

ENOUGH!

by *John M. Brandt*
executive director

Retired educators in Ohio have a pretty good deal. They can retire after 30 years of service, often in their early- to mid-fifties with a full pension benefit equal to about two-thirds of their final average salary. If they work longer, the pension benefit can be as high as 88% of the final salary.

Their benefits are guaranteed by law and not subject to fluctuations in the stock market. They can apply for retire-rehire and keep their full pension while collecting an added salary. Oh yes, they get health-care benefits from the day they retire.

The State Teachers Retirement System (STRS) is struggling to pay the cost of health care and prescriptions for retired educators and their spouses and dependents. Most school districts and private businesses are in the same struggle over health-care costs.

There are two major points to be made about the STRS struggle. First, the system is not required by law to provide ANY health-care benefits to retirees, yet

it has been doing so for decades. Second, as costs rise rapidly, STRS is considering asking the General Assembly to require school districts to increase their contributions to STRS to pay for the health care.

School districts are already required to pay 14% of the teacher and administrator payroll to STRS for pensions and health care. Teachers and administrators contribute an additional 10% of their salaries to STRS.

Thus, STRS has 24% of the entire educator payroll annually to work with. This is a huge figure and it grows each year. In addition, STRS has about \$50 billion in reserve funds invested, and it earns substantial income from those investments.

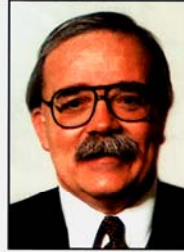
With all of these resources, STRS has to learn that enough is enough! With 24% of the educator payroll and large investment earnings, STRS must establish benefit and eligibility rules that

allow it to live within its means.

Any effort to prop up already generous pensions and benefits by requiring school districts to pay more is unconscionable. Many school districts are in financial crisis, laying off staff and cutting programs.

Taking money away from books, labs, computers, curriculum and school operations to pay for benefits for educators must be opposed. STRS estimates that its proposal to raise school district contributions to STRS to 16.5% of payroll over five years will cost schools more than \$250 million per year when fully implemented.

Those dollars must be spent on students, not retirees. Enough is enough! □



John M. Brandt

The views expressed in this editorial are those of the executive director and do not necessarily represent OSBA's policies or positions