

From: sheilab@gmavt.net
Sent: Wednesday, March 31, 2021 9:15 AM
To: Testimony
Subject: Ideas

Good Morning,

Just wanted to personally email my concerns for myself and my colleagues concerning the proposed 'gutting' of our pensions. We have chosen teaching because of a dedication of wanting the youth of Vermont to be blessed in receiving a strong quality educational foundation. Teachers have endured much in a profession that has been maligned, not respected by many and begrudged compensation.

We teach for the love of teaching and not for the money. We have also endured assaults on our health insurance. Once again by forcing teachers to stay in the profession longer, it will be a burden on districts as they will pay higher salaries longer and that hurts the people that pay the most—the working class.

We taught during a pandemic as front-line workers and I felt like our lives were expendable. People have found out through homeschooling that teaching is not an easy profession in today's society.

As a result of these negatives there is a teacher shortage, people are leaving Vermont as it is not the place to raise a family, morale is at an all-time low as a result of the one positive that is on the table to totally destroy teachers. We faithfully paid into a fund that OUR state had promised to deliver. You are in effect using the state's teachers and state workers as expendable objects with no regard for their well-being as human beings.

We did not create this problem, we are being cheated for trusting the system, betrayed as you are changing the rules mid-stream. We are talking about people's lives—DO YOU CARE!?! Women in many households are the single income provider and you are looking to destroy their retirement and families! Don't be like so many politicians and cater to the wealthy.

We did not break the system--you need to find a way to fund our pensions that we have paid our hard-earned money into over the years without killing trusted and loyal professionals that educate the youth of Vermont!

A few thoughts on possible fixes—

taxing sports gambling (should be allowed to create funding)
taxing cannabis sales (state needs to control this business)
elevating taxes on second homes
opening a casino in the state (it will not bring in the 'wrong' kind)
raising taxes on the wealthy—above \$500,000

Take time to find a solution rather than executing a 'knee jerk' reaction.

A veteran VT teacher,

Sheila Burleigh

From: Jordan Black <jblackdeegan@gmail.com>
Sent: Tuesday, March 30, 2021 4:42 PM
To: Testimony
Subject: Pension Fund Deficit - Testimony

Good morning/afternoon/evening,

I'll start by apologizing for the length of this written testimony, as I know you all have many of these to read.

My name is Jordan Black-Deegan. I grew up in East Montpelier, Vermont, and attended the public elementary (EMES) and union high school (U32) here in Vermont. After graduation, I went to Plymouth State University on multiple academic grants into their business honors program where I graduated top of my class in the entire college in 2014 with dual degrees in accounting and economics as well as 1/4 of a master's degree already completed. I was the president of the national honor society of business and ran 4 other student organizations from leadership positions. In the fall of my senior year, I had accepted a position in public accounting at one of the 17 CPA firms that made me offers.

In 2016 I moved back to Vermont while I completed my master's degree. During this time I started a business, worked full time at Sugarbush on a night shift, worked part-time during my weekdays as a public accountant, and eventually graduated again #1 in my class now with an MBA and certificate in global economics. I was again headhunted for positions in NYC and Boston (and other places). I am, like many of my colleagues, the exact person you claim to be trying to attract to Vermont.

In 2017 upon graduation I accepted a Grant Administrator position with the Department of Public Safety. Taking a job that paid more than \$22,000/year less than my highest paying opportunity I was headhunted for. I did this because I planned on staying in Vermont, building a family here, and serving this state. I agreed to take this position because I believed that the pension offered would give me enough to retire comfortably in the state I was born and raised in. After less than two years at DPS, I was promoted to Audit Analyst II in the Department, a position I worked in for just over two and a half years before again receiving a promotion (external) to the Statewide Grant Administrator at the Department of Finance and Management. During these 4+ years, I have received a 2019 employee of the year award and outstandings (highest score) on my annual reviews. I've crunched projects that took 3 days each month into 2-hour processes by coding sections of the manual procedures into Excel plugins. I do these things to save the state money and to serve the state and its communities. During this pandemic, I have worked overtime nearly weekly to assist with the Federal funding as it came in. Again, I am exactly what you claim to want to attract to Vermont with your other legislations.

My fiance is also a state employee now. She is a young, masters educated, female working in the state who spent most of 2020 working with COVID positive psych patients in the UVM Emergency Room, before choosing to leave that work environment due to the crippling stress and anxiety it caused to take a position with the state as a Nurse Surveyor. A position where she continued to work directly with this pandemic via investigations into COVID-related complaints of nursing facilities. She exposed herself every week to COVID positive patients both for the hospital and directly for the state government to serve this community/state, and has now interviewed for 5 jobs with the intent of already (after 6-months) leaving the state due to these pension changes.

Last week we had to sit down and talk about what these changes meant. At this point in our careers, we are making significantly less than our professional values all to live in a state that just told us it does not care about its employees, frontline workers, working-class citizens, or teachers (I will get to this, don't worry). What this means to us is considering leaving Vermont all together for a lower cost of living and higher pay. I grew up here. My parents and 3 siblings live here. And even when I lived outside of Vermont for half a decade, Vermont was always home.

Here is what moving will look like for us:

My fiance and I will move somewhere where they are willing to pay us what we are worth. We will leave two vacant positions in the state (or perhaps one in the state and one at UVM in an understaffed field where UVM). My brother, who is a CPA, will leave as well, with his partner who is a teacher. My parents and our brother who lives with them will follow, as my parent's number one concern at this point in their lives is being near to their family and hopefully future grandchildren they have been waiting so long for. This means my father, a state employee in the tax department, and my mother, a CPA with a private practice will relocate. This moves 3 state employees, a teacher, and two CPAs from a higher income bracket out of Vermont. In a simplistic view, reduce the state's income tax revenue by 8.75% of roughly \$600,000, or roughly \$52,500 in the first year (plus any wage growth or subsequent years).

How can a state which complains about issues hiring for state positions, and complains about a lack of young people moving/staying here; write legislation that takes the very people who they claim to want to attract and drive them away. At this point in my career I have missed out on hundreds of thousands of dollars in potential income due to trusting the state to keep its side of the bargain regarding pensions. This bill would ask me to work for 12 additional years with no additional retirement benefit while continuing to pay into a system as my pension value decreases each of those 12 years. No quality employee under the age of 37 years old will ever accept employment with the state of Vermont if this bill is passed. Why would anybody pass up hundreds of thousands of dollars over the course of a career all of which could be invested as it is obtained to work for a state that treats its employees like shit?

Finance/Economics:

As I stated in my personal story above, I have multiple economic degrees, an accounting degree, varying experience in these fields, and two family members who are CPA MBAs in my immediate family who I've been discussing these changes for the past 6 days.

Our unanimous conclusion as a group of people who you would likely hire and pay for our opinions on this; is that nobody involved in the writing of this legislation or support of this legislation has the slightest clue what they are talking about. None at all. I have serious doubts personally whether many of the members of the legislative body have ever looked at an actuarial report or studied in even out of mild curiosity basic macroeconomics.

I say this not to insult this legislative body, as I am sure you all have many fields of expertise which I have no knowledge in. But to remind you that what you are doing is life-altering for the entire state of Vermont's working class, not just the state employees and teachers.

First off. You are encouraging a mass exodus. I want nothing more than to stay in Vermont, we had plans to break ground and build a home here in the next two years, but many including us will leave if the state goes back on this deal. When you have large exits of experienced employees here are a few things that happen:

- Vacant positions create "vacancy savings" within each department in the state. Despite this title, these savings cost more than they save. When you leave positions vacant it creates a workload that still must be accomplished. These positions are generally filled by a variety of other employees working portions of the position as overtime, paying that employee 150% of their pay + the applicable fringe benefits (FICA and Retirement apply to OT). This ends up costing roughly 162.5% of what an employee of equal pay grade and steps base salary would cost for this same position. The savings are already gone as their fringe benefits (depending on their insurance plans etc) should nearly zero out with the additional 62.5% from our overtime workers. Now, in addition to this, you have the additional workload in HR, additional cost for advertising positions, onboarding expenses, training expenses, and after all of these expenses are tacked on you get a new employee eventually who is maybe good at their job but lacks the experience that an employee who worked in that position for over 6 months would have and they still require other employees to train them. This is the best-case scenario. The more likely scenario which I have seen in my 4 years of working for the state is the extra work burns out other employees who are near retirement or who have other options and they leave before the

position is even filled and this cycle turns into a much more expensive situation. E.g. please look at your previous decisions with the PSAP and how much that has cost DPS in the longer run.

- Contracting for services. There is a reason that service contractors exist. It is because they can charge large premiums to fill roles at other organizations which the organization if they had the employees could fill at significantly reduced cost. Look at the state's service contracts and how much they cost. When the state gets too cheap like it's trying to right now, its most expensive employees leave for better pay. The more expensive the employee, generally the harder it is to fill their position with a qualified candidate and the more expensive the contractor for that work becomes. When engineers and IT specialists leave, the contracting cost to hire an outside vendor to cover these costs is usually between 500% and 1200% depending on the industry. For an IT software developer, the average cost is 950% more than to employ someone for the same position. Not every project can be done in-house. Some have entry expenses such as equipment of other software or larger teams which create upfront costs that make contractors a financially smart decision. This is rarely the case.
- Reduced tax revenue as families leaves Vermont. This is relatively basic. Income for governments is taxes (along with licensing, permits, and a select number of special funds which make up a very small portion of funding). In order to increase revenue in a state, you incentivize higher-paying salaries and building a larger tax base (more workers in your area). The number one way to build these numbers is to bring more residents into your area while maintaining your current population. You are literally forcing young Vermonters to move out of necessity. This bill will shrink your tax base if you pass it.

This is an extremely simple macroeconomics test which you, as a legislature, are failing. Economics is essentially the psychology of business. What economics means is to understand how humans react to changes in an economy and what their reactions cause in the economy. I've seen zero concerns voiced in the treasurer's suggestions or in the legislature's draft about the economic impacts of what you are doing. No studies were done. You voted no to a 3% income tax to the top earners in Vermont making \$500k or more due to lack of studies but seek to make a significantly more economically impactful decision without any studies you so badly needed before.

Do studies, ask the right questions, consider all the reactions. Stop trying to write legislation when you do not understand the outcome or problem.

Teachers:

I was born and raised here. I had plans to raise my own kids here. Why did you move here? Or, why do you choose to stay and live here?

These two questions are very very real. I want to know why you choose to live in Vermont. Every one of you. It's a question I will be asking both Unions to ask of you over and over again until I hear some answers as well.

My parents moved here for the school system and community. It is why everyone I have asked has moved here, it is why my fiance moved here. If you ask your own children, friends, and neighbors. These will be the two responses you hear time and time again. Good community and good schools. This is why families live in Vermont.

It is despicable to see you attacking the underpaid teachers of Vermont who have put Vermont on the map as; the second most highly educated state, the smartest state, and the third-best K-12 public education of any state. Look what these people have done for your own kids, grandchildren, and even many of you. I am lifelong friends with some of my teachers from U32 High School. I regularly catch up with them. I get brunch with some of them to catch up every few months (when COVID isn't a thing at least). Some of these teachers inspired me when I was young and unfocused and made my successes possible. There is no doubt about that in my mind.

After the year we have just had, the state should be looking at legislation to increase teachers' pay. You owe them much more than you have ever paid them, or ever could. The entire economy of Vermont is leaning on teachers. There is no state where an economy can be more clearly traced to a single profession than Vermont.

Vermont has a high cost of living and low average wages in every major profession. The reason people still want to live here is for these communities and schools. Without good teachers, you will have mediocre or poor schools. With mediocre and poor schools, you will no longer attract young families who want to raise families. And without these families, Vermont communities will fall apart. Young families and individuals will cease to seek out Vermont.

The proposal put forward by Jill Krowinski is in nothing short of a targeted attack on the working class, teachers, and women. This is an attack on Vermont communities, an attack on Vermont's local economies, and provides zero value to this state. The calculated savings do not properly factor in a mass exodus significantly reducing the savings to the system. And these changes will cost Vermont many times more than the pension will save.

There are thousands of ways to fund this pension without passing the legislation that was put forward. Marijuana tax, income tax from the most wealthy (bill you shot down), reducing your program spending, cutting unsuccessful and expensive non-Federally funded programs, using Federal \$ more efficiently. And most importantly, investing our pensions properly and funding it when you are supposed to.

I will leave you with my final questions for the legislative body. For which I know you do not have any answers, as I have already emailed more than 50 of you:

Who will you hire to teach your children, protect your communities, and run your government when we are gone?

What type of employee will apply for your vacant jobs when there is no pension to entice and such poor pay?

What quality of employee are you going to be able to get when you barely pay enough to survive and are taxing back 7.25% of their pay?

Who is going to buy from your family's businesses and other local businesses when 20,000 Vermonters and their families up and leave?

Think long and hard. Your neighbors are watching and listening. Your state employees and teachers are organizing.

I've included my email in writing below and am very open to hearing from any of you with answers to any above questions or who would like to discuss the issue in more depth.

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Jordan Black-Deegan
jblackdeegan@gmail.com
802 272-6440

From: Griffin, Jonathan <Jonathan.Griffin@vermont.gov>
Sent: Tuesday, March 30, 2021 4:18 PM
To: Testimony
Cc: Ann Cummings; Andrew Perchlik; Anthony Pollina; Tom Stevens; Theresa Wood
Subject: Proposed Pension Changes

Dear members of legislature,

My name is Jonathan Griffin, I am a native Vermonter who grew up in Vershire Vermont, attended UVM, and now am raising my own family in Waterbury. I have been working for the Agency of Transportation for 11 years in which time I have become a licensed Professional Engineer. Over the last 11 years I have considered a multitude of possible career and lifestyle options available to a young professional. Those options include leaving State Service for the private sector which offers higher wages as well as a substantial benefits package. I have also considered leaving Vermont for other States which have lower cost of living and increased wages for Professional Engineers. Each time I have evaluated my options I have always considered my pension THE NUMBER ONE benefit that I had with the State of Vermont over other employment opportunities. I'm very concerned about any proposed changes to the pension as they will not only have a significant impact on my family and education of my children, but also on the State's ability to maintain its workforce of qualified professionals.

According to the American Society of Civil Engineers, an entry level engineers median salary for State or Local government employees in New England is \$53,270. According to the American Society of Civil Engineers a Licensed Professional Engineer with 11-15 years of experience for State or Local government in New England has a median salary of \$103,832.

By comparison an entry level Engineer with the Agency of transportation earns \$44,740 or 16% less than the New England median for state and local government. An employee with 11-15 years earnings vary but the higher end of the pay scale would be approximately \$90,000 or 13% less than the New England median salary.

These proposed changes to the pension are coming at the exact time when massive transportation stimulus money is arriving in Vermont. Those dollars need to be turned into infrastructure projects such as culverts, bridges, pavement, intersections, and other safety related projects. Additionally every other State in New England will also be receiving those same stimulus funds, causing a demand for engineers in all sectors of both government and private industry. I fear that the best and brightest will leave State of Vermont service and may even leave the State of Vermont entirely for other more competitive employment opportunities at the EXACT time when their services are needed the most.

This year I was fortunate enough to be recognized by the engineering community as Vermont's Young Engineer of the Year. It was an honor to be selected by the industry and to highlight to all other members of the Engineering community that the State of Vermont and AOT are industry leaders. I feel that I am a valued employee at the Agency of Transportation and that I also bring value to my employer and most importantly the Vermonter's which we serve. I have a strong sense of community and commitment to the State of Vermont and I don't want to feel "forced" to change careers or leave the State which I have a deep personal connection to. I am confident that any changes which affect the duration active employees are required to work to become eligible for retirement will have a significant impact on the workforce. I personally would not be willing to continue my service if the changes as outlined in the House committee were adopted.

The point of this letter is to urge you to recognize that your decisions will have downstream impacts which will be felt in other ways. I recognize that status quo is not sustainable, however a balanced measured approach needs to be taken which considers more than just unfunded liability and actuarial defined employer contributions. There are many

contributing factors to the situation which we are in today far more factors than are considered in the proposal issued by the House Committee. Lets try handling this like the Governor's covid response, data driven measured steps which turn the spigot a little at a time.

Thank you,

Jonathan A. Griffin, P.E. | Structures Project Manager
Highway Division | Project Delivery Bureau | Structures
Vermont Agency of Transportation
219 North Main Street | Barre, VT 05641
802-595-0054 Cell Jonathan.Griffin@vermont.gov
<http://vtrans.vermont.gov/highway/structures-hydraulics>



From: Becky Bratcher <brightfuture4eva@gmail.com>
Sent: Tuesday, March 30, 2021 4:03 PM
To: Testimony
Subject: Under funding?

To quote Jerry Macquire, I'm asking "Where is the money"? What has happened with our pension funding? Years ago the state borrowed money from this pension account and never returned it.

I don't want to discuss the particulars of these proposed reductions at all. Where is the accountability with this money? We need to back way up and perhaps hire OUTSIDE forensic accountants to determine why there is a lack of money now.

This has never been explained to anyone. We are for all intents and purposes putting the cart before the horse.

Has there been gross mismanagement of this fund? It is in fact the state employees money. We are the ones paying into it are we not? We have the right to know what has happened and NOW. Please be forthcoming, honest and do your job! Don't put this on the backs of the teachers and other state employees. Another question, what happens to the lottery money? Is this fund not meant to go to education? There needs to be an investigation. Regards,

Thank you
Becky Bratcher
Library Media Specialist
Pownal Elementary School
SouthWest Supervisory Union

From: Nora Skolnick <nora.landn@gmail.com>
Sent: Tuesday, March 30, 2021 11:00 AM
To: Testimony
Subject: pensions

Dear Legislators,

To say that the proposal put out by the House is unfair and immoral is an understatement. Teachers have been putting their lives on the line. They, along with state employees have been working harder than ever to help hold their communities together this past year.

The statements of gratitude for all that we do holds no value - they are made, and then in the next breath we are asked to pay more and lose benefits in a pension system that is already rated one of the worst in the nation. Our thanks is being told to work longer and harder for less money.

The legislature has ignored the financial problems and mismanaged our money for nearly twenty years. There are solutions to this that will not penalize those who kept their side of the agreement. Indeed, there are billions of dollars in federal money that can be put into the system and an expected increase in revenues from taxes - all of which can solve the problem without hurting a single teacher's benefits.

Instead it appears as if the legislature is looking for a quick fix on the backs of those who can't afford it!

I don't know a single teacher who went into this profession looking to get rich. We know from the beginning that there will be long hours, sleepless nights, and that the rewards are mostly intangible - a grateful smile from a student, the excitement in class during a light bulb moment. One thing we thought we could expect was not having to worry about finances once we retired. This proposal is pulling the rug out from under us and doing it during the most difficult time in our professional careers!

I have taught in Vermont for over 25 years. During that time I have seen my benefits being constantly chipped away. I remember the last time a "deal" was made to solve the financial problems with the pension system on the backs of teachers. The legislature made a commitment to us then, and is breaking that commitment now! It is wrong!! I implore you to do the right thing and reject this or any other proposal that cuts pension benefits.

Thank you,
Nora Skolnick

Teacher - Randolph Elementary School
Braintree, VT

From: Noah Ponzio <noahponzio@hotmail.com>
Sent: Tuesday, March 30, 2021 8:50 AM
To: Sarah Copeland Hanzas; Testimony
Subject: Testimony for Govt. Operations

Committee members,

I was disappointed to be in the que to speak last night, but not be able to give testimony to your committee due to the overbooking of the hearing. As a point of recommendation, if the staff had simply approved my request to release the list of names and the order they were in, I at least would not have had to sit for 3 hours, hoping to be called while having no idea where I might be in the que.

I'm frustrated and disappointed by last night's process, just as I am frustrated and disappointed by the process that has lead to the current public employee pension proposals. I am not a public employee, but I was so shocked and disappointed by the current proposals that I felt compelled to testify. I must agree with 99.9% of the testimonials: with the exception of the additional \$150 million investment this year, this committee's current proposals are unacceptable, hurtful, and punitive to some of Vermont's hardest working, most selfless employees. I'm shocked and disappointed that citizen leaders such as yourselves, who are some of Vermont's brightest, most community-focused minds, have not come up with anything other than the same-old tired obnoxious idea that is always turned to in situations like this: break the legal and ethical contract the employer has in order to take more from workers, and give them less. It is time for new ideas, sound analysis, and a slower process that lets the best ideas rise to the top.

If I were in your shoes, I'd be considering what is next. In my view, the best next move is for you as a committee, as neighbors, as elected officials, to stand before Vermont and apologize. Let the public know that they have been heard, acknowledge the pain and suffering that these proposals have caused, acknowledge the importance and monumental nature of this work, commit to working on this process through the coming summer and next session, and commit to giving this process the time it needs so we can have a transparent, public process and land on a fair and equitable solution.

While you did not create this mess, unfortunately, so far you have made a mess of the way out of it. Vermont has loudly, clearly, emphatically spoken. Healing and acknowledgement is needed. This process did not have to be this way, so as leaders and advocators of the current plan, it is now your turn to humbly and open-heartedly respond to the call.

Regards,

Noah

From: Lisa Italiano <litaliano@wsdvt.org>
Sent: Tuesday, March 30, 2021 8:34 AM
To: Testimony
Subject: Here is my testimony, I was unable to speak at yesterday's meeting

[Lisa H. Italiano, testimony](#)

Thank you for the opportunity to provide feedback about the recent announcement concerning Vermont Teachers' Pension cuts and changes.

My number one concern is that after decades of mismanagement, that this decision be carefully and dutifully considered in every aspect after each voice is heard.

Please take a moment to think about your own school career. If you were a successful learner you may have had unique and wonderful learning experiences. If you struggled with any aspect of learning in school, or you know someone who did, I ask you to think about that now. Was there a teacher or member of your school's community that made a difference for you or a loved one? Hold them in mind as you continue to listen to testimony and think about what they did, or gave, to help you or someone learn.

When Vermont's legislators seek to renege on the contract they have created with Vermont's teachers the impact is much broader than on those teachers alone. Each of us is a member of a family and we have multigenerational commitments of all kinds, including financial drains on compensation and necessary health related benefits now and after we complete our working lives in service to Vermont's children and families. After more than 30 years of service, I feel denigrated and cheated by the scope of these proposed actions. One reason I have been able to devote my life to service as the chief goal, rather than to seek the top financial reward, is because I have the security of a pension that will support me in my retirement. Knowing that I have a pension and that it will be there for me as I age has been a hallmark of my independence and security as a working woman. Without the safeguard of what I was promised, I am fearful that I will end my life as a burden on others.

According to EDUCATIONDATA.org, 77% of teachers in the US are female, and 23% are male. Just as an added point of comparison, according to findings from the Economic Study Institute, teachers in Vermont are already underpaid by 12.7 percent compared to other college-educated professionals.

I wonder what this process would be like, and in fact, I wonder if these cuts and changes would be being debated at all if the gender percentages were reversed? It seems like a crafty tactic to try to reduce the benefits and increase the costs for the population that is mostly female first, hoping that culturally it wouldn't be as shocking as doing the same thing to a population that is overwhelmingly male. Then the precedent can have a harmful effect on the negotiations that will follow with State Employees and others. Please think about the actual inequity of this plan. This plan has an extremely negative impact on women.

Finally, I ask you this: How is it logical to require teachers who have faithfully and continuously contributed to this system to make up for the errors of those who were supposed to be safeguarding and managing the investment? It is not logical. The negligence was caused by those in charge of the investment, not those providing the capital.

Please call back to your mind and heart the person who may have helped you or someone you know to learn. Is this the way that person should be treated? I think not. Thank you.

litaliano@wsdvt.org

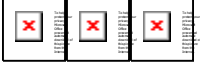


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pronouns: she, her/hers



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From: Robin Fawcett <rfawcett@cvsdvt.org>
Sent: Tuesday, March 30, 2021 8:22 AM
To: Testimony
Subject: Protect Teachers' Pensions

Wednesday, March 24, 2021

Dear Legislators:

As with most teachers, I love my work. The chance to make a positive difference in young lives motivates me to do my very best every day.

Given this, I'm proud of the ways the pandemic has shone a light on the value of this work, highlighting how teachers are central to...

- the well-being of our children,
- the promise of their future,
- our society's daily functionality,
- the health of our economy, and
- our collective prosperity in years to come.

Given this, it's hard to say teachers are compensated too much. In fact, this is very hard to say even outside the pandemic glare.

In a report published in the Economic Policy Institute, September 2018, *The Teacher Pay Penalty Has Hit a New High*, the wage gap between teachers and comparable professionals has grown over time, with teachers now earning 18.7 percent *less* than other college-educated workers.

With this alone in mind, I ask you to protect the contract between the State of Vermont and its teachers by prohibiting the State from using the Pension Plan Fund to pay a government debt.

Yet, there are more reasons:

The State debt is not the fault of teachers; therefore, the Vermont Government deficit must be remedied without penalizing teachers.

The Vermont State Teachers' Pension is an integral component of every educator's annual contract. It is not optional, but a mandatory contribution out of each teacher's compensation into a State managed investment. In fact, the State had the opportunity to MAKE money on this money.

Mandatory contribution to a pension system that is under-resourced for many years is not only *not* the fault of teachers – whose benefit has been mismanaged and squandered – but has blocked teachers’ ability to invest in a retirement plan on his or her own, with the possibility of building greater security.

Breaching this agreement, is a breach of contract.

Such a breach breaks more than just one annual contract, but every contract for every year a vested teacher has signed, trusting her retirement funds are being invested smartly and tended with care.

The contracted promise of a well-funded pension, drives significant life choices such as passing up other professional opportunities and life paths. This contracted promise communicates, “If you commit to us, we’ll take care of you beyond your working years and in *this* way.” This is powerful. Betraying such a promise has significant, personal consequences far beyond the band-aid on a State debt.

Of related note is that teaching is dominantly a female profession, with 76% of teachers being women. What does this say about our society that *these* are the funds drawn to make the State’s repair? Perhaps more importantly what unintended consequences might befall the State in not justly supporting this workforce in retirement and old age, this workforce who are 51% of the population and tend to live longer.

This workforce – teachers, central to the wellbeing of our society – are a human resource in which we should further invest *not* divest. We should invest in order to more justly compensate for their worth and to attract quality replacements as veteran teachers retire.

Divesting – by hiking the retirement age, increasing teacher contributions, imposing a “risk-sharing” fee, diminishing the benefit, and cutting cost-of-living adjustments – will have negative consequences, both, easy to imagine and unintended.

Easy to imagine is an increased gender-pay gap in Vermont that further undervalues the work of women, the loss of experienced teachers, difficulty attracting quality replacements, a decline in providing the education our State’s children have known and deserve, followed by the troubling domino effect under-compensation will mean.

Because of this, I earnestly challenge us to imagine and create a less costly, more profitable way to remedy the State debt.

Thank you for serving, thank you in advance for protecting our Vermont Teachers’ Pension Fund and identifying a more just remedy.

Robin Fawcett, Faculty
CVU High School Faculty (26 years)

–

Robin Fawcett (she/her)
Theatre Arts Teacher

From: Andrea Hussey
Sent: Tuesday, March 30, 2021 6:52 AM
To: Testimony
Subject: FW: [External] State Pension Testimony

From: bill gray <gramont1836@gmail.com>
Sent: Tuesday, March 30, 2021 4:26 AM
To: Andrea Hussey <AHussey@leg.state.vt.us>; Janet Ancel <janetancel@gmail.com>
Subject: [External] State Pension Testimony

[External]

Hello,

My name is William (Bill) Gray. I am at least a 7th Generation Calais, Vermont resident. My uncle just informed me he thinks that there may be even more generations. My entire family lives in Calais, My Grandfather ran a small family farm here, helped write the town's first zoning laws, and even used to deliver eggs to legislators in Montpelier. My mom was a school teacher in Vermont as well as her mom before her. My dad worked for Washington Electric Coop and served on the zoning board for the town for several years. I grew up in Calais, attended the Calais elementary school, went to U-32 school, and then went to Vermont Technical College and obtained my Associates degree in Civil Engineering. When I came out of VTC with my degree I had numerous job offers. I had job offers from private contractors as well as consulting firms, all of which offered me more money. They also offered me benefits like vacation time, and even health insurance, etc., but the one thing they could not offer me was a defined retirement system. The state told me I could retire after 30 years of service, so I gave up more money for retirement. I have been offered numerous other jobs, and not just in Vermont, I have been offered jobs in New Hampshire, New York, even as far away as California. I never once thought about leaving Vermont. I am a

Vermonters! However, now that I have 24.5 years of service I feel like I am getting stabbed in the back. To add insult to injury I have spent most of my career in the construction trade, rarely working just a 40 hour work week. My work weeks were often 50, 60, 70 and yes sometimes even as many as 80 hours a week! I bought my grandparents' 1836 farmhouse and barn and have rebuilt it, to get it back into the shape that my family can be proud of. When I started working for the state I made \$8.63 an hour. I didn't have extra money to put into deferred compensation plans or investments. I often would work 2 or even 3 extra jobs on the side for some extra spending money. In planning for my retirement I have concentrated on paying extra on my mortgage every month, paying my taxes, and my bills, all on time. Often going without to make sure I was debt free in anticipation of my retirement. In discussing this with one of your colleagues he mentioned to me that my retirement was in the farm house. I wanted to literally puke and then cry. Was he really telling me that in order to retire I would have to sell the family's 1836 farmhouse and land after 7 generations? I have been planning for my retirement for over 20 years! I do not know anyone that plans for retirement the last 5 years of their career! So to only grandfather in the people within 5 years of retirement is insane! That is putting it as politely as I can, as someone who could potentially miss the date by 6 months! I can see changing the system for new hires, or people that are not vested. Or maybe even for people that have spent less than 15 years working for the state. But How can you do it for someone that is already more than halfway through their career?

Furthermore, even though I work for the Vermont Agency of Transportation, I have been working with assisting the Department of Health and the Vermont National Guard since last December. While the rest of the state was staying safe and working at home I was out delivering essential PPE to all of the small health care facilities around the state. Working overtime every week and driving

200, 300+ miles a day in snowy, icy conditions. It didn't matter the road conditions, the weather, I went and I did it and would do it all again. All to help my fellow Vermonters during this pandemic. I can not understand how this state could ask someone to put their life and their families lives at risk to do this, and then turn around and tell them the agreement that we made 24.5 years ago is no good.

These proposals have made me literally sick! I am disgusted by this, the house's proposal would have me working 45 years instead of 30 years. Also, why should I believe that the money will be there in an additional 15 years? It was supposed to be there for me at 30 years? How does the state expect me to work that many hours a week, or be a field technician driving all over the state for that many years? The same state that I grew up in, and used to be proud to tell people, "I am a 7th generation Vermonter." has now made me wonder if maybe I made the right decision? If maybe my friends that left the state to make more money elsewhere were right? For the first time ever, you have made me wondering if maybe I should cut my losses and run? Why would I stay and keep going down this road, this was not what I was promised, not what I envisioned for my family, or my future. Maybe the 7th generation, dedicated Vermonter, has NO place in Vermont anymore? These proposals are not in the states best interest, period. The state should be ashamed to ask it's hard working state employees to take this burden on given the things we have done throughout this pandemic to keep this state running.

William Gray

24.5 year, State of Vermont

Agency of Transportation Dedicated Employee

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From: Laura Nelson <lnelson1961@gmail.com>
Sent: Tuesday, March 30, 2021 6:39 AM
To: Testimony
Subject: teacher pension proposal

Greetings

I retired in 2019 after a 30 year teaching career, all of which was spent at a single Vermont high school. I remain a certified secondary educator in Vermont.

I understand that underfunding the teacher pension program began well before the Dean administration, and the can has been kicked down the road in every administration since then. There is plenty of blood to cover the hands of those who have supported underfunding and those who have chosen unwise investment strategies; governors, legislators and treasurers alike share in the responsibility. You know who is not responsible for poor pension funding decisions that date back decades? The educators who are subject to them and who have banked their careers on them. Now may be the time, without further ado, for Treasurer Pearce and her colleagues at the state level to get their pension investment practices out of the gutter, but this is no time to gut the plan on the backs of teachers and other state workers.

I've taken direct hits from past attempts to right this ship, most notably by what I'll call the Jeb Spaulding plan, so I know what it feels like to have home plate moved and the rules changed in the 7th inning of my career. Fortunately my teacher friends who were already retired or closer than I to retirement were spared changes to their plan. I was not so fortunate. The sting of those changes left welts on those of us who were close, but not close enough, to retirement. It hurt financially and professionally, a lot. It was demoralizing to be so disrespected and undervalued. It inspired anger and sent morale into a lasting downward spiral. Educators learn unceremoniously during our first years teaching what they don't tell you in teacher training programs: teachers are scapegoats for anger and vitriol in our communities because we are paid for by people's tax dollars. Being grilled and verbally accosted in the grocery store, the gas station, the dentist's office "You teachers..." were commonplace events that I had not seen coming. It's a rude awakening, but we learn to live with it. What I and those like me didn't learn to live with was the way in which promises made concerning our retirement were pulled from under us, very veteran teachers, who were hanging our hats on those promises. Well, it's happening again, only worse! It looks like the committee tacked a new retirement age onto Beth Pearce's original thoughts and are making her preliminary proposals their own. I have read every word of the proposal, and each section is more jaw dropping than the last. While there are certainly 67 year old humans who can excite, inspire, keep up with the children they teach, that is not the norm. Did committee members who came up with this plan picture their 14 year old selves, for example, moving through their school day with 67 year old teachers, hanging on for dear life until they can get that pension benefit, in charge of their learning? That's just the tip of the iceberg of assaults this proposal aims to inflict upon teachers and state workers.

We pay teachers, those upon whom we rely to do a job that is extremely difficult and important in normal times and next to impossible in covid times, very modestly and not remotely equitably across the state. And now the proposal is for teachers to pay even more, work even longer, receive even less in retirement than under the failed Spaulding plan. I regret the legislature was not aware they would have to pay related costs that are increasing by a lot each year. It puts them in a tough spot. Saddling the very workers being recognized and called upon by our state officials to do the difficult and critical work they do with this additional large financial burden is, in my opinion, unconscionable. Teachers obviously don't go into this profession to get rich, but they do very much count on the health and retirement benefits to make up for what they lack in salary. The proposed plan would destroy that rather delicate balance so many educators put together to make the job work for them financially.

Governor Scott and others may feel there are too many teachers in the state, he's been beating that drum for a long time, so if this horrible new plan scares a bunch of them away, no big deal. Wrong. In my experience working three

decades in a poor rural school community, at any given time there were teachers working in the building who were not even trained and licensed educators because it was impossible to find enough to fill openings for essential positions. There is effectively a shortage of qualified teachers willing to make their careers working in schools that pay so much less than richer districts even within our own state. People with degrees and licensure requirements consistent with that of teachers can make many times the amount of money in private sector jobs. The additional "give" that teachers will be required to make under the proposed pension system is a bridge too far. It is insulting. I believe you will lose many prospective and young teachers, and the ones already decades into their careers will stick around ridiculously longer than they thought possible, all the while filled with the bitter taste of promises not kept. I urge you to rethink this. Thank you for taking the time to read this.

From: McDonald, Greg <gmcdonald@vhb.com>
Sent: Monday, March 29, 2021 7:56 PM
To: Testimony
Subject: Vermont State Pension Testimony: Private Sector Looking In

Hello,

I hope that I'm not the outsider here, being that I am a private sector employee hoping to voice my opinion on the proposed restructuring of the Vermont State Pension. As young professionals, my partner and I chose to move to Vermont, applied for a mortgage with a Vermont based bank, purchased a house, and would love to someday send our children to the strong public schools that Vermont has to offer (at least for the time being). We had done all of this after crunching the numbers and making the tough decision to turn down multiple offers within both the public and private sectors outside of Vermont, some of which provided better compensation in locations with similar or lower costs of living.

As a young Environmental Engineer, on track to receive my licensure as a Professional Engineer in the State of Vermont, I would love to continue to grow personally and professionally to create a better Vermont; However, I sincerely fear the long term and downstream impacts that this proposed plan will cause. I understand that the world we'll live in 40 years from now will be significantly different than today, as I work every day to clean up messes created decades ago. As such, I advise you to please step back and think about how Vermonters will look back on this decision years from now.

Now to be fully transparent, my partner is a product of a Vermont's public education system and a public school teacher. As a result of this proposal, we have honestly and sincerely discussed the possibility of leaving Vermont, selling our house, and bringing our skills elsewhere. Even at 29 years old people begin planning for their financial future. This is not just a public sector issue. This proposal will lead to irreversible harm to Vermont. It will draw talent out of both the State's public and private sectors, and more importantly it's economy. I hope we do not need to reconsider our choice to start our family in the beautiful state of Vermont.

With hope,

Greg McDonald
Staff Environmental Engineer



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From: Elizabeth Deutsch <elizabeth.deutsch@gmail.com>
Sent: Monday, March 29, 2021 7:42 PM
To: Testimony
Subject: Written testimony from today's hearing

In an effort to respect the time limit today I did not finish my remarks. Please accept them in their entirety.

Thank you
Elizabeth Deutsch RN

Good afternoon. My name is Elizabeth Deutsch, thank you for giving me this chance to speak to you today. I signed up to testify because of the gross unfairness of the proposed pension restructuring plan.

I am not an educator, nor a state employee - I'm a nurse. As a nurse, I know about having a job where people have to trust you when they are most vulnerable.

Being a legislator means that your constituents have to trust YOU with the issues that can create the most vulnerability in their lives. The times when their security and well-being are being impacted, and their future is most at risk. And for 30 years, the state of Vermont has gambled with the safety and security of our teachers and State employees.

The employees in this pension plan did their part. They paid their share, while the state didn't bother to make contributions as promised. Now, you're trying to insist that those who upheld their side of the contract pay more to cover the bad faith actions of those in government.

This is a breach of trust so egregious that even I, as someone who is not in the pension plan, felt compelled to speak out.

On Friday, only 21 representatives voted in favor of raising taxes on the top 1% to help address our financial shortfall. The other 125 of you voted to insist that it was those less able to pay - those essential workers who have put their lives at risk this year - who should be forced to pay more.

What this says to me is that I cannot trust you to take care of my community. That you are not interested in fulfilling your commitment to those of us who are not in the 1%, or who can't donate large sums to reelection campaigns.

This restructuring will primarily affect women, as they are the majority of teachers. It will cause people who gave their best earning years to public service to be short-changed.

The deal that the state struck was that if teachers stayed in teaching for a given amount of time -- in a job without bonuses or stock options -- they would get a solid retirement. Now the state is yanking that away from people. Why should younger teachers stay?

The state is willing to pay new people to come here, but won't honor the contracts it made with those who are already here.

This says to me you don't value Vermonters. You don't value our teachers and state employees. That I can't trust you to value someone like me: a nurse who is not in the top 1%, because I see how you are treating others who are also not wealthy.

You rushed this restructuring through in closed door sessions, from the safety of your own homes, while teachers and state employees have worked the front lines during this pandemic. You once called them heroes. Now you're trying to cheat them out of their retirement.

Public service is hard work. It deserves to be respected. The minimum amount of respect you as legislators can show to our public servants is to HONOR THE DEAL you struck long ago, and fund the pension.

From: Brown, Tracey <Tracey.Brown@vermont.gov>
Sent: Monday, March 29, 2021 7:41 PM
To: Testimony
Subject: Pension Testimony

To the members of the Vermont House Committee on Government Operations:

My name is Tracey Brown. I have been a social worker at the Department for Children and Families-Family Services Division in Burlington for 24 years. For all of those years, my job has been to investigate physical and sexual abuse of children, and to work with families around issues of neglect, substance use and family violence.

Under the current plan, I would be eligible to retire in 6 years, after serving 30 years with the state. Under the proposed plan, I would be eligible to retire in 18 years, after serving 42 years with the state.

Until now, I have not received any information from the State of Vermont that my retirement funds were at great risk or that they were being underfunded by previous administrations. No information was provided to me about likely changes to my retirement income or required years of service. It is completely unacceptable to drastically change the terms of our retirement at this stage in the game for the thousands of Vermont State Employees that have been faithfully contributing to this plan for years.

This proposal was created with no regard whatsoever for the financial, physical, and mental well-being of state employees. In my role at DCF, my colleagues and I are regularly required to go into potentially dangerous situations. We are threatened, verbally attacked, and at times our staff have been physically assaulted. The decisions we need to make are stressful and complex. There is often a public perception that we are doing too much or that we are doing too little. Exposure to traumatic events happens on a daily basis.

The pandemic has certainly created challenges in our work, but the truth is that our job was incredibly difficult before COVID, and it will continue to be afterwards. *This is not a complaint about my job.* I love what I do and I am committed to my work at DCF, as are my colleagues.

I would invite anyone who is in a decision-making role in regard to pension reform to learn more about the jobs that we do. When I look at this proposal, it is clear that there is a lack of knowledge about the physical and mental toll that these positions have on state employees.

Ask for permission to shadow a DCF social worker, a probation officer, a correctional officer or a state police dispatcher for a day. Learn more about what we do before you suggest that we add one or two more decades to our state service or reduce our retirement benefits. Find out what it means to ask a correctional officer to work in a facility until they are 67 years old. Find out what it means to tell a DCF social worker that they need to spend an additional 12 or 13 years being exposed to traumatic events on a daily basis.

Then, please go back to the drawing board and create a plan that makes sense for state employees-so that they can receive the retirement benefits that they were promised, can remain safe in their jobs, and in turn can continue to provide high quality services to the citizens of Vermont. This problem was not created by state employees, and the cost of fixing it should not rest solely on our shoulders.

Respectfully,

Tracey J. Brown, MSW
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Family Services Division
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From: Jeff Tobrocke <jefftobrocke@gmavt.net>
Sent: Monday, March 29, 2021 7:31 PM
To: Testimony
Subject: Teacher Pension Mess

Thank you for taking time to read my testimony.

My name is Jeff Tobrocke and I moved to Vermont in 1993 at age 26 to teach at CVU High School. Prior to that I taught public school in New York State for 3 years while also completing my Master of Education degree. When I moved to Vermont I realized a 28% decrease in my base pay as a teacher with 3 years of experience and a M Ed.

Vermont offers a life quality that many other places in the United States do not and that was my primary reason for relocating here to teach and start a family. I have done both of those things over the last 28 years and have 4 adult Children who still reside in Vermont.

Flash forward to 2021 and the proposed changes to the State pension system as recommended by Secretary Pearce and Speaker Kruinsky. If that were the circumstance in 1993, I would not have left a better paying job with a solid pension system to relocate to Vermont.

Ask yourselves this:

- How many young educators will migrate to our aging state to start a career and raise a family with your proposed pension chaos?
- How will the state of Vermont retain our young adults to work, live and contribute to our economy with these proposed changes?
- How many Retirees will leave Vermont to states and communities where retirement income is not taxed so that they can afford to live on less?
- What will all of the above scenarios do to the Vermont economy? How will Vermont attract young professionals and families?

You must recognise that your flawed Pension proposal is going to do more than demean all of the work that we as public service providers have done for the past 30 years. It will have disastrous effects on the economy and the ability to attract and retain young workers and families.

We have paid our negotiated share of the pension fund with the expectation that the State of Vermont will honor our agreement, not change the rules in the middle of the game.

Proposing and Passing these changes to the pension system is egregious and immoral.

Sincerely,

Jeff Tobrocke

--

Jeff Tobrocke

"Believe me, my young friend, there is nothing ~ Absolutely nothing ~ Half so much worth doing as simply messing about in boats"

~ *Wind in the Willows* ~

From: Lynn Zinger <lzinger@ewsd.org>
Sent: Monday, March 29, 2021 7:31 PM
To: Testimony
Subject: Teachers' Retirement

Dear Representatives,

I moved to Vermont as a 20 something when my now-husband, procured employment at IBM. I commuted from VT to Plattsburgh to work as a special education teacher for the first 4 years of my career. When I acquired employment in VT, I was informed that the Vermont Teachers' Retirement could not accept my out-of-state monies. I was informed that I would need to "buy" my years in New York to have them be represented in the VT system. As a young, growing family, we were unable to spend the money to do this. Currently, the price to "buy" my years is over \$20,000 per year of service. I have served my Vermont community for over 23 years and am being told that I will need to continue until 67 years old and unless I buy my time in New York, will not have that count. That is over four years.

To refuse to take my earned retirement from New York, ask me to pay for it as the price continually goes up as I near retirement, and then tell me I will need to add an additional 2 years onto my 65-year-old age is unbelievable. The 90 rule for me is really important as I planned to just forgo the time served in New York as a teacher, however wrong.

Teachers are the backbone of our community and state. I am dismayed that my adopted state has failed me at this most critical time.

Lynn Zinger
Essex Middle School
Special Educator

--

Lynn E. Zinger
Special Educator
Essex Middle School

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From: sabvt <sabvt@yahoo.com>
Sent: Monday, March 29, 2021 7:21 PM
To: Testimony
Subject: Pension testimony

Hello

My name is Stephanie Beck. I'm originally from the northeast kingdom; currently live in Colchester. I work at the VT Dept of Health on the response to the Covid pandemic and on substance use/misuse issues. I've worked for the state for almost 17 years. I'm my sole means of support.

The attack on our pension has been distressing. I cannot believe that cuts to our pension is even under consideration.

Vermont can do better. It should not be a race to the bottom. Vermont can do better. We should be a model for other states to replicate. Vermont can do much better.

My advice

First, Invest in state employees and teachers including our pension.

Second, find a dedicated revenue source such as the taxes generated by the new regulated cannabis market.

Sent from my Verizon, Samsung Galaxy smartphone

From: Angela Kunkel <ang.kunkel@gmail.com>
Sent: Monday, March 29, 2021 6:44 PM
To: Testimony
Cc: Matt Birong; Christopher Bray; Ruth Hardy; Diane Lanpher
Subject: Testimony from Angela Kunkel

When grappling with difficult issues with my students, we often open with two simple questions: What do you notice? And what do you wonder. I am adding these to questions to my prepared remarks, because as I sat through two days of testimony in its entirety, I noticed the following: The only two people to speak in support of the current pension proposal were not public servants, but two CEOs of two multimillion-dollar companies. Which prompts me to wonder--- why?

And now for the remarks I originally prepared, as someone who is very much personally impacted by the state's proposal: My name is Angela Kunkel, and I have worked at Vergennes Union High School since 2017, when my family relocated to my home state of Vermont. My husband and I bought a home here, we pay taxes here, our own children attend public school here. In short, we're the young family Vermont is trying to attract. I hope that the committee will grasp the gravity of how the current proposal impacts *all* Vermont educators and Vermont schools. I have been in this profession for twenty years. The teachers you talk to today have seen a sharp rise in standardized testing, have sat through lockdowns and school shooter drills. We've pivoted, with little to no notice, to remote and hybrid instruction. We've returned to classrooms to teach through a global pandemic. We've taught through budget cuts, changes to our health care benefits, district consolidations, reductions in force. And we've done *all* of this and more while paying our fair and *required* share, an agreed upon amount in a system *we cannot opt out of*, with the promise that we will have a secure and dignified retirement. And now, thanks to the state's mismanagement, we are told that we "have to do our part?" We *have* done our part. It is literally listed on our pay stubs in dollars and cents. So my question is this: Where do you think people's limits lie? Who will be left to teach in your classrooms? Teachers are also your constituents. They are taxpayers. They are parents. They have families and futures of their own. How many of us do you think will remain in the state and pay into a system that does not honor our work, our fiscal contributions, or our humanity?

--

[Angela Burke Kunkel](mailto:angela@angelakunkel.com)
www.angelakunkel.com

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[DIGGING FOR WORDS](#) (Schwartz & Wade, September 2020)

[PENGUIN JOURNEY](#) (Abrams Appleseed, October 2021)

[MAKE WAY](#) (Random House Studio, Spring 2023)

From: Scott Davenport <spauldavenport@gmail.com>
Sent: Monday, March 29, 2021 6:38 PM
To: Testimony
Subject: State Pension

Dear Representatives,

I love Vermont and I love teaching here. My wife and I are both teachers. We have a two year old son and are expecting another baby in September. We are fortunate to own our home and have wonderful neighbors. This is where we want to raise our family and work.

The proposal suggested by you and your colleagues tosses away that plan. It would be economically responsible for us to leave this state as quickly as possible and re-start our careers in any other New England location. With the retirement age pushed to 67 in Vermont, we would still retire sooner elsewhere.

Finances aside, being 66 and a classroom teacher rarely works. Most of my colleagues who retire do so because they can no longer muster the required energy of engaging a room full of kids. That should be the mark when a teacher must exit the classroom, not the age that coincides with social security. I trust each of you has experienced being in a wonderful classroom with an educator who was full of vitality and vigor. I also believe each of you had a teacher who should have retired before you sat in the classroom.

Gaining new teachers is important to a school. It helps keep everyone fresh and up to date with changes in education. Locking a teacher in until the age of 67 would make students suffer.

Another issue is if the retirement age shifts now, what will prevent it from changing in ten years? Our contributions may continually increase for an end date that keeps moving farther away. The trust and faith currently placed in our pension system will be erased.

I appreciate the fact you are looking for solutions to the pension problem. Please work to find a solution that does not devastate Vermont education.

From: Michelle Salvador <tele.vermont@yahoo.com>
Sent: Monday, March 29, 2021 6:34 PM
To: Testimony
Subject: Fw: Pension Testimony

To the Government Operations Committee, Speaker of the House Krowinski, Representatives Yacovone, Patt, Perchilik, Pollina and Cummings,

I cannot but help to highlight the irony that here we are, just a few days after Equal pay day. My name is Michelle Salvador, my pronouns are she/her, and I have dedicated 23 years of my life to public service as a Substance Use Prevention Consultant. I am the past Vice President of the VSEA, past Chair of the largest bargaining unit in the VSEA and founding Chair of Rights and Democracy, and my best role; mother to my 12-year-old son.

My work alone has brought millions of dollars into Vermont and contributed to the health and wellness of Vermonters both in my work as a Prevention Consultant and through my work over this past year on the pandemic. I speak for my comrades at Department of Health who were unable to sign up because for one year, we have been operating in Emergency status working nights, weekends and holidays, neglecting the health of ourselves and children to save the lives of Vermonters, your lives, while you've working to attack the future of ours. Additionally, it's not lost on us that this proposal is being forced through by a speaker who has historically worked for women and children and

now is leading this attack on women and children, and referring to it as "creating peace of mind". This is shameful at best.

The majority of the state workforce and the overwhelming majority of the education workforce are women (to be inclusive, people who are assigned female at birth). In 2018, the median-wage female worker earned 85 cents to each dollar her male counterpart made. In a year of full-time work, that amounts to \$6,365. This gap has been widening, not decreasing. Your draconian proposal will calculate my pension by using an average of 7 years of my service as opposed to 3 years, further widening that gap.

The pension is not a promise or a gift...it is an agreement. It is wages that are deferred. Wages I have earned over 23 years of service, and overwhelmingly the wages of women.

The wages of two income households are barely enough to get by in Vermont let alone the wages of a single income in a female one parent household like mine.

Last year, I sold my home looking to move closer to my son's middle school, COVID destroyed the market immediately after selling my home at a non-COVID price and made it inaccessible, especially for Vermonters. After being outbid by out of staters multiple times, on houses that were already way overpriced, I have been working to find land knowing that I cannot even afford to build the smallest house for a few more years because of the impact of COVID on building prices.

Our belongings are in a \$138 a month storage unit in the driveway of the place that we rent. We live paycheck to paycheck. In fact, the majority of state employees do, and many in our ranks even qualify for public services. Every penny is accounted for. Now, the attack on my wages could very well end our dream to build a home because these cruel, draconian cuts that you have proposed will interfere with my ability to take on a 30-year mortgage and it will impact my ability to continue to save for my sons education. I will be forced to take that small amount of money and put it toward a retirement that you are proposing to rob from me.

I do not have enough time before my retirement to make up for what my son and I will lose with your proposal, whose cut off will exclude me because I am 2 years shy of being within the 5 years of retirement.

Recent studies reveal that public pension benefits have positive effects on local and state economies. Studies also show that when public pensions are cut, there are negative economic consequences. Cutting pensions is irresponsible at best.

Never do I see any under the dome taxing the wealthiest among us the way that you continually balance the budget on the backs on worker's, especially the backs of women and children. We have held up to our end of the contract in fact we have given much more, it is time for you to hold up to your end of the agreement that you made with us.

Michelle Salvador, Worcester Vermont

From: Robin Hersey <robinhersey@gmail.com>
Sent: Monday, March 29, 2021 5:52 PM
To: Testimony
Subject: Pension changes

I agree the pensions systems cannot survive the status quo, but it is a travesty and betrayal to force State Employees and Teachers to shoulder the majority of the burden. We voted you into office believing that you had not only the State's best interests at heart but also the teachers and State employees. We will remember who didn't support us during the next election cycle.

I've had a number of step freezes, holidays negotiated away, and a yearlong 3% pay cut. No tax increase for Vermonters in 2010 because the shortfalls were borne entirely by State Employees. I still worked as hard as ever.

When fully staffed State Employees' workloads are overwhelming. Believe me the proposed changes will decimate the existing staff with a mass exodus of employees.

I have always had to take my work laptop with me on vacation as do my team members. A few years ago, I was in London ready to go sightseeing. I checked my email before I left and spent the next two hours fixing a childcare payroll issue. Not because I had to or wanted to but because of my moral obligation to childcare providers to deliver payment when due as promised by the State.

I faithfully paid into a mandatory pension plan, when my financial planner strongly advised me to find employment in the private sector because an annuity plan would not be in my best interest. I told her that I would rather have a guaranteed pension and make less money over the course of my lifetime rather than risk not having enough money to retire with dignity. My grandparents and parents lived in poverty because of the meager amount they received from SS.

The IRS definition of vested is as follows and I quote ""Vesting" in a retirement plan means ownership. This means that each employee will vest, or own, a certain percentage of their account in the plan each year". End quote.

We're asking legislators to keep the State's promises to State Employees and teachers. If for no other reason than because it's the principle of the thing. What is a person without their principles? Absolutely nothing.

From: Daniel Amadon <damadon@svsu.org>
Sent: Monday, March 29, 2021 5:36 PM
To: Testimony
Subject: Do better then what is proposed

Correct Retirement Proposals,

My name is Dan Amadon I am a 31 year veteran teachers here in Bennington Vermont. I have two points. First to explain this shortfall by saying we have not been able to recover from the great recession is too simplistic. The truth is that you have underfunded this almost every year since I started teaching. Now the solution is take cuts. Even if you take the recession impact the cuts far outreach the level of cuts that you are prop prosing. Why – Because you never had the intent to follow through with what you have agreed to. So figure out how this got so screwed up, and come up with a reasonable plan, because what you are proposing is not reasonable?

The second aspect is that I teach in a border town where you can earn more by driving 20 minutes in one direction or 30 minutes in another with reciprocal certification in Mass as well as New York State recently changing the rules making is much easier for former Vermont teachers to work for them. Our school district over the past 10 years has been becoming younger and younger. What do you think is going to happen if you gut the retirement benefits?

What headlines are you going to make. State legislator makes teachers' pay for their mistake, or state legislators find a better solution to deal with years of underfunding, the choice is yours.

From: Clifford, Shauna <Shauna.Clifford@vermont.gov>
Sent: Monday, March 29, 2021 5:29 PM
To: Testimony
Subject: Pension Stabilization Testimony

My name is Shauna Clifford.

Overall, I have 31 years of state service. At this time, the present proposal does not affect my retirement; however, it will effect many of my coworkers. The various individual aspects of this proposal are utterly egregious, and many others have already given testimony to that fact.

I do feel that I would be remiss if I did not convey that this proposal will be detrimental to ALL Vermont taxpayers. The intention of the plan may be to address the retirement fiscal crisis, but this is extremely short sighted and will actually cost Vermonters much more in the long-term. Some of the negative effects that this plan will generate include the loss of senior employees, which translates to loss of institutional knowledge, increased challenges in attracting new hires as well as retention of current employees.

I have worked for Vermont Agency of Transportation Maintenance Bureau in District 7 for the last 21 years. My position is the District 7 Project Manager. I work with 42 towns and villages on grants and other highway related matters. These communities rely on assistance given by the District 7 staff. We are a constant; they know that they can contact us for anything and we are there to point them in the correct direction – even if not Vtrans related. In addition, the technical staff of each maintenance district manages and facilitates multiple culvert, paving, and bridge projects. I have been diligent in preparing my staff for my impending retirement; my goal being to transfer

knowledge/history gained over the years. But it can be assured that is not the case across the board and the urgency that employees will feel to “get out while the getting is good”, will lessen the succession planning process.

Who do you think will ultimately suffer when state employees decide to prematurely and expeditiously separate from their government positions? It will be the Vermonters that we serve. The uncertainty of future retirement benefits has already caused a mass exodus of talented state employees. If this proposal becomes a reality, state government will lose many more. These will be the people that really don't want to leave because they love their jobs and take pride in what they do; we want to make a difference and make our communities better. These will be the people that feel that they cannot take the chance to stay to receive a minimized retirement. These are the people that will make a rushed decision, feeling that they have no option. When these people leave, an immense amount of institutional knowledge will walk out the door.

However, not all will be lost...Is this the beginning of privatization? Perhaps, as these employees will go work for consultants that the state will hire back because there aren't enough people to cover the ever increasing workload. Consultants may fill an immediate void, however, they don't necessarily have the same feeling of investment as our employees do.

The workload for state employees continues to grow. The hiring freeze has certainly made things more challenging; we have been working with a staff shortage, with the expectation that the work still needs to be done with no effect to our customers. And when the freeze is lifted on certain positions, VTrans is confronted with finding candidates to fill them. If we do find employees, retention is another challenge that

certainly won't improve in this current environment. What incentive is there to stay? I would speculate that to be the case statewide.

The impact of this proposal will be horrendous and our customers will suffer. This may be an unintended effect, but it will be an effect none the less.

Respectively submitted,

Shauna Clifford

St. Johnsbury, Vermont

From: Ian Davis <ian.ddavis@outlook.com>
Sent: Monday, March 29, 2021 5:20 PM
To: Testimony
Subject: Written Testimony - Public Hearing on Pension Stabilization

Good Afternoon.

Thank you very much to the Committee for the opportunity to speak with you today in support of the very meaningful pension reform efforts being put forward this legislative session. These issues are extremely urgent, and we cannot afford any further inaction. The time to act is now.

I come before the committee today to offer the perspective of a younger member of the business and taxpayer community that will stand to inherit the negative ramifications of inaction this year.

I am a young professional, a native Vermonter, and someone who is deeply concerned by the State of Vermont's unfunded pension liabilities, which have increased by an additional \$1 billion dollars over the past year.

The message I want to convey is simple and straightforward; we cannot strive to achieve meaningful change on issues important to everyday Vermonters without taking steps to reduce our liabilities. The status quo is not viable or sustainable—and frankly has not been for quite some time. Taking steps to reduce these liabilities - currently \$5.6 billion dollars - will help ensure there will be public funds available to support other important services for needy Vermonters and businesses as we emerge from the COVID-19 pandemic.

The time is now for members of the legislature to do what previous legislatures have failed to do – pass meaningful pension reform and ensure that future generations of Vermont taxpayers will not inherit the full force of these expanding liabilities.

Thank you very much for your time.

Respectfully,

Ian Davis

From: Carmen L. Carone Winchester <clwinchester2010@hotmail.com>
Sent: Monday, March 29, 2021 5:19 PM
To: Testimony
Subject: Testimony for Pension Proposal

My name is Carmen Winchester, I'm an elementary teacher, have taught for 23 years, ten of which have been in Vermont. Your proposal for increasing my pension contributions, and reducing my retirement income, after the state mismanaged its funds is obscenely unfair.

I'm confused why we should trust you'll manage the fund appropriately now?

- You have provided no evidence that you've developed an overarching long term commitment plan, and I don't see where you've put much effort into solving the problem.
- You have provided no transparent explanation of how the funds were mismanaged, nor have we heard an apology to us taxpayers from you.
- Teachers/state employees have been paying their fair share every week for years. Yet you are making us an easy mark to fix something that is the whole state's responsibility. This burden should not be placed on them. It's about time for the state government and legislature to make the hard decision to fund the pension adequately by raising broad based taxes if necessary.

While the Biden administration is moving to tax the wealthiest Americans, you just disgracefully voted down a proposal last week for an amendment that would have added a 3% surcharge to any income over \$500,000, but instead you're focused on proposing to raise our contributions by 7 and a quarter %. Governor Scott supports not further taxing the wealthiest Vermonters, but does support to increase our pension costs, while lowering our benefits. It's clear Vermont government officials are "all in this together" with the wealthy, and NOT the working class of Vermont. WOMEN, especially are being treated inequitably, as many others have quoted how many of our employees are women. with this proposal with more than 75% of Vermont teachers being women, and more than 51% of the state employees are women."

My suggestions: Go back to the drawing board. Use that ingenuity you claim to have at election time, to find creative ways to leverage the billions of extra federal dollars Vermont has received. Use the surcharge to tax the wealthy. Raise the property transfer tax on second home purchases in Vermont. Dedicate a portion of marijuana tax revenue to the pension fund. Raise taxes on alcohol and tobacco. If you push this proposal through, how many Vermont educators, state employees, potential families, and new teachers will you drive away?

From: Betsy Nolan <btzlou@gmail.com>
Sent: Monday, March 29, 2021 4:51 PM
To: Testimony
Subject: Testimony RE: Teacher Pension Plan

My name is Betsy Nolan, Thank you for hearing me today. I am a music teacher in Burlington and one of the folks who would be cataclysmically impacted by each of these proposals. But I am not going to focus on the negative impact on me. I want to talk about the negative impact on Vermont.

These proposals will push young teachers out of the profession to states like Massachusetts and NY where they can work for a reasonable number of years, with adequate pay and collect a better pension than they can get in Vermont. This makes teaching not a viable career for the young professionals we claim to want living in our state. This drain of human resources will add additional stress on districts who already struggle to find qualified teachers leading to the hiring of unqualified people to fill these spots. This WILL lower the quality of education in our state which will also negatively impact the recruitment of young families.

In addition, Retired teachers will move out of VT taking their retirement income and savings with them because they will not be able to afford to stay and pay for the higher housing and food costs that come with living in this beautiful state.

This plan asks teachers to pay more now while simultaneously saving more for their lowered retirement benefit plus taking on shared risk for a plan they have no control over. This is not a cost saver for Vermonters it is a cost shift from the state whose governance allowed forty years of mismanagement that created this crisis during the longest bull market in US history onto teachers, towns and property tax payers who will need to make up the difference with increased teacher pay and teachers staying at the top of the pay scale for decades.

Please slow down, study this issue and find a dedicated funding source to solve this problem for good. For example the taxation of the upcoming retail marijuana market or reinstating some of the 4% Trump tax cut on our wealthiest neighbors. Finally Don't call any cuts to the benefit or increases to what teachers pay a compromise. This deal has already been made. That's not a compromise; it's a betrayal.
Thank you for your time.

From: Roger Murphy <rogerwmurphy@gmail.com>
Sent: Monday, March 29, 2021 3:47 PM
To: Testimony
Subject: Pension Proposal March 2021

Dear Legislators,

I'm not here to get into the specifics of your proposal, nor am I here to advocate for any specific remedy for the current situation. I believe that given the rudimentary nature of the proposal, however, it's clear that there is a lot of work to be done until a fair and equitable arrangement is agreed upon that will both meet the obligations the state has agreed to, and the challenges of the system as a whole due to underfunding, poor investment choices, and incompetent oversight.

This agreement, a contract between me and the state of Vermont which I love dearly, was not agreed upon just once when I was hired by Stowe High School in 1997, but it was reinforced with every single withdrawal from my 25 paychecks each year, and with each explanation of benefits mailer I have received annually since. To date, my retirement plans have been reinforced by my employer and the state around 600 times. To suggest that only those within 5 years of retirement would be affected by the dramatic changes to their pension is a display of willful ignorance. If you all are waiting until 5 years of retirement to plan for your future, I suggest you sign up to audit my Financial Literacy class.

So this got me thinking. You all are elected by your constituents, so I assume they must see you as competent, forward thinking, and working for the best interests of their community. The only evidence I have to the contrary is this plan that you released. This has led me to one conclusion--

--that you are offering this plan in bad faith as the opening salvo of what you expect to be a contentious process. I would be shocked if there are any among you who thought this would actually end up on the governor's desk. Rather, like a cheap-suited used car salesman, you threw out a lowball offer on a trade-in, knowing that it would be met with such resistance as we have seen in the last several days. Perhaps you thought that it would be a good negotiating position, to start with an offer so low, so that any ground the workers gain through negotiating would seem a victory. Unfortunately, coming to an agreed upon solution regarding the future well being of retired teachers, state workers, corrections officers, state troopers and others is not like buying a used vehicle off of Craigslist. Throwing out a lowball offer on a Subaru with a weeping head-gasket may be acceptable in that forum, but you threw out a similar offer to thousands of Vermonters working hard every day for the current and future benefit of all people in our state, and the insult is not so easily forgiven.

Get back to work. Generously and in good faith engage those affected by your decisions in the process itself rather than asking for feedback once your proposal is released, and reconsider the long term harm this plan would have on individuals, families, communities, and the great state of Vermont.

Sincerely,
Roger Murphy
VT Teacher since 1997

From: Catherine, Paula <Paula.Catherine@vermont.gov>
Sent: Monday, March 29, 2021 3:42 PM
To: Testimony
Subject: HGO pension plan

I am writing about the HGO's pension plan. I have worked in child protection for 18 years. I have paid into the retirement system for 18 years. This job is very difficult and very important. I have earned my Masters and my LICSW to do this job well. As a child protection worker, I enter homes unannounced to address child abuse and I do not carry a gun. I **should not** be expected to work past my prime, as children and families in our system deserve more, as do I. I am 55 and I can't imagine doing child protection work another 13 years. Please honor the contract.

Sincerely, Paula Catherine

From: Douglas Anton <antond@hartfordschools.net>
Sent: Monday, March 29, 2021 3:28 PM
To: Testimony
Subject: Proposed Changes to Teacher's Pension

Good morning,

I wanted to share my thoughts on the proposed changes to the VT State Teachers Retirement System. My name is Doug Anton and I teach social studies at Hartford High School in White River Junction, VT. I teach a variety of classes including Global Issues, Justice, and Economics, and I serve as the chief negotiator for the Hartford Education Association. I have been an educator in Vermont since I graduated college in 2011, and plan to spend my entire career here in Vermont.

I'm sure you have received many calls and emails from many concerned, frustrated, or even angry teachers. Let me preface this by saying I hope to represent my concerns, as well as those of my colleagues across the state, in a reasonable and objective manner. I harbor no anger or resentment towards any individual legislator, and I won't pretend to understand the political environment enough to make claims about the political impact of supporting these proposed changes. What I do hope to bring is a closer examination of the proposed changes and a discussion of the possible impact.

When reviewing the proposed changes, I completely understand the reasoning behind them. I hope many legislators agree with me when I say I do not believe it is fair to blindly call for the state to continue to fund an increasingly bigger and bigger share of the pension's liabilities without making systemic changes. To that end, let us consider the specific impact of each of the four proposed changes:

1. Increase employee contributions. I have no issues with this element of the proposal, as it is one of the simplest and more consistent ways to improve the current underfunding situation. I wish more attention was paid to the fact that most teachers can expect significantly more than their contributions + interest over their lifetime pension benefits. The state (and thus taxpayers) should not be overly burdened by this. I believe that most people (teachers and tax payers) do not have a clear understanding of this and improved understanding would benefit all.

2. Reduction in COLA benefits. I can see the logic in this as well, however a compromise is highly desirable. I appreciate that the proposal includes a COLA benefit up to \$24k, with an increase to the threshold dependent upon overall funding levels. However please understand that if it is the hope of the legislature that Vermont teachers retire and continue to live in Vermont, this is a critical element. Historically, we know that things like property tax, groceries, and energy sources increase in cost every year, and a system that doesn't keep up with said costs will slowly but surely leave Vermont retirees behind and potentially forced to live elsewhere.

3. Changes to AFC Calculation. I am not personally opposed to an adjustment to this part of the plan either, however the jump from 3 years to 7 seems significant. In the interest of moderation and compromise, I think a change to 5 years would be more palatable.

4. Changes to Rule of 90/eligibility age. This is the element I take the most issue with, not only because it impacts myself and many of my colleagues the most significantly on a personal and career level, but because of the several unintended consequences that would inevitably occur as a result. Under the current system, someone could graduate college at age 22, immediately begin teaching in Vermont, and teach for 35 years before retiring at age 57 with a full benefit. Under the proposed system, that same individual would have to teach for an additional 10 years to receive the same benefit. As the field of education competes with other more financially lucrative industries, this proposed change only makes Vermont schools even less appealing to the best and brightest college students considering education as a career.

Additionally, please consider the local impact fiscally of this change, as well as the indirect (and unintended) impact on the quality of education of Vermont's children; rather than replacing the retiree with (likely) a younger teacher lower on the salary schedule (and thus "costing" the district less), the individual from our earlier example would teach for an additional 10 years, likely earning the maximum salary. Additionally, what might we reasonably expect that teacher's individual effort and efficacy may be? Perhaps this is a taboo topic, and certainly I am generalizing, but there is research to suggest that older teachers are less likely than their counterparts to be rated as highly effective by their administration (https://ies.ed.gov/ncee/edlabs/regions/northeast/pdf/REL_2017189.pdf). In summary, many highly motivated and capable individuals who might otherwise consider teaching in Vermont will be turned away at the prospect of a required 45+ year career, local districts will spend more and more on salary for teachers at the top of the pay scale, and aging teachers may not be putting forth their best effort, especially those who were halfway through their career at the time of this change and may thus feel "trapped".

If the goal of this proposed change is to create a system in which retirees are receiving their pensions over fewer years (as they are starting their pension withdrawals at an older age) there should be a middle ground option between what currently is referred to as early retirement and waiting to take the full benefit at SS retirement page. Age is an inherently unfair device to use for eligibility; some teachers may start right out of college while others switch from other careers. Years of service is a much better and more equitable measure of when someone should be eligible. One additional solution to this is to exempt any current working teachers, who have been saving and contributing to the system for years with a certain set of assumptions, from some of the more significant cuts to the current plan. I realize that this is a somewhat selfish suggestion, but it would at least allow those who enter the teaching workforce to do so with full knowledge of the pension system they can expect. Imagine the frustration of a 50 year old teacher, who has saved for retirement all of her life with a certain expectation from the pension, only to have that drastically changed as she nears retirement age. I am lucky enough to benefit from many future years of personal investment returns....others are not so lucky.

I sincerely appreciate you taking the time to read my thoughts, and for your work and consideration of how to fix our current pension deficit as well as make systemic changes to support the long term success of such a system, as it has the potential to be one of the most attractive recruiting tools for young teachers as more states around us lose their pensions. Solving this current financial problem presents a real opportunity for the pension system to be reworked to become more fair, more transparent, better understood, and most importantly, fully funded. Combined with the pandemic related federal funds, I hope that this opportunity is not missed.

Best,

Doug Anton

From: Hopper, Kay <Kay.Hopper@vermont.gov>
Sent: Monday, March 29, 2021 3:22 PM
To: Testimony
Subject: Re: Pension Protection vs Pension Manipulation

Fyi

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From: Hopper, Kay
Sent: Friday, March 26, 2021 6:59:56 AM
To: testimony@leg.state.vt.us <testimony@leg.state.vt.us>
Subject: Pension Protection vs Pension Manipulation

Subject:
Pension Protection vs Pension Manipulation

Hello,

I recently learned how insolvent the pension system is.

I would like to address the issue of recent information regarding recommended changes to our pensions. I am shocked that the State did not contribute to the teacher's retirement system for several years. This negatively effects all State retirement systems, as the money is invested in a pooled account. This feels like the money was stolen from employees, especially after the most recent proposals asking employees to pay for this. This is a break of contract. I feel like the recent proposals and recommendation to change our benefits would adversely affect the State. This is already encouraging folks to leave State employment, creates a break in contract with existing employees, discourages possible new hires to mistrust the pension benefit, establishes a feeling of mistrust, and frankly seems illegal.

Please strive to create another solution to keep our pensions protected, so we can count on our retirement system.

Could a specific, temporary tax of the wealthiest individuals and/or businesses in Vermont be created to fund this deficit?

This email includes an attachment named, *Pension Protection vs Pension Manipulation*, discussing my concern over the attempts being made to manipulate the pension benefits.

Thank-you,

Kay Hopper, EIT | Civil Engineer
Highway Division | Asset Management Bureau
Bridge Deterioration Analysis and Bridge Management System
Suite 201 @ Barre City Place
219 North Main Street | Barre, VT 05641

716-885-3418 home cell: talk, text

802-371-9365 work cell: talk, text, voicemail, e-mail

Kay.Hopper@vermont.gov



From: Nikki St. Mary <nstmary@sbschools.net>
Sent: Monday, March 29, 2021 3:11 PM
To: Testimony
Subject: Pension Funding

I am shocked and saddened by the most recent proposal from the legislative leadership re: teacher pension funding.

Vermont public school teachers have been going to school and/or teaching on-line through a global pandemic and NOW you want to ask us to contribute more, work longer, and get fewer benefits? If it weren't for the Covid restrictions, I would invite you into our school to spend one day in a teacher's shoes, that might change your mind!!

When the federal Covid funds come through you have an unprecedented opportunity to do the right thing--use those funds to shore up our pension fund. We have done as asked and contributed our fair share. We have even rescued the fund with an agreement to work longer and contribute more in recent history.

Now is not the time to put this burden on the backs of teachers. I urge you to use the federal dollars to shore up the fund and then find a dedicated revenue stream such as the one outlined in [Senate Bill S.59](#) and put the burden for this on the state, not on the backs of teachers who have consistently shown up, done the most important work there is: teaching our children and who have contributed what was asked of us to our pension fund.

Please look to the example set by the Senate with Senate Bill s.59 to find a better direction to honor the work of teachers rather than disparage it with your current proposal.

Nikki St. Mary ([she/her](#))
School Counselor-SBHS
Office located in the Math Dept. Center (room 223) this year
802-652-7065 (Office)
802-652-7371 (Fax)

Student Meeting link:
<https://calendly.com/nstmary/-meeting>

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From: Stephanie Bruning <sbruning@cvsdvt.org>
Sent: Monday, March 29, 2021 3:08 PM
To: Testimony
Subject: testimony for 3/29 House Government Operations committee hearing

Hello. I am a devoted teacher since 1996. I am supposed to be 9 years away from retirement.

Consider this angle about decreasing my and other hardworking teachers' retirement. When I split with my husband, I did not want to give my teacher's retirement to him because of the blood sweat and tears that have (and will) come with this retirement money. So...in order to negotiate this, I gave him every cent of my private IRA and 401K. So, by reducing my retirement, you are literally taking a chunk of what I have left away, And you are doing this to a single mother of two. Imagine how many people are in my shoes as well.

Stephanie Bruning

--

Stephanie Bruning

CVSD VLA Middle School
Science

From: Mairead Harris <mairread.harris@gmail.com>
Sent: Monday, March 29, 2021 1:43 PM
To: Testimony
Subject: Pension plan proposal

My name is Mairead Harris. I was born and raised in Vermont, attended Vermont public schools, and stayed in Vermont for higher education, graduating *phi beta kappa* and *summa cum laude* from Middlebury College in 2009 with a degree in Chinese and Spanish, and from UVM with a Master's in Education in 2019. After graduating from Middlebury, I spent two years living and working in China, and I returned to my home state with a renewed appreciation for the outstanding education I had received here growing up. I became determined to work as a public school teacher.

I was fortunate to find a full-time position teaching Chinese at Stowe Middle and High School in 2013. Since then, I have worked tirelessly to build a Chinese language program from scratch. Like many educators, my work does not stop when the school day ends. I coordinated a student exchange program, established a teaching internship, took students to China, New York, and Boston, and fundraised to make the program affordable to all. My former students are studying Chinese at universities across the US. Their language skills and cultural competency will be a crucial asset to our country in decades to come. I am so very proud of them.

Unfortunately, I find myself too exhausted to go on. I devoted eight years to our state's public schools, giving until I could not give any more. After many tearful deliberations, I have made the difficult decision to leave my job in June of this year.

Under the proposed plan, teachers and state workers would not become vested in the pension system for ten years. People like myself would be left with one choice: withdraw our own contributions, penny for penny, with none of the growth the state gained on these contributions, pay taxes on the balance, and, years too late, invest the remainder elsewhere in the hopes of making up for lost time.

This is one of many details of the current proposal that strikes me as poorly thought out, without regard for the impacts on current employees in the middle of careers that have already been marked by two massive financial crises. Any viable plan for moving forward will include protection for *all* of us who have already made life decisions and paid our fair share to the state, whether we have been contributing for one year or thirty-five.

From: Cindy Cole <ccole@cvsdvt.org>
Sent: Monday, March 29, 2021 12:40 PM
To: Testimony
Subject: State Pension Program

I am writing to ask the legislature to take a look at other ways to solve the State Pension Problem. The current proposal will not solve the problem in the long run. The current proposal would discourage young people from choosing State and teacher positions in our State. At a time when we already face teacher shortages in Vermont and have unfilled State positions, this proposal would discourage highly qualified people to support our education and State systems. Please consider a different approach. Thank you . Cindy Cole

--

Cindy Cole, M.A.
Director of Psychological Services
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802-871-6026

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From: Bryn Keenhold <brynkeenhold@gmail.com>
Sent: Monday, March 29, 2021 11:41 AM
To: Testimony
Subject: Young Vermonters VSTRS Testimony

Hello, my name is Bryn Keenhold, I am a second-year resident and teacher in the state of Vermont. I am 28-years old.

I write today in regards to proposed changes to the VSTRS.

As we all know, Vermont struggles to maintain a young population. While there may not be as many benefits (read: pay) or opportunities (read: jobs) in Vermont as there are in other states, when my partner and I were finishing our graduate programs in Maine and hoping to relocate and settle down, Vermont was a serious contender.

We were drawn because of the outdoor recreation activities, open spaces, and strong education system for our future children, but we were also cognizant of how moving to a rural state could impact our future/retirement. We were both offered jobs in surrounding states for more money, but decided to settle for less so we could be in Vermont.

Because the teacher pension in Vermont was comparable to the surrounding states, we convinced ourselves that we were making the right decision. Convinced ourselves. Young adults shouldn't have to convince themselves that moving to a state is a good choice for the future. I'm worried that the changes you are proposing to the pension system would make it unrealistic for anyone in my situation to be able to convince themselves to move here. I'm worried that I wrongly convinced myself to come, and that I will have to relocate again.

Changing the pension plan in ways that have been outlined will deter young teachers (and the immense creatively/technological advances that they bring) from considering moving to or staying in Vermont. Because, why not live in another state with a better retirement plan, higher salary, and, likely a better job/opportunity for a partner? I mean this in the nicest way possible to my older colleagues, but to prepare students for the technological advances that will come in the 21st century, the system NEEDS a constant influx of new, young teachers. As a teacher in the system, I know I will be relying on new blood to show me the newest technological advances, just as my colleagues rely on me now. Professionally, I will need this. Personally, as a future Vermont parent, I do not want my children being taught by teachers in their late 60's who are out of touch with technology -- not to mention likely sour about having to work ten years past their original promise.

To get rid of the rule of 90 in Vermont means that I, as a young teacher, can anticipate that I will have to work NINE additional years than if I moved across the border. As a young Vermonter, this proposed plan reads: go start and raise your family in another state. I've been here for two years and don't have deep roots yet. Convince me to stay. Why should I?

I hope that you can consider how changes to the pension plan will not only affect teachers who have been paying into the system for years and have been counting on this retirement plan, but also young educators looking to move to (and stay in) Vermont. Please do not make it harder to move here; convince me that I made the right choice.

Thank you for your consideration.

--

Bryn Keenhold
ESS and Biology Teacher
Essex High School
bkeenhold@ewsd.org
(802) 857-7149

Pronouns: she/her/hers

Dear Lawmakers,

My name is Kayla Poljacik. I teach 2nd Grade here in VT. Thank you for holding this meeting to listen to us.

First I want to ask, why did you run for office? Was it to make a positive difference in the lives of the people you represent? Was it for some kind of self benefiting interest? Was it because you had an agenda, such as to make VT affordable for the people who live here? I'm willing to bet that many of you would answer that you wanted to make a positive change for our state.

Ask any teacher why they became a teacher. Teaching is not an easy job. We spend all day with a group of young children, trying to educate them while meeting all of their other individual needs. That alone is tiring. Then we spend every day after school planning lessons, correcting assignments, responding to parent emails, attending committee meetings or IEP meetings, and so on. We spend our weekends pouring over data for report cards and our vacations collecting and planning ideas for units to come. We spend our summers taking courses to keep our licenses up to date. We also spend countless hours at school over the summer preparing our classrooms for the upcoming school year. On top of that, teachers spend money out of their own pocket all the time for needed classroom supplies. So why do we do it? It surely isn't for the pay or the so called summers off. Neither of those reasons would be worth it. We do it because it is our calling. We want to make a difference in the lives of our students and have a positive impact on the community as a whole. It is how we contribute to the betterment of society.

Franklin D. Roosevelt observed that, "Democracy cannot succeed unless those who express their choices are prepared to choose wisely." Therefore, the real safeguard of democracy is education.
(Hoffman, E. 2014 *Educations as Key to Democracy*)

As lawmakers, do you wish to preserve our democracy? I should hope so! Show us that you believe in and support the public education system by respecting its teachers. Do not make teachers pay for mistakes that they did not make. That would hardly be “justice for all,” as we are promised in our country’s Pledge of Allegiance. It wasn’t teachers who mismanaged pension funds. It was our government officials.

If you took office for a reason like our Governor, Phil Scott, to make VT an affordable place to live, please don’t forget that teachers live here too. We work and pay taxes and want to be able to afford to live here as much as anyone else. Let me give you a breakdown of my paycheck. I am a teacher with a Master’s Degree and 14 years of experience. My biweekly gross pay is \$2,119.31. Six percent of that goes to the Vermont State Teacher Retirement System, without a choice by the way, which is \$127.15. Health insurance is a \$300 deduction. Then between dental, life insurance, union dues, 403B, state and federal taxes, another \$414 is taken out for a grand total of \$1,278.85 take home pay for 2 weeks. Nearly half of my pay is already being deducted from my check. Please don’t take any more.

People who lay tile make more than teachers. People without college degrees work at GE Aviation for a considerable amount more than teachers make. I could go on, but you get the idea. Teachers cannot afford to make up for the funding deficits in this state, but there are people in this state who can afford it.

Let’s look at the wealthy who benefited from this pandemic. With low interest rates on mortgages, they were able to come to Vermont from New Jersey, New York or Connecticut and buy 2nd homes! Then, when the schools were closed in their home state, they had the luxury of working remotely from their 2nd home so they could send their children to Vermont schools! Enrollment at schools like Killington Elementary skyrocketed this year from all of the out-of-staters moving in so their children could go to school in person. It was Vermont teachers who risked their lives to make this possible! And now, our own state is looking to punish us? To take

away what was promised to us? How are you going to keep teachers in this state?

Did you know that right across our state border in New York, the retirement age for teachers is 55? They are vested in the pension system after five years. There are teachers who live in Vermont but go to Whitehall or Granville to teach because the pay is higher and the benefits are better! If you pass these proposed changes to our pension system, why wouldn't more teachers do that?

I just can't believe that in the middle of a global pandemic, when teachers have stepped up and continued working throughout this whole thing, our state decided that now is the time to fix the pension funding by taking money out of our pockets. You expect us to work longer for less money. Do not disrespect us this way.

Bernie Sanders has a great idea called the 99.5% Act which would collect more taxes from the top .5% of Americans. There's another plan you could spend some time looking into as a source of tax revenue for the state. I urge you not to take any action until you have come up with a solution that does not involve punishing your already overworked and underpaid teachers for someone else's mistakes.

In conclusion, I would ask you to reflect on why you ran for office. Who are you trying to help? Whose side are you on? Make the right choice.

Public Hearing on Proposed Pension Changes
House Committee on Government Operations

Michelle E. Thompson
Public Health Industrial Hygienist, Vermont Department of Health
Milton Resident

On February 3, 2020, I was activated to the Health Operations Center (HOC). As the Vermont Department of Health's Public Health Industrial Hygienist, I serve as the HOC's Safety Officer. The Safety Officer assesses safety hazards and works to ensure personnel safety during response activities. Before we were all sent home in mid-March, I spent more than six weeks huddled in a conference room with some of the Health Department's brightest and most dedicated staff trying to understand what SARS-CoV-2 was and preparing for Vermont's first case.

Health Department staff have been responding to COVID-19 for fourteen months. Let that sink in. For fourteen months Health Department staff have worked endless overtime, nights, weekends, and holidays. They have foregone their own health and well-being for the health and well-being of Vermonters. For the health and well-being of you. They missed out on endless hours of family time to ensure that you and your families were safe and taken care of. The same goes for all state employees and teachers during this pandemic. We were all staring to see the light at the end of the tunnel, but unfortunately, that light has been extinguished with this proposal.

I was listening to a committee meeting and was struck by something the chair said. She said that the exemption for those within five years of retirement is not a magic number. She noted that those people are making plans for where they are going to live and what they are going to live on, and it does not make sense to make changes to those people planning their retirement.

I may only be 32, but I AM planning my retirement. I have been planning my retirement since the day I took my first job out of college. I made strategic and diverse investments early on to set myself up for early retirement if I wanted to.

Five years ago, I left my home state to come work for the State of Vermont because of what the state could offer in terms of lifestyle, job satisfaction and pension benefits. I took a pay cut, said goodbye to quarterly and annual bonuses, and lost 100% paid short-term and long-term disability benefits, but having a pension in addition to my other investments was worth those losses. As a new state employee, I continued to make my retirement plans - strategically, based on the retirement group I entered upon hire.

I made life and family choices to move and grow my family in Vermont. We are taxpayers. My husband and I bought a home big enough to grow our family in. We have been making improvements to our home with the full intention of establishing and maintaining roots in Vermont. Our daughter will eventually go to the school that backs up to our backyard. All

these life changes required planning along the way, which included factoring in how these life changes would impact our savings and retirement plans.

These proposed changes undermine all the reasons I moved to Vermont as a young professional. Myself, along with my fellow state employees and teachers ALL have made our retirement plans. We made these plans on our date of hire. Anything less than what we were promised is unacceptable.

The retirement group I entered upon hire is the VSERS Group F*. In this group, I contribute 6.65% of my paycheck. I am vested after five years of service. My normal retirement age is 65 or when the combination of my age and years of service equals 87. The equation used to calculate my pension benefit is years of service x 0.0167 x 3 year AFC. Each year I receive an annual statement outlining what my pension benefit would be at normal retirement, what I have earned to date, and what my pension benefit would be if I left immediately. This is clear cut and well defined. No where does it say that these criteria are subject to change.

While I do not have the time or expertise to make financial projections, here is what I do know:

- I have been employed for just over 5 years. I am fully vested. Under the current proposal I can leave the state now, stop contributing to the pension system, and still draw a benefit at retirement.
- Given my current step, I will sit at the top of my paygrade for an extended period at the end of my career. Without factoring in any cost-of-living adjustments, if I sit at the top of my current paygrade for an additional nine years – to get me to a retirement age of 67 – it will cost the state \$830,232 in salary alone. If I retire under the rule of 87, those same nine years would cost \$415,946 in pension benefits, about half.

This proposal is an atrocity and an affront to working class Vermonters. I implore you, the elected officials of almost 19,000 current state employees and teachers and over 17,000 retirees, to do better. If this problem has truly been going on for decades, delaying a decision to better understand and study the problem this summer will not cause significant harm. Slow this process down. Stop trying to fix this problem on the backs of Vermont workers. Have the courage and conviction to secure a dedicated revenue stream.

**Kristina Hansen is a teacher at Mt. Anthony Union High School in Bennington.
National Board Certified Teacher with 25 years experience.
Candidate for the Educational Doctorate of Education in Educational Leadership
from Southern New Hampshire University.**

My testimony is from my dissertation work on teacher burnout. This pension proposal will place more stress on teachers with disastrous consequences.

The WHO defines burnout as a "syndrome" tied to "chronic workplace stress"

Researcher Christina Maslach has shown that burnout leads to health conditions such as headaches and hypertension and is marked by “mental exhaustion and fatigue” and “decreased work performance.” Teachers are between two to three times more likely to develop a mental health illness than other professionals.

This pension proposal will trigger two areas that lead to increased burnout:

One is when a worker feels a lack of financial or social reward. As Maslach says, “When one’s hard work is ignored or not appreciated by others, it devalues both the work and the workers.” The second area is fairness: when there is an inequity of workload or pay, workers feel disrespected or lacking in self-worth and this can lead to exhaustion and a deep sense of cynicism.

Importantly, stress and burnout has an effect on students. Another study found that the higher the levels of stress in teachers, the higher levels of stress-hormone found in students. Teachers under stress are also less able to build positive relationships in the classroom and express fewer positive attitudes about their students.

One can only imagine if we screened Vermont’s teachers for pandemic burnout. What would burnout levels be if this pension plan was adopted? This proposal could be a serious tipping point with dangerous consequences for all of us.

(Sources available: krisnvermont@gmail.com)

523 Gaskell Hill Rd
West Burke, VT 05871
chriseemmonsvt@gmail.com
802-535-7595


To the Vermont Legislature:

My name is Christine Emmons and I work for the Agency of Transportation in St. Johnsbury. I started work when I was 20. Under this proposal an employee that started work at the same age that I did would be required to work an additional 17 years (or more), paying a tremendous amount more into the system all while getting significantly less out in the end. While that may sound appealing for your budget, it does not for ours. We are taxpaying, hardworking, voting Vermonters. Keep that in mind.

I would like to express that your proposed changes to the state employee and teacher retirement systems are disgraceful and insulting. These changes are extreme and not based on sound principles. They come at a time when state employees and teachers have both gone "above and beyond" during the pandemic. This is a slap in the face for our efforts. I also feel disrespected with the manner in which the committee's proposal was drafted and the timeframe in which it was presented. We are talking about more than balancing accounting spreadsheets- we are talking about people's lives- thousands of voting Vermonters' lives. Many of which may not choose to continue in their current capacity under such drastic and negatively impactful changes to the "main carrot" that keeps people working for state government and public school systems.

I understand that there are issues with the funding of our retirement system and we have committed to coming to the table to discuss reasonable changes to stabilize the system. Believe me- we do not want our retirement system to be in crisis when we are in our golden years and do not have the capacity to go back to work. But these changes need to be based on sound principals that are vetted out. The state needs to take responsibility for their part in the funding gaps and be willing to put in their share. This problem was not caused by employees and the burden should not be solely on our shoulders.

It is insulting that our state government is willing to pay thousands of dollars of Vermonters' hard earned tax dollars to out-of-staters willing to move into Vermont, but you are not willing to fund the retirement plan the you committed to teachers and state employees upon their hire. Why would you not want to support those of us that are here and want to stay? Some, like myself are native Vermonters who chose to stay in Vermont and to work for state government specifically because of its retirement plan. My parents were self-employed farmers and have no pension or 401K to sustain themselves in their golden years. It's rough watching your 74 year old father still performing manual labor because they cannot live off social security alone.



Have you considered how many people might leave state government and pull their contribution and what that would do to the system? Have you considered how a 65 old correctional officer will meet their fitness requirements and be able to restrain an inmate? Have you considered that there are many physically taxing jobs such as AOT Maintenance Workers? Do you think it wise to have a fatigued 67 year old plowing for 12 hour shifts and potentially falling asleep behind the wheel of such a dangerous piece of machinery? Or being able to physically install a 50 lb plow blade or hold up a run of steel beam guardrail while it's being attached or repeatedly climb down over steep embankments to clean out the ends of culverts with a shovel?

Requiring employees to work 14 additional years beyond their previously established retirement eligibility threshold is not reasonable and although it may help fund the retirement system by requiring us to pay in longer and have fewer living years to draw down, it will cost the state budgets in the end. It will keep the highest paid employees on the payroll, at the top of their paygrades/salary ranges and not allow for natural turnover with new employees starting at lower wages.


Employees deserve the better than this proposal. We deserve the retirement package that we were promised when we were hired. Legislators need to do a better job of finding solutions that do not rest on our backs, pull directly from our wallets and require us to work for an unreasonable length of time.

I would ask that you re-visit this proposal, find reasonable alternatives and shoulder some the burden. I trust that there are enough good people in the Vermont legislature that a reasonable solution can be found.

Thank you for your time.

Christine Emmons

28.5 years of dedicated service to the State of Vermont Agency of Transportation serving as an AOT Transportation Technician in Engineering's Bridge Division and in AOT District 9, Derby. And as an IT Support Specialist in both Montpelier & St. Johnsbury.



JFO Retirement Proposal for State Employees

Comments 3 29 21

My name is Harold Schwartz, I am a more than 30 year state employee. I am commenting from my personal perspective as a state employee, not in my role within my department or agency, or from my professional position.

Mr. Pelletier in his document last Thursday raised the issue of fairness. To address that I would put the responsibility for the situation we are now in on all the the citizens/taxpayers of Vermont. We elected the legislators, and executive branch leadership who at the time, did not apparently appropriately fund the retirement system. They made decisions on our behalf. That said, I would recommend a modest broad- based, progressive and temporary (with definite sunset provision) tax surcharge for most taxpayers until the system meets certain goals, such as 85% funded, and maintains that level. The State employees themselves did not choose their retirement system, or how it was funded. It was mandated as part of their employment. So to put the majority of burden on them is unfair.

Commenting on the JFO proposal, I will be brief.

- AFC proposal, this is not average FINAL compensation. 7 years is not close to a final salary. Needs modification.
- COLA proposal is draconian, with severe long-term impacts that most people don't even think about. Needs significant modification.
- Age 67 retirement proposal is draconian by moving the goal posts significantly for those younger but long-tenured employees, with significant impact on morale if nothing else..
- Vesting proposal: at least, like you have done with those within 5 years of retirement and who are already eligible for retirement, either start the vesting requirement with only new employees, or at a minimum hold those harmless who have vested but have less than 10 years tenure harmless by grandfathering their vested status.

Thank you for taking my comments.

3/25/2021

Dear Representative,

I am shocked, horrified, and disempowered by the most recent proposal from the legislative leadership re: teacher pension funding. You couldn't orchestrate a worst time to take away an aspect of a teacher's benefits! Has the pandemic taught you nothing about the ways in which states lean on teachers?!

Vermont public school teachers have been going to school and/or teaching on-line through a global pandemic and NOW you want to ask us to contribute more, work longer, and get fewer benefits? We already take care of students' skill development, future career planning, social-emotional health, mental health needs, food insecurities, and connection for families to social services. You're asking me for more? Do you have a conscience?!

When the federal Covid funds come through you have an unprecedented opportunity to do the right thing--use those funds to shore up our pension fund. We have done as asked and contributed our fair share. We have even rescued the fund with an agreement to work longer and contribute more in 2010 when I was in my 5th year of teaching. Now where we are again in my 16th year of teaching. If you don't fully fund teachers' pensions, why should I have faith that this issue won't come up again in the future. In other words, if you don't fully fund teacher's pensions, you will have lost my trust, entirely! You will lose good teachers and also not be able to attract new teachers!

Now is not the time to put this burden on the backs of teachers. I urge you to use the federal dollars to shore up the fund and then find a dedicated revenue stream such as the one outlined in [Senate Bill S.59](#) and put the burden for this on the state, not on the backs of teachers who have consistently shown up, done the most important work there is: teaching our children and who have contributed what was asked of us to our pension fund.

So many parts of your proposal are insulting to me, but one is just bad judgment. Do you REALLY want me teaching high school students when I am 67, after 46 years in the business? While that might work for some people and for many professions, I know that this job is getting harder and harder every year. I am doing my best to teach our most valuable resource in the state, our children! I have been at a marathon pace for over a year during this pandemic, but it is unconscionable to ask teachers to maintain this pace and still have the patience and stamina to do this work at age 67. Come with me through a day of teaching. I invite you to experience the world of a teacher and how the decisions you make impact my life now and in the future.

Please look to the example set by the senate with Senate Bill s.59 to find a better direction to honor the work of teachers rather than disparage it with your current proposal.

Sincerely,

Theresa Akerley, High School Science Educator
180 Evergreen Woods Road; Waterbury Center, Vt 05677

Hello. I am a devoted teacher since 1996. I am supposed to be 9 years away from retirement.

Consider this angle about decreasing my and other hardworking teachers' retirement. When I split with my husband, I did not want to give my teacher's retirement to him because of the blood sweat and tears that have (and will) come with this retirement money. So...in order to negotiate this, I gave him every cent of my private IRA and 401K. So, by reducing my retirement, you are literally taking a chunk of what I have left away, And you are doing this to a single mother of two. Imagine how many people are in my shoes as well.

Stephanie Bruning

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Stephanie Bruning

CVSD VLA Middle School
Science

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Stephanie Bruning

CVSD VLA Middle School
Science

3/20/21

Re: H. 119

To Whom It May Concern:

The current proposal under consideration is an unjust and predatory solution to the pension problem. The tax surcharge on the wealthiest Vermonters would be a much more reasonable alternative. This proposal erodes the stability of many of Vermont's workers, in a time where we're already working harder than ever with fewer resources, while at the same time dealing with the stresses of the pandemic.

The way the state is mistreating state and school workers is going to lead to a staffing shortage in the coming few years, and that will be disastrous for Vermont's economy as well as its schools and state programs. As a current substitute teacher, and as the daughter of teachers (fortunately both retired before this debacle), I know teaching is hard, underfunded and underpaid work. It is rewarding work to be in the classroom, and I have been considering getting my teaching license this year for that reason, but this action by the state is making me seriously re-examine whether that's a good idea. I know I'm not the only one thinking that way. Many of my teacher friends are considering leaving Vermont, retiring early, or changing careers because of this proposal.

If you go through with this, you will be shooting yourself in the foot in the coming years, as well as the rest of us. If you're considering this terrible option because you're worried about a veto of anything more reasonable, I would suggest working with your colleagues to come up with enough votes to overturn it. Don't rush to push through a bad long-term solution, when you can consider more carefully with a little more time to come up with a better one.

Thank you for your consideration of my comments.

Sincerely,

Rachel Cosgrove

My name is Julie Scribner. More than twenty years ago when I became a Trooper, I was a single mom of two young boys. Part of why I made the decision to follow this challenging career path was to ensure economic stability for my family. As a single mom, I needed that secure and steady job and benefits.

Despite the sacrifices of working nights and weekends in a sometimes dangerous and violent setting, despite missing holidays with my kids, despite having to listen to my son's football games on the radio instead of being there in person, I *knew* the sacrifices would be worth it. Just as I *knew* the state would take care of me and my family and our futures.

My path to retirement was laid out - *by the state* - over 20 years ago. I, and thousands of other state employees and teachers have had similar such paths laid out by the state. We've had no say in how funds are managed, how our contributions are invested, or even how much we are mandated to contribute. We have contributed the money - and the time - that we agreed to when we came on the job.

This proposal not only forces employees to pay more and receive less benefits, it also forces us to work longer. For me, that's an extra five years. Because I don't qualify for exemption under "normal" retirement under this proposal, I will no longer be able to retire this fall as planned and be a full time Nana to my three grandbabies. I recently sold my home, in anticipation of this fall's retirement. Tommy is 4, Mackenzie is 2, and Eddie is a year old, and they will *all* be in school by the time I can leave. My children sacrificed and lost out on time with me for my career, and now another generation - my grandbabies - will too.

For me it's five years, for many other state employees, this proposal is forcing them to work an extra 10, 15, even 21 years! Some in Corrections would be looking at 46 years inside the walls with inmates. Think about that...

I recognize the dire straits that we are in and that every day that we aren't fixing it, the problem gets worse. That said, making a rushed and poor decision will have *drastic* consequences in the areas of recruitment and retention. Employees WILL walk out the door, and with this proposal, the state will not be able to fill the positions.

One of the core values in my department is integrity. I expect the State of Vermont to set the example and have the integrity to honor their agreement, just as the employees have honored ours.

Vermonters need a fair, equitable solution, - *please* - take the time to figure out what that is.

Legislative Testimony - March 29, 2021

Emma Zavez, State of Vermont Employee (Dept. of VT Health Access) & VSEA Member

Contact: ezavez@gmail.com / 802-522-2345

Good Afternoon. My name is Emma Zavez. I grew up in Vermont and recently moved back to the state to accept a job with the Dept. of Vermont Health Access. I am a highly-educated young woman with several years of professional experience in my field, the kind of worker whom the State claims it wishes to attract and retain.

I echo my fellow workers' concerns and consider the proposal put forth by this committee and Speaker Krowinski to be unacceptable for many reasons. In the interest of time, I offer these three:

First, under the current proposal, you will certainly lose talented young teachers and state workers. Many of those who work for you now, will leave. Those who might have worked for you in the future, will accept other positions, some in Vermont, many more out of state.

Second, if the current proposal is enacted, you will be contributing to the well-documented erosion of quality benefits and pay for women in Vermont. As Lt. Governor Molly Gray noted in her recent press release, more than half of state employees are women and three quarters of Vermont teachers are women.

Third, there are alternative options to make up the funding gap aside from forcing public workers to pay more and work more for fewer benefits. Just one example is a proposal that would ask Vermonters making more than \$500,000 a year to pay an additional 3% income tax surcharge. This dedicated revenue source would contribute to closing the funding gap.

A pension crisis that has been decades in the making does not call for an overnight solution; it calls for a purposeful, deliberative and patient reform process that allows **meaningful** input from all stakeholder groups. I implore you to please slow down and explore the many viable alternatives that are out there.

Do not repeat the mistakes of the past by forcing working families to pay for a crisis that is not of their own making. Vermont public employees deserve respect and they deserve dignity.

Thank you.

Good Afternoon,

My name is Barb Griffin. I teach at Westshire Elementary School serving the communities of West Fairlee and Vershire.

I've been teaching for 26 years and absolutely LOVE it. I have devoted my career to helping students learn and become contributing members of society. In fact two of my former students are now my colleagues, which besides making me feel old is incredibly rewarding and gratifying.

As teachers we expect our students to get along and work out their differences.

We teach and model what this looks like,

We hold our students accountable for their actions and

We have high expectations of them.

We do this by following a few basic principles found in the book

All I Really Need to Know.....I learned in Kindergarten:

Among these basic principles are the ability to:

Share

Play fair

Don't take things that aren't yours

CLEAN UP YOUR OWN MESS

Hold hands and stick together

And most importantly follow the GOLDEN rule.....treat others the way you want to be treated.

Now let's apply these same principles to the reason we are all here today.... The detrimental Pension Proposals

As teachers we have:

Played fair,

We have shared when changes were made to our pension,

We have NOT taken anything that doesn't belong us,

We have helped the state clean up THEIR underfunded mess in 2000 and 2010

AND WE ARE STICKING TOGETHER!

Can the state answer the same? NO! I recognize that you, as individual committee members, did not make the poor decisions that led us here, but nonetheless you are still responsible.

You, the STATE, have NOT played fair,

You have NOT shared equitably

You are trying to TAKE things that don't belong to you

AND you are not treating us the way you'd want to be treated.

As Teachers we make sacrifices every day for the benefit of our students and our community. Whether it's providing students with food or buying students clothing. We spend our own money. We work tirelessly beyond our contracted hours doing what is best for our students..... sometimes at the expense of our own families and our health.

Please recognize the sacrifices we have made and the challenges we have endured during this past year and find other solutions to a problem we did NOT create. I ask that you honor the promises you made to us.

Let us be clear.....We are **HOLDING HANDS AND WE ARE STICKING TOGETHER.**

Thank you,

Barb Griffin

Drawn primarily by my teaching job, my spouse and I moved to Vermont from New York City, bringing with us post-graduate degrees and years of experience in our careers. This proposal, by eliminating the rule of 90, will suddenly require me to work 5 additional years before receiving a full pension. It makes me, for the first time, seriously consider changing jobs, perhaps requiring a move out of state. For those are perhaps five of the most valuable years I'll have.

Furthermore, seeing the state alter the deal in this way, when teachers have always paid their part of the pension and the state has underfunded its part, makes me worry that the agreement may be changed yet again in the future. Will I end up contributing 10%? 15%? Will I be required to work until I'm 70? 75?

If Vermont really cares about attracting and maintaining an experienced and educated teaching workforce, altering the terms of our retirement on the fly, creating uncertainty about something as crucial as *age of retirement*, is not how to do it!

If there's ever been a time to ask the very wealthiest to contribute more to cover the state's liabilities, this is it.

Sincerely,

Jason Lorentz
South Burlington High School

March 30, 2021

Members of the House Operations Committee,

I am writing today as testimony against the plan to break the pension promise made to Vermont State workers and educators. A grade 7-12 teacher myself, I am also a taxpayer, alumni of the school where I currently work, and a mother of two young children in that same school district. Needless to say, my family is fully invested in this community and its success. That is the reason why I am writing to you today.

Let's start with the impact on the broader community:

We all know that teachers do not make an incredibly high salary. Educators enter the workforce with debt in the form of school loans and must take courses each year in order to even maintain their current licensure, which itself costs money, every five years. Yes, the schools often provide some Professional Development funding but this rarely if ever covers all expenses. Over the past few years we have seen our paychecks dwindle as more and more is cut away toward our new (less affordable and less accessible) healthcare plans. In order to truly flourish as a working parent, a Vermont educator must climb to Masters level on the payscale by completing a second degree and taking on even more debt. Right now, we have educators looking past the lower starting salary here in our state because of quality of life and the promise of a decent pension plan to make up for the difference. If that promise is broken, we'll see young educators going to neighboring states like Connecticut and New York and lose a vital part of the workforce we've been trying so hard to attract here to Vermont for so long.

And quality of life will take a hit as well. How?

Our schools will no longer be receiving the regular injection of new ideas, vitality, and fresh energy that comes with the rotation of younger teachers. Instead, we will be keeping our teachers in the classroom for years longer than they can and want to be there. Above and beyond the vitality of our schools, we will also be pushing the financial burden of our senior staff's salaries onto our communities. Imagine full additional decades of teacher salaries at the highest level on the payscale. Many colleagues of mine will top out by the time they reach the current "Rule of 90". Imagine what happens if communities have to carry that financial burden for another 10 years and then multiply that by all of the senior staff in the school district. Can all of the schools in your county support that kind of budget increase? I know that ours can't. This will result in more teacher and resource cuts and subsequently, the quality of K-12 education in the state of Vermont plummets. Remember how young educators were leaving Vermont to seek jobs in neighboring states? Well, now so are families.

Let me take a moment to tell you a little about my personal story. As I mentioned, I am an alumni of Harwood Union High School where I currently teach and my children, now in grades 3 & 5, will also attend that school when they get older. My work and personal life are intimately intertwined, as is the case with many educators, and even more so as a community member and alumni. It became even more so a few years ago when we lost five of our students in a tragic car accident. That year, almost more than in our current COVID climate, we learned what was really important about school: relationships and the social-emotional needs of our students. That same year I lost my father to cancer and not too long after my mother moved in with us.

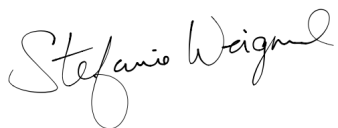
When planning for this school year, we struggled as a household, not sure how to properly protect my mother (a recent lung cancer survivor) while still being present for my students at a time when they clearly needed support. Unfortunately, the transition back to school did not go well for my own children whose anxiety took hold in a variety of ways. I am grateful for the ability to access school services for my 5th grade daughter in order to help her combat ongoing anxiety and depression which has at times affected her ability to participate in school activities. It is difficult to see your child too sad or nervous to get up in the morning and go to school. No kid should feel that way. I worry that should our community bear the increased financial burden of this pension decision, services like the ones my daughter needs now would no longer be available to her.

It is also important to note that I have made the decision to leave my job as a public school educator. I love my students and I love teaching. However, I cannot continue to work in a job where I am continuously disrespected, especially as I see my financial gains chipped away at year after year. My family's well-being and my own must be put first. So, after nine years at Harwood, I will say goodbye to my classroom. This does leave me in a precarious financial position, as all of my family's benefits have been provided by me in full, however we have been very diligent in our planning and research. This new pension plan makes a change that would potentially have a greatly negative impact on my family and retirement fund: that recipients would not be fully vetted until year 10. My colleagues and I do not see any kind of 'grandfather clause' in this plan and worry about those of us who have been doing our part to pay into our plans for years (in my case, 9).

If the committee does not see the unnecessary financial burden that this plan is placing on communities, let alone the emotional toll this broken promise is taking on Vermont State employees (many of whom have been deemed "essential workers" this past year, thus putting their own lives at risk every day) and K-12 educators (who literally changed the face of education in the matter of days last Spring by rewriting *all* of their curricula to fit into an online format, and then kept schools *open* this year despite a global pandemic) then you all have some serious soul-searching to do.

I do thank you all for your time and consideration. I know that this is not easy and that clearly there must be some solution to this incredibly complex issue. However, that solution is not to blame us, the recipients of these pensions. We've been doing our part for years, it's time for the government to clean up their mess.

Sincerely,

A handwritten signature in cursive script that reads "Stefanie Weigand". The signature is written in black ink and is positioned to the left of the typed name.

Stefanie Weigand

Harwood Union High School

ACDA Eastern Region Board Member

NAfME National Council for Choral Education

Chris Wyckoff

So, when I first read this pension proposal, I was overcome by my emotions.

First I was outraged, because I had planned my life on a commitment to the terms of my retirement from you, the state of Vermont, and now I hear that this lifetime commitment that around 10,000 teachers and 9,000 state employees have agreed to, paid into, and even compromised on in 2010, is now being threatened by the same governing body that underfunded the retirement system in the first place. It is truly outrageous that legislators would mismanage our money, that we never failed to pay into the system, and spend it on other infrastructure needs or invest it on high risk and high fee alternative investments, and then have the audacity to now say it is our obligation to fix it.

Then I was hurt. I could not believe that the terms of this proposal ever saw the light of day. Forcing fresh, energetic and passionate teachers right out of school to work 45 years to get a full pension is absolutely unreasonable and degrading. This felt incredibly disrespectful especially after the Herculean effort put forth by teachers during this pandemic. You said we were heroes last year and now you try to cut our pensions. Sad.

The last thing I felt was astonishment that people did not realize how much this proposal would hurt not only our teachers and students, but the entire economic well being of our state. Asking teachers to teach for 40+ years not only hurts students by forcing teachers to teach past their prime, but will dramatically raise our local property taxes because of significantly higher teacher salaries, which will force even more people to move out of state. And as a UVM or St. Mike's grad, why would you ever want to stay in state to teach when we have such high property taxes and a draconian pension packet. This package would hurt everything you are trying to do to help this state.

Americans are waking up the fact that this is no longer the country of the American dream, but is now sadly the country where the wealthy and those in power squeeze every last cent and morsal of energy out of working class Americans. Do not end up on the wrong side of history by punishing teachers and state workers for a crime they did not commit. Sue Howard Dean or the

Vermont Pension Investment Committee, take money from recreational cannabis sales, but do not break your promise and touch our pensions. – T Y

Vermont House Committee on Government Operations
Public Hearing on Pension Stabilization
March 29, 2021
Testimony by George Putnam of Cambridge, Vermont

I encourage the Legislature to think about pension stabilization more broadly and more boldly. The basic problem with state pension plans is that they are *pensions*, that is, they are defined benefit plans. The state should take steps now to end all defined benefit plans for new employees, and to institute defined contribution plans for all new employees.

Defined benefit plans lead to large and unpredictable liabilities. They require large and unpredictable annual contributions to fund those liabilities. When employers, such as prior legislatures, do not make the required annual contributions, the problem only gets worse. The result is an unsustainable financial burden on current and future taxpayers. This is fundamentally unfair to younger people. And it will make it harder to attract and retain residents, which is already a problem for Vermont.

The private sector has largely converted from defined benefit plans to defined contribution plans over the past few decades. I am retired from a career in the private sector. My employer made this change on January 1, 1998, over 23 years ago.

Some say that it will be harder for an employer to attract and retain employees without a defined benefit plan. But this has not been the case in the private sector. My old employer did not experience any difficulty in attracting or retaining employees because of its switch from a defined benefit plan to a defined contribution plan.

Defined benefit plans made more sense in earlier times when an employee often worked for a single employer for their entire career. But today employees are more likely to change employers, or even careers, during their working lives. We should welcome this new dynamic in the workforce because it benefits employers, too. Defined contribution plans are more aligned with today's mobile workforce.

I also want to comment about investments in defined benefit plans. Even if the state converts to defined contribution plans for new employees, the investments that fund defined benefit plans will be around for a long time. Those funds should be invested in broad-based index funds, not in speculative investments. Management fees will be less, and investment returns will likely be higher. Most managed investments underperform the market.

Thank you for your attention to this important issue.

To the members of the Vermont House Committee on Government Operations:

My name is Tracey Brown. I have been a social worker at the Department for Children and Families-Family Services Division in Burlington for 24 years. For all of those years, my job has been to investigate physical and sexual abuse of children, and to work with families around issues of neglect, substance use and family violence.

Under the current plan, I would be eligible to retire in 6 years, after serving 30 years with the state. Under the proposed plan, I would be eligible to retire in 18 years, after serving 42 years with the state.

Until now, I have not received any information from the State of Vermont that my retirement funds were at great risk or that they were being underfunded by previous administrations. No information was provided to me about likely changes to my retirement income or required years of service. It is completely unacceptable to drastically change the terms of our retirement at this stage in the game for the thousands of Vermont State Employees that have been faithfully contributing to this plan for years.

This proposal was created with no regard whatsoever for the financial, physical, and mental well-being of state employees. In my role at DCF, my colleagues and I are regularly required to go into potentially dangerous situations; we are threatened, verbally attacked, and at times our staff have been physically assaulted. The decisions we need to make are stressful and complex. There is often a public perception that we are doing too much or that we are doing too little. Exposure to traumatic events happens on a daily basis.

The pandemic has certainly created challenges in our work, but the truth is that our job was incredibly difficult before COVID, and it will continue to be afterwards. This is not a complaint about my job. I love what I do and I am committed to my work at DCF, as are my colleagues.

I would invite anyone who is in a decision-making role in regard to pension reform to learn more about the jobs that we do. When I look at this proposal, it is clear that there is a lack of knowledge about the physical and mental toll that these jobs have on state employees.

Ask for permission to shadow a DCF social worker, a probation officer, a correctional officer or a state police dispatcher for a day. Learn more about what we do before you suggest that we add one or two more decades to our state service or reduce our retirement benefits. Find out what it means to ask a correctional officer to work in a facility until they are 67 years old. Find out what it means to tell a DCF social worker that they need to spend an additional 12 or 13 years being exposed to traumatic events on a daily basis.

Then, please go back to the drawing board and create a plan that makes sense for state employees-so that they can receive the retirement benefits that they were promised, can remain safe in their jobs, and in turn can continue to provide high quality services to the citizens of Vermont. This problem was not created by state employees and the cost of fixing it should not rest solely on our shoulders.

Respectfully,

Tracey J. Brown, MSW
Social Worker
Department for Children and Families
Family Services Division
426 Industrial Avenue, Suite 140
Williston, VT 05495
(802) 777-5859

Dear committee:

I was going to start out by telling you how I am a domestic abuse survivor and single mother who put herself through school to become a teacher, graduating summa cum laude, while working full time and that I chose teaching, a profession that pays very low in relation to other professions requiring the same level of education because I wanted to make a difference. I also chose this profession because I was promised that my loans would be forgiven after 10 years, they weren't, and that I would have a decent pension for when I retire, that remains to be seen. However after hearing and reading posts from people who attended or watched Friday's hearing, I have changed my mind. What I didn't realize is that you were seen as less attentive to the personal stories. I can only guess that it would be harder to do what you intend to do if you see us as real people rather than numbers. So here are some facts:

- Fact: I took a \$1,000 a year pay cut in my first year of teaching. At the same time money was deducted from my paycheck for this pension. It was not optional.
- Fact: School districts look for high paying teachers to retire so they can cut costs by hiring less experienced, less expensive teachers. This won't happen if I have to continue working for another 10 years.
- Fact: If you make it unsustainable for teachers to live and retire here in Vermont, young teachers will be forced to leave the state in search of a better economic future for their families. This will increase the tax strain on our aging population in Vermont, which is the third highest in the nation.
- Fact: Pensions are an economic investment. Retirees support economic activity in Vermont which leads to jobs.
- Fact: According to the National Institute on Retirement Security, pension payments to retirees supported nearly 4,300 jobs that paid \$270 million in wages. Those payments also generated \$670 million in economic activity, including the generation of \$133 million in federal and local taxes.
- Fact: Our pension ensures that as we age, we will have access to a consistent, modest income that will allow us to retire with dignity. Further, it allows us to give back to the communities we live in, something we will be unable to do if we are forced into poverty by this proposal.

While you may think you are fixing a problem, in the long run you are creating so many more. Nothing is ever solved with a broken promise. I strongly urge you to reject this proposal. I know there are more creative ways you can fix this problem, you have been elected to find them.

Sincerely,
Elizabeth LeBrun
40 Forest Street
Rutland, VT 05701

March 29, 2021

Good Afternoon,

Having dedicated 25 years of my life to classroom service, I find this pension debacle - incomprehensible.

The failure of Vermont's legislative leaders - to meet their fiscal commitments to educators - is not merely dereliction of duty, but a shocking moral failure.

I choose to stay in Vermont, knowing I'd be paid far less than my peers in neighboring states. But this is my home. It's where I chose to live - and devote my energies.

I never imagined that after teaching American History and theater for a quarter century - the pension system I've long paid into would be in jeopardy.

Yet here I am, nine years to retirement, with an uncertain future. Is that my reward - for loyal service?

Each member of this committee took an oath - to be "true and faithful to the State of Vermont." Do you intend to honor that covenant, ensuring that promises made, are promises kept?

The actions of this committee will send a clear message - not only to teachers, but to all Vermonters - about the importance of education, loyalty, honor, and service. On this question, what say you?

Brian C. Rainville
American History and Theater
1996-present
Randolph Union H.S.
Randolph, VT. 05060

March 29, 2021

Written Testimony for the House Government Operations Public Hearings, Public Employee Pension System(s)

To: Vermont House Government Operations Committee

From: Wm. G. Mills, Shelburne VT, Retired Vermont State Employee

I would think a great deal of the testimony you will hear or read amounts to: Promises Made. Promises to be Kept. I agree.

I urge that **no** changes be made for employees that have already retired. For me, a reduction in benefits would seem like an additional tax increase.

I strongly support maintaining a defined benefit retirement system for Vermont State Employees and other public workers in the State. This kind of system is cost effective and is important in attracting workers to our state, retaining them as workers and residents.

Elimination or partial reduction of cost-of-living adjustments (COLA) will significantly **reduce** the attractiveness for retaining employees and overall value of defined benefit systems. This is especially true considering the cost of living in the State of Vermont and the potential of higher inflation on the horizon.

Significant changes to average final compensation formula and/or length of time an employee must work for full retirement benefits **will have negative outcomes** for state work forces. 50% of average final compensation is not a significant amount of money for most retirees to survive on in the state of Vermont, given the cost of housing, taxes on retirement benefits and taxes on social security as well.

I was an active Vermont State Employee and **voted** to ensure the retirement system for State Employees would be funded and the State agreed that **past State payment deferrals be corrected** over time. In partnership with the State, changes were made to the retirement system such that employees increased retirement contributions to a higher percentage of compensation and the formula for when full benefits would be received was altered. These were significant changes. I assume all the public pension systems undertook the same kind of good faith efforts to fund their systems with the State.

Self/State-inflicted unfunded liability. Accountability for any and **all Deferral of State Payments** into the various VT pension systems, which have contributed to the compounding of pension liability, need to be fully documented and addressed. Changes to the way the State funds the promised retirement benefits then need to be crafted and implemented such that they are a state budget priority and that funding is not shifted to fall back onto employees.

If there have been recent adjustments to actuarial tables used to project pension funding, which have led to negative financial consequences, then pension changes could be made in a slow methodical way to address the future.

Thank you for the opportunity to share some of my thoughts on the retirement system proposals.

To the members of the Government Operations Committee,

To start off, I want to state that both my wife and I will be 50 years old this year and we were born, raised, and educated in Vermont. Neither of us has ever contacted a Representative or a Senator in our lives over an issue. We don't always agree with everything, but as with many Vermonters we know not everything will always go our way, but the proposed changes to the retirement system are beyond reprehensible. We are writing this letter as individuals and we may not share the same views as our colleagues or the unions that represent the employees of the state or the teachers (but I can assure you it is close.) I have never held so much emotion for anything coming from the legislative or administrative bodies of the state of Vermont. I am certainly saddened, angered, and outright depressed about the Proposal coming from the House Government's Operations Committee. I have hardly slept since I read it, so I need to write this letter to get the utter frustration off from my chest.

I have been a teacher in the Vermont public schools starting in 1993 fresh out of college. My first 4 years were part-time, but I have held a full time teaching position since then. At the end of this school year I will have taught in Vermont schools for 28 years, and my wife has been a Nurse with the state of Vermont for 22.5 years. On July 1st of this year, we will both have 7.5 years until we can retire from our lifelong careers. We have been living our lives as many others have by preparing for these retirement dates (and counting on these dates) which have been promised to us through our jobs when we agreed to them.

I have recently read through the Overview of Initial Pension Proposal and it is more than quite concerning and quite frankly insulting. The proposed changes are not "painful" as described in the document, but **LIFE ALTERING**. I understand that life expectancy is longer, but just over a decade ago the teacher's retirement changed from 30 years of service to retire to the rule of 90, and we were assured that this would solidify the future of the teacher's retirement system. So basically 4 years were added to my teaching career as a result (which in my view is a fairly significant amount of time), and now just a little over decade later the proposal from this committee is to add another 10 years of teaching to attain an even lower calculated amount and to contribute an even higher percentage of my salary to get there, and my wife is being proposed the same criteria.

As I read through the proposal it was stated those already retired or anyone with 5 years or less to go is exempt under your proposal. So if someone is going to retire in 5 years, they still only have their 5 years to go. Currently my wife and I would still have 2.5 years to go after that. This proposal is for me and my wife to each work for 17.5 more years from now. The 5 years to retirement and 7.5 years is very negligible in terms of preparing for retirement, but there is certainly nothing equitable about the burden being taken on to salvage a system that seems to stem highly from **past unapologetic administrations and legislative bodies** that knowingly and negligently underfunded the retirement system. I understand that the last year has been trying, but please don't insult my intelligence and tell me that this past year created this monster of a mess. What is being presented to me now by those in positions overseeing the retirement system is that there is a fiscal retirement bomb with a timer on it that they have known for some time is

going off, and now we are being told that there is only 1 second left, and we are being asked to sacrifice ourselves and to basically jump on it and bear the damage.

In the proposal document provided under the background section it is written, “charting a path forward will require multiple options and painful tradeoffs for both employees and the state.” So let’s break down this tradeoff.

State’s painful tradeoff:

- The state will contribute \$150,000,000 to pay down the retirement liabilities.
- So with an estimated population of 625,000 residents the burden for each individual in the state is \$240 (which we all know will be more for some and less for others.)

My wife’s and my painful tradeoff:

- As residents of this state we will bear our piece of the state’s \$240 burden per person.
- We are being proposed to pay more of our salary into the system (from both increased contribution and a “risk sharing” structure)
- Receive less when we retire than currently promised (Less COLA and less in pension calculation)
- **And the most egregious of all: WE WILL WORK 10 YEARS LONGER to receive this retirement. So over the 10 years, the 2 of us together will be giving up upwards of a \$1,000,000 in retirement pay and health benefits we would have received over that time period.**

So to compare it as a painful tradeoff for both us and the state is an absolute insult. It is like comparing a finger prick to someone getting their legs cut off. There is virtually no tradeoff in this proposal.

We certainly now have been informed that the pension system is not in great shape, but as 2 individuals we propose that you look at some of these options:

1. The state of Vermont’s burden has to be massively bigger (we can’t emphasize massively bigger more.) Other areas of the state budget may need to see painful tradeoffs as well to help with the shortfall.
2. Paying in slightly more to the system is not unreasonable in our view. (for everyone)
3. The payout may have to be slightly lower as well. (for everyone)
4. Retirement dates stay exactly the same.
5. A defined compensation system with a state % match has to be on the table for all incoming, and perhaps those that have very little time into the system. I have always had the opposite view with the Union on this one. It allows for defining one’s own risk (**when you look at numbers from the painful tradeoff I articulated above pertaining to the proposed changes little did I know that the Vermont State Teachers Pension system potentially carries more risk than a simple S&P Index Fund**), allows for flexibility with career changes (take it with you) and frankly it is quite obvious that the Vermont State Government for one reason or another is incapable of running a pension system. Most of the private sector has made the transition to defined compensation programs and the

- state of Vermont should seriously think about it too, but for those with enough time into our careers with Vermont, the Vermont pension system needs to honor the commitment. It may come across as selfish, but with 7.5 years to go, it is frankly not enough time for us to convert to a defined compensation system, and we were promised the pension when we signed our contracts from day one.
6. There are a lot of smart people in this state, so please be open and listen to other ideas and possible solutions.

We are extremely reasonable people, but this proposal is preposterous. We are both well on the downside of our careers (and frankly life itself.) We have done our jobs and worked hard and will continue to do so, but time is not our side. We are both at the point where most of our colleagues have less time in the system than we have. We have lived our lives preparing and sacrificing to make sure we can be financially secure to retire when both were promised that we could. The positions you are in are not easy, but you **NEED TO DO THE RIGHT THING**, and your proposal is not even remotely close.

I have written this letter on my own, but my wife has read it and has given her blessing to add her name to it as well.

Kristin & Shawn Allard

I am speaking as a retired Vermont teacher and former union leader. My experience includes serving two terms as VT-NEA Vice President.

Vermont's teachers and other public-sector workers negotiated their contracts with their employers, and the state of Vermont made a promise regarding pensions. Now, due to chronic underfunding, we are told that there is insufficient capital to honor that promise. Legislators have been meeting behind closed doors to address this crisis before the end of this session. Lack of transparency leads me to believe that the committee is rushing, in neoliberal fashion, to balance their budget on the backs of hard-working public sector workers.

There is no doubt that this is a complex problem, and it requires a complex solution. Rather than simply renege on promises made, experts need to explore options to create a permanent revenue flow and prevent pensions from becoming unfunded liabilities. Options include using federal money to finance other post-employment benefits, and likely increasing tax revenues from those Vermonters best able to pay them. Finding a satisfactory solution that honors those promises requires the creation of a dedicated work group, including labor representation, and time to complete that task.

In closing, I want to remind Vermont's Democratic legislative majority that they were elected with the economic and electoral support of Vermont's organized workers and their unions. Therefore, I urge those Democratic legislators to remember that they were elected to protect, not betray, their working-class constituents.

Thank you.

Brian J. Walsh
Jericho, VT

Lyn Porter

Talking Points for Retirement Forum

- Teachers have had money taken from their checks involuntarily with the promise that the money would be for their pension – this was a promise that was made
- The money is deducted without the option to put that money in other accounts
- The teachers did not cause the problem in the retirement system, this money was supposed to be in a dedicated account and it was used for other things many years ago and that deficit was never made up.
- The retirement plan was amended approximately 10 years ago and that implemented a rule of 90 plan – That plan was negotiated and the teachers agreed that this would be a means of helping to sustain the retirement fund – yet another promise for the pension expected
- This plan pushed many teachers out further in their retirement. Many of these teachers could have retired this year but have more years of service due to the change
- Those of us approaching retirement in the not too distant future were promised a certain pension and we have planned for that money in our financial planning
- To change the income now becomes a hardship for those of us approaching retirement and based that retirement upon the promised amount in our retirement statements
- We do not have the opportunity to take the 5% taken from our checks and invest it otherwise – this is not an optional deduction
- This year in the throes of a pandemic teachers have had to become creative and learn many new ways of reaching our students and have worked hard to continue to engage with students and make strong social and emotional connections – it seems that as we are

teaching in the hardest circumstances we have ever encountered
this change in the pension feels punitive and devaluing

House Operations Committee,

I can't tell you how utterly dismayed I am with the proposal to drastically cut teachers' pensions. It seems that many of you have rationalized the proposal as a necessary solution, but if a corporation did this to their employees it would be called fraud or theft. Stop pretending this is something different. I have now listened to hours of impassioned testimony. I hear teachers calling this proposal a punch to the gut, but it's much worse than that, as the consequences would last well into our old age. I have taught for 17 years and my wife has taught for 18 years. I lived up to my end of the bargain. I expect the state to do the same.

In utter disgust,

Matt Neckers
Eden, Vermont

To: The Vermont House Committee on Government Operations

From: Linda Cloutier-Namdar, EHS Mentor Coordinator, 2018 VT Teacher of the Year

Re: Teacher Pensions in Vermont

I began my teaching career in the early 1980s, but did not access the pension benefits available at the time. When I had the opportunity in 2006 to achieve my goal of returning to teaching, I was elated. In the 15 years since, I have endeavored to give my best to my vocation, confident that I was doing work I was called to do in supporting students, while also working to build a secure future for myself and my family.

As 2018 VT Teacher of the Year, I have had, and continue to have, contact with teachers from all over the U.S. and its territories, and I have been struck by the stories shared by my colleagues of ways that teacher benefits have been chipped away in a number of states. The considerable changes to teacher pensions have not led to actual savings in the states which have implemented these plans, and the integrity of such actions have often been called into question.

I never thought I would see such actions taken in VT. As a state known for the quality of its education and its educators, I believe it is critical to maintain a strong teacher workforce, and to maintain the system designed to attract and retain highly qualified educators. Private industry can offer significant benefits not available in education, so it is important to offer benefits that make the teaching career a viable one over the long term.

With a looming teacher shortage already felt throughout the state, the timing of this move could not come at a worse time, especially in light of all that teachers have been asked to give. What this does is set the scene for older teachers to consider retiring before changes go into effect while also discouraging younger people from seeing teaching as a viable career. The funding issues that have been cited as reasons for these actions are not related to failures to act on the part of teachers. With federal dollars available to shore up the system, and the efforts to find a dedicated revenue stream through taxation of those most able to pay more, this action can be averted.

In my career I have guided and advised Teaching Assistants who have wanted to make teaching a future career, mentored student teachers, and supported teachers new to our district. The current actions surrounding teacher pensions have added a level of stress to already difficult times for all teachers, and have cast a pall over a career in our state which needs its teachers now more than ever.

Please look at the long-term effects of these changes on school districts. They already face the daunting task of searching for teachers, not to mention the costs incurred in trying to hire and retain highly qualified teachers. This difficulty will only be compounded without the benefits of a strong pension and a reasonable set of guidelines to accrue those benefits. It is not only expensive on the local level, but the impact will have a chilling effect state-wide.

Sincerely,

Linda Cloutier-Namdar

March 29, 2021

Honorable fellow Vermonters: Legislators

I have worked over 30 years in Vermont. I have seen Vermont go from a state with the high values of equality and practical common sense, to the current state that benefits the rich and encourages a broadening wealth gap.

For 21 years I have worked for the State of Vermont, protecting it's resources from the past mismanagement of the 1950s and impact from hazardous waste. I have provided crucial and timely science to safeguard the wellbeing of Vermont's population, and property owners. I currently play my part to streamline the process for engineering design of critical municipal infrastructure, and facilitate the process of securing the necessary loans and grants that make sewer and wastewater services possible.

Throughout my work I have countless times offered my own time when Vermont has been in need, whether during Tropical Storm Irene, whenever unexplained chemical releases have occurred, or now during the covid pandemic.

Although I am a licensed engineer I am dedicated to be a public servant. Despite the fact that the State of Vermont pays a small portion of the market value of engineering salaries (and similarly of any other field), I see my duty to offer my effort to help Vermont as it finds a science- based sustainable path in the uncertain future of climate crisis.

It is in this framework that I find it impossible to recognize the State of Vermont that I thought I knew.

Vermont has always been a place where you give your word, and that is a contract.

We honestly negotiated a contract with the State of Vermont, and now the state is breaking it!

A contract binds us honestly. I have given more than a private consultant ever would. I know that because for 17 years I was a private consultant. State workers keep the essential infrastructure of the state working. The reason we choose to work for the state is because we know that we work for an honest place that upholds our values. State workers are the quiet vital workforce that makes private sector jobs, and private companies possible.

We are the planners, the loan processors, the regulators, the permit specialists, the road design engineers, the bridge designers, the road crews, the safety personnel and much more. Shortchanging our pension damages all of those vital services.

Breaking a contract is NOT a Vermont value. Keep our pensions as they are.

Changing the conditions of a negotiated and signed contract is nothing other than simply breaking the contract.

There are ways to safeguard our pensions fully, and with economic thoughtfulness.

Breaking our contract does not help Vermont's future.

The younger workers at the state see what is happening and realize that they have no future here. It is already difficult to enlist competent professional staff in a competitive market, and broadcasting that the state is willing to break contractual promises damages our honest name.

We have worked for our pension. We bind ourselves to a contract that prohibits us from taking action to protest, or to strike. The State of Vermont has an obligation to protect those of us who have given a whole lifetime of service. We cannot go and begin our lives over again somewhere. We are now aging, reaching retirement, with health conditions that restrict our daily lives. It is inhuman to take our pension from us. That is part of our honest contract and your honest part is to uphold it as it was agreed.

Respectfully submitted
Hugo Martinez Cazon, PE
Burlington Vermont

March 29, 2021

Dear House Government Operations Committee:

I am writing today as a concerned Vermont citizen with regard to the proposed changes to the Vermont Teachers' Retirement Program. It appears that the Legislature is considering penalizing Vermont teachers for years of underfunding and mismanagement of their pension funds. It should not fall on those same teachers to now "pay for" this mismanagement.

This past year has shown just how committed Vermont teachers are to their jobs – pivoting to remote learning last spring, many putting themselves at risk with in-person teaching this past fall, and yet again pivoting between the two as disease surges came and went. This is no way to show gratitude for the important work that they do.

Do not penalize those who are responsible for enriching and teaching our youth. They bought into their retirement system in good faith and it is unconscionable to take advantage of them to correct a wrong that was not in their hands.

Our state cannot afford to create a situation where teachers do not want to stay in Vermont based on this mismanagement. Asking them to work longer, pay more and get less is wrong. We need our teachers staying here and enriching our economy, not leaving as a result of being treated unfairly.

Take your time and find a way to address this situation and make it right without harming those who work so hard and tirelessly for the youth of Vermont.

Nancy Chartrand

Madame Chair, Members of Government Operations Committee.

My name is Susan Davis - I am from Washington, Vermont. I am a retired State employee, substitute teacher and unpaid care giver. My first job was working in a wood manufacturing plant. I made \$1.75 per hour – low wages, no benefits, and no pension plan. One sweltering hot day in July, my boss came around to let me know that my production was down. As I stood there dripping with sweat, I tried to explain how hot it was, no air inside and how exhausting it was. He did not want to hear it and offered me some “Geritol” to help improve my production. It got my dander up, I expressed my unhappiness and told him I was done, and I walked out. That night, my dad told me to get a union job where I would have benefits and a pension (he was in the granite industry). So, I got a job in state government where I had a union, had benefits, options to advance, and a pension. A promise for my future. I am retired. I kept my end of the bargain.

I worked through hiring freezes, vacancy savings, rifts, step freezes, outsourcing threats, and expensive constant moves. I worked in a position that was primarily occupied by men who were higher paid than I. I worked in-excess of 40 hours a week, I was on standby 24x7x365 and worked many holidays and weekends. My family suffered and wanted me to get a different job. I had many offers from private companies because my skill sets were sought after – private industry where the pay was much higher, but I had put in many years and I chose to stay because I had the promise of a pension when I retired. I could retire with dignity.

I am testifying in solidarity with state employees and educators. Little did we know that we would keep our end of the bargain only to be faced with the mismanagement of funds and the redirecting of state pension debt payments - not only in economic downturns but also in good economic times as well. Promising public workers guaranteed retirement benefits and then failing to fully pay for them is utterly irresponsible – state employees and educators did their part.

I feel, the plan put forward is unethical. I know you want to do the right thing. This problem must not be solved on the backs of hardworking State Employees and Educators. They have met (and continue to meet) their contractual agreement. Please be sure the state does as well.

Under the American Rescue Plan (through 2024) the prohibition on direct pension spending does not rule out the possibility that the federal aid could free up other state money to shift toward pensions. An idea might be that Legislators wait for updated analysis on the economy as we recover from this pandemic, really examine the 2-year capital bill and the states bonding authority. Channel the bond premium into the pension fund (yearly default) until such time as the legislature can get a grip on what is happening with investments at the Treasurer’s office. Re-coupe lost tax dollars from the Bush tax cuts by adding a surcharge to taxes for the wealthiest Vermonters. Remember, inflation will rise soon because of all this stimulus. Thinking outside the veto box is needed. Please pause and get it right.

Reject this plan and do no harm to our state employees and educators.

Thank you,

Susan Davis, Washington, Vermont, 802-439-5103

My thoughts on the plan as presented:

On the first slide the plan says that the changes will not be made to benefits of existing retirees or those within 5 years of retirement. So, if that is what you mean then change "would" to the legal term, "will".

COLA increases to annual benefits would be capped at 24,000. I would want to know on average what % 24K is of the annual benefit. This means any amount over that 24K will not get adjusted for inflation. In the current Econ environment of incredibly low inflation that is not a big deal. But inflation will rise soon because of all this stimulus.

Your plan really makes folks work for that pension by raising vesting period and retirement age. It looks like it will eliminate the ability to retire early with full benefits. Age 67 is when you can retire and get your whole benefit. I did not see any info or schedule around partial benefits if you do retire before 67.

The calculation now being based of 7 highest instead of three is to make the awards smaller. I am confused about the employee contributions and risk sharing. Do I get my contributions back if I leave the job?

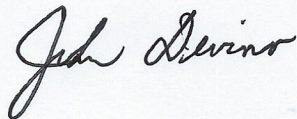
Support for Senate Bill S59

March 29, 2021

The following is to urge the passage of S59 to help reduce the State retirement liabilities in the retirement fund for Vermont teachers and State employees. As a retired teacher, I realize that my benefits will not be affected by proposed changes to the retirement system. However, safeguards need to be implemented to protect our current and future Vermont teachers and State employees.

A major factor causing the current crisis can be directly attributed to the State's underfunding of its contributions dating back to the 1990s. As teachers, we were required to contribute our fair share; however, the State was negligent in doing the same. Through the miracle of compound interest, the State's breach of contract has literally magnified the problem. S59 will help to begin to rectify this injustice.

Sincerely,

A handwritten signature in cursive script that reads "John Devino".

197 Belair Drive

Colchester, Vermont 05446

E-mail: devino13@comcast.net

Phone: (802) 863-5403

Pension Committee,

My name is Andrew Cruickshank.

I write this to plead to you all to keep our Pensions intact. I started with the state of Vermont In March of 1998. This now gives me 23 years of service and dedication to the state of Vermont. I will say that in those 23 years, I have made major sacrifices so that I get my pension as promised after 30 years! When I started with the state, I was also in the process of joining the Army full time. This would have allowed me to be retired already. I passed that opportunity up for a promised pension with the state so that I could remain closer to my young children. My wife and I have already started making plans for our retirement . We had planned to purchase a winter home in the south, and keep our home here in VT for summer We are now unsure if we will stay in Vermont at all. We may just sell all property in Vermont and move south sooner, if I end up losing my pension or being entrapped to the state of Vermont to work basically until the day I die! If you need MAJOR money savings, look at your model of the last year with the pandemic! We could save HUGE amounts of money in rent,electric, and internet cost! This would be Millions a year, just by keeping the 60-75 percent of your work force working from home! Lastly, if you need to change pensions, your cut off should be 10-15 years of employment or less! These employees are just starting. They don't have their life invested with the state yet! Honestly though, even these people were ALL promised a pension! If you need to change things, maybe you should do 401k plans with all NEW hires and leave the rest of us dedicated workers alone! Why pay 10,000 dollars to people to move to the State of Vermont when we have very little to offer . This change will drive out teachers and other workers. Also our economy and cost of living along with low pay is atrocious, our job market is minimal and our benefits will be terrible with this change!

Sincerely,

Andrew Cruickshank.

State of Vermont employee 23 years.

45 years old.

To the Members of the Vermont House Government Operations Committee:

In addition to the testimony I provided before the committee on March 29 (which is included below), I submit the following:

I spent four years working in the training and recruiting division of the Vermont state police.

In that time, I had the opportunity to interact with hundreds of potential and actual trooper recruits. Many of our applicants come from out of state. When I try to tell them of the benefits of coming to Vermont, there are two primary things I talk about.

The first is, that by coming to Vermont, they won't be a number. They will be a person. They will come to an agency that is large enough to offer professional challenge and opportunity, but small enough that they could have a personal impact on a statewide law enforcement agency.

The second is that, by coming to Vermont, they would have a pension that can compete with some of the surrounding states. Our pay does not compete. Our overtime opportunities do not compete. I tell them that we have a cost of living increases after retirement and that some extra work can boost that pension a bit to compete with higher percentages that exist in other states.

With this proposal, I won't be able to say that second part anymore. I won't be able to say the first part either, because this is reducing us to numbers. We are no longer people to whom a pledge was made.

In 2002, I began contributing. That means something. Five years later, I was vested. That means something. Every year since 2002, I've been reminded of what I am entitled to at the end of my career. That means something.

I will always be proud to call myself a state trooper. I want to always be proud to put Vermont ahead of that title. We are better than this. We need to continue to be better than this to attract the workforce and population that will make up the future of Vermont.

Thank you, Tim Gould

Springfield, VT

Testimony from 3/29 hearing:

1 - the number of people in my life who derailed her career to move to Vermont so I could be a trooper.

3.75 - the number of years until my expected retirement.

8.75 - the number of years I have to work under this proposal - because my expected retirement isn't "normal."

12 - the age of my son, for whom we've worked to provide a balance of enriching experiences while saving for college.

12.31 - the number of dollars per hour we left for (in 2002, not 1982).

15 - the age of my other son, for whom we also did the previously mentioned the planning.

23 - the estimated percent decrease in my pension, which I will start collecting 5 years later than I expected.

My wife and I have worked hard and planned to provide for our retirement and a solid foundation for our kids.

I took a pay cut to come here because we knew this would be a place we'd want to raise the kids we didn't have yet.

We came here because there was a promise of long term stability that made it worth the lower wages.

I need to know if I should leave to gain protection from these changes. The best case scenario under this proposal is a financial nightmare for my family.

I have read written testimony indicating that these proposals will solve the pension problems. I don't have the expertise to dispute that.

Your decision is this - at what cost? What hardship and damage is this state willing to create in the process.

On your side of this equation, numbers are being thrown around. On our side, lives are being thrown around.

Hello,

My name is Philip Peloquin, I am not one to reach out to legislature but considering recent proposals surrounding the state employee and teacher pensions I simply could not go without contacting you. I am a life-long Vermonter and more specifically a life-long Williamstown resident. Along with those distinctions I have also spent my entire post college career, as well as most of my part-time work during college, a State of Vermont employee with the Agency of Transportation. I started as a temporary State of Vermont Employee in 1998 becoming a full-fledged employee upon my graduation from Norwich University in 2003. Obviously, you can tell I have not strayed far from Williamstown and have had no regrets about that, for the first time in my life some doubt has now been cast on those choices though. Since starting with the State of Vermont in 2003 I have made numerous choices, building a house in the town I grew up in and moving directly to that house from my parent's house, turning down career opportunities that would have seen my salary increase, to having my kids go to the same schools I went to growing up. While there have been many factors considered in those decisions there is one factor that made all those decisions the right decisions, my employment with the State of Vermont and the pension that the State of Vermont created (I note the State of Vermont created it as I simply did exactly what has been asked of me for the past 18 years with the expectation to receive the pension that I have been told I would receive). Knowing I am to receive this pension has been the basis for virtually all my lifelong financial planning since I began working including financial decisions I have made for my children.

Currently I am required to work 30 years for normal retirement, the current proposal would move my retirement out 14 years from 2033 to 2047 rounding me out at 47 years of service needed to obtain my retirement. While this entire proposal is unfortunate, for me if this were to go through it would require me to completely reevaluate my career path (at a point when I never would have thought I would need to) and considering the high cost of living in Vermont, everything will be on the table for this evaluation, even leaving my home state.

I sincerely hope these drastic changes are not implemented as they will uproot everything I have worked for the past 18 years for not only me but my family as well.

Thank You,

Philip Peloquin

Williamstown, VT

Madam Chair and Members of the Government Operations Committee:

Thank you for the opportunity to submit written testimony in regard to the pension reform proposals. It's unfortunate that, at least to this point, the testimony in the public hearing has been almost entirely from teachers. I don't know how the NEA got all their members in and signed up so quickly, but I think it's important that you hear equally from employees of the State of Vermont too.

I will spare you the "don't do this to me" and instead focus on focus on some specific issues that are of concern.

First, I will say that the proposal to allow employees who are at or within five years of retirement a "safe harbor" from any changes was a welcome and necessary component. Without such a provision it's highly likely you would see a mass exodus of employees, perhaps upwards of 800, which could severely impact the state's ability to provide services to our citizens. So please keep that provision to provide some buffer. It would be nearly impossible for people within that range to be able to save the additional money to offset the losses in pension benefit. (by the way, on a number of occasions committee members have asked how many employees are eligible, what certain department's look like, etc. - you can find that information in the [Department of Human Resources Workforce Report](#). There's an entire section devoted to retirement eligibility starting at Table 40).

One provision is to reduce or eliminate the COLA and I see this as problematic from many perspectives. While members and witnesses have alluded to the decrease in purchasing power over time because of the effects of inflation without a COLA adjustment no one's really provided any kinds of numbers to allow you to really see the negative impact. Running some of these numbers shows that with of an assumed inflation rate of 2.5% (and no COLA) that at 10 years for each \$1,000 would only be worth \$776 in buying power, at 20 years for each \$1,000 it's only worth \$603, and at 25 years your \$1,000 is only worth \$531. This kind of impact would hit retirees in their elderly years and obviously have a serious consequences for them. I think that the loss of COLA is one of the things that frightens employees the most. For most it would take many, many years to save up enough money to offset the loss of buying power.

There has been a proposal to provide the COLA up to \$24,000 based on the fact that the current average pension payment is at that level. You have to realize that the current average pension benefit includes people who retired five, ten, even 20 or more years ago when their wages were much lower than our current wage rate. Again, data from the workforce report shows that the current average salary of a classified employee at the end of FY20 was \$63,858 so presumably the average pension is going to be somewhere around \$32,000 going forward. This is the more accurate number. If a reduction or elimination of a COLA is part of any plan, I would implore the committee to look at some kind of sliding scale that would adjust the amount that would be covered by COLA based on the prevailing average salary of employees or other factor rather than choosing an arbitrary number presumably going indefinitely into the future.

There's the old commercial that says "this is not your father's Buick" but this plan is truly your father's retirement plan. It seems designed for an era that is no more. It makes assumptions that our current labor pool chooses an employer and stays with that employer for their entire career and we know that's not the case. Statistics show that most young people coming into the workforce will hold six or seven jobs over the course of their career. This goes to the question of retirement eligibility. You have pegged that to be 67 years old and tying that to the Social Security full retirement level. The expectation that an individual would have to work well beyond what is traditionally 30 years to get a retirement benefit is terribly flawed.

It is difficult enough to attract talent to work for the State of Vermont. In general, although not always, our wage rates are lower than the private sector. We do have a superior benefits program and the defined benefit pension is part of that. With this proposal we will become much less competitive as an employer especially to younger candidates. How are we to recruit young people who we want to keep in Vermont?

Just for the sake of a round number: if we're hiring a 20-year-old, we've got to tell them that they would be eligible for retirement benefits in 47 years. There are few people who work for 47 years let alone 47 years for the same employer! There doesn't appear to be any early retirement provision present in your plan so how are we to attract these individuals? I would urge you to reconsider this arbitrary age defined criteria for receiving retirement benefits. Next to the loss of COLA this is extremely concerning to employees.

One answer would be a hybrid plan. I was fully expecting your proposal to include the possibility of such a plan which would be a mandatory defined benefit plan and an optional defined contribution plan with some kind of match. In the documents that you received from witnesses it showed that it is a very common type of plan in other states. Many perspective employees don't come to work for the State of Vermont their entire career and a portable component to retirement savings would be very attractive. In addition, because of the impact of the loss of COLA employees are going to have to save more to make up for the loss of buying power in their later years. You're going to need to incentivize that and a DC program with a match would be one step in that direction.

It's quite possible that one part of the proposal that you might gain acceptance is higher contribution rates although I know that this is not going to solve the problem entirely nor be popular.

Just briefly on a related topic, I fully support the proposals around changes in governance. It seems to me that understanding and improving the investment management of the pensions is the first problem to be solved before making draconian changes to the pension plan. I found it ironic, self-serving and if it weren't so sad, a bit amusing, that all of the players, including the honorable Treasurer, were falling all over themselves to say "don't do this to me," "take your time," and "we need a summer study committee": the very things that employees are saying! But the request from employees as of this point has been summarily dismissed.

In closing, let me be clear that I do not support the proposal in its current form. But I'm not sticking my head in the sand and thinking the problem will go away and I'm trying to offer some constructive feedback to you. I honestly think to meet the goals that you have outlined you're going to need more time to design a retirement benefits structure that fairly shares risks and would not put the State in the position of being a second class employer. I think it was Representative Anthony who said perhaps there are some things that can be done now instead of making wholesale changes that would have negative and irreversible consequences.

Respectfully,

Douglas Pine