

# Officials criticize lack of funds for Oklahoma teachers' retirement system

Failure to help pay Oklahoma teachers' retirement costs criticized

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Published: August 5, 2010

A decision by the state Board of Education to not allocate \$35 million to pay a portion of teachers' contributions to their retirement plans is not sitting well with the Oklahoma Teachers Retirement System.

"We're looking at what other options are available for us, and those range from waiting for a supplemental appropriation (early next year), which may or may not happen, all the way up to and including potential legal action," said James Wilbanks, executive director of the state agency.

Since 1998 the Legislature has appropriated \$35 million to the Board of Education with instructions to allocate the money for the teachers' contributions, which the state is required to pay, Wilbanks said. School districts pay the employer portion of the retirement plans.

The money each teacher receives is based on the years of service as a teacher, he said. A first-year teacher was expected to receive \$60 this year to go to their retirement account; a teacher with at least 25 years would receive slightly more than \$1,400.

Typically legislators pass a bill directing how the Board of Education should allocate its appropriations. Legislators this past session did not pass the spending-limits bill because of the state's budget crunch; it was decided to give flexibility to the Board of Education.

The Board of Education last week voted not to allocate any money toward teachers' retirement credits. Instead, members allocated some of the money to help pay for increases in health insurance premiums for teachers and education support staff, which also is required by law.

They also passed a resolution urging legislators to appropriate another \$35 million to cover the state's contribution to teachers' retirement credits.

## Officials respond

Legislative leaders aren't pleased.

"First and foremost, the employer contribution to the teacher retirement system was fully funded this year," said House Speaker Chris Benge, R-Tulsa. "The state Board of Education was spared from cuts more than most agencies and was also given complete flexibility to spend their appropriated dollars as they saw fit."

State schools Superintendent Sandy Garrett was unavailable for comment.

"It seems Superintendent Garrett is trying her best to force an unnecessary supplemental appropriation by angering teachers and shorting a retirement system that is already one of the most poorly funded in the nation," said Sen. Mike Johnson, R-Kingfisher, chairman of the Senate Appropriations Committee. "While the retirement credit was funded by the Legislature this year, the state Board of Education and the state superintendent of schools chose to spend that money elsewhere.

"This decision was in direct contradiction with the governor's executive order in June, which required that line items such as this not be reduced by more than 7.9 percent."

The state Education Department has received a 7.9 percent budget cut the past two years. Most state agencies have been cut 21.5 percent during the same time period.

The teachers retirement system's pension fund as of June 30 totaled about \$8.3 billion.

During the last fiscal year its pension plan was funded to 49.8 percent, much less than the 80 percent experts prefer.



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