

# Today

MEA-MFT

Jan/Feb 2013 Vol 15 No 2 [www.mea-mft.org](http://www.mea-mft.org)

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Newsletter for MEA-MFT Members in Montana Public K-12 Schools, Higher Education, State & Local Government, Head Start, & Health Care

## 2013 Legislature: high stakes ahead for our members

Buckle your seatbelts. It's going to be a bumpy legislative session.

The 2013 Montana Legislature, which convened in Helena January 7, looks very similar to the 2011 Legislature. Many of the same legislators are back. We can expect many of the same battles.

MEA-MFT is ready for the ride. Our legislative agenda is stripped down, simple, and immensely important:

- **PASS the state pay plan** (5/5% increase for state & university employees).
- **PROTECT your pension** (PERS & TRS).
- **FUND public education** (Head Start, K-12, & higher education).
- **FIGHT the attacks** (on public education, public services, & workers' rights).

"Passing a pay increase for state employees and strengthening the public employees' and teachers' retirement systems serve the greatest need for the greatest number of our members," said MEA-MFT President Eric Feaver.

"Those are our top two priorities for proactive legislation. Adequate funding for public education at all levels is right at the top of the list as well."

**Here's the good news:** First, we have a governor on our side. "Having a strong ally in the governor's office means everything," said Feaver. "Governor Steve Bullock staunchly supports our members and the important work they do. We're on the same page."

**Second,** MEA-MFT members are revved up and galvanized for action as never before. "Hundreds of our members volunteered to help in the 2012 election," said Terry Minow, MEA-MFT political director and lobbyist.

"That made all the difference in those

elections. It will make all the difference in this legislative session, too. Our members are mobilized, and they're effective."

Montanans have easy access to their legislators, more so than citizens in many

### Mark your calendar:



other states, Minow pointed out.

"We still have a citizen legislature," she said. "Many of us know our local legislators personally. If we don't, it's easy

to meet them. Legislators listen to folks from their local districts. That gives our members a powerful voice."

**Third,** we have friends. MEA-MFT has been instrumental in building strong coalitions with other citizen groups statewide. These coalitions have grown stronger than ever in the last two years. They include dozens of groups, representing hundreds of thousands of Montanans.

"We don't have to go it alone," Feaver said. "This legislative session is all about what Montanans value, the kind of society we want as Montanans. Public services play a crucial role for families and businesses, and most Montanans know it. With an ending fund balance of \$400+ million in the state budget, the money is there to do the right thing."

(Continued on p. 5)

## Montana Teacher of the Year Eileen Sheehy



Montana Teacher of the Year 2013, Eileen Sheehy, consults with a student at Billings West High. Read about Eileen on page 14.

## We are Montana

BY ERIC FEAVER  
MEA-MFT PRESIDENT



We are Montana.

Don't let anyone tell you differently. Don't let naysayers, boo birds, and anti-government, anti-union yahoos tell you differently. We are NOT Wisconsin. We are NOT Indiana. We are NOT Michigan.

We are Montana.

131 years ago, we helped start this place. We have earned our right to live, work, and add value right here.

We began as frontier teachers schooling children of gold miners, cowboys, trappers, traders, farmers, and merchants. We taught Sunday school. We shopped on Main Street. We built communities. We do all that today and a whole lot more.

We nurse the ill. We guard the convict and supervise the parolee. We collect the taxes. We preserve our fish and game. We secure and interpret the history of our state. We coach Little League. We go off to war. We do the work that matters across the spectrum of good government programs and services designed to make our "last best place" a good place for all.

**Come the 2013 Legislature,** we will promote AND defend who we are and what we do . . . come what may.

Knowing the next legislature may be every bit as challenging as the "Bat Crap Crazy" last legislature, we have trimmed our legislative agenda to project only our strongest core values. No bells. No whistles. Just good old fashioned middle class building legislation.

- A base pay increase of 5% each of the next two years for all state employees. Call it 5&5. Way past time.

- A common sense, doable fix of our two primary public employee pension systems, PERS and TRS. We will "share the pain" and amortize. We keep our promises.

- A robust "Play to Win" lottery-funded college scholarship program.

- A measurable increase in employer funding of our badly conceived, perversely mislabeled Montana University System faculty "optional retirement plan."

- Adequate and equitable funding of public elementary, secondary, and higher education.

Not one of these objectives lies hopelessly beyond our reach. Our legislature has never enjoyed greater capacity to invest in the future of our state.

**With your help,** we can make all this happen.

And with your help, we will defend the faith.

We will defeat those who would:

- Desecrate our history, culture, and constitution to privatize our public schools.

- Trash 100 years of teacher tenure.

- Destroy our pensions, kill careers in public schools and government, and ironically bury this state in "old fund" debt.

- Drown this union and the government programs we serve in a no tax, no spend bathtub.

**'We nurse the ill. We guard the convict and supervise the parolee. We preserve our fish and game. We secure the history of our state. We coach Little League. We go off to war. We do the work that matters to make our "last best place" a good place for all.'**

And we will stand shoulder to shoulder with carpenters, teamsters, linemen, firefighters, operators, laborers, unionists everywhere to push back hard against right-to-work-for-less and all other assaults on the Montana labor movement, middle class, and social compact.

**It will be hard.** Bitter words may be shared. Folks may congregate, hold signs, and mill about. Some may let their voices soar. Some may pound drums. Others may whisper concern, fright, and despair.

And despite entreaties to the contrary, some legislators will shut their ears, eyes, and minds, brush aside our presence, and vote wrong.

They are not us.

We are Montana. ■



## Steve Henry retires

MEA-MFT staffer Steve Henry retired this fall. Henry worked as a field consultant based out of MEA-MFT's Billings office. He served a wide swath of southcentral and eastern Montana, logging thousands of miles every year to help MEA-MFT members gain fair salaries, benefits, and working conditions.

Henry's history in MEA-MFT began long before he joined the staff in 1995. In fact, it spans four decades. "He has given his heart and soul to this organization," said Field Consultant Jerry Rukavina.

Henry served on the MEA-MFT board from 1988 to 1995 and became president of the Billings Education Association in 1990. Before that, he taught grades 5 and 6 in Billings.

"I was involved in the union from the time I started teaching in 1970," he said. "There was a lot more activism at that time."

Then as now, there were plenty of issues to get active in. **"All those rights that people take for granted now — they just didn't exist then,"** Henry said.

"Some schools didn't have health insurance or maternity leave. If a woman got pregnant, she had to quit. There were no transfer rights and no bereavement leave. You couldn't use sick leave to stay home and take care of a sick child. Women were required to wear dresses to teach. In a lot of places, high school teachers got paid more than elementary teachers, because elementary teachers were mostly women."

Henry took part in most of the battles to gain those rights in Montana. He said he hopes MEA-MFT members will "maintain those things everybody struggled for all these years." These rights are under attack nationwide, Henry noted. Some states, like Wisconsin, have already lost them. "It's scary," he said.

Winning those rights in Montana meant "standing on the shoulders of giants," Henry said. You're one of those giants, Steve. Thank you.

**Other staff changes:** Scott T. McCulloch has taken over Steve Henry's service area. Melissa Case, former director of organizing at MEA-

MFT, has moved from our Helena office to Billings to take over McCulloch's service area. ■

## Morgan Smith joins staff

Morgan Smith has been hired as MEA-MFT's new director of organizing. Smith is already a familiar face here, having worked as AFT project staff with MEA-MFT for the past three years. Smith has been helping graduate students at MSU-Bozeman form a new MEA-MFT local union. He has also worked with local Head Start unions and others.

Smith previously worked for AFSCME in Montana, doing legislative advocacy and member activation. Before that he worked in public relations and political consulting in Chicago.

Smith grew up in Wisconsin. He graduated from the University of Utah with double degrees in anthropology and political science. "I look forward to increasing MEA-MFT membership capacity for action and helping form new locals," he said.

Smith brings a lot of energy and creativity to the job. Off the job, he likes to ski, mountain bike, hike, camp, and "generally be outside." He is getting married in July.

Welcome aboard, Morgan! ■

## Women's Leadership Training

The famous Women's Leadership Training Program will be offered March 2, 2013, in Great Falls. The training helps participants learn leadership skills, become more involved in MEA-MFT, learn more about NEA, AFT, and the programs they offer, find their voice in their workplace and community, and build relationships in their local unions and across Montana.

The event is geared for all members, from those just beginning to participate in the union to experienced leaders in the highest local, state, and national leadership positions. Modules include Skills for Emerging Leaders, Decision Making Skills, and Social Justice. **Want to attend?** Contact Heather Kakalecik (hkakalecik@bresnan.net, 406.899.5731) or Genelle Hocesvar (genhocsevar@gmail.com, 406.727.3625). ■



Outgoing: Steve Henry, one of the giants.



Incoming: Morgan Smith, MEA-MFT's new director of organizing.

## Important tax notice

You can deduct your MEA-MFT dues from your taxes, but only if you itemize deductions, and only if your dues plus other miscellaneous deductions add up to at least 2 percent of your adjusted gross income.

**NOTE:** The portion of your MEA-MFT dues that goes toward our legislative activity is not deductible.

For 2012, the deductible amount equals 96 percent of your MEA-MFT dues, all of your local dues, and all of your national dues.



# Happy New Year!

From  
your board  
& staff at  
MEA-MFT



Left: Randi Weingarten speaks to MEA-MFT members in Billings. Above: Weingarten meets MEA-MFT member Ed Wiest, a Pryor teacher who received a Champion of Change award from the White House.

## AFT President visits Montana

AFT President Randi Weingarten paid a visit to MEA-MFT members this fall, giving a keynote address at the MEA-MFT Educators' Conference in Billings. Among many other issues, Weingarten talked about **"solution-driven unionism."**

"The only thing that does solve problems is when people have a voice," she said. "That's what a union is all about."

Referring to the recent teachers' strike in the Chicago public schools, she said the strike wasn't about money. It was about lack of resources for children, from air conditioning to guidance

counselors. "The schools were so hot that kids were fainting," she said. It was a powerful reminder of what happens when union and community members stand together for the community good, Weingarten said. "The union won because the community supported them."

Looking ahead to Montana's 2013 Legislature, she cautioned MEA-MFT members to guard their collective bargaining rights. "A real collective bargaining process means real give and take, to push the system forward with dignity and respect," she said. ■

### MEA-MFT TODAY

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## Nominate now for members of the year

Nominations are now open for MEA-MFT members of the Year, including Public Employee of the Year, Education Support Professional of the Year, and Faculty Member of the Year.

Nominees will be honored at MEA-MFT Representative Assembly in April.

Send nominations to MEA-MFT President Eric Feaver: [efeaver@mea-mft.org](mailto:efeaver@mea-mft.org) or 1232 E. 6th Ave., Helena, MT 59601. ■

## Is your local ready for RA?

MEA-MFT's 2013 Representative Assembly takes place April 5-6 in Helena. Representative Assembly is MEA-MFT's highest governing body. Each of MEA-MFT's 300 local affiliates is entitled to send at least one elected delegate.

Local RA delegates elect statewide officers and debate and vote on constitutional amendments, dues, budget, new business items, and legislative program for their state union.

Make sure your local is fully represented at this important event! Contact Eric Feaver for more information: [efeaver@mea-mft.org](mailto:efeaver@mea-mft.org) ■

## Help for Sandy Hook

Our brothers and sisters in the Connecticut Education Association (CEA) have created the "Sandy Hook Memorial and Scholarship Fund."

Donations will be used for a scholarship fund for families of loved ones killed in the shooting, and to create a bronze sculpture memorializing the heroism, sacrifice, and innocent lives lost in the Newtown school tragedy.

Donations may be made at [www.ced.org](http://www.ced.org). ■

# Our legislative agenda (From p. 1)

Here's a closer look at our legislative agenda:

## 1 Pass the pay plan (5/5% for state and university employees)

Last June, MEA-MFT and our fellow public employee unions worked with Governor Schweitzer's office to negotiate a new pay plan. It includes a 5 percent increase in base pay and a 10 percent increase in health insurance each of the next two years for all state employees.

The pay plan, now contained in House Bill 13, also contains the state's appropriation to increase salary and benefit levels for university employees.

Governor Steve Bullock supports the 5/5 increase. The legislature must seal the deal by passing HB 13.

The much-needed pay increase follows four years of frozen base pay for state employees.

"The pay freeze has hurt state employee morale, crippled recruitment and retention for these important jobs, and pulled dollars out of local economies where state employees live, buy goods and services, and pay taxes," said MEA-MFT Executive Director Erik Burke.

"State employees are the folks who keep our neighborhoods safe, protect our drinking water, do research that creates jobs, and much more. We need to make sure legislators understand that the pay increase is good for businesses, local communities, and families as well as state workers."

"We can win this," Feaver said, "but it won't be a cakewalk. We'll need every state and university employee in Montana to help convince their local legislators that it's the right thing to do."

**Other state employee issues: vacancy savings.** We are also pushing to exempt 24-hour state institutions from "vacancy savings," something MEA-MFT has successfully achieved in past sessions.

Vacancy savings requires leaving some jobs unfilled when staff members retire or leave. It's tough on all agencies, leaving them understaffed. In 24-hour institutions like the Montana School for the Deaf and Blind, the State Prison, Women's Prison, or Warm Springs State Hospital, it's downright dangerous.

**Probation & parole officers:** At the request of our probation and parole members, MEA-MFT has developed a bill allowing these officers

to carry tasers. Right now, the only option these officers have when confronted by a violent offender is to shoot. This bill will allow them to use tasers instead. If we can achieve this without legislation, we will.

## 2 Protect your pension

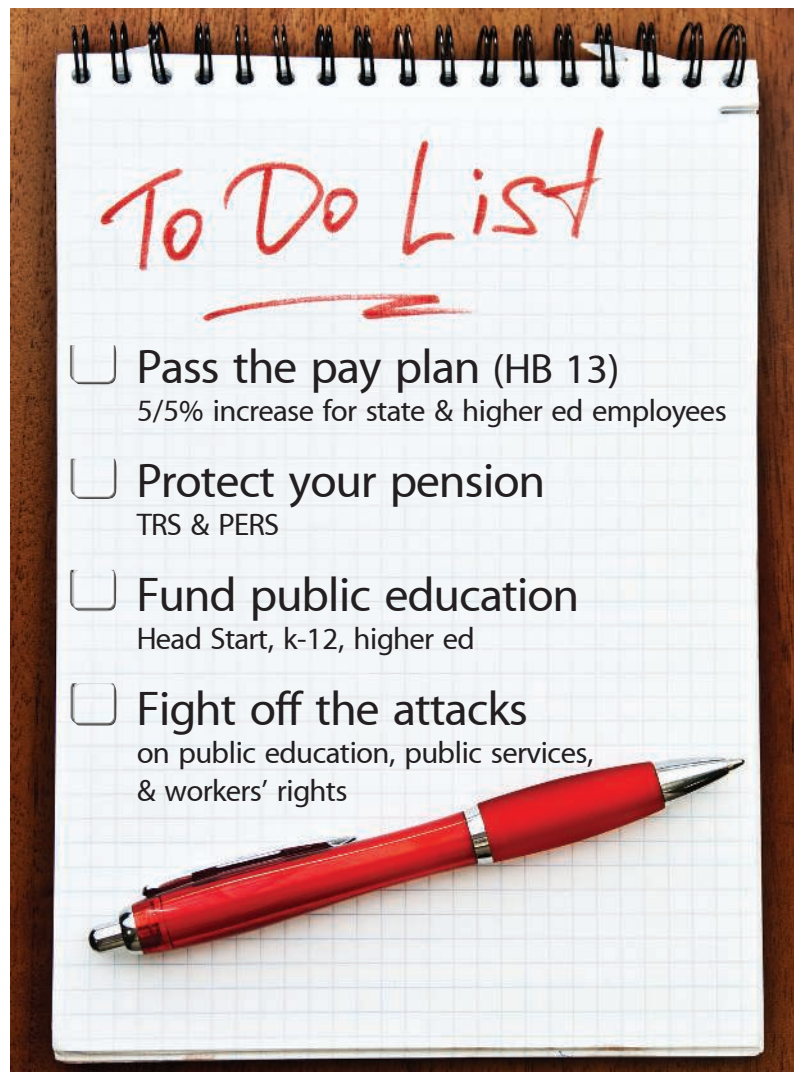
Mark Twain once said, "The reports of my death have been greatly exaggerated."

The same is true of the misinformation circulating about Montana's Public Employees Retirement System (PERS) and Teachers Retirement System (TRS). It's easy to panic when you read news accounts saying these systems are "actuarially unsound." Some are using this issue

(Continued on p. 6)



**WE NEED YOUR HELP** to pass the state pay plan! See page 9.



# Legislative agenda (from p. 5)

## The money is there

Right now, Montana's state budget is \$400+ million in the black. Montana has enough money to do the right thing for state and university employees, public employee pensions, and public education funding. Will the legislature do it? It all depends on legislators' values. As state Senator Christine Kaufmann said recently, "The reason we have an ending fund balance is that the 2011 Legislature stole from our kids, our seniors, our schools." (We would add: "our state employees.") It's time to make good.

to push radical changes in these pension systems. Senator Dave Lewis (R-Helena) refers to them as "a sinking ship." (Helena IR 1-2-13)

**Bottom line: There is no crisis** with PERS and TRS, though there will be eventually if the legislature fails to act this year. Both need additional funding to deal with shortfalls caused by the market crash of 2008-2009 that tanked investments nationwide.

MEA-MFT is working with a coalition of groups called "Montana's Promise" to pass bills to strengthen PERS and TRS through "shared sacrifice" — increases in employee and employer contributions, and infusing funding from other sources.

"We will fight to retain and strengthen Montana's current defined benefit plans (PERS & TRS)," said Feaver.

"Other people have ideas that would weaken our retirement systems, including moving new hires to defined contribution plans. These ideas won't fix the problems. They cost more and provide far less security for retirees. MEA-MFT will fight such efforts."

**Learn more about pensions** on page 10.

## 3 Fund public education, pre-school to grad school

You can't be pro-jobs without being pro-public education. Investing in public education means investing in Montana's economy as well as our children's future.

That's the message MEA-MFT will carry to the 2013 Legislature. Here's our agenda on public education funding:

### Head Start

Once again, MEA-MFT will work to pass a bill providing state funding for Head Start. Montana is one of the few states that does not invest in Head Start. Other states know it is a good investment.

Head Start breaks the cycle of poverty for thousands of Montana families. Head Start students are more likely to succeed in school, graduate, and become productive, employed citizens. They are far less likely to need public assistance.

Research shows every \$1 invested in Head Start results in \$8 in savings to taxpayers. That's a rate of return any Wall Street broker would drool over.

Yet Head Start is chronically underfunded. Many Head Start employees are so underpaid that they qualify for public assistance themselves, despite the miracles they create for children every day. Investing state money in Head Start makes it more likely that dedicated professionals can afford to teach and work in Head Start classrooms. MEA-MFT is asking the legislature to invest just \$300 this biennium for each Head Start and Early Head Start child enrolled in the program.

### Higher education

**Lottery money for students:** MEA-MFT has developed a bill redirecting about \$10 million per year from Montana Lottery proceeds to assist students in the Montana University System.

"Ironically, many Montanans think lottery proceeds already go to help fund education," Feaver said. "We might as well use some of that money for education. Too many of our students graduate with staggering student debt loads. This bill will help make higher education more affordable for Montana students and families."

**Funding:** MEA-MFT supports the governor's proposed budget for higher education, which provides enough funding to limit and possibly even avoid tuition increases over the next two years. "This continues a positive trend of a growing state commitment to higher education," said Burke.

"For many years, the state's share of funding for higher education was on a dangerous downward spiral, dropping to as little as 37 percent of university system funding just seven years ago. This percentage has steadily increased during the Schweitzer administration, keeping tuition down for Montana families. MEA-MFT is absolutely committed to assuring that we don't slip backward in this regard. Governor Bullock shares our commitment to higher education."

**Salaries:** The state pay plan, House Bill 13 (see p. 5) applies to university as well as state employees. HB 13 contains the state's appropriation to increase salary and benefit levels for university employees.



“Montana’s higher education faculty are among the lowest-paid in this region of the nation. MEA-MFT has been working many years to fix that,” said Marco Ferro, MEA-MFT’s public policy director. “The pay plan is a start. We will need all faculty members to help us get this bill through the legislature.”

**Higher education retirement:** MEA-MFT is working on a bill to provide another 1 percent increase in the state’s contribution to faculty “Optional” Retirement Plan (ORP) retirement accounts. The bill will also give the Montana Board of Regents more flexibility to increase the employer’s contribution, should the Board choose to do so with its own resources.

“Right now, state law limits what the University System can contribute, so we can’t even go to the table to negotiate a better deal,” Burke said. “This bill will change that.”

### K-12 schools

MEA-MFT supports all efforts to strengthen k-12 school funding, as long as they don’t channel

public funds to private schools. “Montana lost 260 teachers in k-12 schools last year,” said Feaver. “We have to reinvest in our schools.”

MEA-MFT supports Governor Bullock’s funding proposals and a major funding bill sponsored by Senator Llew Jones (R-Conrad). The bill provides dollars for public schools and property tax relief.

We also support Superintendent Denise Juneau’s legislative agenda, which is all about investing more in public schools, raising standards, and making sure kids graduate. Juneau’s agenda includes, among other things:

- Inflationary funding increases for each of the state’s k-12 funding components.
- One-time funding to implement Montana’s new English and math standards and make sure schools have technology for 21st century learning.
- Funding for Graduation Matters Montana, Juneau’s successful project that aims to cut Montana’s dropout rate in half to 2.5 percent by 2014.

(Continued on p. 8)

More than 130 MEA-MFT members from around Montana are serving as “legislative contacts.” They will stay in touch with their local legislators throughout the session, letting them know where MEA-MFT stands on issues. Here, they gather in Helena Jan. 5 to learn about lobbying and legislative issues. ▼

## How you can help

**Defend your job, your pension, the people you serve, and all things public this session:**

### STAY INFORMED

1. Visit our web site: For daily updates on our issues, keep your eye on [www.mea-mft.org](http://www.mea-mft.org). Click on Legislative Action at the top of the home page.
2. “Like” us on Facebook: Get social with MEA-MFT. Go to [www.facebook.com/MEAMFT](http://www.facebook.com/MEAMFT) and click “like.”
3. Get e-mail updates: Sign up for Eric Feaver’s e-mail updates. E-mail him at [efeaver@mea-mft.org](mailto:efeaver@mea-mft.org). Say, “Sign me up for your listserve.”
4. Follow Feaver on Twitter: [twitter.com/efeaver](https://twitter.com/efeaver).

### STAY INVOLVED

MEA-MFT will regularly ask members to call, write, and e-mail legislators on crucial issues. It makes all the difference.

Start with our two DAYS OF ACTION: January 21 & February 18. More on page 9.



[facebook.com/MEAMFT](http://facebook.com/MEAMFT)



[twitter.com/efeaver](https://twitter.com/efeaver)



### Contacting legislators:

**E-mail:** Use the legislative e-mail system to e-mail an individual legislator or an entire committee. It’s quick and easy: [leg.mt.gov/css/Sessions/63rd/legwebmessage.asp](http://leg.mt.gov/css/Sessions/63rd/legwebmessage.asp)

**Phone:** Call 406.444.4800 to leave a message for up to 5 legislators or all members of a committee. You’ll be asked for your name, home address, phone number, and a brief message.

**FAX:** Representatives: 406.444.4825 Senators: 406.444.4875

**Mail:** Representative [name], PO Box 200400, Helena, MT 59620-0400; Senator [name], PO Box 200500, Helena, MT 59620-0500

**IMPORTANT!** Public employees should not use work computers, phones, or FAX machines to contact legislators.

# Legislative agenda (from p. 7)

## More truth:

Download fact sheets on teacher tenure, charter schools, so-called "right to work," and more from our web site:  
[www.mea-mft.org/news\\_issues\\_action/the\\_truth.aspx](http://www.mea-mft.org/news_issues_action/the_truth.aspx)

- Raising Montana's legal dropout age to "age 18 or upon graduation." Montana is one of only 17 states that allow 16-year-olds to drop out.
- Funding to meet increased demand for the Montana Digital Academy.

## 4 Fight off the attacks

In addition to our proactive agenda, MEA-MFT is gearing up for a strong defensive game. "We have already seen numerous bill drafts attacking public education, public employees'

rights, teacher tenure, and more," said Marco Ferro.

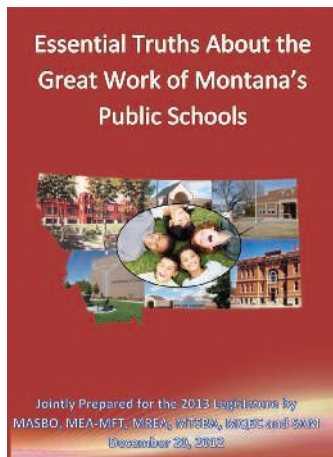
"We will pull out all the stops to fend off these attacks. We're not letting Montana go the way of states like Wisconsin, where public employees have lost so many rights."

"First and foremost, we will oppose any and all efforts to privatize public schools in Montana," said Feaver. "That includes charter schools, vouchers, tuition tax credits, and any school funding bills tied in any way to privatization."

We'll need your help every step of the way. ■

## Read 'em and smile

These two publications document the great work of Montana's public schools. Read both at [www.mea-mft.org](http://www.mea-mft.org)



## Essential truths about Montana's public schools

MEA-MFT recently teamed up with other education advocacy groups in Montana to produce a ground-breaking new document, "Essential Truths About the Great Work of Montana's Public Schools."

The document is being distributed to all Montana legislators and others in preparation for the 2013 legislative session, where education policy will be a key issue.

**Hard data:** The document explains that some legislators and others are "operating under the misplaced belief that public schools are failing, inflexible, inefficient, overfunded and expensive."

This document uses hard data to show that the truth is very different: "Public schools in Montana are succeeding, improving, innovative, efficient, and in need of additional funding to continue their good work with Montana's kids," the report concludes.

**Here are the essential truths** documented in the publication:

1. Montana's public schools are high performing and efficient. They offer children a tremendous opportunity for high achievement, close to or at the top of the nation, at a relatively low cost to Montana taxpayers.

2. Montana's public schools engage communities to support innovation and customization. Our public schools offer unique opportunities for community input, accountability, and access that cannot be replicated by diverting public resources to pay for private

education alternatives.

3. Montana's public schools are supported by and in harmony with Montana voters. A new poll by Zogby Analytics shows that Montana voters are in sync with and strongly supportive of the efforts of Montana's public schools in fully developing children's potential. Most give their local schools an A or B grade.

Montana voters support additional funding for schools. They want educators to have time to focus on teaching instead of testing and record keeping. They want a well-rounded education for all children, not just the "basics."

Voters also believe the quality of our public schools is comparable to the best of private schools. **Voters oppose the use of public funds for private alternatives.**

4. Montana's public school advocates are unified in support of a long-term vision of success and a legislative plan for the 2013 session. MASBO, MEA-MFT, MREA, MTSBA, MQEC, and SAM\* all share a common vision for the success of public education in Montana.

**You can read the entire document** at [www.mea-mft.org](http://www.mea-mft.org), along with "Did You Know: Stories About the Great Work of Montana Schools."

\*The groups that collaborated on "Essential Truths" include MEA-MFT, Montana Assoc. of School Business Officials (MASBO), Montana Rural Education Assoc. (MREA), Montana School Boards Assoc. (MTSBA), Montana Quality Education Coalition (MQEC), and School Administrators of Montana (SAM). ■





# We need **YOU**

# **here:**

**State pay plan**  
**Days of Action**  
**January 21**  
**February 18**  
**Helena**



## **It's your pay raise. Take action!**

House Bill 13 is the state & university employee pay plan, with a 5% base pay increase for each of the next two years. We can pass it, but *only if you make your voice heard.*

## **Join us at the Days of Action:**

**WHEN:** Monday, Jan. 21, 2013 (*Martin Luther King, Jr. Day*)  
10 a.m. – 2 p.m. Meet at Jefferson School (1023 Broadway, Helena)

Monday, Feb. 18, 2013 (*Presidents Day*) Details to be announced.

**WHO:** All Montana state & university employees.

**WHAT:** We will review the pay plan, then team up and visit with legislators. Union leaders & staff will provide background information, plus coaching on how to talk to legislators.

## **Sign up today**

To make these events a success, we need to know you'll be there.

## **Sign up at:**

**[www.mea-mft.org](http://www.mea-mft.org)**



## **For more info:**

[www.mea-mft.org](http://www.mea-mft.org)

800.398.0826 or 406.442.4250

Sponsored by: MEA-MFT, AFSCME, MPEA

# The **TRUTH** about public employee **PENSIONS**

**‘I almost fell off the chairlift. First, the system is not crashing, I said. Second, that’s your money that you paid into the system your whole working life.’**

**Editor’s note:** During the Christmas holiday I was skiing with a friend, a 30-year Montana state employee who had just retired. Her husband also retired recently after more than 30 years with the state. Both were beginning to draw their Public Employees Retirement System (PERS) pensions.

“I guess we’re the ones crashing the system,” she said apologetically as we rode up the mountain. I almost fell off the chairlift.

“Wow,” I said. “The hype has gotten to you.” As it happened, I had been working on this article (and a steep learning curve it was, believe me). So I downloaded:

“First, the system is not crashing,” I said. “It does need a financial shot in the arm, because pension investments took a hit when the stock market tanked in 2008 and 2009, just like every other investment. Second, that’s *your* money that you paid into the system your whole working life. Third, the stock market crash was not your fault. Wall Street greed and mortgage scams caused it, not public employees!”

“Really?” she said, wide-eyed.

My friend is a savvy, informed individual. The fact that even she was beginning to believe the scapegoating is just one example of the widespread confusion and misinformation about public pensions. We hope this article helps clear the air a little.

*Sanna Porte, MEA-MFT Today Editor*

## **Montana’s Promise**

Montana made a promise to its public employees generations ago: a promise that when they retire after a career of serving Montana’s people, they should be able to live in dignity, not poverty.

That’s Montana’s Promise. That’s why our state’s public employee pension systems were created. MEA-MFT is dedicated to making sure the Montana Legislature keeps this promise. It’s a top priority for the 2013 session.

We have worked with Governor Bullock, former Governor Schweitzer, the Teachers Retirement System (TRS), Montana Public Employee Retirement Administration (MPERA), and other public employee unions to propose legislation that will fine-tune and protect Montana’s Promise.

It won’t be easy. Some out-of-state groups and others want to unravel Montana’s public employee pensions. Some are spreading misinformation and panic about pensions.

## **Here’s what you should know:**

### **Montana’s public employee pensions work.**

They work well for Montana retirees, taxpayers, communities, and the economy alike. PERS and TRS provide financial security to retirees. They also provide huge economic benefits to communities all across Montana where retired public employees live and spend their pension checks. Pensions help attract and retain quality employees. They are good business.

### **PERS & TRS are sustainable and affordable.**

Montana’s public pensions systems have withstood the test of time. They’ve been viable for over 75 years, providing a modest retirement income for workers who dedicate their lives to serve Montana’s people.

### **Pensions aren’t a “freebie.”**

All public employees contribute to their own pensions. Public employers also contribute funds. Montana’s State Board of Investments then invests this money. Most of the pension dollars paid to public employees in Montana (60%-70%) come from investment returns and employee contributions, *not* from government/taxpayer contributions.

### **Public employee pensions are not lavish.**

The average payment for TRS retirees with over 25 years of service is \$20,040 per year. For PERS retirees with about 20 years of service, the average is \$13,625 per year. That’s hardly lavish, but it gives retired public employees a chance to live with dignity as they age. It helps them pay for food, housing, and other needs instead of needing public assistance.

### **There is no crisis**

with TRS and PERS. These funds are invested over the long haul by highly skilled professionals. Like all other investments, Montana’s public pension plans took a hit in the recent market crash, a crash triggered by the

abuses of mortgage companies and Wall Street brokers. Thanks to sound management, PERS and TRS have averaged double digit gains over the three fiscal years since the crash.

**PERS & TRS do need more funding** to fix shortfalls caused by the market crash. But the shortfalls have sometimes been highly overstated. You may have heard that there is a \$4 billion “unfunded liability” in Montana’s public pension systems. However, about half of that is already funded. The actual shortfall is vastly less than \$4 billion, but it still needs to be replaced.

**The good news** is that PERS and TRS are “pre-funded,” meaning their obligations (the amount they must pay to retirees) are not due all at once but over decades into the future. In fact, TRS and PERS have enough assets to pay obligations until 2040.

**Montana’s constitution requires** these pension systems to look even further into the future. The constitution requires them to be “actuarially sound,” meaning they need enough money now to pay for all future obligations over the next 30 years. That’s why you hear terms like “unfunded liability” that sound far more alarming than they really are.

MEA-MFT has worked with legislators and others in past legislative sessions in an effort to pass bills providing the additional funding needed. These bills either failed to pass or were stripped of adequate additional funding.

**The legislature can’t kick this can down the road.** While there is no crisis now, there will be later if the legislature fails to put more funding into PERS and TRS. Pay now, or pay more later.

**There is a right way** to strengthen our pension systems — a way that supports middle class families and the state’s economy — and there’s a wrong way. Bills have been proposed that switch PERS and TRS from “defined benefit” (DB) plans to “defined contribution” (DC) plans. That’s the wrong way. DC plans won’t fix the shortfall, plus the switch would cost the state more and leave Montana public employees far less secure in their old age. (See explanation of defined benefit and defined contribution plans on p. 12.)

**MEA-MFT is working with a coalition** to support bills that will fix the shortfalls in our existing systems. Our bills ask public employees to share the burden of strengthening PERS and TRS with our fellow taxpayers. This means both employees (Continued on p. 12)

## What you can do to protect your pension:

- **Stay informed** as pension bills work their way through the 2013 Montana Legislature. Follow the action at [mea-mft.org](http://mea-mft.org). Sign up for Eric Feaver’s e-mail updates at [efeaver@mea-mft.org](mailto:efeaver@mea-mft.org)

- **Take action.** Periodically we will ask you to e-mail or call your legislators during the session.



## Montana's Promise

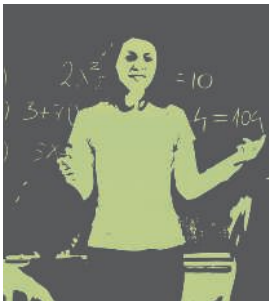
Generations ago, the State of Montana made a promise to its firefighters, teachers, nurses, snowplow drivers, and other public employees who keep our state functioning — a promise that they could live with dignity and security in their elder years.

MEA-MFT is part of a coalition called Montana's Promise that is working on bills to keep our public employee pension systems strong for the future. Learn more: [montanaspromise.com](http://montanaspromise.com)



# The TRUTH about PENSIONS

(from p. 11)



and employers must kick in a little more money. (1% more for employees, except those in the PERS system who have already kicked in 1% more.) Some proposals include one-time transfers from school district retirement reserves for TRS and using non-dedicated coal tax revenue for PERS.

These proposals maintain the existing defined benefit plans.

**Our bills make sense,** but we face heavy opposition from some legislators and out-of-state organizations like the American Legislative Exchange Council (ALEC), Pew Center for the States, and American Tradition Partnership (ATP).

Their alternatives to our existing pension plans would gut Montana's pension systems and jeopardize the personal and financial security of our friends, family members, and neighbors in public service careers.

Some of these out-of-state groups have a financial stake in the issue. Others simply dislike "government" and want to undermine the value that career public employees add to our state.

## Defined benefit vs. defined contribution

It's crucial to understand the difference between "defined benefit" (DB) and "defined contribution" (DC) pension plans, because some folks want to end Montana's current DB plans and change to DC. Others propose a hybrid system: part DB and part DC. Either alternative would be a bad move for everyone. Read on to see why.

**Defined benefit (DB):** Montana's public pensions are traditional defined benefit (DB) plans. "Defined benefit" means the amount of money you receive every month when you retire is defined, predictable, and guaranteed.

Defined benefit plans are designed as long-term investment vehicles. With a DB plan, employees and employers contribute to a retirement fund throughout the employee's career. The contributions are pooled together to increase efficiency and reduce financial risk. The plans are managed by professional administrators.

As people retire, new workers contribute to the plan, ensuring continued investment earnings. Retirement payments are based on a formula set in law that includes salary and years of service.

**Defined contribution (DC):** Defined contribution plans (often called 401 (k) plans) are private accounts. With a DC plan, the amount of money you *contribute* is defined, but the amount you *receive* every month when you retire can fluctuate wildly depending on the market.

## Defined benefit plans work best for everyone

Defined benefit plans like PERS and TRS are the best and most cost-effective way to provide a secure retirement for Montana's public employees. They are the best deal for retired public employees, taxpayers, and communities.

**DB plans provide more security for employees.** DB plans offer employees a secure retirement by providing a guaranteed monthly pension of a fixed amount. With a DC plan, there is no guaranteed monthly pension.

**DB plans are cost effective.** DB plans are less expensive to operate than DC plans, and they earn higher investment returns. DB plans, with pooled assets and economies of scale, can negotiate for significantly lower fees. They can provide equal benefits for less than half the cost of a DC plan. DB plans are a better deal for taxpayers.

**DB plans help recruit and retain quality employees.** Employees who participate in DB plans are more motivated to stay with their employer because they earn greater benefits the longer they are employed. One thing that makes it possible for people to choose a career in public service is the confidence that they can retire with dignity and security someday.

Long-term employees provide stability and institutional memory to the agencies and schools where they work.

**DB pension dollars boost the economy.** Retirees spend their pension checks in Montana communities, supporting businesses and jobs. The positive economic impact is huge. These dollars benefit every community and county in the state. In 2012 alone, \$508.5 million flowed from Montana's DB pension systems back into local and state economies.

## Switching from DB to DC would be costly and risky

**Unfunded liabilities would get worse.** If Montana closed its DB plans and switched to defined contribution, the unfunded liability in the existing defined benefit plans would not go away. Instead, the unfunded liability would increase significantly. The State of Montana would still be responsible for paying benefits to retirees in the current DB system. Since employees and employers would no longer be contributing to the current plan, the liability would continue to grow until all benefits to retirees in that system have been paid. This would take decades.

**DC plans cost more to administer.** The National Institute on Retirement Security (NIRS) found that the cost to deliver the same level of retirement income with a DC plan is nearly 50% higher than for a DB plan.

**DC plans are risky.** They are far more volatile than DB plans. They can lose value when the stock market declines. The stock market crash of 2008-2009, which left many private-sector employees near retirement age without enough savings for their retirement, illustrates a major problem with DC plans.

Most participants in DC plans have to make their own investment decisions. Most people aren't skilled investors.

**DC plans do not provide retirement security.** DC plans are more likely to leave retirees in poverty. A study by Cheiron, the actuary for Montana's Public Employees Retirement System (PERS), showed that DC participants have a 50% chance of outliving their retirement account.

Without the guarantee of a monthly benefit that a DB plan provides, DC participants have a significant risk of running out of money and needing public assistance.

With a DC plan, the amount of your pension depends on the stock market. With a DB plan, your pension amount remains fixed and predictable, far better protected from the volatility of the stock market.

**Montana's public employees deserve a fair deal.** Our teachers, firefighters, probation and

parole officers, nurses, and other public employees provide services that make it possible for Montana's economy and families to thrive. They are taxpayers. They deserve to keep the pension systems they've paid into throughout their careers.

**Let's keep what works.** We should maintain Montana's current defined benefit pension plans and strengthen them. There's no reason to replace them with defined contribution or other types of plans. Drastic changes to Montana's public employee pensions would only drive more retirees into poverty and hurt local economies. ■

**Thanks to the Montana Public Employee Retirement Administration, Teachers Retirement System, and Public Employees Retirement System staff, plus NEA and AFT, for information and statistics for this article.**

## Scapegoating public pensions

Nationwide, public employee pensions are under attack. Listening to the panic and misinformation, you would think these pensions are lavish, excessive, and headed for ruin. It's not true.

As some states face revenue shortfalls, due to the Great Recession, there is a growing — and false — perception that public employee pensions are to blame.

Montana doesn't even have a revenue shortfall. Our state budget is \$400+ million in the black. Still, some folks want to radically change Montana's public employee pension systems. Piggybacking on a national issue, some folks are stirring up a sense of crisis.

Increasingly, people who don't have secure pensions are asking why public employees do have them. Their frustration is understandable, but the blame is misplaced.

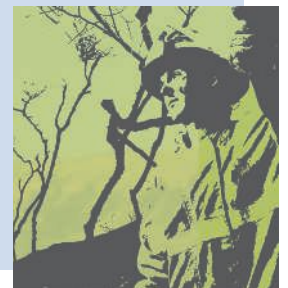
The truth is, the "defined benefit" pension plans that many public employees have were common in the private sector until just a few years ago, when Wall Street convinced many companies to switch to riskier 401(k) plans. We all know what happened to 401(k) plans in the recent market crash. They suffered huge losses.

Public employees certainly don't think that what has happened to private pensions is OK. But attacking and dismantling public pensions won't solve the issue. It will only create more problems.

**All Americans deserve to retire with dignity and security** after a lifetime of hard work, whether they work in the private or public sector. Instead of dismantling public employee retirement systems, policy-makers should help improve retirement security for all workers.

**Attacking public employees is not the answer.** The real retirement crisis is not about public pensions, it's about the growing number of working Americans who don't have retirement security at all.

We should not allow anyone to blame teachers, nurses, firefighters, and other public employees for the country's economic problems that were caused by corporate excesses.



## Passion for participation: Montana Teacher of the Year Eileen Sheehy

MEA-MFT member Eileen Sheehy was watching the Emmys when she got the call this fall telling her she had been selected as the 2013 Montana Teacher of the Year.

James Woodcock photo, Billings Gazette



Billings West High principal Dave Cobb celebrates with Eileen Sheehy and her AP U.S. Government class after Sheehy was named 2013 Montana Teacher of the Year.

"I felt like I'd won (an Emmy) myself," she laughs. "I couldn't believe how great it felt to be validated that way." Sheehy is quick to share the honor with her colleagues at Billings West High School, where she teaches U.S. Government, AP U.S. Government, and Yearbook. A 27-year Montana teacher, she has also taught Journalism, Newspaper, U.S. and World History, and Global Studies.

To be named Teacher of the Year is the highest honor a Montana teacher can achieve. The program yearly recognizes a teacher who exemplifies the best in the teaching profession.

**Sheehy says the key to effective teaching for her** is developing strong relationships with each student.

That lesson was hammered home when she taught at the Billings Career Center, a vocational emphasis high school, in 1991.

"At first I was a dismal failure at the Career Center," she says. "Teaching students whose educational interests were mechanical or artistic, not

what we called 'academic,' made me a teacher. I learned it was not enough to know my stuff; I had to know their stuff, too."

Finding out what intrigued those students, like the workings of Corvettes and sound systems, showed Sheehy how to make connections for them when she taught about things like the workings of government.

This shaped her teaching style and kindled a passion to help every student understand and participate in their government. "Knowing that I've helped ordinary citizens become participating citizens by demystifying government for them is my biggest reward," she says.

**Teacher of the Year process:** The Montana Professional Teaching Foundation sponsors the Teacher of the Year program. Nominated teachers undergo an exhaustive application process. Three finalists are chosen for interviews. This year's interview committee was composed of 2012 Montana Teacher of the Year Tom Pedersen, other distinguished Montana educators, a parent, and a high school student.

"Eileen Sheehy is a bright, articulate, passionate teacher," says Pedersen. "It shows in her resume and in her ability to teach all levels of kids. Whatever education throws at her, she's up for it and game to tackle the tough issues in education today."

Sheehy will serve as an ambassador for the profession during the year and represent Montana at the National Teacher of the Year event.

**Teacher of the Year finalists:** Finalists in the 2013 Montana Teacher of the Year event are LeAnne Yenny, a math and science teacher at Sacajawea Middle School in Bozeman; and Linda Ballew, a media literacy and journalism teacher at Great Falls High School.

Sheehy, Yenny, and Ballew all were honored at a gala celebration October 18 in Billings, in conjunction with the annual MEA-MFT Educators' Conference.

**AFT President Randi Weingarten** was one of the honored guests at the event. "I honor you, I love you, I fight for everything you're doing," Weingarten said to all educators present.

Congratulations to all three outstanding teachers, all MEA-MFT members! ■



From left: Finalist LeAnne Yenny, AFT President Randi Weingarten, Teacher of the Year Eileen Sheehy, and finalist Linda Ballew.



# Resources & opportunities

## Nominate now for presidential math and science awards:

MEA-MFT's Montana Professional Teaching Foundation administers the Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST) in Montana. These awards are the nation's highest honors for teachers of math and science (including computer science).

The 2013 awards honor teachers working in grades 7-12. Two winning Montana teachers will receive \$10,000 awards and all-expense-paid trips to Washington, DC. To learn more and nominate a teacher, visit [www.paemst.org](http://www.paemst.org). Nominations close April 1. Nominate soon: it takes time for the nominated teacher to prepare an application by the application deadline.

**Congratulations** to the most recent Montana PAEMST winners. Carol Pleninger, science, Havre High School and Tammy Johnson, math, Stevensville High School.

## Common Core resources:

**Success at the Core:** MEA-MFT is working with other groups to bring you Success at the Core (SaC), a free set of online professional learning materials for teachers and leadership teams. It contains documentary-quality videos, downloadable materials, and multimedia presentations showing how collaborative leadership teams operate and what effective classroom instruction looks like.

Visit [successatthecore.com](http://successatthecore.com) for more information. Look for announcements of upcoming opportunities to learn more about SaC.

**Share My Lesson:** AFT recently unveiled "Share My Lesson," with the aim of building the largest online community for U.S. teachers to collaborate and share teaching resources and innovative ideas.

Share My Lesson has an emphasis on resources to help teachers

implement the new Common Core State Standards. The site allows educators, pre-school through college, to upload their own resources, rate and review resources on the site, and download anything, all at no charge.

Teachers can share resources such as lesson plans, handouts, quizzes, videos, suggestions for parents, and more: [www.sharemylesson.com](http://www.sharemylesson.com). ■



Collaborate and share teaching resources and innovative ideas: lesson plans, handouts, quizzes, videos, suggestions for parents, and more.



## Professional development is a journey. The NEA Academy is your guide.

Educators tell us they think of professional development as an ongoing journey . . . a lifelong exploration of learning and teaching. To help ensure that your exploration is meaningful and productive, the NEA Academy conducts an extensive content, quality, and pricing review of institutions and course providers before selecting those worthy of being Academy partners. As an NEA member, you can always count on the quality, affordability, and convenience of our professional development offerings.

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A few of the hundreds of MEA-MFT members, leaders, & staff who worked on campaigns celebrate victory with winning candidates. Clockwise from left: John Hughes (Kalispell), Karen Moses (Billings), Governor Steve Bullock, Superintendent Denise Juneau, Rachel Schillreff (Billings), Heather Diehl (Missoula), Terry Minow (MEA-MFT staff), Leslie Thomas (Boulder), Jami Wood (MEA-MFT staff), Marilyn Hamer (Great Falls).

## We did it!

MEA-MFT and our members put on a full-court press for Election 2012. We mobilized as never before to help elect candidates who support public education, public services, and workers' rights.

It worked. In spite of all odds, in spite of massive amounts of out-of-state "dark money" spent to defeat our endorsed candidates, Steve Bullock is our new governor; Denise Juneau was re-elected Superintendent of Public In-

struction; Jon Tester won a second term as our U.S. Senator; Linda McCulloch is Secretary of State; and Monica Lindeen is State Auditor.

Fourteen MEA-MFT members are serving in the state legislature.

The margins were tight. Every vote counted. "Every conversation, phone bank, volunteer hour, candidate donation, meeting, mailing, e-mail and event mattered," said MEA-MFT Political Director Terry Minow.

"Hundreds of our members volun-

teered to help. Members, leaders, and staff knew it was a do-or-die election, and we did it.

"Without our efforts, we would be going into the 2013 Legislature facing the very real possibility of losing collective bargaining, tenure, public education, and a long list of what makes Montana a good place to live, work, and grow up."

All your work mattered, all of it paid off. THANK YOU!

**Next: The legislature.** Please stay involved. Details inside. ■