



REA Webinar Battling Pension Legislation in Florida

June 22, 2021

Agenda

- Logistics
- Welcome and Speaker Introductions
- FREA's Pension Advocacy Campaign
- NRTA Support
- Questions



Logistics

- You're in listen only mode.
- But we do want your questions! During the session, use the "Question" function to type in your question(s). We will read questions aloud and respond.
- You will receive an email with a link to replay to this webinar.
- If you have audio/technical issues during webinar, please call GoToWebinar at 1-800-263-6317



Speakers

- **Al Campos**, NRTA Director
- **Adam Goldberg**, NRTA Senior Legislative Representative
- **Anne Fagan**, Executive Director, Florida Retired Educators Association
- **Nancy Hosie**, FREA President
- **Linda Edson**, FREA Legislative Co-Chair



2021 | A Major Threat to Florida Public Pensions

- SB 84 introduced. Would eliminate retirement choice – only defined contribution plans for new Florida teachers.
- Already, teachers at a disadvantage because defaulted into defined contribution plans.
- Major threat but we moved quickly, with much collaboration. This isn't the first time pensions have been under threat in Florida, and FREA not willing to lose this battle.



FREA Quickly Organized

- Organized FREA Team and virtual strategy sessions.
- Tapped into NRTA team for support.
- Gathered intelligence.
- Collaborated with other organizations (e.g. League of Women Voters, labor groups, first responders, retired state workers, education sorority Delta Kappa Gamma Sorority, FEA)
- Created legislative & communications strategy.
- Educated and mobilized members to advocate virtually.



Integrated Legislative and Communications Strategy

- Developed advocacy messages and talking points – for media & lawmakers.
- Launched state-wide public opinion poll.
- Outreach to the news media – press releases and opinion columns.
- Member calls, emails and virtual meetings with lawmakers, with NRTA providing lists. Make it easy for members to contact lawmakers.
- Targeted emails to committee chairs.
- Met regularly (virtually) and coordinated with a variety of organizations, even if not in full alignment.



Challenges

- Need better toolkits/guidelines for members to help advocate, explain pension issues.
- Getting members and lawmakers up to speed on complex issues, especially for new lawmakers.
- Low budget, while anti-pension advocates have deep pockets.
- Advocacy constraints given COVID.
- Multiple issues that diluted attention of some organizations (e.g. vaccines, nursing homes, labor legislation)
- Retirement system executive director faced obstacles speaking freely on the state of pension system.




Message Focus

- S.B. 84 is big mistake – costly, hurts education, retirement and recruitment in a state with teacher shortage issues.
- Florida has one of the best run systems in country.
- Other states that made defined benefit (DB) pension to defined contribution (DC) 401(k) switch saw unfunded liabilities skyrocket.
- Florida taxpayers strongly support public pensions (from polling w/ NIRS).
- It's unfair to provide to public safety (police and fire) some public workers and not to teachers – a “carve out.”



Message Delivery



NEWS

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Senate-Passed Bill Eliminating Retirement Plan Choice for Public School Personnel is Big Mistake, Says Florida Retired Educators

Retired Educators Call on House to Carefully Examine Costs and Workforce Impacts of Any Pension Legislation

S.B. 84 is Fiscally Irresponsible, Plays Favorites by Continuing to Offer Pensions to Police & Firefighters and Not Teachers

76% of Floridians Agree Unfair to Offer Pensions to Police & Fire Personnel, Not Just Teachers

ST. PETERSBURG, FL, April 19, 2021 – The [Florida Retired Education Association \(FREA\)](#) says that legislation passed by the Senate aimed at ending retirement plan choice and pensions for certain new state employees – except for police and firefighters – is a big mistake. The legislation is fiscally irresponsible, would damage the education workforce, and plays favorites among sectors of the public workforce.


"Passing retirement legislation without an analysis of the costs is beyond irresponsible," said [Nancy Hosie](#), a retired St. Lucie County science teacher and president of FREA. "We have yet to see an analysis that examines the cost of the legislation on the existing pension plan. The benefits of the current plan will have to be paid for decades into the future, and the changes enacted likely will increase liabilities and taxpayer costs just like what happened in Michigan."

In Michigan, the State Employees' Retirement System (SERS) pension plan was closed to new hires when the plan was overfunded with 109 percent of assets on hand. As a result of the changes, the plan funding plummeted to 66.5 percent while the unfunded liability skyrocketed to \$4 billion as of September 30, 2017.

"Moreover, it is outrageous that only certain segments of the Florida public workforce are provided retirement plan choice and pensions," Hosie added. "It's a slap in the face to provide teachers with lesser benefits during a year when school personnel worked tirelessly during the pandemic."

"Florida has a serious problem recruiting and retaining teachers here in Florida – these are the people who prepare our future workforce. This bill further lowers teacher compensation via benefit cuts. It is short-sighted, dangerous and fiscally irresponsible," Hosie said. "We hope House lawmakers will reverse course, examine the costs, and listen to Floridians who support providing competitive benefits to our teachers."

Other states that have replaced pensions with 401(k)-style accounts have seen [budgetary costs escalate](#) while weakening public employees' ability to [regain and retain](#) experienced employees and undermining [retirement security](#).



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March 22, 2021

The Honorable Ron DeSantis
Governor, State of Florida
400 S Monroe Street
Tallahassee, FL 32399

Dear Governor DeSantis,

On behalf of Florida's retired educators, the Florida Retired Educators Association (FREA) would like to thank you for your continued interest in protecting the financial security of our state's retired public employees. We know this has been a difficult year to govern the state, and it's also been a trying year for the dedicated state workers who continue to serve Floridians.

As you know, the Florida legislature is considering legislation regarding the retirement benefits provided to state workers. S.B. 84 would eliminate choice for new state workers, only offering 401(k) accounts. While we share Florida policymakers' commitment to fiscal responsibility, we are deeply worried that this bill would have many harmful economic and workforce impacts. Other states that have made a pension change to 401(k)s for public employees have seen taxpayer costs skyrocket and workforce challenges.

We understand that an actuarial analysis is underway, but we have concern that the analysis will not provide data on the legacy costs of the defined benefit plan once it is closed to new hires. This was problematic in [other states](#) like Alaska, Michigan and West Virginia. And here in Florida, [Cuba Slocum](#), experienced many problems with eliminating its pension.

We hope we can count on you to ensure there is a full understanding of the taxpayer costs and workforce impacts before there is a rush to enact retirement benefit changes, especially since the Florida Retirement System (FRS) has a long history as one of the [best managed](#) retirement systems in the country.

We also wanted to call to your attention a new poll that finds [Floridians overwhelming support providing benefits to our state's education workforce](#). We are encouraged to see such overwhelming public support for the economic security of Florida teachers. And, it's not surprising that 86 percent of Floridians agree any changes to teacher retirement benefits should not raise costs to Florida taxpayers.

Conducted by [Greenwald Research](#) with FREA and the National Institute on Retirement Security, this poll measures working-age Floridians' views on pension and funds:

- **There is overwhelming public support for teacher pensions in Florida.** Nearly all (87 percent) agree that Florida teachers should continue to have a choice between a pension and a 401(k) account. Three quarters (75 percent) agree that Florida teachers have a better chance at a secure retirement with a pension plan rather than a 401(k) account.

TCPalm.

Pension change surefire way for Florida Legislature to worsen teacher shortage | Opinion

Nancy Hosie Guest columnist

Published 5:00 a.m. ET Mar. 3, 2021

In Florida we have thousands of educators, school, police, public and fire employees enrolled in the Florida Retirement System pension fund. The FRS is one of the best-funded in the country. When state employees retire, their pensions help support the economic health of our communities and state.

However, a [new bill in the Florida Senate, SB 84](#), will remove choice and force new-hire state employees into 401(k)-type defined contribution plans. New hires will no longer be allowed to enter the defined benefit or pension fund. It would be a mistake that, as has happened in other states, could cause taxpayer costs to skyrocket and hurt Florida's ability to recruit/retain high-quality teachers.

Also, even if the amendment under discussion passes, and exempts police and fire department employees from the DB to DC switch, the future unavoidable erosion of the pension plans funds would erode their future pensions.

Press Outreach

Policymaker Outreach

Opinion Columns



Outcomes

- S.B. 84 passed Senate, but stalled in House. Teachers still have retirement choice and access to a pension.
- Members really stepped up to advocate virtually.
- Built stronger ally and legislator relationships across state.
- Began to develop better advocacy messages and tool for FREA members.
- Follow discussion at FREA convention w/ advocacy breakout session to begin planning for next year.



What's Ahead

- Legislation similar to SB 84 will be back.
- Get ahead of the curve – organize, develop messaging/toolkits, start pre-emptively educating lawmakers and news media of perils of DB pensions to DC 401(k) switch.
- Find ways to help new/active teachers choose pension rather than defaulting into 401(k) style plan – maybe infographic tool for new teachers.
- Continue to collaborate w/ NRTA (e.g. pension advocacy support, pilot) and with AARP Florida State Office (e.g., fraud).



NRTA Support

- Provided legislative strategy counsel and contact lists.
- Offered communications strategy counsel, message development, writing support, media contact lists.
- Participated in team strategy sessions.
- Supported polling efforts.



Questions

