



# OREA *News Bulletin*

A Publication of the Oklahoma Retired Educators Association

Summer 2011

## Optimistic about COLAs!

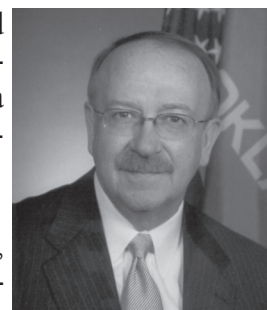
From my perspective, Oklahoma’s lawmakers have run out of excuses for why they can’t or won’t provide a much needed and deserved cost-of-living benefits adjustment (COLA) for retired educators.

For years legislators have lamented the chronic underfunded condition of the Teachers’ Retirement System as the main reason for not providing retired educator COLAs – or at least COLAs equal to those given to other state retirement system annuitants. Since 2006, they have also confessed their inability to take action on COLAs because of the strict procedural requirements of the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA).

OPLAAA – still on the books – mandates fiscal impact studies on all legislative bills that so much as hint of something good for retired educators. In addition to an initial impact study, the act requires bills to be studied again if amended in the legislative process. If amended again, they must be studied again. Bills with fiscal impact can’t be passed during the first year of a legislative session, but only in the second. Some lawmakers know so little about the requirements of OPLAAA, they’re reluctant to put forth any efforts at all toward COLAs. They simply use the strict requirements of the law as an excuse to do nothing.

Several pension “reform” bills passed in the 2011 session of the legislature have changed the COLA environment at the Capitol. Of course, none provided the Teachers’ Retirement System what it really needs: money. When faced with the choice between

adequate funding for TRS and cutting retiree benefits for future generations of Oklahoma teachers, legislators this session chose the latter.



*Weldon Davis,  
President*

One bill enacted, HB 2132, appears to rule out TRS COLAs anytime soon. It removes the one percent (1%) per year COLA assumption from previous law, and says that COLAs, if and when given by the legislature, must be paid for with “concurrent” (up front) funding. The pessimists among us would say there will be no concurrent COLA funding, since the state’s budget has been stressed for the last three years, and legislators never run out of reasons to cut state taxes.

Well, I’m an optimist, and I’m betting OREA members are, too. I believe we can take positive steps toward achieving periodic COLAs for retired educators. After all, COLAs are still permitted by Oklahoma law. The legislature just has to pay for them up front. By identifying a COLA funding source – or sources – there will be no hoops to jump through, and no need for duplicate and triplicate fiscal studies. No waiting from one year to the next. All we have to do is help lawmakers see the money.

In the alternative, are you willing to allow our retirement annuities to continue shrinking in purchasing power for the things we need to live decent lives? If not, you must be an optimist, just like me.



2011 Legislative Session Could Have Been Worse .....	Page 2
400 Attend 59 <sup>th</sup> Annual Convention .....	Page 3
Wagoner County REA Recognized for Special Project.....	Page 4
Tulsa Judy Thomas is Recipient of “Volunteer of the Year” .....	Page 5

# 2011 Legislative Session Could Have Been Worse



A significant change in the political landscape, a still-subpar Oklahoma economy, and a \$500 million shortfall in the state's budget for Fiscal Year 2012 (which began July 1), were main ingredients contributing to rough sledding for OREA's 2011 legislative agenda for retired educators. Every OREA-sponsored bill introduced at the beginning of the session failed to receive meaningful treatment, with none reaching either the House or Senate floor. Fortunately, most of the bills remain technically alive, eligible to be heard during the 2012 session.

With the House of Representatives and Senate both firmly under Republican control, progressive bills aimed at improving retirement and health insurance benefits for retired educators made little headway during the session. On the other hand, a host of pension "reform" measures, mostly under the management of Representative Randy McDaniel (R, OKC) and Sen. Mike Mazzei (R, Bixby), got plenty of legislative and media attention.

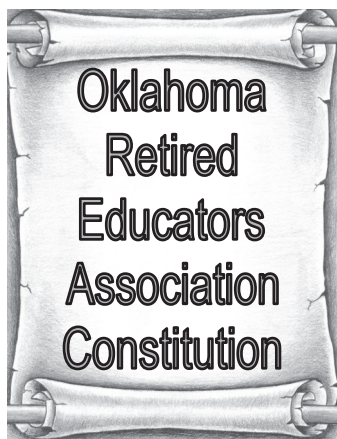
Most significant among the "reform" bills were HB 2132, SB 377, and SB 891. Each passed the legislature and was signed into law by Governor Mary Fallin. On the bright side, SB891 will provide about \$5 million new revenue to TRS by requiring local school districts and other educational employ-

ers to pay the same contributions on the income of educators returning to work after retirement as is cumulatively paid for active employees. In the case of school district personnel, that would be a total of 16.5% of payroll, all paid by the district, with nothing coming from the pay of retired educators.

SB 377 will increase the normal retirement age from 62 to 65 for educators becoming contributing TRS members on or after November 1, 2011, but will maintain the Rule of 90 program allowing for retirement with unreduced benefits as early as age 60. None in the new category of educators will be able to draw retirement benefits before age 60, except in cases of qualifying disability.

HB 2132 will eliminate assumed cost-of-living adjustment (COLA) percentages in current statutes, and will require future COLAs for all state-sponsored retirement systems to be concurrently (up front) funded by the legislature.

A descriptive listing of more than 20 relevant bills is located on the OREA website at [www.orea.org](http://www.orea.org). Members seeking information about any piece of legislation may contact Executive Director Norman Cooper at (405) 523-4371 or (800) 310-2230 toll-free.



## HOUSE OF DELEGATES APPROVES/REJECTS PROPOSED CONSTITUTIONAL AMENDMENTS

In the May 20<sup>th</sup> session of the 2<sup>nd</sup> Annual OREA House of Delegates, delegates approved four of six amendments to the OREA Constitution proposed by the Constitution Committee. One of those approved establishes a new category of "Associate" OREA membership. Delegates rejected a proposal to establish a process for the removal of state officers who are unable or fail to perform their duties of office. Members received a written copy of all proposed amendments in the spring issue of the OREA News Bulletin. Proposals for Articles XI and XII were rejected.

Delegates approved a motion setting annual "Regular" OREA dues at \$36 for the period September 1, 2011 through August 31, 2012. That means dues will remain the same as for the current membership year. Delegates also approved a motion setting "Associate" OREA dues at \$24 for the same period. The Board of Directors will develop procedures for implementing the new membership category.

## 400 Attend 59th Annual Convention

The weather was a bit dicey at first, but everything else came together for a great 59<sup>th</sup> Annual OREA State Convention and meeting of the House of Delegates at the Tulsa Doubletree Hotel at Warren Place on Friday, May 20. It was the first time – at least to anyone’s knowledge – the event was in northeast Oklahoma.

From written evaluations, members indicated they liked the hotel and meeting facilities, the variety of workshops, the convention speaker, the noon luncheon, and the “Friends, Fun and It’s Free” social activity held the evening before. There were many more positive comments about other aspects of the convention, too many to mention here. Of course, the evaluations pointed out some things that could be done better, and effort will be made to work on those constructive suggestions for next year.

Valuable cash and other door prizes were awarded throughout the day. More than \$2,500 was donated to the OREA Fund to provide campaign assistance to political candidates pledged to support OREA’s legislative agenda. From the positive vibes of those in attendance, it seemed like the 2011 OREA convention was the place to be.

### First Notice of 2011-12 OREA Elections



Three director positions for the Northwest, Southeast and Southwest districts will be filled by election in the spring of 2012, with the dates, locations and further election information to be announced in a later publication. Candidates elected to each position will serve three-year terms on the Board of Directors beginning July 1, 2012.

The positions of OREA President and Vice President will be filled by election at the 2012 House of Delegates, with the date, location and further election information to be announced in a later publication. Candidates elected to each office will serve two-year terms on the Board of Directors beginning July 1, 2012.

The OREA Convention Committee and Board of Directors will announce soon the date and site for the 2012 Annual State Convention and meeting of the House of Delegates.

### McCurtain County



**Back Row:** Lanelle Strickland, Patsy Romine, Joyce McCombs & Sharon McKeever  
**Front Row:** Cynthia Ellis, Wren Davis and Corless Lewis

### LeFlore County



L-R: Gayle & Neal Brannon, Nina Ritchie, Patty Eidschun, Buck & Kay Cauthron

## Group Pension Plans: Better Bang for the Buck



Group pension plans squeeze more value out of each dollar of contributions than retirement plans made up of individual accounts. Group pension plans are professionally managed, pool their assets (buying in bulk) and have lower overhead. In fact, research has shown that a group pension plan can achieve a target retirement benefit at about **half the cost** of individual retirement accounts.

This means that in tough economic times, public pension plans make sense. They remain a highly cost-effective way to provide for the retirement security of public sector employees.<sup>1</sup>

<sup>1</sup>Excerpted from California Retired Teachers Association *Contact Magazine*, Vol. 26, Issue 6, June 2011)



## Wagoner County REA Recognized for Special Project

For more than a decade, members of the Wagoner County Retired Educators Association have gathered paper goods – toilet paper, paper towels, napkins, tissues, and other products – for the Native American children of the Muskogee Murrow Indian Children’s Home. Up to 40 children live in the home, some until they are able to return to their families, but others permanently.

Wagoner County REA members bring paper products six times yearly to their regular meetings, and they visit the Murrow Home from time to time to observe the children’s activities. In addition to paper products, Wagoner County REA members provide the children with Christmas gifts of new socks and underwear. This year, they also began the collection of Campbell’s soup labels to assist the home in the acquisition of a new school van. If you or your county would like to contribute labels, please send them to: Carolyn Cooper, Wagoner County President, 26067 E 760 Road, Wagoner, OK 74467.

Wagoner County REA members are proud of their ongoing project to help the Indian youth at the Murrow Home. More than a one-year special project, it’s a long-term commitment to helping young people become productive and happy adults.

For its Murrow Home project, Wagoner County REA was named winner of the 2011 OREA “Special Project Award” at the Annual State Convention.

STATE OFFICE CONTACT INFO	
Norman Cooper Executive Director 405.523.4371 ncooper@okea.org	Terry Ingmire Legislative Consultant 405.269.5740 tlingmire@yahoo.com
Tonia Caruthers Membership Specialist 405.523.4374 tcaruthers@okea.org	Sharon Cox Assistant to Executive Director 405.523.4373 scox@okea.org
Kerry Hughes Finance Specialist khughes@okea.org 405.523.4372	P.O. Box 18485 Oklahoma City, OK 73154 www.orea.org 405.525.2230 or 800.310.2230

## Matti Palluconi Elected Northeast District Director

Matti Palluconi (Rogers County) was elected to a three-year term beginning July 1 as Director for the Northeast District in a special election held in Tulsa on May 20. The office includes service on the OREA Board of Directors. Palluconi currently chairs the OREA Finance Committee. She was the co-recipient of the 2010 OREA Friend of Retired Educators Award for her work on behalf of retired educators while a member of the Teachers’ Retirement System Board of Trustees. She will work with local unit officers in Washington, Tulsa, Nowata, Rogers, Craig, Mayes, Ottawa and Delaware counties and the Sand Springs Unit to promote OREA membership and assist in leadership and organizational development.



## Lincoln, Stephens & Woodward / Harper / Ellis Counties Win Membership Awards

The following membership awards were given at the OREA Annual State Convention in Tulsa on May 20:

GREATEST PERCENTAGE INCREASE IN ANNUAL OREA MEMBERSHIP  
- **Lincoln County REA** -

GREATEST PERCENTAGE INCREASE IN CONTINUOUS OREA MEMBERSHIP  
- **Stephens County REA** -

GREATEST PERCENTAGE INCREASE IN COMBINED ANNUAL AND CONTINUOUS OREA MEMBERSHIP (TIE)  
**Woodward / Harper / Ellis Counties REA**  
**Stephens County REA**

Congratulations to these local units for their efforts to make OREA stronger.

**TULSAN JUDY THOMAS IS  
THE RECIPIENT OF  
“VOLUNTEER OF THE YEAR”**

Judy Kays Thomas, former president of Tulsa City REA, received the OREA “Volunteer of the Year” award at the 2011 state convention held May 20 in Tulsa. She was nominated for her work

as president of the Assistance League of Tulsa, to which she has devoted much time and talent for many years.

An important project of the Tulsa Assistance League is “Operation School Bell,” founded in 1977 to provide clothing for children in need. From humble beginnings, the program today provides new clothing and shoes, a hygiene kit and a book to over 2,000 elementary school children from 81 Tulsa area elementary schools representing 12 school districts. Thomas has contributed to the success of Operation School Bell in many ways, including developing formulas based on low income data to equitably provide clothing to the neediest students.



While serving as Tulsa City REA president and Assistance League president-elect, Judy was diagnosed with colon cancer, requiring her to begin a regimen of chemotherapy. In spite of her illness, Judy didn’t miss a beat, performing many volunteer responsibilities from a hospital bed while working on her laptop computer. Fortunately, her own cancer is now in remission.

Don Barnum, fellow Tulsa City REA member and officer, described Thomas as “the personification of what voluntarism represents at its best. She has a genuine concern for others, is totally committed to the benefits possible through voluntary activities and projects, and is creative and enthusiastic in everything she undertakes.”

Although a committed volunteer before her own personal battle with colon cancer, Judy Thomas learned how to help colon cancer patients successfully negotiate chemotherapy and develop strategies to deal with the treatment’s side effects. She is a motivator, challenging and encouraging others to cope with their own illnesses and to be able to face the future with confidence.

Strength in the face of her own adversity, compassion for others in theirs: Judy Kays Thomas is the 2010-11 OREA “Volunteer of the Year.”

**TRS INVESTMENTS CONTINUE  
GROWTH**

Although financial markets have been a little rocky in recent weeks, the value of TRS investments reached another all-time high in the first quarter of 2011. At the close of business on March 31, market value of TRS assets stood at \$10.075 billion.

**LOCAL UNIT CONSTITUTION AND  
BYLAWS**

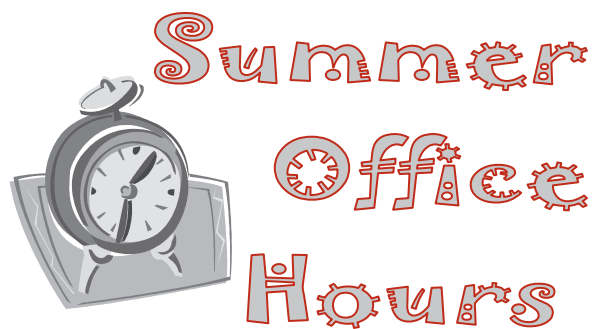
OREA is missing copies of many local unit constitution and bylaws documents. Some of the ones we do have are outdated. Local units are requested to send up-to-date copies of their governance documents to OREA, Attn: Sharon Cox, P. O. Box 18485, Oklahoma City, OK 73154. Please

**OREA Board  
of Directors**

- President**  
Weldon Davis  
(405) 495-1069
- Vice President**  
Elaine Dodd  
(918) 744-5830
- Past President**  
Joy Dennis  
(580) 237-4990
- Central Director**  
Roy Cates  
(405) 324-7751
- East Central Director**  
Sharon Walker  
(918) 623-1158
- North Central Director**  
Steve Massey  
918-968-5645
- Northeast Director**  
Matti Palluconi  
(918) 341-8279
- Northwest Director**  
Nancy Stuckey  
(580) 431-2286
- Southeast Director**  
Sharon McKeever  
(580) 933-7806
- South Central Director**  
Ada Hill  
(405) 665-2757
- Southwest Director**  
Jane Mershon  
(580) 355-1462
- State Membership Chair**  
Marilyn Davis  
(405) 495-1069
- Government  
Relations Chair**  
Lonnie Fuson  
(580) 355-0131
- Finance Chair**  
Matti Palluconi  
(918) 341-8279
- Communications Chair**  
Cindy Dronyk  
(918) 335-0224



# OREA Volunteers Make A BIG Difference!



\* Counties not listed below did not report volunteer hours \*

County	Total Hours	County	Total Hours
Adair	7,987	Mayes	3,018
Creek	14,594	Muskogee	1,030
Custer/Dewey/ Washita	5,108	Nowata	1,859.5
Garfield	5,397	Oklahoma	5,734
Kay	5,062.5	Ottawa	5,495
LeFlore	2,379	Pontotoc	4,960
Lincoln	4,378	Pottawatomie	3,804
Love	2,618	Tulsa	1,436
McIntosh	5,661	Tulsa South	1,240
Major	8,832	Wagoner	2,905

Summer OREA office hours are 9:00 a.m. – 2:30 p.m. Monday through Thursday. The office is closed on Fridays. Messages left on the answering system will be returned as soon as possible when the office is open for business. In cases of emergency, contact Executive Director Norman Cooper at (405) 640-9919.

The **OREA News Bulletin** is published four times yearly in January, April, July and October as the official newsletter of the Oklahoma Retired Educators Association. OREA Headquarters are located at 323 E. Madison, Oklahoma City, OK 73105. The opinions expressed in this newsletter do not necessarily reflect the official positions of the organization. Questions, comments, or suggestions about the **News Bulletin** are welcome, and may be communicated to Norman Cooper, Executive Director, P. O. Box 18485, Oklahoma City, OK 73154.

Oklahoma Retired Educators Association  
P.O. Box 18485  
Oklahoma City, OK 73154

PRESORTED STANDARD  
U.S. POSTAGE  
PAID  
PERMIT #1  
OKLAHOMA CITY, OK 731