

**Pension Reform Issues Highlighted at Fall 2014 Conference**  
**By**  
**Chaumonde Porterfield-Pyatt, MACCC Legislation Advocacy Representative**

At a time when politicians and corporate moguls are attacking public employee retirement systems, CalSTRS CEO Jack Ehnes said “Since at least 2006, we’ve said CalSTRS cannot rely solely on healthy investment returns to make up the ground lost to the economic downturns and market volatility of the past 14-years.”

CalSTRS reported out this week that of last June 30, 2013, the pension fund shortfall grew by \$2.7 billion in the 12-months since the previous valuation of June 30, 2012. This latest calculation comes as the Legislature and Gov. Jerry Brown continue to debate how to fix the teachers’ retirement fund. The long-term funding shortfall has risen to \$73.7 billion, a stark reminder of the financial issues facing the teachers’ pension fund.

Two months ago, CalPERS initiated a plan to raise contribution rates from state and local agencies around \$100 billion. Unlike the public employees’ pension fund, the teachers’ fund needs the Legislature’s permission to implement a rate hike.

Although CalSTRS has enough cash to deal with its obligations for the foreseeable future, it is only 66.9 percent funded for the long term. It is said the shortfall grows by \$15 million a day, and if it isn’t corrected, CalSTRS expects to run out of cash by 2046. That is actually three years later than the last time CalSTRS issued a prediction. Ehnes said an increase with contributions can be gradual, predictable and fair to all parties while meeting the long-term needs of the system.

Come to the conference in November to hear CEO Jack Ehnes speak on Pension Reform, as well as Legislation Advocacy representative, Jennifer Baker from CTA. Jennifer is the former advocate with FACCC. There will be a Q/A opportunity at both sessions on Friday, November 12, 2014.