

Teacher Recruiting and Retention Task Force

**Illinois State Board of Education (ISBE)
State Board Room, Third Floor
100 North First Street
Springfield, Illinois**

Tuesday, November 18, 2014

MINUTES

Call to Order:

Senator John Sullivan, Co-Chair, called the meeting to order at 1:06 p.m. A quorum was present.

Facilitation Committee Member(s) Present:

Senator John Sullivan – Co-Chair
Representative Chapa LaVia, Co-Chair (on the phone)
Brittany Archibald
Steve Grossman
Dr. Vinni Hall
Richard Ingram
Frank Mott
Senator Jim Oberweis (on the phone)
Senator Chapin Rose
Representative Barb Wheeler

Committee Member(s) Absent:

Representative Frances Hurley
Representative John Anthony
Dr. David Shuler

Review of Business Meeting Agenda:

There were no modifications made to the business meeting agenda.

- I. Introductions
- II. Purpose of Task Force
 - House Joint Resolution 27 was reviewed. The resolution requires the Task Force to study the impact of Tier 2 pension benefits on the ability of school districts to recruit and retain teachers in public school classrooms. Per House Joint Resolution 27, Tier 2 members are public employees hired on or after January 1, 2011.
- III. Background issues
 - Requested data points were discussed regarding the impact of Tier 2 costs/benefits of members. Mr. Ingram reported that current Tier 2 members are paying 9.4% with a 7% valued benefit.
 - Example: \$30,000 paid in on Tier 2 with a \$700-\$1,000 tax taken out leaving a 'shortfall'.
 - Tier I pays 9.4% for \$1; Tier 2 pays 9.4% for \$.64
 - Tier 2 treated separately with 140% funded; while Tier I is less than 80% over time.
 - Tier 2 cannot be available to subsidy Tier I.

- Refund of any teacher (Tier I or Tier II) leaving teaching will receive a check of everything they contributed with no interest earned.
- Mr. Ingram will provide the actuary from Buck Consultants regarding insolvency.
- Ms. Farney informed that another actuary table is being constructed and will be provided at a later date.
- Legal and constitutional implications will need to be evaluated and reviewed.
 - Task Force members agree that consulting lawyers regarding Social Security protection whether the Tier 2 provides like Social Security benefits is needed.
 - Task Force members agree that a review of the Internal Revenue safe harbor rules/guidelines is needed. Senator Rose reported that no educators have been found to fail the safe harbor guidelines at this time.
- Subsidy of State Costs by Tier II Excess Contributions
 - Impact on recent fiscal analysis of SB1 if excess contributions is eliminated
 - Task Force members agree that there is an administrative burden to review each educator individually.

IV. Data

- Recruitment vs. Retention Issues
 - Mr. Ingram informed that the number of inactive members leaving the profession is on the rise. And, that active members numbers are lower.
 - Percentage of members with five years or less are primarily Tier 2. Tier 2 went from 27% in 2005 to 19% in 2014.
 - Task Force members will review if these are budgetary issues or recruitment issues.
 - Senator Rose reported that College of Education enrollment has declined. Task Force needs to review data that pertains to enrollment in teacher education programs.
 - Mr. Grossman and Mr. Mott suggested comparing midwest out-of-state schools colleges/institutions education programs, surveying school districts (anecdotal or questionnaire) where teachers are competing for hire, and/or possible entrance and exit interview process questionnaire/survey.
 - Dr. Vinni Hall suggested that we review the data collection document regarding a hybrid model constructed by Comptroller, Judy Baar Topinka's office.
 - Mr. Ingram will check TRS data where an educator has purchased service in another state. He stated that TRS processes approximately 3,000 refunds a year. Also, currently, there is no penalty for requesting a refund.
 - Ex. 9.4% paid in; approximately 8.4% is refunded with a 1% forfeited for insurance benefit survivor

V. Proposal of Task Force

- Ms. Elliott will converse with resolution sponsors to amend resolution. The amended resolution should include safe harbor language and cost of pension. Task Force recommends an extension to report its findings to the Governor and the General Assembly on or before September 1, 2015. Task Force will meet in January (Ms. Elliott will provide the next meeting date/time) to discuss data points and requests.

Adjournment:

Senator John Sullivan moved that the Teacher Recruiting and Retention Task Force meeting adjourn. The motion passed by unanimous vote. The Task Force meeting adjourned at 2:09 p.m.