

April 19, 2021

Summary of Current Events:

The pension is not in crisis. One of the persistent myths circulating in Montpelier is that our public pensions are facing a crisis that dictates swift, severe action to save it. (Indeed, the pensions have more than \$5 billion in assets.) While underfunding is a real issue that must be looked at, we got further proof on Friday that the sky is not falling. Contrary to what officials in Montpelier are saying, the state's bond rating remains at AA+ (the second-highest level) and, according to Fitch Ratings, the outlook for Vermont remains stable. Most interestingly, Fitch had this to say about this year's hike in the actuarially determined employer contribution amount: "This approximately \$96 million increase is not a material concern in the context of the state's fiscal 2020 governmental funds expenditures of \$6.2 billion." In other words, our now successful plea to slow the process of finding ways to address the system's funding issues was prudent and is not a concern for the state's credit rating. You can read the whole rating report [here](#).

Action on task force, governance moves to the Senate. As discussions of the makeup and guiding principles for the legislature's pension task force – contained in [H.449](#) – begin to take place in the Senate, we are dedicated to making it even more balanced and fair. Indeed, we are committed to bringing more balance to the task force's composition: right now, labor unions hold six of the 15 seats, up from only four in the initial proposal. **In essence, we seek balance between those who are plan beneficiaries and those who are not.** The Senate Government Operations Committee will hear testimony this week, where we will continue to press our case. We are looking to expand the scope of the task force's policy options, such as exploring the creation of a dedicated funding source by raising taxes on Vermont's wealthiest, evaluating the effects of pension changes to the education and state workforce, and diminishing the push by lawmakers to create a path that has the state paying less toward its own pension obligations. Now is the time to tell your state senators that this task force must be more balanced, more fair, and must not rely on a solution that has teachers and state employees working longer, paying more, and getting less in retirement. Click [here](#) for a list of your senators and their contact information.

Formation of VTNEA Internal Pension Policy Task Force:

Regardless of whether we have three or more seats on the legislature's pension task force, we know they must be filled by active teacher members. To identify those members, we have established a Vermont-NEA Pension Policy Task Force. **We want this group to be the hub of our pension policy endeavors, with three representatives from each of our seven UniServ Districts. And it is from this group that our representatives on the legislature's task force will be selected.** Interested? Learn more and apply: <https://vtnea.org/pensionpolicytaskforce>

Miss the Parent Solidarity Event on Pensions? You Can Watch It Now.

On Thursday dozens of parents, educators, state employees joined our friends at Rights and Democracy and the Public Assets Institute for a pension solidarity event. This event came about after months of work where RAD and Vermont-NEA have been working to involve parents in a post-pandemic world. Click [here](#) to see a recording of the event.

Take Action:

- **Contact your Senators – Balance and Fairness in Pension Task Force** – As the conversation moves to the Senate we hope to continue to make some improvements. Click here to find your Senators and send them a note: <https://legislature.vermont.gov/people/>
- **Get Red for Ed - Wear Red for Ed on Fridays** – Show solidarity with you fellow teachers across the state as you stand up to protect your pension. Post your photo: <https://www.facebook.com/events/809210193017023/>
- **RALLY – May Day Worker Solidarity Rally – Sat May 1, 12pm** – We are working in board coalition to build for a multi-issue Workers Solidarity Rally RSVP here: <https://www.facebook.com/events/280950793501397/>