

## 10-22-15 TRS Report

On October 22, 2015, the TRS Board of Trustees held a town hall meeting on healthcare, focusing on the ever-rising costs facing school employees and retirees. The Board acknowledged that the paychecks of current employees and annuities of retirees remained relatively stagnant while healthcare costs increased dramatically and became more of a burden than a benefit.

The Board heard from many experts regarding reigning in health care costs, but inadequate state funding was the constant theme throughout. The roadblock to school employees and retirees receiving adequate healthcare at an affordable price is the Texas Legislature.

TSTA President Noel Candelaria appeared as invited testimony before the Board and testified on behalf of our members. At the conclusion of President Candelaria's testimony, Chairman David Kelly thanked President Candelaria and the representatives of the other associations for their unified message – that the Texas Legislature must step up and make quality healthcare affordable for all school employees and retirees.

Stay tuned for updates on the joint interim committee meeting on these important issues.

### TSTA President Candelaria's testimony

When the legislature created the TRS Care and ActiveCare programs in 2001, the state took an important step in recognizing the need to provide high quality, affordable health care for active and retired educators whose paychecks that fall far short of the importance of our work and our profession.

The state of Texas covers virtually the entire cost of health care for state employees, but since 2002, educational employees have seen health care premiums take a bigger bite out of their paychecks, year after year.

- Employee premiums have increased 10 times since 2003 – by as much as 238 percent for some employees – at a time when budget cuts have left Texas teacher pay stagnant, \$7,000 below the national average.

- At previous meetings, you have listened to our members tell you how healthcare costs have affected them – delaying surgeries, waiting to start a family, and considering leaving the profession - because covering an entire family under ActiveCare 2 can cost a teacher over \$1,300 per month – more than a mortgage payment for most of our members.
- Meanwhile, the \$75 per month state contribution for school employee health care has not increased – not even by a penny.
- In 2002, the state and local district contributions for employee health care covered 71 percent of the cost of ActiveCare. Today, employees in some districts pick up as much as 60% of the cost.
- Many local districts have pitched in and increased monthly premium contributions, but school budgets are strained.

So today we have two questions, one for the legislature and one for you, the TRS Board.

- After fourteen years, how long must we wait for the state to do its fair share to make sure Texas teachers and public school employees have affordable, high quality health care coverage?
- Will you, the TRS Board, inform the legislature about the need to increase the state contribution for educator health care?

We know the TRS Board of Trustees understands that this issue has a very real impact on teachers and school employees, and we appreciate the request you made for funding TRS Care last session. Your knowledge and expertise will be very important as we inform the legislature about this critical issue.