

PRESIDENT'S REPORT

May 2, 2007

DATES TO REMEMBER

MAY 31 (TH) - Area 2 Conference
JUNE 13 (W) - Summer Luncheon
SEPTEMBER 6 (TH) - Day at the Races (NOTE: Date changed from 9/12/07)
OCTOBER 15-16 (M/T) - IRTA State Convention (Springfield)
DECEMBER 5 (W) - Holiday Luncheon/Election of Officers

AREA 2 CONFERENCE

Do you have concerns about the status of TRS, your pension, and current legislative issues? If you do, then attend the Area 2 Conference on THURSDAY, May 31st at the Holiday Inn (Elgin). Featured speakers include Bob Lyons, TRS Board member, and Jim Bachman, IRTA Executive Director. For further information, contact Doris Haack by Wednesday, May 16th at dhaack@webtv.net or 847-843-3463.

SUMMER LUNCHEON

Make your plans now to attend the Summer Luncheon on WEDNESDAY, June 13, 2007, at the Inverness Golf Club (corner of Palatine and Roselle Roads) The program will include a timely and informative update on pertinent legislative issues. See the attached flyer for specific details. NOTE: Valet parking is available.

DAY AT THE RACES: SIXTH ANNUAL

Retired teachers and their guests are invited to attend the Sixth Annual Day at the Races on THURSDAY, September 6th at the Arlington Park Race Track. The cost of \$42.48 per person includes complimentary general parking, admission to the park, the Daily Racing Guide, a lavish two-hour buffet in The International Room, and a beverage package. For reservations, send your check (payable to Arlington Heights Senior Center, Inc.) to Rich Chierico at 1453 E. Norman Drive, Palatine, IL 60074 by Friday, August 31, 2007. For further information, contact Rich at 847-358-7816.

IRTA FOUNDATION GRANTS

The IRTA Foundation is offering a total of \$10,000 in grant money to public ELEMENTARY school educators (K-6) in our local area for special classroom projects. The application form and instructions are available on the IRTA website at www.irtaonline.org. Completed applications must be postmarked by September 14, 2007.

IRTA LEGISLATIVE ISSUE: ENDORSEMENT

Bill McCauley, our Region 3 representative on the State Legislative Committee, would especially like to hear opinions from Unit 90 members on whether or not the IRTA should endorse political candidates. The endorsement topic will be discussed at the IRTA Board of Director's meeting on April 25, 2007. Depending upon the action taken by the Board of Directors, the endorsement topic could be referred to the 2007 IRTA Convention for consideration by the delegates. Please let Bill know how you feel about this matter, by contacting him at WCM211@comcast.net or 847-895-5279.

ACTION ALERT: WRITE A LETTER

One of the legislative goals of the IRTA is the passage of an ad hoc increase for TRS annuitants who retired prior to 1980. Due to opposition from leadership, this legislation has been held up in Executive Committee. IRTA is urging its members to write their Illinois legislators and to ask them to consider passing an ad hoc increase if there is increased funding for the pension systems. A SAMPLE LETTER follows:

The Honorable__State Senator or State Representative
Address (Mail to local offices/see Unit 90 membership directory)

Dear Senator_____or Representative_____,

I am a member of the Illinois Retired Teachers Association. an organization of retired educators with over 31,000 members. I am writing to ask you to support an ad hoc increase for annuitants and survivors of the Teachers' Retirement System of the State of Illinois who retired before 1980.

This would provide a pension increase to those annuitants and survivors who retired in pre-inflationary years. Some of these individuals retired over 30 years ago and can barely get by on the small pensions they receive. Additionally, many of these retired educators do not receive Social Security. An ad hoc increase for these retired educators would help improve their quality of life

I am aware that the ad hoc increase would create additional unfunded liability for the pension system. That is why I am asking you to support or initiate an ad hoc increase if the General Assembly passes legislation which would provide additional funding for the TRS pension system (i.e. pension obligation bonds).

Thank you for your timely consideration of this matter.

Sincerely,

What Will Happen With the Governor's Proposal? (excerpts) by Bob Lyons

NOTE: Bob's comments on the Governor's 2007 General Revenue Tax Proposal are his own personal opinion and certainly do not represent the position of the TRS or the IRTA.

Governor Blagojevich's gross receipts tax proposal and his tax on business to back his health care plan have been called not just the largest tax increase ever presented in Illinois, but in the nation, and, while I don't know if that is really true, I think we can all agree that it is large and that it has far-reaching implications. Will it happen? Well, since it is already evolving, it would be easy to predict that whatever eventually does pass, the legislation will look different than what was originally proposed.

What is important is that the legislature is now not talking about should there be a proposal to increase revenue, but what form that proposal will take. For Springfield that is a significant change. At this date (April 16, 2007), the Governor's only allies appear to be the IEA, the IFT, AFSCME, and Senate President Emil Jones, because they all see his proposal as a way to significantly increase state money for education.

Where do we fit into this proposal? Governor Blagojevich has asked to be able to sell \$16 billion more in Pension Obligation Bonds and to lease the state lottery to possibly gain as much as an additional \$10 billion, and then the total of \$26 billion would be given to the five pension funds and result in reducing the unfunded liability of the state pension system by over 60%. The TRS share could be about \$14 billion, and the TRS funded ratio would increase from over 62% to about 83%.

If the alternative is that the state can not afford to give us the increase in funding that is required and would even be hard pressed to give us what we got last year, then the Governor's proposal would certainly be better than that. Of course, as part of his plan the state contributions to the pension plans thereafter would be so small that it would take us 33 years to grow from 83% to 90% fully funded by 2040.

We have done very well with the POB's sold in 2003, we are making money with that money, but we have also had the state contribute \$500 million less each year as the interest is paid on those bonds.

As I understand it, the Governor's office believes that it is possible to borrow your way out of debt. Certainly it has been tried before. And again the alternative is that if we do not get the money from the state this way, I do not know how we will get the money from the state. Between the two, I would see the POB's as more likely than the lease of the lottery.

UNIT 90 WEBSITE: www.irta-unit90.org

Check out the new unit 90 website, which includes current information on the following topics: Executive Board members and meeting minutes, the latest IRTA Call to Action, GPO/WEP issues, 2007-2008 IRTA Foundation Scholarship information, TRS reports and Pension concerns, Legislative updates, and Unit 90 events with photos.

Thanks to the Webmaster, Reinhard Taylor.

COMMUNICATION: E-MAIL UPDATES

If you are NOT currently receiving e-mail updates and want to receive them, please send your name and e-mail address to Bill McCauley at wcm211@comcast.net with the subject IRTA. If you do not have e-mail and want to be alerted when we need to contact legislators, call Bill McCauley at 847-895-5279 and leave you name and telephone number.

UNIT 90 EXECUTIVE BOARD MEETINGS

The meetings of the Unit 90 Executive Board are open to ALL interested members. Please join us on the FIRST WEDNESDAY of each month (except July and December) at the Arlington Heights Senior Center at 10:00 am.

NORTHWEST SUBURBAN-UNIT 90 EXECUTIVE BOARD - 2007

OFFICERS:

President: Doris Haack (843-3463)
Vice President: Jeanne Arcus (963-6319)
Secretary: Frank Compton (397-5848)
Treasurer: Len Kortekaas (882-1321)

CHAIRS:

Membership: Roberta Reinhardt
Communications: Bill McCauley
Webmaster: Reinhard Taylor
Legislative: Bob Lyons and Jesse Macro
Foundation: Bob Ferguson
Program Coordinators: Liz White, Jeanne Arcus, Rich Chierico, Marybelle Macro
Member Benefits: Mary Lou Tansey
Health I&P: Mary Hurd
Hospitality: Marybelle Macro
Ambassador: Roger Steingraber