

To: Senate Government Operations Committee

From: Jay Nichols, Executive Director, Vermont Principals Association

Date: April 19, 2022

Re: H. 572

Since the Senate Government Operations Committee met on H. 572 recently, I have been working with my colleagues at the Vermont Superintendents Association and the VTNEA to modify the proposal to help address the unprecedented number of educator vacancies in Vermont by creating a limited duration program to allow retired educators to return to service on an emergency basis while continuing to collect their retirement payments. The modified proposal is an effort to address the concerns raised by State Treasurer Beth Pearce.

My colleagues and I have met several times with Treasurer Pearce and her staff in an effort to develop a program that will both address the Treasurer's concerns and help school districts address their vacancies in critical positions while not adversely affecting the Teachers' Retirement System.

While we were not able to come to complete agreement on an approach, our discussions did lead to a set of recommendations that we are hoping the Committee will regard favorably. They are as follows:

- 1) This would be a one-year program for FY23 (July 1, 2022 to June 30, 2023) established by the General Assembly with authority granted to the State Treasurer (in consultation with the VSTRS Board and the Education Associations) to renew the program for FY24 and FY25. The renewal decision would happen no earlier than June 1 in any year (for the ensuing fiscal year) thereby foreclosing the opportunity for a teacher to advance her retirement specifically for the purpose of participating in the program.
- 2) School superintendents would have to certify that they have exhausted all reasonable options to employ a qualified active educator in the position before turning to a retired educator to fill the position.
- 3) To be eligible to fill the emergency position, a retired educator would have had to have been retired for a minimum of six months.
- 4) The retired teacher would be able to receive full retirement pay, but would not receive any additional vesting in the system. No retirement contribution by either the retired teacher or the employing school district would be required during the year of emergency service.
- 5) The retired educator could only serve for one year in a given position. If the program is renewed, they could serve in a different position on the same terms outlined in all provisions listed above.
- 6) Health care costs would be paid by the employing district, thereby relieving the Retirement System of that cost. (Thus saving the retirement system that cost during the period of return to service.)

7) School districts would pay a \$2500 administrative fee to the retirement system as both recognition of administrative costs and as a disincentive to use the program unless absolutely necessary.

We believe that this is a sound program that would work very well to support districts in employing experienced, qualified educators in a time of extreme need.

We recognize and respect State Treasurer Pearce's concerns about protecting the fiduciary interests of the retirement system. That stated, we believe that the the outline of the program, with particular emphasis on the requirement that a teacher be retired for at least six months, the one year term with a renewal determination made by the Treasurer, a three-year outside limit on the program and the \$2,500 administrative fee, establishes sufficient safeguards to be sure that the program meets its intended purpose - which is to expand the qualified workforce at a time of extraordinary need.

Thank you for your consideration.

Cc: Jeff Fannon, VTNEA
Jeff Francis, Vermont Superintendents Association
Sue Ceglowski, Vermont School Board Association