

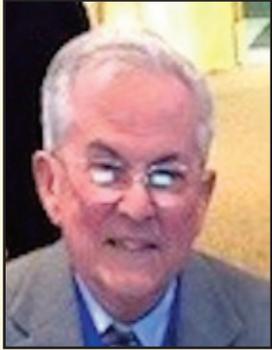


Serving Retirees Since 1956
Membership Statewide

Summer 2019

The Reporter

PRESIDENT'S MESSAGE



Dear Fellow Members,

The Executive Board of DRSPA has been working diligently this past year on behalf of the nearly 13,000 retired school personnel. On January 29, 2019, I spoke to the Joint Finance Committee, and

in April our organization hosted a reception for our Legislators. Both of these events were designed to make our lawmakers aware of the dire straits of some of our pensioners. As you all know, our monthly pensions have not kept up with the cost of living, which has increased 38% since the 1970's. We have only received a 7% pension increase in the last 18 years. Those who retired in the 1970's, and there are about 1,000 of us, receive an average of only \$942.00 per month, and are finding it increasingly difficult to meet monthly financial obligations. Our Governor has seen fit to give 2% increases in each of the last two years to school employees, and rightly so. However, those who retired after working for our state for 30, 35, or even 40 years are falling farther behind.

With the help of Rep. Bill Carson, a bill was drafted to increase the death benefit for pensioners from \$7,000 to \$8,000. Unfortunately, the legislative session ended before this bill could be acted upon.

DRSPA has also hired Terry Spence, former state representative and Speaker of the House, to act as a lobbyist on our behalf. In spite of his efforts and the letters and emails from many DRSPA members, there was no positive response from either the Governor's office or the state legislators, when Mr. Spence spoke to them.

On a personal note I would like to thank those DRSPA members who contacted legislators regarding our much-needed pension increase. I'd also like to thank all of the DRSPA Executive Board members for their continued support and hard work on behalf of our DRSPA members.

Sincerely,

Ted George
President DRSPA

Annual Meeting - Save the Date

The DRSPA State Annual Conference will be held at the Modern Maturity Center, Dover, DE, on Wednesday, October 23, 2019, from 9:00 am to 1:00 pm. The cost will be \$20.00 per member. Speakers will include David Craik, Delaware Pension Office, who will provide his annual "State of Our Pensions" report. Faith Rentz, Director of State Benefits, will present "Upcoming Changes in Medical Benefits." Other presentations will focus on issues that are important to retirees.

Attending this meeting is a great way to reconnect with old friends and colleagues, make new friends, and learn about issues important to Delaware pensioners. Specific information regarding the annual Conference will be mailed to all members in early September.

**Delaware Retired School
Personnel Association**
P. O. Box 7262
Wilmington, DE 19803
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Executive Director

Wayne E. Emsley

Legislative Report

The legislative session ended a few days ago. It has been a long winter and spring of legislative activity for DRSPA. It started on a positive note in late January when our President, Ted George, presented our needs to the Joint Finance Committee. Our presentation seemed to be well-received, and with Delaware's financial outlook improved, we were optimistic that a modest pension increase, and even an increase in the death benefit, would finally be realized.

DRSPA held a reception for legislators on April 11. We had good attendance of both senators and representatives. More importantly, these legislators seemed to be well-aware of our member's need for economic relief from the increasing cost of living. We were encouraged by the strong sense of support that these legislators displayed.

A few days before our reception, Senator Bruce Ennis introduced Senate Bill 62. This bill called for an annual cost-of-living increase for state pensioners, much like the increase provided to Social Security recipients. Had this bill passed, it would have gone a long way towards solving the pension problem. However we recognized immediately that the chances for its passage were slim. It was estimated that the 5-year cost of the proposal was \$2.3 billion dollars, a cost the state simply couldn't afford. (For comparison, the total state budget is 4.4 billion per year.)

Unfortunately Governor Carney had not put a pension increase in his proposed budget, so your DRSPA Board took a number of actions to encourage the Joint Finance Committee (JFC) to add a pension increase to its version of the budget. Emails were sent to DRSPA members encouraging them to contact members of the JFC. A legislative newsletter was prepared and mailed to other DRSPA members with directions encouraging them to contact their senator and representative.

Your DRSPA Board members felt that the effort needed an extra boost, and in mid-May, hired a lobbyist, Terry Spence, to advocate for a pension increase. Mr. Spence contacted numerous legislators trying to move the budget process in our favor. Unfortunately his efforts were in vain. The Joint Finance Committee refused to seriously consider a number of reasonable pension increase proposals. Your DRSPA had proposed a 3% increase for those who retired before 2000 and a 2% (later reduced to 1%) increase for those who retired after 2000.

In the end, both the House of Representatives and Senate passed the Governor's budget nearly a week before the close of the legislative session. Their action left 13,000 retired school employees without a pension increase for four years. Ironically, the state is projected to enjoy a surplus in tax revenue greater than the cost of the pension increase that your DRSPA had proposed.

Executive Director's Report

Wayne Emsley



Here we are in July. The temperature and humidity have both risen and together conspire to make going outdoors comfortably an early morning and evening activity. However these “lazy, hazy days of summer” are a perfect time to think about the future.

This legislative session was a real disappointment for DRSPA. As other articles in this newsletter indicate, the efforts of many DRSPA members and the DRSPA Executive Board were unsuccessful.

So what should we do? One of the sayings I learned as a teacher was, “Only a crazy person believes that if you do the exact same thing over and over, you’ll get a different result.” So what can we do differently so we get a different – and more attractive – result? Your DRSPA Executive Board will be meeting in August and will at that time provide a path – hopefully a more successful one – for the upcoming 2020 legislative session.

One easy change will be to initiate our legislative involvement earlier. In the past, we’ve started with the Joint Finance Committee hearing in January. I’ll be proposing to the Board that we start in August or September by meeting with certain key legislators.

I also think we need to develop specific pieces of legislation, determine their cost, and seek out legislators who will introduce our bills. In the past, legislators did this for us. Not anymore.

Third, we need to continue – and expand – member communication with legislators. It appears that a pension increase is not opposed by legislators, but in spite of all our efforts, few legislators see a pension increase as a pressing need. We need to make a stronger case next legislative session.

We also need to put more pressure on the Governor. At present he appears to be the greatest impediment to a pension increase. We need to find out why he is opposed to an increase, and seek a proposal that he can support.

The goal of the Delaware Retired School Personnel Association is to seek a dignified retirement for every public school pensioner. The legislature and Governor are key to our success in attaining that goal. Many DRSPA members put in a significant effort this legislative session, but our effort was not successful. I’m confident that the DRSPA Board and leadership won’t give up, but instead will regroup, rethink, and rededicate our efforts.

Ambassadors Needed

It’s a pretty well accepted fact that repeated personal contact with legislators is an effective way to educate them on issues. Delaware Retired School Personnel Association has, for the past few years, utilized a group of volunteer ambassadors to carry out this important function.

The ambassador team makes every effort to maintain positive relationships with legislators throughout the year, even when the legislature is not in session. An ambassador is DRSPA’s direct contact with our state senators and representatives. When DRSPA needs action on a bill, the ambassadors make contact with their legislator to explain our association’s position on the bill.

There is a need for additional ambassadors. If you would like to serve as an ambassador, please contact Jack Hassman, Ambassador Chair, at (302) 629-4183, or email at JohnHassman12@comcast.net. We will provide assistance to you in this is very important job.

Legacy Gifts Announced

Are you looking for a way to honor the memory and contribution of a loved one? Would you like to provide a remembrance for yourself, relative or fellow educator? The Delaware Retired School Personnel Association Executive Board recently established a Legacy Gift program that can be used to continue one's contribution into the future.

Legacy Gifts are donations made to the Delaware Retired School Personnel Association either (1) as a donation when the giver is living, or (2) as a planned future donation given through a will or other form of designation. The gift can be a specific dollar amount, as proceeds from a life insurance policy, or securities and/or mutual funds. The giver of the Legacy Gifts intent for the gift will be in writing and be maintained by the Executive Director. Legacy Gifts can be provided anonymously or honor one or more persons by name.

Legacy Gifts can be made to the Legislative Fund, the Awards Fund, or to the General Operating budget. The giver of the Legacy Gift will determine the DRSPA fund that will receive the gift and the terms for distribution of the funds. In addition, the giver of the Legacy Gift will determine the number of years that the gift provides funds. Legacy Gifts typically have a lifetime greater than one year. While the Association will accept gifts in perpetuity, it is strongly recommended that Legacy Gifts have a maximum lifetime of 25 years.

Once the Legacy Gift is established, funds supporting the gift will be accounted for separately. The Executive Director will be responsible for distribution of the funds and will report the status of the fund to the Executive Board at least annually.

If you are interested in establishing a Legacy Gift, the first step is to contact the Executive Director, Wayne Emsley by email - email@drspa.org, phone – (302) 674-5282 or at DRSPA, PO Box 7262, Wilmington, DE 19803.

Wayne Emsley, Executive Director noted that, “DRSPA has a long and proud history of contributing financially to education in Delaware. Over our 63 year history DRSPA members have provided funds for scholarships, rewarded graduating high school students, and more recently provided over \$45,000 in *Partners in Education* grants. We want to provide this opportunity of contribute to Delaware education to every former public school employee by establishing the Legacy Gifts program.”

Not Quite Ready to Retire?

Not Quite ready to Retire - Look West to Caroline County Maryland! Caroline County Public Schools (CCPS) in Maryland is right over the Delaware state line and is approximately 45 minutes from Dover with opportunities for retirees who just might not be ready to retire. CCPS has a variety of positions from classroom teachers, substitutes, intervention teachers and more. Please check the website at www.carolineschools.org for all positions. We offer a competitive salary with years of experience honored toward salary offer as well as additional benefits. Employees who work 500 hours or more in a school year, will be enrolled in the Maryland State Retirement system with a 7% contribution however if you leave prior to a 10-year vesting schedule all contributions are refunded with interest from the state. For more information please visit the website at www.carolineschools.org or call Human Resources at 410-479-2894 or hr@ccpsstaff.org. We are happy to answer any questions about working with CCPS!

Current Openings:

- El Teacher - Elementary
- Math Teacher - Secondary
- Spanish Teacher - Secondary
- Instructional Assistant(s)
- Tutors
- Security & Technology Technician



A Call for Your Help

Within the past few years, it has become clear that the State Employee Benefits Committee (SEBC), rather than the legislature, determines our health care costs. This committee, made up of eight state officials, meets once or twice a month throughout the year. These committee members have been given the authority to set the premium and copay costs for all of the health and prescription plans operated by the state of Delaware. Put more directly, they have the power to increase your copays and premiums.

None of the members of the committee are retirees, and we've found that it is necessary to continually remind the SEBC members that our life situation is different than current employees - our pensions are generally lower than employee salaries and our health care costs are higher. Sometimes this reminder is provided in the form of a short speech during the "public comment" portion of the meeting. More frequently we remind the committee by simply having retirees sit in the audience.

So this is where - and how - you can help DRSPA and your fellow public school retirees. We're asking that you attend at least one SEBC meeting during 2019. A listing of State Employee Benefits Committee meetings is below. The SEBC meets on the first floor of the Tatnall Building, which is located across the street from Legislative Hall in Dover. There is ample free parking in two lots, one behind the building, the other next to it. If you attend, you will need to sign in, and at the beginning of the meeting state your name and organization affiliation. There is a time for public comment, usually at the end of the meeting. You don't need to speak, and in fact most folks who attend do not, but you may do so if you care to. The meetings begin at 2:00 and usually last about two hours.

If you live in the area, I hope you will consider attending. If you live further away, please contact a fellow retiree who lives closer and ask them to attend. We keep telling the SEBC members that health care costs are an important part of retiree economics. Having DRSPA members in attendance provides far more impact than just words.

The members of your DRSPA Executive Board look forward to seeing you at one or more meetings.

All meetings begin at 2:00 pm on Monday. Scheduled SEBC meeting dates for 2019 are:

| | |
|--------------|-------------|
| July 22 | October 21 |
| August 26 | November 18 |
| September 23 | December 16 |

Editor's note: As part of DRSPA's effort to secure a pension increase, your officers asked for a meeting with Governor John Carney, Jr. As we communicated with the Governor's office, we were hoping to begin a dialogue with the Governor that would help us better understand his reluctance to support a modest pension increase. We also wanted to illustrate the economic plight of those pensioners who retired before 2000. The Governor refused to meet with your DRSPA leaders. In response, the following letter was sent to the Governor.

See pages 6 and 7





Delaware Retired School Personnel Association

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Sussex

Governor John C. Carney, Jr.
150 Martin Luther King Jr. Blvd
Dover, DE 19901
June 18, 2019

Governor Carney:

I am one of 13,000 former public school educators who is a member of the state of Delaware retirement plan. I also volunteer as the Executive Director of the Delaware Retired School Personnel Association. Men and women like your father, John Modica and Wayne Pollari were instrumental in DRSPA's earlier legislative accomplishments which provided a dignified retirement for retired educators in the past.

I am extremely disappointed that you are unwilling to meet with me as we seek a livable pension for older retirees. Had you met with me, I would have shown you two graphs which I have enclosed with this letter. I know that you are well aware of the fact that state salaries and pensions have not kept up with inflation – I'm sure your proposal to increase education salaries by 2% was designed to offset at least some of this increase.

Graph 1 illustrates the cost-of-living increase for the average state pensioner who retired prior to July 1, 2000, from the year they retired to 2018. The average pre-2000 pensioner retired in 1986 at a pension of \$842 per month. With legislated pension increases the average pension is now \$1,270. If the average pension had kept up with the cost of living, then the pension would now be \$2,112 per month. In short, although previous Governors were able to support pension increases during this time, pension increases failed to keep up with inflation.

Graph 2 illustrates the decline in purchasing power experienced by these 6,220 pensioners. The purchasing power of the average pre-2000 state retiree is 62.8% today as compared to their 1986 pension. Their \$842 pension in 1986 can only buy \$529 at today's prices.

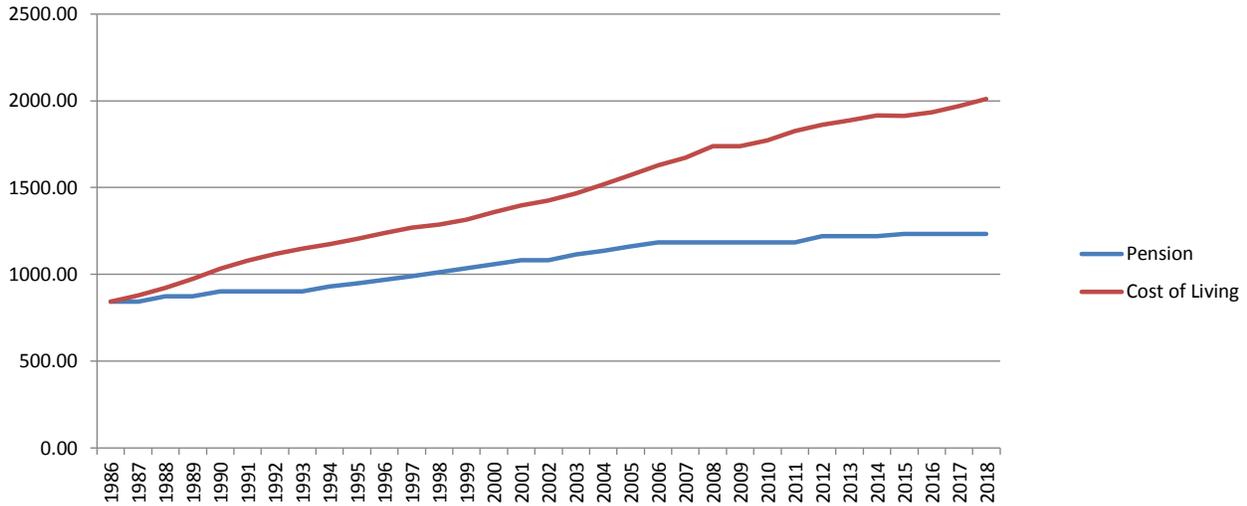
While DRSPA seeks a dignified retirement for all former Delaware public school employees, we see an extraordinary need for older retirees and for this reason proposed a 3% pension increase for pre-2000 retirees and a 1% increase for post-2000 retirees.

I am asking you to reconsider your position, and support the 3%/1% pension increase. We feel that we have sufficient legislative support for this proposal and seek your support as well.

Sincerely,

Wayne E. Emsley

Graph 1
 Delaware Retired School Personnel Association
 Cost of Living and Pension Increases for 6,220 Pre-2000 Retirees

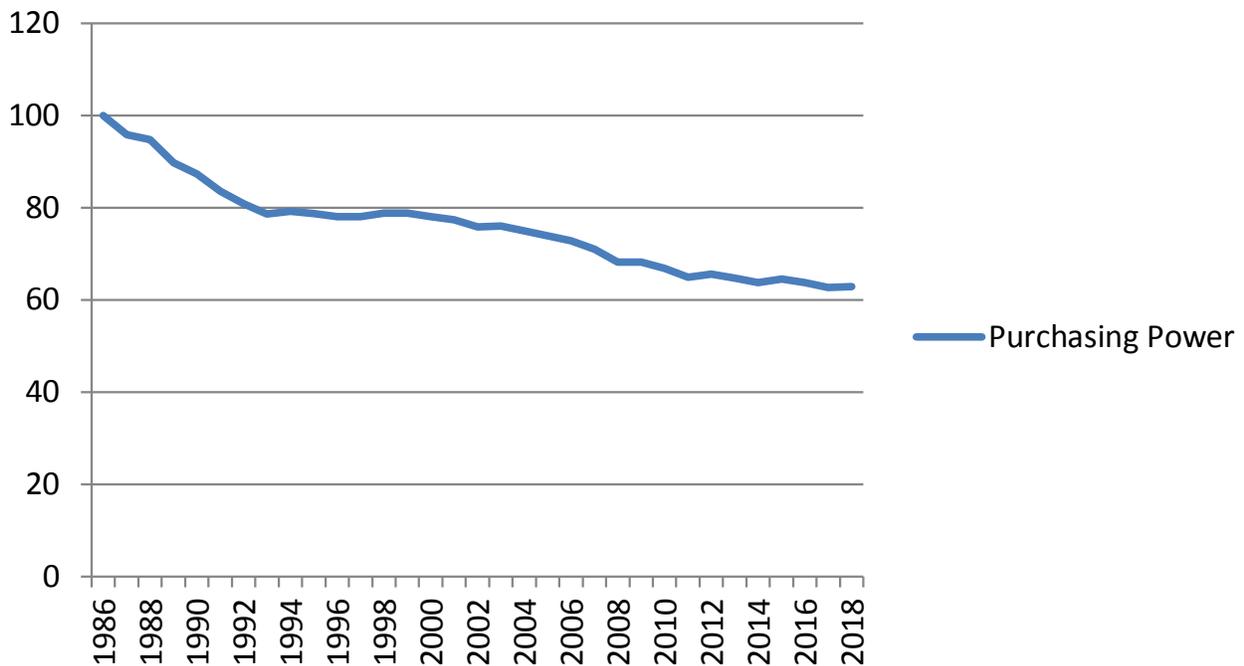


The "average" pre-2000 retiree retired in 1986 at a pension of \$842 per month. With legislated pension increases the average pension is now \$1,270. If the average pension had kept up with the cost of living, the amount would now be \$2,112 per month.

Sources: Delaware Office of Pensions
 U.S. Bureau of Labor Statistics

Wayne E. Emsley
 Executive Director, DRSPA

Graph 2
 Delaware Retired School Personnel Association
 Purchasing Power, 1986 to 2018

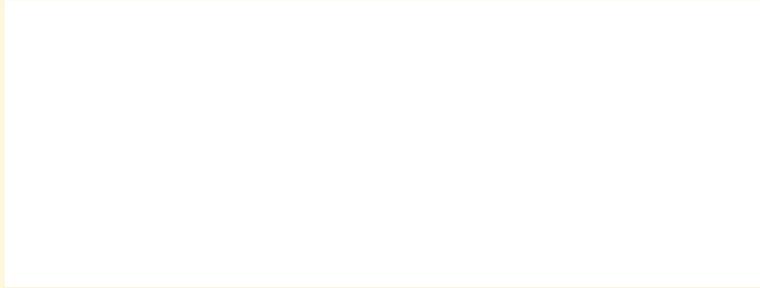


Although the pension amount is greater today than in the past, the "purchasing power" of the average pre-2000 state retiree is 62.8% today as compared to their 1986 pension.

Delaware Retired School
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Upcoming Meeting Dates

| | |
|-----------------------|-------------------------|
| Executive Board | August 7, 2019 |
| Annual Meeting | October 23, 2019 |
| Executive Board | January 15, 2020 |
| Executive Board | April 1, 2020 |
| New Castle Co Meeting | April 8, 2020 |
| Kent/Sussex Meeting | May 14, 2020 |

HOW TO CONTACT US

**Mail: DRSPA, P. O. Box 7262,
Wilmington, DE 19803**

Our phone number is: 302-674-8252

You may also contact us via our website or email for upcoming events, pension office news, the link to our state legislators, and other DRSPA information.

Our email address is: email@drspa.org

Our web site address is: www.drspa.org



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