Proposed Resolution from the NDSBA Board of Directors
To be discussed Friday, October 24
during the 3:15 meeting of the Delegate Assembly

TEACHERS' FUND FOR RETIREMENT

Whereas, the mandatory contributions by employers have increased by 64.51% since 2008 to the current annual rate of 12.75%; and

Whereas, the mandatory contributions to employees have increased by 51.61% since 2012 to the current annual rate of 11.75%; and

Whereas, these mandatory contribution rates are now locked in until the plan is funded at a level equal to 100% of the actuarial projected liability of the plan; and

Whereas, as of 7/1/2013 the plan was only funded at a level of 58.8% and the 100% target will most likely not be achieved in the next 20 years; and

Whereas, the increases in mandatory contributions haven't been fully funded by earmarked increases in state funding to school districts; and

Whereas, the increases in mandatory contributions have made it even more difficult to negotiate salary packages with certified staff; and

Whereas, this problem will be perpetuated by future increases in certified staff salaries and by the new hires being automatically included in the current TFFR system;

Therefore, be it resolved that NDSBA shall support any of the following solutions to help address this critical issue:

1. A separate state appropriation that gives each school district an annual amount equal to 5% of their certified staff payroll, until such time as the rollback occurs to the pre-2008 contribution levels.
2. A series of catch-up allocations from the state's general fund sufficient to meet the 100% threshold established by the state legislature.
3. A rollback to the pre-2008 contribution levels when the fund is determined to be at 70% of the actuarial liability amount.
4. Close the TFFR program to new hires effective July 1, 2015, and offer them participation in the state's PERS plan instead.
5. Terminate the TFFR defined benefit plan for active employees and roll participants' account balances into the state's PERS plan, with any shortfall in plan assets to be made up by the state.

(NDSBA Board of Directors)