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## HOUSE PENSIONS, INVESTMENTS AND FINANCIAL SERVICES COMMITTEE SEPTEMBER 2024

*The following are the Texas State Teachers Association's comments before the Texas House Pensions, Investments and Financial Services Committee on September 19<sup>th</sup>, 2024.*

The Texas State Teachers Association (TSTA) appreciates the Texas legislature's work in the 88<sup>th</sup> legislature to pass SB 10 and HJR 2 and provide stipends and pension Cost-of-Living-Adjustment for retired Texas educators and their dependents. TSTA also applauds Texas voters for approving Proposition 9 on the statewide constitutional amendments ballot. Proposition 9 signaled overwhelming voter support for public school educators as Texans approved the one-time COLA for TRS annuitants. SB 10 spent \$5 billion to provide substantial stipends for over 280,000 TRS annuitants and a COLA for nearly 400,000 TRS annuitants.

When SB 10 was proposed, many retired educators, who have spent their careers putting millions of Texas children on the road to success as adults, had been struggling to make ends meet. None who retired since September 1, 2004, had ever had a COLA, and inflation has steadily eroded their purchasing power. Most Texas educators don't qualify for Social Security. So, for many, their TRS pensions are their only nest eggs, and unlike Social Security, TRS pensions don't have automatic COLAs that increase with inflation. Retired Texas educators rely on the legislature to initiate COLAs.

Post SB 10 COLA, Texas retired educators are still facing financial pressures. The average TRS annuitant eligible for a COLA received only a \$76 increase to their monthly check while the most recent retirees, those who retired between 2014 and 2020, received only a \$46 average monthly increase. With estimated inflation of around 24% over the last 5 years, TRS retirees are experiencing declining purchasing power with limited means for increasing their income.

TSTA urges the legislature to continue their support for Texas retired public educators and provide future TRS pension COLAs. The Texas legislature should work to mirror Social Security and provide an automatic COLA that is tied to inflation. The legislature should uphold their promise to Texas public educators and work to maintain a dignified retirement for those who devoted their career to teaching and caring for Texas students.

TSTA additionally supports TRS's proposed appropriation request to supplement TRS-ActiveCare health coverage and ensure that premiums do not increase more than an average of 10% for active educators. The legislature should work to curtail additional costs to our already underpaid educator workforce.