

Summer 2008

OREA News Bulletin

A Publication of the Oklahoma Retired Educators Association



2% COLA BILL PASSES LAST DAY OF SESSION

With a little bit of drama, both houses of the Oklahoma legislature passed **HB3112**, containing a 2% cost-of-living adjustment (COLA) for retired educators, on the last day of the legislative session, May 23. Much to OREA's disappointment, the bill did not grant a fair and equal COLA to retired educators, but did provide a 4% COLA for retired members of several other state-sponsored retirement plans. Primary House and Senate authors for **HB3112** were Republicans Ron Peterson

of Tulsa and Mike Mazzei of Bixby, respectively.

For months, OREA members and staff lobbyists had sought to educate legislators regarding the unfairness of penalizing retired educators with lower COLAs because of the low funding level of the Teachers' Retirement System. Members pointed out that retired educators have done their part to adequately fund TRS, but legislators have not.

Other COLA bills included **SB1500**, by Democrat Jeff Rabon of Hugo, which would have guaranteed fair and equal COLA treatment for retired educators. It passed the Senate but did not get a committee hearing in the House. **HB3109**, also by Peterson and Mazzei, was slated for a 4% COLA amendment for retired educators on the Senate floor, but was not brought up for a vote. Had it been, OREA believed a majority of senators would have supported the 4% COLA. Thanks to Democrat senators Nancy Riley of Tulsa and Jay Paul Gumm of Durant for their leadership and support on the bill.

OREA supported in concept **HB2075**, by Republican Mike Jackson of Enid, which called for targeted TRS benefits improvements for educators retired for many years and living on minimal incomes. The bill went through frequent change before failing to receive a committee hearing in the House.

On a related issue, although there were several bills calling for state funds to improve health insurance premium assistance for retired educators, no action was taken. Legislators cited a lack of funds as reason to deny premium relief.

Lawmakers pointed to their adoption of a \$7.1 billion "standstill" budget, which provided little or no funding increases to most state agencies and programs. Active teachers did not receive a pay raise, nor did state employees. A budget shortfall of more than \$100 million did not, however, prevent the legislature from passing a \$475 million bond issue for capital improvements, with the bill coming due for future legislatures to pay from general fund dollars.

On a brighter note, success was achieved on several other legislative goals. OREA fought against a special task force that could have paved the way for a change from the traditional defined benefit plan design for TRS and other state pension systems to a defined contribution design. Working with others, TRS defeated **HB3312**. OREA believes that a defined benefit pension plan provides better and more secure benefits for the great majority of education employees in Oklahoma.

In addition, OREA fought to have the legislature honor its pledge made in **SB357** during the 2007 session to increase funding to TRS by \$60 million per year over several years. Following up on an initial appropriation

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The Best From all the Generations

As I presided over the 56th Annual OREA Convention on May 16 in Edmond, I marveled at the collective experience and wisdom of the hundreds of OREA members in the hall. There they were – ranging in age from the late forties to the eighties and beyond – women and men who have given thousands of years of service to their students and communities. Can you imagine how OREA members present at the convention, and those unable to attend, have shaped Oklahoma, the United States, and the world for the better?



Joy Dennis
OREA President

Many of us are aware of the book, **The Greatest Generation**, by Tom Brokaw, the former anchor of *NBC News*. He made a compelling case for the accomplishments and contributions of those Americans coming of age in the period surrounding World War II. I would not quibble with anything he said, except to point out that the children and grandchildren of those wonderful Americans have learned their lessons well and have added their own accomplishments and contributions that enrich our lives today. In Oklahoma, tens of thousands of these great people have been educators, and many of them are still with us. We must cherish them forever.

Personally, I also cherish that you have afforded me the opportunity to be your president for the 2007-08 membership year, and I thank you for electing me to another one-year term. I pledge to do my best to represent you – as well as that for which you stand. After all, I know I work for the best from all the generations.

56th Annual Convention Demonstrates OREA Purpose and Vitality

More than 400 members attended the 56th Annual OREA Convention on the campus of the University of Central Oklahoma in Edmond on May 16. Several items of association business were conducted, dozens of Very Important Members (VIM) were honored for their career achievements, numerous awards were handed out, and up-to-date information regarding legislative developments was provided. In addition, members heard a fast-paced and humorous motivational presentation from keynote speaker Ronda Mikles on effective communication at all stages of our lives.

The Constitution Committee presented a proposed Constitution for possible adoption, followed by discussion and spirited debate. Although the proposal received a majority of votes cast in a secret ballot election, it failed to achieve the necessary two-thirds majority, and was ruled by President Joy Dennis to have failed adoption.

A special OREA award was given to Tom Beavers, the retiring Executive Secretary of the Oklahoma Teachers' Retirement System, for 38 years of service to retired educators. Tom and his lovely wife, Verda, were on hand to receive the award and share in the noon luncheon with all in attendance.

Joy Dennis and Weldon Davis were re-elected by secret ballot to one-year terms as President and Vice President, respectively. Annual OREA dues for 2008-09 were set at the current \$36 amount, or \$3 per month for members electing payroll deduction from their TRS annuity checks.



Norman Cooper

Tommy Beavers

A highlight of the convention was the new video format used for the VIM presentation. On two large screens, the images of the honorees were shown, while a professional recorded voice gave a brief accounting of their professional resumes.

Reflecting anticipation of the upcoming legislative election season, \$1,852 was raised in voluntary contributions to the OREA Fund.

A great big “thank you” to all OREA members and staff who played a role in preparing for and carrying out the convention!

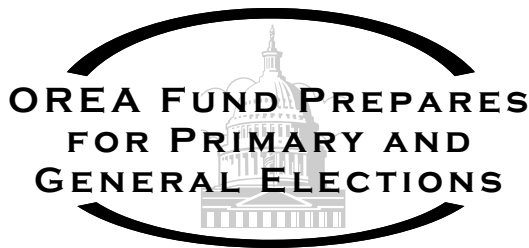
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of \$10 million last year, lawmakers added \$20 million this year. OREA will call for further TRS appropriations in 2009, and will continue to pursue the association's goal of establishing additional dedicated sources of steady and growing state funding.

Although not directly a retirement benefits issue, OREA supported **HB2074**, by Republican Earl Sears of Bartlesville, to remove the \$30,000 per year earnings limitation on educators retired for 36 consecutive months or more who return to active public education employment. Initially concerned that the measure could exacerbate the low level of TRS funding, OREA supported it once the legislative actuary gave his opinion that it would have negligible fiscal impact on the retirement system.

On a budgetary note, OREA worked successfully with other organizations to prevent further reductions in state revenues. In previous years, legislators have approved several major tax cuts which, when fully implemented in the next few years, will result in a loss of approximately \$2 billion to the state's annual budget. Concerned that state government will not have the money to provide essential services to its citizens without these revenues, OREA believes there should be a moratorium on further tax cuts until the economy stabilizes and state revenues become more predictable.

In concluding this look at the 2008 legislative session, OREA leaders and staff extend their heartfelt thanks to the hundreds of OREA members who assisted in lobby efforts this year. Whether a hometown lobbyist or member of the Rapid Response Team – or both – you made a difference. Certainly, we would like to have achieved a fair and equal COLA and improved health insurance premium assistance for retired educators, but we did our best working together. We accomplished several of our goals, and we will continue fighting for the rest. Please don't go away.



The OREA Fund Committee met June 19 to discuss and plan for the upcoming election season. The committee's goal is to identify candidates—incumbents and non-officeholders alike—worthy of recommendation to OREA members in primary, runoff, and general elections between July and November. All 101 seats in the Oklahoma House of Representatives and 24 seats in the Senate will be filled.

The OREA Fund Committee consists of all current state-level association elected officers, the chair of the OREA Government Relations/Legislative Committee, the coordinator of OREA Legislative Relations, and the OREA Executive Director.

The committee is in the process of preparing a list of candidates for recommendation to OREA members in the July 29 primary. To assist the committee, members are encouraged to send their written views regarding any candidate who has filed for legislative office to: OREA, Attn: Norman Cooper, P. O. Box 18485, Oklahoma City, OK 73154.

The committee operates from a set of written guidelines for candidate evaluation and recommendation, and also uses a written survey and interviews to assess the positions and qualifications of those seeking office.

The OREA Fund is registered with the Oklahoma State Ethics Commission, and relies on voluntary contributions from OREA members for campaign support for recommended candidates. OREA dues are not used to support political candidates.

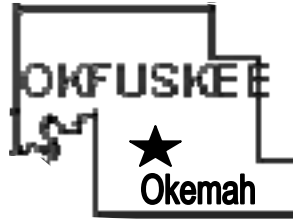
Merci	Grazie	Thanks to Local Unit Officers And Leaders!
Gracias	Danke schön!	

OREA has completed another year of service to retired educators in our state. Providing the strength for that service have been the hundreds of elected officers and other leaders who have volunteered their time and efforts to coordinate programs and activities in seventy OREA local units. Thanks to all who served this membership year and in previous years. To those who will pick up the mantle of service for 2008-09, thank you for your commitment to keeping OREA strong, and for believing that the future for retired educators and their families can be made better.



Joyce McCombs Retires from Executive Board

After eight years of service on the OREA Executive Board representing retired educators in the Southeast District, Joyce McCombs has announced she will step down from her position, effective August 31. Joyce has given valuable and devoted service to all OREA members, and her contributions to the organization are many. We wish her the best for the future, which she assures will include continued active OREA membership and leadership in her local McCurtain County unit where she will serve as vice president for the upcoming year.



Okemah Forum Shows Importance of Political Involvement

It was an example of how local OREA units all over the state are taking notice of the importance of member involvement in election politics as an effective means to advance the interests of retired educators. On Thursday, June 19, the Okfuskee, Hughes, and Okmulgee county OREA units sponsored a political forum at Okemah High School. Several incumbent lawmakers and candidates were invited to share their views on retirement, health insurance and other public policy topics.

Outgoing State Representative Dale Turner addressed a crowd of about 60 regarding issues of the 2008 legislative session, and also gave his candid observations about 12 years of service in the legislature. Representative Jerry Shoemaker, who is seeking another term in the Oklahoma House, spoke of his support for retired educator goals, and encouraged retired educators to explore new ways to get their collective voice heard at the state Capitol.

Kathi Mask and Steve Kouplen, two candidates seeking to replace the term-limited Turner, shared their views and answered questions from the audience along with the two lawmakers.

Sharon Walker, Okfuskee County REA leader, was the organizer of the excellent event, with help from members of the three county units. Okemah resident Bob Mooneyham – an OREA member – was the program moderator. Norman Cooper, OREA Executive Director, made concluding remarks applauding the event's organizers and participants.



EMPLOYMENT OPPORTUNITIES

The Oklahoma County Retired Educators Association has an opening for the position of Executive Secretary. For information, call Daryl Beadles at (405) 302-5351, Gerry or Kay Hedges at (405) 751-3785, or Nelda Tebow at (405) 755-3179.

Assessment Administrators Needed....Westat, a national research firm, has temporary, part-time opportunities to staff the National Assessment of Educational Progress (NAEP). Duties include administering assessment sessions in schools and ensuring quality control. Work begins in late 2008/early 2009. Competitive pay rates. Must complete Federal background check. Reimbursement for local travel may be available. Call 888-237-8036 or email NAEPRecruit@westat.com for more information. Mention **Job Code PP/N8A/8944**. For more information on Westat, visit www.westat.com. EOE



OREA Endorses North American Life Plans

By Patrick Przybyla, Regional Manager, North American Life Plans, LLC

Are you enjoying a financially secure retirement? Unfortunately a majority of seniors today are not. According to a recent survey by the Employee Benefits Research Institute, only 29 percent of retirees report feeling financially secure.

As OREA's endorsed provider of retirement planning services, North American Life Plans may be able to help ensure your assets are properly protected; position your assets for growth with minimal risk; increase your disposable income; and minimize your tax burden.

Retiring and shifting your focus from asset accumulation to preserving and distributing your wealth is a major transition. At North American Life Plans, because we work exclusively with retirees and those soon to be retired, we are specialists in the latter two phases. Just as you would want to see a doctor who specializes in your particular condition (for example, a cardiologist for a heart problem), it's important your financial advice come from someone who specializes in the needs of those in your particular stage of life.

I enjoyed meeting those of you who attended OREA's convention in May, and I look forward to meeting many more of you in the coming months. In August, we are going to begin holding educational workshops around the state so that you can learn more about the financial risks you face in retirement. Please check your mail for an announcement about dates and times in your area. In the meantime, if you prefer a private, no-fee consultation, I would be happy to meet with you one-on-one. To set this up, or if you have any other questions, please don't hesitate to contact us toll-free at 1-888-362-1214.

Let North American Life Plans help you get all your financial pieces in place so you can spend your golden years enjoying your hard-earned savings!

Advertisement

HealthChoice Rate-Setting Process to Begin

The Oklahoma State and Education Employees Group Insurance Board, in concert with plan officials, soon will begin the process of setting HealthChoice premium rates for calendar year 2009. According to reports to the Board in recent months, health insurance claims for the year have been reasonably close to projections, although the general costs of health care continue to rise in Oklahoma and across the nation. While the plan has maintained healthy reserves, it is unknown whether overall claims experience will lead to increased premiums for next year. There were no increases in premium rates from the 2007 plan year to 2008; in fact, premiums for spousal coverage decreased by more than \$55 per month.



PRESIDENTS OF COUNTY UNITS

The Local Unit Officers & Committee Chairs form is due to the state office. It is important to have accurate information for each county so that information from the state office is sent to the current local officers.

This form can be found in the President's Book (given out at District Workshops), on the website (www.orea.org) or by calling the state office.

If your unit has not sent in this form yet, please do so as soon as possible. Thank you.



Welcome to Our New Business Partners

In May, the OREA Executive Board added two companies to the growing list of endorsed businesses offering quality products and services to members. They are Homesteaders Life Insurance Company of Des Moines, IA and North American Life Plans of Frisco, TX. Both companies have been thoroughly examined by the OREA Benefits Committee, and are recommended for your consideration. Information for these two companies can be obtained online at their web-sites:

Homesteaders Life Insurance Co.:
www.homesteaderslife.com
North American Life Plans:
www.lifeplansllc.com

With their endorsements, Homesteaders and North American have accepted OREA's high standards of ethical business conduct. We are confident they will serve you well. As always, please keep OREA informed regarding your satisfaction with any of our family of endorsed companies.

Teachers'
Retirement System



TRS Board May Consider Altering Assumed COLA Rate

With the 2008 fiscal year coming to an end on June 30, and another actuarial report on the fiscal status of the Teachers' Retirement System due in a few months, OREA is heartened to learn that the Teachers' Retirement System Board of Trustees is reported to be looking at the possible alteration of the system's annual assumed COLA rate. Adopted several years ago, the assumed rate is 1% for TRS, while other Oklahoma state pension systems assume 2%. Unfortunately, in recent years, this disparity in COLA rates has led retired educators to receive cost-of-living benefits improvements less than their counterparts in other state-sponsored retirement systems.

OREA appreciates the role of the TRS trustee. As a board, trustees have provided outstanding leadership. Guided by their investment advisors, they have prudently managed and invested system assets, multiplying their value many times over in the last decade alone. OREA also appreciates the work of Tom Beavers, TRS Executive Secretary, and his staff. Together, the board, investment advisors and staff have demonstrated due diligence in the past. We know they will on this issue as well.



New Membership Year Begins Soon

Our new membership year begins September 1, 2008 and runs through August 31, 2009. Annual dues are \$36.00. These can be paid either by check once a year or \$3.00 payroll deducted each month from your retirement check. Remember to send your local dues to your local membership chair. Thank you!

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