

April 12, 2010

Dear Representative Milne and Policy Committee Members:

My name is Linda Cook. I am the President of PSEA's Southeastern Region and I represent all of the teachers' Unions in both Chester and Delaware County. Thank you for inviting me to participate in today's hearing about the defined benefit pension plan into which more than 561,000 active and retired school employees have entrusted their hope of retirement security. As a teacher in the Penn Delco School District, I understand that changes made for future employees will have an effect on me and my colleagues, our profession as a whole, and, as a result, on the children in Pennsylvania's public schools.

Unfortunately, I am unable to attend the hearing today because my students in 4th grade in Pennell Elementary school are taking PSSA tests this week. I am sure you are well aware that these tests are high-stakes for my students and for my district. My presence in the classroom at this time is very important. Otherwise, please be assured that I would have welcomed the opportunity to be with you, in person, to discuss the impact of potential changes to PSERS on our current and future PSEA members.

I know you have heard from PSEA's leaders that the pension funding crisis is an issue that I and my Southeastern Region colleagues are very concerned about. We have never stopped paying into the PSERS Fund, and it is my understanding that our payments have helped sustain the Fund during periods of low investment returns and during periods when our employers' contributed little or nothing to the Fund.

However, we also understand that finger pointing does not solve any problem. We want to work with you to find solutions that do not erode the pension security of those who have worked in public education, at lower salaries than other professionals with similar degrees, with the promise of a secure retirement later based on the work we do today.

On behalf of my Southeastern Region colleagues – your constituents – I urge you to keep our perspective in mind as you tackle the difficult decisions that will be necessary to solve this crisis.

I am sure you agree that the quality of education in our public schools should be our number one priority and should guide public policy decisions. Please carefully evaluate your decisions by considering their impact on the quality of education.

My experience has shown me that teaching is a calling. College graduates choose our profession to help future generations, not because they expect to get rich. But school employees anticipate that they will earn a comfortable middle class salary, with good benefits, and the promise of a secure retirement. The PSERS benefit package greatly assists in recruiting and retaining top-quality educators.

In my opinion, having a secure retirement is one of the reasons that Pennsylvania has had one of the best records in retaining professional staff in the nation. In other areas of the nation, teacher turnover is a huge challenge and it is the students who end up suffering. When considering any adjustment to

benefits, you should weigh the potential impact. How do you think that reducing incentives for good teachers would serve to retain teachers in our public schools?

I have even heard that some legislators have said that pension benefits paid to school employees are too high. But the reality is that payments to school retirees are modest – about \$20,000 a year. This makes sense when you consider the fact that two-thirds of school employees are female; many of whom take off time for child rearing and as a result have fewer years of credited service. In addition, very few school employees retire at the maximum benefit that has been the focus of many public discussions.

In addition, please remember that many of my colleagues who participate in PSERS are not teachers. PSERS also covers Pennsylvania's Education Support Professionals such as food service workers, bus drivers and teacher aides.

I have read about various proposals to move school employees to 401(k)-type plans. Even if such a decision were made for new employees, the erosion of benefits for certain employees would have negative consequences on all employees.

For these reasons, I respectfully request that you give careful consideration to what could be the unintended consequences of any changes to pension benefits. Please don't take action that would undermine the quality of education in our state.

Thank you again for allowing my voice to be heard on this important issue. I appreciate your thoughtful approach and interest in finding solutions that make sense.

Sincerely,

Linda J. Cook

President, Southeastern Region

Pennsylvania State Education Association, NEA