



Pima County School Retirees' Association

February, 2019

We welcome all retired school employees

PCSRA POEpourri

As we proceed through 2019 with Valentine's Day, AASRA Day at the Legislature, and Presidents' Day, I am reminded that all the special days we encounter are only special if we have the wherewithal to use them as they were intended.

Translation: If we are to celebrate or do our citizen duties, we have to protect our retirement interests.

The Arizona Retirement Security Coalition, of which AASRA is a member, is a group of organizations made up of retired or active members of the Arizona State Retirement System (ASRS). Nearly all of us have spent a good portion of our adult lives paying into the ASRS. Current members and their employers are paying upwards of 12% of their monthly salaries to keep the fund growing. This is the amount needed to sustain the current promised ASRS benefits, according to actuarial tables.

Many politicians and outside groups want access to the nearly \$40 BILLION in the ASRS funds. Many "investment" corporations and businesses see lots of fee charges they can earn if they could just get their hands on our ASRS money. They will stop at very little to do what they can to undermine the ASRS Defined Benefit retirement system and replace it with 401(k) type individual funds that are more portable in our current employment climate. HOWEVER, the management charges are much greater than we pay through the ASRS. The benefits reaped from 401(k) type accounts are FAR LESS than we receive through ASRS, with benefits approaching about 60% of our pensions. Arizona State University has been offering this 401(k) type of retirement plan as an option for a few years and would like to get as many employees as possible to drop ASRS and open 401(k) type accounts as a savings (the employee would CHOOSE how much \$ to put into the accounts with the University matching up to 7%.....thus an immediate savings to the schools and the individuals).

The "kicker" comes when it is time to retire. With 401(k) accounts, the retiree has to estimate how many years they will live and then divide their "fund" by that number of years, to know how much they can safely withdraw on a yearly basis. Otherwise, they will run out of money and have to go on the dole if they live longer than they expected. With our ASRS pensions, we are told the yearly value of our pensions at our retirement and the payments remain until death.

It's hard to get young people to understand what they are doing to themselves down the road by leaving the ASRS. It's hard to explain to the schools or other governments that saving the 5% or so now will ultimately result in an INCREASE in older retirees on welfare or having to be supported by family. It is up to ALL OF US to make sure the AZ Legislature, Governor, and the currently working ASRS members understand the complexity of this issue. Please do your part by contacting the AZ politicians (Governor and Legislators) and telling them to protect ASRS members, retired and active. We do not want the ASRS to have to cut benefits in the future due to a larger decrease in members. See more about this topic in Jerry Holmes' column inside this PCSRA Newsletter.



President's Desk

~ Steve Poe



January Report

PCSRA Membership: 144 *Renew Now*

AASRA Membership: 54 *Renew Now*

Scholarship Fund: \$1,807

March 14th Luncheon at Viscount Suites

Preserving the Sonoran Desert

\$16.50 each Postmark by March 7 to:
PCSRA Reservations, 4315 E. Seneca St., 85712.

A - Spaghetti and Meatballs

B - Ham and Turkey Melt w/ Fresh Fruit

Name _____

Guest _____



Programs

~ Barbara Macpherson



Mountain Saddle Band Performs

Happy Valentine's Day! Happy Birthday to the state of Arizona! Our featured performance today is by Mountain Saddle Band from Show Low, AZ. The band will perform many Western and cowboy tunes. Get to know our local authors and enjoy their books.

Next month Carolyn Campbell will speak to PCSRA members about "Preserving the Sonoran Desert". Our community presentation will be by Brent Dennis, talking about implementing the bond package to improve our Tucson parks and facilities. See you on March 14 for an informative meeting on our unique desert habitat.

In honor of Arizona's birthday on February 14, here are some fun AZ facts.

The blossom of the saguaro cactus is the official state flower. The white flower blooms on the tips of the saguaro cactus in May and June. The saguaro is the largest American cactus.

Arizona leads the nation in copper production. The amount of copper on the roof of the Capitol building is equivalent to 4,800,000 pennies.

Petrified wood is the official state fossil. Most petrified wood comes from the Petrified Forest in northeastern Arizona.

The Palo verde is the official state tree. Its name means green stick and it blooms a brilliant yellow-gold in April or May.

The cactus wren is the official state bird. It grows seven to eight inches long and likes to build nests in the protection of thorny desert plants like cholla and the arms of the giant saguaro cactus.

Turquoise is the official state gemstone. The blue-green stone has a somewhat waxy surface and can be found throughout the state.

The ringtail is the official state mammal. The shy, nocturnal ringtail is a small foxlike animal about two and one-half feet long.

Arizona is home of the Grand Canyon National Park. The bola tie is the official state neckwear.

BOOKS! BOOKS! BOOKS! "For Love of Reading"

The February PCSRA luncheon begins with an opportunity for all members to mingle with invited guest authors to check out their book displays, to get tips on writing, to learn about the art of publishing, and to just celebrate BOOKS!

It has been said that every person alive has one great story to tell, the story of his or her life. Maybe these authors will inspire you to begin writing your own story. Consider this idea as you meet and talk with these published authors.

PCSRA welcomes:

Peggy Augenbaugh	Gemma Krebs
Bill Black	Paris Rebl
Bonnie Formentini	Marc Severson
Kate Humphrey	Sam Turner
Gayle Jandrey	

These invited authors were unable to attend due to previous commitments:

Roni Capin Ashford	David Grassie
Peter Bourret	Angela Bell Julien
Dr. Nic Clement	Bill Peltier

PCSRA thanks all the authors who are sharing their talents with us today!

Roadrunner Theatre Moving

The "39 Steps" production which was scheduled for March 20 at the Roadrunner Theatre was cancelled because the theatre group will be moving to a new site. We are returning all money paid for tickets now.

When the new schedule is available and the move is completed, the Executive Director will inform us and give us the opportunity to have a UA Scholarship fundraiser production. We will notify you of the updated information. Thank you for your patience and support.

It's Another Legislative Year

The Arizona Legislature has many topics to tackle during this legislative session. Among those are issues of water apportionment, criminal justice reform, guns, various transportation topics, voting issues, protecting vulnerable adults, marijuana, adequately funding state government, and, again, ethical issues related to the members of the legislature.

However, I don't write about those topics in this column. I discuss issues related to pension security for retired educators and issues related to public education. Those subjects are among the goals of AASRA and included in the AASRA Constitution as appropriate for our focus. This year the Arizona State Legislature is expected to spend time on both areas.

Issues related to public education often make the headlines where pension issues don't; so let me tackle the topic of public education first. Under the umbrella of public education there are the sub topics of school safety, charter school accountability, vouchers, a code of ethics, curriculum and appropriate funding.

As I talk with various legislators, they all mention the impact that the 50,000 + educators' marching on the Capitol in the spring had on their perspective. However, that same show of force by educators is now fueling a backlash from certain legislators. Rep. Mark Finchem (R) Dist. 11 wants to impose a code of ethics (HB 2002) on teachers that would restrict their ability to discuss "controversial" issues in the classroom.

Finchem says his bill is in response to the many parents that contacted him stating their objections to teachers advocating in the classroom. A public records request by the Arizona Republic in January revealed "that Finchem actually heard from only one parent on the issue via email, and that message came after he introduced the controversial bill." Finchem has not responded to the Republic's inquiries regarding any phone calls or face to face conversations he might have had on the issue.

Rep. Kelly Townsend (R) of Mesa introduced HB 2017 which would prohibit public schools from shutting down except for pre-approved breaks and holidays. Rep. Townsend admits this is in direct response to the teacher walkout that led to schools across the state closing due to lack of staffing during the Red for Ed Movement. Townsend has also introduced HB 2015 which would prohibit use of district resources (such as email or class time) to promote a religious



Legislative News

~ Jerry Holmes



or political ideology. HB 2016 would prohibit educators from harassing or intimidating colleagues and parents. Laws are already on the books to cover those topics – Townsend's proposals are more punitive.

Some of the leaders of the Red for Ed movement spoke up quickly in response to Townsend's proposals. They talked of their frustration that lawmakers are choosing to react with punitive measures rather than working on viable solutions to the underfunding of education in Arizona. As of this writing, none of these bills has yet been assigned a committee.

Sales Tax Support for Schools

There are two proposals, one still in draft phase, to raise Arizona's sales tax rate by 0.4% in order to increase funding for education. The surprising thing is the source of the proposals – both come from Republican legislators. Both proposals will put the issue in front of the voters in 2020 allowing the electorate a final say in modifying Prop 301 originally passed by voters in 2000. Prop 301 raised our sales tax by 0.6¢, an amount that was recently renewed by the legislature for another 20 years.

Maybe the format of a referendum was chosen to avoid passing a bill that would require the governor's signature. Gov. Ducey has stated repeatedly that he will not approve any attempt to raise taxes.

Sen. Sylvia Allen (R) Dist. 6 has proposed raising the state sales tax. In the past, Sen. Allen has vehemently opposed legislation raising allocations for public schools. Once, she wrote an opinion piece in the Arizona Republic asking the question of public education funding, "When will it ever be enough?"

Rep Allen owns and operates a charter school (with an F rating) in the Snowflake area. A proud member of the Tea Party, Sen. Allen, in 2009 stated publicly "the earth is 6,000 years old". In 2015, during a Senate committee hearing, she advocated that "attending Sunday church services should be compulsory for Americans".

See **Sales Tax** on page 4.

Sales Tax continued from page 3

Advocating for raising the sales tax is moderate Republican Sen. Kate Brophy-Magee. The difference between the two proposals would be how the money would be dispersed. Sen Brophy-Magee's plan continues the current \$80 million allocation for research at the state's community colleges and universities. Sen. Allen's plan eliminates those expenditures. Sen. Brophy-Magee's plan also continues a tax credit for low income families that would offset the higher sales tax. Sen. Allen's plan eliminates the tax credit. The Brophy-Magee plan also calls for greater oversight of expenditures.

Senate Concurrent Resolution (SCR) 1001, Sen. Allen's proposal, passed the Senate Education Committee, which Sen. Allen chairs, on January 22 by a vote of 5-3. Democrats who voted against it in committee said they did so because the proposal does not go far enough. Sen. Brophy-Magee, a member of the committee, voted for Sen Allen's bill as a good faith gesture after Sen. Allen promised that Sen. Brophy-Magee's proposal would be heard in the committee.

Sen Allen's bill was scheduled to be heard by the Appropriations Committee, but was withdrawn from the committee on Feb 4. Frankly, I don't know what that means for its future. However, the important idea is that if either of the proposals can clear both houses of the Arizona legislature it would be submitted to the voters. Because its passage would not require his approval, the most Gov. Ducey could do is campaign against the measure. It would also make implementation legislature-proof because Arizona law requires any legislative efforts to change a referendum to have a 75% supermajority for approval.

In my opinion, it is unfortunate that Arizona has to rely on a regressive sales tax, which more negatively impacts lower income families, to fund education. Why doesn't the legislature just do its job and pass appropriate level funding for education from the general fund?

Leveling the Playing Field?

HB 2035 was introduced by Rep. John Fillmore (R) from Apache Junction. The bill would allow public school districts to operate under the same procurement standards as charter schools currently operate. Stated another way, it would make procurement standards more lax for public schools than they are currently.

Currently charter schools can apply to the State Board for Charter Schools and be exempted from the standards for procurements. However, there is currently no avenue through which public schools can request exemptions from standards; so it is unclear what is intended by the bill. When Arizona Capitol Times asked Rep. Fillmore to explain how this would work, he responded, "I'm not an expert on the exemption rule." In that case, it would seem no one can explain what happens if it becomes a law.

Speaking of Charter Schools . . .

The Grand Canyon Institute (GCI) issued a report January 9 on charter school accountability. GCI advertises itself as a non-partisan centrist think tank aimed at assessing and improving Arizona. The full, 61-page report can be found at <http://grandcanyoninstitute.org/red-flags-overleveraged-debt/>. By the way, Gov. Ducey did not mention charter school reform in his State of the State address.

The report calls the following "Red Flags."

* The debt of Arizona charter schools has increased to a level that means that many charter schools are failing financially and many others are at great risk of failing financially. Charters owe \$2.56 billion in debt with their property value currently at \$1.4 billion. The entire sector owes nearly twice what it is worth. A business property or homeowner in this position is deemed to be underwater on their debt.

See **Charter Schools** on page 5.

Charter Schools continued from page 4

* Ten percent of charter sites are in significant financial distress with closure a near certainty due to excessive debt and poor underlying financials. Another 10% are at risk of closure. GCI estimates 27 more closures in the next two years for financial reasons with those schools currently owing \$1000 or more per student. Another 67 are in serious financial peril owing between \$400 and \$1000 per student.

* Many charter operators are allowed to borrow based on projected student enrollment growth, i.e., using future educational revenues from students as a guarantee for their bond debts. That's like a homebuyer with an income of \$50,000 telling the mortgage company they'll soon make \$100,000 per year.

* 60 percent of growth in student enrollment from 2014 – 2017 was captured by 10 charter companies. During the same period, 35% of charter companies experienced losses in their enrollment.

* There have been 427 charter closures (43%) since 1995, with 67 closures coming during the school year.

* The children in schools that close during the school year place new demands on the limited resources of other charters and school districts in the area trying to absorb those students mid-year.

* In addition, the legislature needs to reconsider the extent to which public tax money should be used to pay for privately-held charter school property. Charter schools currently receive about \$1,600 more per student than district schools, primarily to pay for private property.

* Arizona currently allocates about \$1.5 billion per year to charter schools to educate 17% of Arizona's students.

The GCI report makes seven recommendations, most quite technical, to reform the current system. All can be seen at the website cited above.

Leveling the Playing Field?

One of the topics the legislature has to deal with this year is referred to as "tax conformity". In other words, making sure the state tax code is in line with the recently revised federal tax code. By doing so it is anticipated that Arizona will realize between \$133 million and \$270 million in additional revenues. If the legislature accomplishes conformity, the question becomes what do we do with the additional revenue?

Some legislators feel that the money should be used to grant Arizonans a tax break. However most of those advocating for the tax cut argue that the cuts should be given to the wealthiest among us in order to stimulate our economy. That is the same, very tired argument that led us to the financial disaster we faced in 2008. A bill that would have given tax breaks has already been vetoed by Gov. Ducey in the current session.

Others argue the additional money should be deposited in the "rainy day" fund. From there it could be used in the next economic downturn to alleviate cuts in education once again.

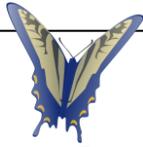
A third group advocates that some of the state's debt be paid off with proceeds from the tax change.

During the last recession Arizona's schools were hit with the largest cuts in the country. Accounting gimmicks were used to delay payments to schools which led to increased debt by school districts. Those funding cuts and accounting tweaks led us to the quagmire we face today.

My opinion follows - Please urge your legislator to save the additional income or pay off debt as any good household would do with additional revenue. You never know when the next avalanche will occur. Granting tax cuts is like spending your new-found funds on a party to celebrate – never a wise move. This is one of the few times you will ever hear me agree with Gov. Ducey.

See **AASRA** on page 6.

Farewell



Acosa, Barbara (82) ~ 1/3; Educator

Adamec, Ludwig (84) ~ 1/11; Professor

Allison, Linda (70) ~ 1/21; Teacher

Anders, Carol (80) ~ 1/2; Teacher, Marana

Cecil, Donna (76) ~ 1/4; Teacher Aide

Coykendall, Ruth (91) ~ 1/11; Teacher, TUSD

Cummings, Diedre (54) ~ 12/30; Teacher, Reading

Dinnerstein, Leonard (84) ~ 1/22; Professor

Gerstenfeld, Barbara (86) ~ 12/15; Teacher

Kaul, Eileen (91) ~ 12/31; Teacher,
Flowing Wells

Matts, Richard (73) ~ 1/21; Teacher,
Alternative High

Nicholson, Everett (88) ~ 10/2; Teacher, Catalina

Pingo, John (78) ~ (?); Educator

Poll, Bernice (92) ~ 1/14; School Psychologist

Stacy, Ron (79) ~ 1/31; TUSD Director of
Transportation 22 years

Friends



Mentors

Leveling the Playing Field?

In the January PCSRA newsletter I mentioned that AASRA had joined with other retiree groups to form the Arizona Retirement Security Coalition (ARSC). Please know that we are working hard to protect ASRS from substantive changes to its structure. You can follow updates about what we know and the actions we are taking and asking you to take at the AASRA Facebook page (<https://www.facebook.com/AzAASRA>) or the ARSC Facebook page (<https://www.facebook.com/AZRSCo>).

As you may have seen in the email blast AASRA sent out on January 28, ARSC held a legislative education day on January 30 and a conference/video conference the same day for ASRS members. If you did not receive the email from me on January 28, that means you are not on our email list. Send me an email (cerrada68@gmail.com) to tell me you want to be added so you will receive AASRA email notices.

Also, please help yourself and all of us by contacting your legislator when we ask. We will give you all the facts that we can so you can use your own voice to express your opinions to your reps.

Take a few minutes to let me know you want to sign up for the Request to Speak (RTS) system at the state legislature. Through RTS you can comment on bills being heard in committee. Either email me at (cerrada68@gmail.com) or go to the legislative offices in the State of Arizona building in Tucson if you prefer to do it yourself.

PCSRA Book Club

For our February 21 meeting, we've selected *THE LINE BECOMES A RIVER* by Francisco Cantu.

"For Francisco Cantú, the border is in the blood: his mother, a park ranger and daughter of a Mexican immigrant, raised him in the scrublands of the Southwest. Driven to understand the hard realities of the landscape he loves, Cantú joins the Border Patrol. He and his partners learn to track other humans under blistering sun and through frigid nights. They haul in the dead and deliver to detention those they find alive. Plagued by a growing awareness of his complicity in a dehumanizing enterprise, he abandons the Patrol for civilian life. But when an immigrant friend travels to Mexico to visit his dying mother and does not return, Cantú discovers that the border has migrated with him, and now he must know the full extent of the violence it wreaks, on both sides of the line."

The selection for March is *AMERICAN LIKE ME: REFLECTIONS ON LIFE BETWEEN CULTURES*, edited by America Ferrera. The April pick is *EDUCATED* by Tara Westover.