

Senate Resolution 782

By: Senators Hill of the 6th, Millar of the 40th, Shafer of the 48th, Jones of the 25th, Bethel of the 54th and others

A RESOLUTION

1 Creating the Joint Study Committee on the Design of the Teachers Retirement System of
2 Georgia; and for other purposes.

3 WHEREAS, the Teachers Retirement System of Georgia (TRS) is the largest public
4 employee retirement system in this state with more than 210,000 members currently
5 employed primarily in the Georgia public school systems, the University System of Georgia,
6 and the Technical College System of Georgia and with more than 105,000 retirees who
7 receive monthly retirement benefits in excess of \$3.5 billion annually; and

8 WHEREAS, the TRS is actuarially sound in large part because it continues to receive the
9 annual required contribution rate from its employers; and

10 WHEREAS, as a result of the continued impact of the great recession, the TRS has had to
11 increase its annual required contribution rate for the last five years and projects that it will
12 continue to increase for the next four years; and

13 WHEREAS, the TRS has experienced an increase in its unfunded actuarial accrued liabilities
14 and a decrease in its funding ratio which it projects to continue for the next four years; and

15 WHEREAS, it is the state's desire to continue to adequately fund the TRS; however, the
16 projected increased employer contribution rates will require additional funding from both
17 state and local budgets; and

18 WHEREAS, the projected increases in the unfunded actuarial liabilities of the TRS pose a
19 concern for the bond rating agencies who determine the state credit rating; and

20 WHEREAS, a comprehensive study should be undertaken to evaluate whether the state
21 should continue to offer the existing retirement plan to new employees entering the teaching
22 profession or whether the state should offer a new retirement plan that would be less costly

23 to maintain in the long-term while still providing adequate retirement security to TRS
24 members.

25 NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF
26 GEORGIA that there is created the Joint Study Committee on the Design of the TRS to be
27 composed of 17 members as follows: three members of the House of Representatives to be
28 appointed by the Speaker of the House of Representatives; three members of the Senate to
29 be appointed by the President of the Senate; eight members to be appointed by the Governor,
30 which includes two citizens at large and six citizens who are members of the Teachers
31 Retirement System of Georgia, which includes one representative of the Georgia Department
32 of Education, one representative of the Board of Regents of the University System of
33 Georgia, one representative of the Technical College System of Georgia, one representative
34 of the Professional Association of Georgia Educators, one representative of the Georgia
35 Association of Educators, and one representative of the Georgia Retired Educators
36 Association; the state chief financial officer; the state auditor; and the state treasurer. The
37 Governor shall designate a member of the committee as chairperson of the committee. The
38 chairperson shall call all meetings of the committee.

39 BE IT FURTHER RESOLVED that the Executive Director of the TRS and his or her staff
40 shall work with the committee to provide information and data as required by the committee
41 to facilitate its work and to assist in the formulation of its recommendations.

42 BE IT FURTHER RESOLVED that the committee shall undertake a study of the design of
43 the TRS as it pertains to members whose effective date of membership is on or after July 1,
44 2017. The committee may conduct such meetings at such places and at such times as it may
45 deem necessary or convenient to enable it to exercise fully and effectively its powers,
46 perform its duties, and accomplish the objectives and purposes of this resolution. The
47 legislative members of the committee shall receive the allowances authorized for legislative
48 members of interim legislative committees but shall receive the same for not more than five
49 days unless additional days are authorized. The public members of the committee who are
50 not public employees shall receive from legislative funds a daily expense allowance as
51 provided in subsection (b) of Code Section 45-7-21 of the O.C.G.A. Any public employees
52 who are members of the committee shall receive no compensation from legislative funds but
53 may be reimbursed for expenses by their employers. The funds necessary to carry out the
54 provisions of this resolution shall come from the funds appropriated to the Senate and the
55 House of Representatives. In the event the committee makes a report of its findings and

56 recommendations, with suggestions for proposed legislation, if any, such report shall be
57 made on or before January 1, 2015, at which time the committee shall stand abolished.