

# SCPP Study: School Employee ERFs (Preliminary Summary of Findings)

## Issue

Recent legislation (Chapter 7, Laws of 2012, First Special Session) modified Early Retirement Factors (ERFs) for newly hired employees in the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS). It also required the Select Committee on Pension Policy (SCPP) to study two things:

- ❖ High-risk job classifications.
- ❖ Classroom Employee ERFs.

This report responds to the mandate to "study existing ERFs and job requirements that may limit the effectiveness of the older classroom employee." This executive summary has been updated to include additional information, conclusions, and findings. The preliminary issue paper can be accessed on the SCPP [website](#).

## Policy Questions

This issue raises the following questions:

- ❖ Should ERFs for classroom employees be adjusted to facilitate the retirement of classroom employees whose effectiveness is diminished?
- ❖ If so, how should they be adjusted, and for which employees?

## Preliminary Findings

Staff reviewed existing studies of teacher retirement and classroom effectiveness to identify factors that may impact classroom effectiveness. The factors identified by those sources can be grouped in two categories: work conditions, and personal factors.

- ❖ Work conditions.
  - ◇ Physical Aspects.
    - Class size/workload.
    - Security.
    - Facilities.
  - ◇ Policy/Human Resources.

- Ineffective leadership.
- Lack of effective colleagues/mentoring/networking.
- Overly prescriptive policies/lack of control.
- ❖ Personal factors.
  - ◇ Career stage.
  - ◇ Health and health care.
  - ◇ Work not challenging enough.
  - ◇ Sense of efficacy.
  - ◇ Qualifications and training.

## Policy Highlights

- ❖ Many factors may impact teacher effectiveness. Most of the identified factors are likely not unique to teachers.
- ❖ Pension policy has mixed implications for effectiveness. Policy makers may disagree on whether pension provisions should be changed.
- ❖ Pension policy may be better suited to address factors related to age and service. Other policies (such as human resources policy) may be better suited to address other factors.
- ❖ State policy is to provide consistent benefits, unless unique job requirements warrant different benefits.
- ❖ Pension changes are long term and may create contractual rights.
- ❖ Benefit improvements can impact long-term affordability.

## Committee Activity

The SCPP was briefed on the passage of the bill and the bill's main provisions at the meeting on May 15, 2012. Staff presented the study preliminary plan and study approach at the meeting on June 27, 2012. Staff presented initial analysis to the SCPP on July 24, 2012.

## Next Steps

Possible next steps for the SCPP include the following:

- ❖ No further action.
- ❖ Recommend no changes.

- ❖ Executive committee instructs staff to prepare and analyze one or more options for next meeting.
- ❖ Final report is due to the Legislature in December.
  - ◇ Final chance for SCPP action at November meeting.

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