

TAMPA BAY AREA COALITION

January 14, 2009

Jim Warford – Executive Director, Florida Association of School Administrators

- *FAIA Friday Facts...article by Jim Warford posted on FAIA - Website <http://www.myocasa.net/>*
- *Legislative Priorities & Platform... determined by FAIA Members - Website <http://www.myocasa.net/>*
- *Future for “Save Our Public Schools” – PAC*
PAC funds remain intact
FAIA is joining with the Superintendents and School Boards Associations to file a lawsuit the Florida - Legislature regarding “Adequacy of Funding” for public school
- *“Rally in Tally” is scheduled for March 18, 2009*
Organize to include Parents, Business Partners, Teachers and Administrators
Superintendent and School Board must support this initiative prior to proceeding
- *Resources on FAIA Website:*
Estimating Conference data
Budget Presentation – by Joe Joyner, Superintendent, St Johns County
- *Event Information:*
Brevard County is Administrators Association is hosting a Town Hall Meeting with the community and local legislative delegation to inform them of the economic impact of the 2009-10 budget for education in their county.

Hillsborough Association of School Administrators is hosting Legislative Summit to discuss the impact of education budget cuts
Should QASA offer to sponsor a Town Hall type meeting for the District to share with the local legislative delegation and community the impact of the reduced 2009-10 budget allocation for QPS?

Larry Carmichael – Executive Director, Florida Association of Retired Educators

Florida Retirement System

- FRS Funds are well diversified and have suffered losses similar to other funds during the past year*
- Of the countries large retirement systems, the FRS is the most sound of all and they are solvent*
- FRS currently has 1 million members either working or retired*
- 25% of the members are retired and 75% are working and contributing to the fund*
- The actuarial balance of the FRS is \$126 Billion*
- Monthly inputs from members to FRS equal \$500 million*
- Monthly outputs from FRS to members equal \$300 million*
- The \$200 million positive cash to the FRS monthly is being used to build a cash reserve without having to draw on invested funds*

Threats

Senator Mike Fasano, President Pro Tempore, 11th District, New Port Richey, FL

- *Senator Fasano wants the State of Florida out of the retirement business by January 1, 2010*
- *He proposes Senate Bill 396 that takes the current Public Employee Optional Retirement Plan and renames it the Public Employee Retirement Investment Program by Jan 1, 2010*
- *This will move the retirement system from a "defined benefit" program to a "defined contribution" system*

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The defined benefit program currently offers employees a set retirement formula and they choose one of four options (depending whether they want survivor benefits for spouses) monthly fixed payments receive a 3% COLA (Cost of Living Adjustment) annually

The defined contribution plan has their state-funded retirement funds placed in plans that they choose with market-driven payouts

- *Current FRS members would not have to change plans, only the new employees would come under the new plan*
- *Senator Fasano is an investment vice president for Morgan Stanley*
- *Senator Fasano is slated to become President of the Senate in two (2) years*

Cost of Living Adjustment for 2009-10

- *The legislator is looking at lowering the COLA to save money, however, the formula for determining the reduction does not support a reduction*
- *The FRS Trust Fund can only be used to pay member benefits and administrative costs of operation*
- *FRS Trust Fund dollars cannot be raided to boost the General Revenue Fund*

Senate Bill 2310 Investing FRS Funds in Florida Technology and Growth

- *SB 2310 Passed the Florida Legislature in 2008*
- *Authorizes the Florida State Board of Administration to invest 1.5 percent of the net assets of the FRS Trust Fund System in technology and growth investments of business domiciled in the state or businesses whose principal address is in this state*
- *Courts have determined that the Employee Retirement Income Security Act of 1974 (ERISA) requires a fiduciary to discharge its duties with respect to a plan “solely in the interest” of plan participants and beneficiaries and for the “exclusive purpose” of providing plan benefits and defraying reasonable expenses of plan administration. If all factors are equal with respect to income and risks, funds may be invested in Florida-based assets.*

Survey of School Districts Budget Reduction Strategies

Lee

Volusia

Brevard

Pinellas

Manatee

Pasco

Hernando