendations, TRS members feel like they fundamentally cannot trust the agency and that the agency lacks transparency. In large part, this issue boils down to a lack of quality communication between the system and members — even before retirement, as active members navigate their careers. This can frequently lead to confusion and educators unknowingly violating policies related to years of service because they simply are not aware of them or unable to navigate lengthy and jargon-filled handbooks or the agency's website.

Particularly in a time where Texas faces a teacher shortage, active educators must know that a healthy and stable retirement is on the other end of their careers. Currently, interaction between active educators and the system is mostly limited to knowing that TRS contributions are deducted from their paychecks. Our TSTA members would appreciate more personal interaction between TRS and active members, which could include personal calls, increased district-specific visits or webinars, and proactive newsletters about future options and how to prepare for retirement.

As our active educators start the process to become retired educators, they face enormous stress and confusion as they attempt to navigate TRS' procedures. Each individual's situation is different and cannot necessarily be answered by a standard publication or script. Members note that when they do speak with TRS representatives, often either their questions are not answered, or they get conflicting information from different representatives. These interactions leave members feeling, at best, as if as if the representatives are reading a script without a personal touch and, at worst, as if they have been pushed aside after devoting their lives to our state's public education system.

TSTA strongly supports TRS expanding its access to live personnel to assist members and provide personalized service. Additionally, we strongly encourage a system whereby members can speak to the same customer service associate throughout their process or, at least, one in which all personnel could be familiar with the member's case file going into the call. We also hope that in addition to the opening of satellite offices, TRS will increase its FTEs in its customer service division in order to better assist its members.

Our retired educators also feel immense frustration when they find out about contentious issues through the news or word-of-mouth instead of directly from TRS — as was the issue with the lease at Indeed Tower. While there may be legitimate reasons for the decisions that the agency makes that are in the best interests of its members, the lack of transparency only creates distrust between the system and its educators.

Our members also feel as if they cannot trust TRS because it has failed to recognize the dire financial straits they are facing. After regular double-digit COLAs through the 1980s and 1990s to meet increases in the U.S. Consumer Price Index, the last significant TRS pension increase was in 2001. Our retired educators are currently vulnerable and constantly making difficult budget decisions in order to make ends meet, often without the resources to afford their basic needs. While TSTA certainly applauds the 86th Legislature for making much-needed improvements to strengthen the pension, these measures should be seen as a good first step in improving retirement security for current educators and a one-time benefit enhancement — not a systematic fix. The steps made last session must be continued to secure a permanent framework for implementing cost-of-living-adjustments.

Though the Sunset Staff Recommendations being considered at this meeting do not include recommendations on a cost-of-living adjustment, the number one recommendation being discussed is the necessity for TRS to repair its relationship with its members by focusing on their needs. For our retired educators, the number one need to be secure in retirement is a permanent cost-of-living adjustment. As was stated in the TRS Sunset Commission Staff Report published in December of 1994, “[o]ver time, inflation has eroded the monthly benefits of some long-term retirees... Their benefits today are still based upon historically low salaries.” Further, only a very small percentage of retirees are able to access Social Security benefits.

We recognize that the 87th Legislature will face immense difficulties with the state budget, however, our retired educators cannot wait any longer for relief. In its review for the 74th Legislature, Sunset Staff worked jointly with the Legislative Budget Board and legislators to make much-needed fiscally responsible recommendations for the implementation of a COLA. Notably, the joint effort was based on whether the TRS Fund, not the state budget, had sufficient capital to offer a COLA. Though we are in difficult financial times, TRS continues to perform well and has already bounced back from its initial dip in March of 2020.

TSTA applauds the Sunset Committee and the Sunset Commission for its work thus far on improving TRS, but pensions are an issue that must be addressed even when the agency is not under review and when the Legislature is not in session. Many of our members are struggling to make ends meet on their pensions every month, yet our state Legislature convenes only every two years.

TSTA strongly urges the Sunset Committee to lead the 87th Legislature in finally implementing a framework that will allow for a permanent cost-of-living adjustment for our retired educators. Educators, retired and active alike, are invested in the process, emotionally and fiscally. They ask that they be included in the conversation when important decisions are made and informed about issues before they are headlines. On the TRS website, emails and brochures, the phrase “Earning Your Trust Every Day” is frequently cited. Our members ask that the agency stay true to that promise through initiating communication, soliciting member feedback, working in a transparent manner and understanding the struggles of its membership.