

Another Attack on Texas Public Education and, of course, on the Middle Class

By Thomas H. Kreneck

Most folks know that public education is essential to creating and maintaining individual opportunity, equality, democracy, and stability in our society. It has been fundamental to the growth of the middle class. People understand that its teachers, staff, and administrators serve the best interests of keeping our society strong by educating our youth, from Kindergarten through public colleges and universities.

Yet, there always seems to be someone representing special interests chipping away at the foundations of our education system. Presently (and incredibly) in Texas, it is a faction within the Teacher Retirement System (TRS) Board of Trustees. This mainly Governor Abbott-appointed element of the TRS Board seems to be angling to undercut the TRS retirement program for present and future retirees.

The Teacher Retirement System was created in 1937 as a way to make teaching in Texas a desirable career. TRS is one of the largest and healthiest pension funds in the nation. It consistently outperforms expected rates of return and serves as a backbone of attracting quality people into the education profession in the Lone Star State.

At present, these Abbott-appointees are advancing two inter-related proposals which would undermine the TRS. These proposals are complex, subtle, nuanced and difficult for average people, busy with their own lives, to follow.

The first and most pressing proposal advocates lowering the fund's assumed rate of interest return. The Abbott element wants to lower the rate from its present 8% to 7.25%. At such a lower rate, the revenue for the pensioners, present and future, would be less. While such a lowering may be of minor concern to average folks like us, it is in fact an attempt to show that TRS is not as robust as it actually is and thus in need of more state funding support than the legislature would likely appropriate. The proposal erroneously implies that TRS should be drastically changed.

The second TRS Board proposal embraces recommendations of a premature, inadequate, and suspicious 2017 "experience study" on the health of TRS. (Lowering the assumption rate was indeed one of this study's recommendations.) This abbreviated study had been ordered by the previous Republican-dominated Texas State Legislature and focused on just three years of pension-fund growth rather than the normal state-mandated five-year analysis. At the three-year interval, the study only provides a snapshot of the fund's health, indicating disappointing growth. Ominously, this "experience study" has been tied to the convening of the forthcoming Texas legislature which has been disappointing at best in funding public education. The timing would make it easier for some of the ultraconservative legislators to tamper with the structure of TRS while in session. Those of us who are proponents of the present structure of TRS view this entire 2017 "experience study" as unacceptable.

Our employee groups which monitor TRS issues feel that lowering the rate of assumed interest return and indeed using the entire “experience study” are simply tactics that would indefinitely postpone long needed cost-of-living increases for present retirees. (The “experience study” recommends giving no such increases.) For future retirees, it is suspected, these proposals could ultimately privatize TRS and replace it with inadequate 401Ks managed by individual “money managers.”

Nor, in my opinion, should people discount the possibility of these proposals prompting the Texas legislature into retroactively reducing current pensions. I have personally witnessed retroactive loss of vested employee rights within state agencies. Given the nature of the Texas legislature, we current retirees should take nothing for granted.

As a historian, I believe that these proposals are part of the trend to destroy the economic safety net established during the New Deal era by diverting public money for private profit. Moreover, they will contribute to the continuing demise of the middle class as the money flows into the hands of the wealthy who are eager to get their fingers into the teacher retirement fund. Nothing is more tempting to rich investor-types than a large pension fund.

By ultimately depriving Texas educators of essential compensation in the form of life-time TRS pensions, these proposals will undermine the teaching profession itself as a desirable career path. They will make teaching a “companion salary” and, most critically, will lower the quality of education for Texas students from all walks of life seeking to better their standing in society.

Public educators, future teachers and employee groups across Texas are presently rallying to oppose lowering the assumed interest rate and the “experience study.” The TRS Board currently is split 50-50 on lowering the assumed rate. More TRS members need to become aware of this attack and be involved. Packing the next TRS Board of Trustees meeting, scheduled to take place on July 26-27 in Austin, with concerned people will help.

Just as effective, individuals need to send an email to the TRS Board expressing their opposition to the proposals. The addresses to send these emails are trscorments@trs.texas.gov and katherine.farrell@trs.texas.gov . Farrell is the TRS liaison to the TRS Board. The flood of emails is really making a difference.

Included below are three templates for constructing a concise email asking the TRS Board to resist the ultraconservative attack. These templates include one for a current TRS retiree, one for current employees in TRS, and one for other people who may have friends or family members in TRS or simply wish to show concern as individuals. The first two which I have adjusted, were sent to me and other TRS members by the Texas State Employees Union, Communications Workers of America Local 6186, AFL-CIO in San Antonio, of which I am a member. Please feel free to adjust your email to fit your own situation if needed. The future of public education in Texas depends on all of us taking action.

TRS Email Templates for Current Retirees, Active Educators in TRS, and Concerned Individuals:

Email template for Current TRS Retirees

Hello, my name is _____, and I worked at _____ as a _____ and paid into TRS for _____ years. It is my understanding that TRS is one of the healthiest public pension funds in the country. This strength makes my defined-benefits pension one of the most valuable compensations of my job. Knowing that I have a secure retirement makes it possible for me to live a normal life.

It disturbs me to learn that even though TRS has out-performed all previous expected returns that the TRS Board of Trustees is considering lowering the rate of interest return to 7.25%. I am also unsettled to learn that the board has embraced a premature "experience study" which was timed specifically to accommodate the two-year legislative cycle instead of the five-year window allowed for the health of the pension fund to be fully assessed.

I ask that you reject this lowering of the rate of interest return and any recommendations of this study as it was performed two years earlier than required and timed to correspond with the legislative session rather than serve the best interests of the pension fund. The law requires only that TRS conduct such a study every five years - - the last having been completed in 2015. I ask you to act in the interest of your TRS members and reject the results from this prematurely timed study that calls for weakening our pension fund.

Please keep one of the best public pension funds in the country safe and secure - - my retirement and quality of life counts on your protection from any such drastic, unnecessary changes. I worked hard for my TRS pension and I want it to remain as it is.

Email template for Current TRS Employees/Future TRS Retirees

Hello, my name is _____, I work at _____, am a TRS member, and have a firm belief in the value of public education in Texas. I am counting on TRS for my future secure retirement and I do not want it to be converted into a 401k.

I am worried that the TRS Board of Trustees will adopt recommendations from the recent, premature "experience study" that calls for a lowered expected rate of interest return – something that will put TRS in peril.

Additionally, I am afraid that the security I have in a defined-benefits plan that guarantees me my pension until the end of my life will be weakened. If our pension fund appears to be less healthy than it actually is by lowering the rate of interest return, it will make it easier to convert TRS pensions into risky 401ks. This is not what I want for myself or for others who work in the Texas education system. Please protect the retirement I am investing in and deserve by rejecting any recommendation for a lowered rate of interest return.

Email template for People with Friends or Family in TRS or are Simply Concerned about Texas Public Education

My name is _____ and I am concerned about the future of Texas public education. Thus, I want to express my opposition to the premature “experience study” recently conducted by the TRS Board of Trustees as well as to the recommendation to reduce the expected rate of interest return which will negatively impact present and future retirees in Texas public education.

These proposals seem to be directed at lowering the benefits, compensation and future security of teachers and other employees involved in the public education system. These proposals will put teaching as a profession in Texas in peril.

I understand that TRS is a very healthy retirement fund, certainly among the strongest in the nation. I do not believe that it should be tampered with in such a manner. Educating our children and the future of our society depend on the quality of the people hired to deliver that service. These proposals will attack the foundation of our public education and should be rejected.

A native of South Texas, Thomas H. Kreneck holds a Ph.D. from Bowling Green State University. He served as an archivist at the Houston Metropolitan Research Center (1976-1990) and as head of Special Collections & Archives at Texas A&M University-Corpus Christi (1990-2012) from which he retired on TRS. He also taught history at various colleges and universities and is the author of editorials, articles, and books. He is a member of the Texas State Employees Union and the Texas Retired Teachers Association. He can be reached at thomas.kreneck@ymail.com and at 830-583-3190.