



## **Kentucky Teachers Retirement: Responsibility, Recruitment, Retention**

### **A Position Statement from the Kentucky Association for Career and Technical Education (KACTE) on the Kentucky Teachers' Retirement System Unfunded Liabilities and the Impact on Quality Education for the Commonwealth's Future**

**Adopted by the KACTE Executive Board  
November 12, 2015**

The future ability of the Kentucky Teachers' Retirement System to fulfill the promise of a stable annuity for the state's public education teachers and administrators is a critical issue for the membership of the Kentucky Association for Career and Technical Education (KACTE). The Association is a non-profit, educational association comprised of teachers and administrators working at all levels of Career and Technical Education instruction: middle schools, high schools, area technology centers, locally operated career technology centers, community and technical colleges, and universities. KACTE members provide instruction in agriculture, business, communications, construction, engineering and technology, family and consumer sciences, health sciences, information technology, manufacturing, marketing, pathway to careers, and transportation.

KACTE's 650 members represent more than 3,000 CTE educators across the Commonwealth. This Position Statement is consistent with KACTE's mission to provide educational leadership in developing a competitive workforce. It addresses the Association's purposes to foster excellence in career and technical education in Kentucky; to advocate Kentucky and national policy to benefit career and technical education; to act as a clearinghouse for education and information relating to all aspects of career and technical education, while providing an access for professional development; and to promote public awareness of the value of career and technical education as an integral part of the total program of education and solicit public support for these programs.

### **Responsibility**

KACTE believes a promise was made to the state's public education teachers to provide an adequate and stable retirement, and it is the responsibility of the General Assembly and Executive Branch to provide sufficient funding and competent administration to fulfill the promise. The *American Heritage Dictionary of the English Language* defines promise: "A declaration assuring that one will or will not do something; vow." Here is how one CTE educator understands the promise.

*"In 1990, fresh out of college, I took advantage of the opportunity to begin my teaching career as a business educator. A promise was made. I promised to forego contributing to Social Security and accept the benefits of a mandated retirement program, KTRS. In return, I could retire after 27 years of service.*

*"Now, after 25 years of holding up my end of the promise, my retirement through KTRS is in jeopardy. There were plenty of offers to leave my teaching profession to enter industry. I could have cut my losses and left the profession in the first 10 years of teaching as many of my colleagues did. Instead I passed up opportunities for significantly higher earning power based on a promise of the teachers' retirement system and loyalty to my workplace. You see, I believed in a promise of retirement with full benefits after loyally serving my community for 27 years.*

*"For 25 years, I have demonstrated my loyalty every day. Because of my promise to the state:*

- A Liberian immigrant who lived in refugee camps now knows about American history and economics due to after-school sessions.
- A group of freshman basketball players learned to throw a bounce pass.
- A student council went above-and-beyond to raise money for a meditation corner in our library.
- A program review process was implemented, which led to further unfunded mandates and additional hours outside the classroom.
- A computer lab was installed and maintained, which required learning new software programs and hardware replacement skills.
- A new student affiliate of Habitat for Humanity was organized, so that our extremely poor students could understand the reward of serving others.
- A child was loved on the most challenging day of his life.

*“These things took place because I kept my promise. Every teacher could list similar accomplishments in his or her effort to go above and beyond. We are not asking the state to go ‘above and beyond;’ only to keep its basic promise to its teachers.*

*“My promise has been kept. I am timing out, and I will be leaving this profession. I ask you to consider our new workforce. Will the same promises be made? Can they be fulfilled? How will you retain the millennials entering the teaching profession today? Will they believe a promise if the current promise is not kept? How will you entice them to stay in the same job for 30 years? They are watching your moves on KTRS. Can you count on this generation being as loyal as your current retirees?”*

## **Recruitment and Retention**

KACTE believes the Commonwealth has a responsibility to fulfill the promise of an adequate and stable retirement system, but beyond the current issue of KTRS unfunded liabilities is the future of public education in Kentucky -- its ability to produce a skilled, educated workforce that not only will propel Kentucky to economic competitiveness but also, and more importantly, will provide each individual with the opportunity to attain a livelihood and pursue a fulfilling life.

KACTE recognizes there are economists, actuaries, and officials who are investigating alternatives and will provide suggestions to address the KTRS unfunded liabilities so the teachers’ retirement system will be stable and can be depended on by the current cadre of professionals. KACTE will not suggest a fiscal solution. That’s the job of money experts and political officials. Rather, KACTE asks for consideration of the future of the teaching profession and the profession’s impact on Kentucky’s people and economy. KACTE suggests the ability to recruit and retain teachers to provide the necessary quality education for Kentucky’s students will be compromised if the teachers’ retirement system cannot be maintained as a benefit for future public school teachers.

A salary comparison suggests Kentucky’s pay for public school teachers will not be a significant factor in future recruitment nor retention. According to 2015 U.S. Bureau of Labor Statistics reports, the average salary of teachers in Kentucky is \$51,960, which is 12 percent less than the U.S. average teacher salary of \$58,260. Kentucky ranks 23rd in starting teacher salary and 26th in average teacher salary. The comparison with Kentucky’s border states support a mid-point among all states. Kentucky is significantly higher than West Virginia (\$44,510 average teacher salary); slightly better than Missouri (\$48,170), Tennessee (\$49,870), and Indiana (\$51,410); and significantly behind Illinois (\$59,330), Ohio (\$59,750), and Virginia (\$62,110).

Kentucky’s teacher salary become starker when compared to the private sector. For instance, the business teacher quoted in this Position Statement worked to install and maintain a computer lab and learned new software programs and hardware replacement skills. Again, according to the U.S. Bureau of Labor Statistics, a computer systems analyst position for which the teacher is qualified has an average salary of \$117,000, more than double the average teacher’s salary in Kentucky. Similar salary comparisons exist in all CTE instruction areas.

If Kentucky’s economy is to thrive, it will require a skilled workforce that can compete in domestic and international markets. To recruit and retain quality teachers necessary to provide skilled instruction requires incentives beyond salary. For many, that incentive is an adequate and stable promise of retirement. For the past generation of teaching, an emphasis was placed on

lifelong learning: each individual should be taught how to learn so each can adapt to the changes occurring in the economy and society. Lifelong learning allows individuals to upgrade skills and retain productive employment; thus upholding their standard of living. The coming generations have been taught this lesson well, and if the jobs are not fulfilling -- not living up to potential or promise -- they will do something else.

Kentucky is facing a growing concern of teacher recruitment and retention. Consider the state's 244 agriculture teachers. Fifty three (53) have less than five years remaining in the classroom before retirement. Each year, several teachers leave the profession with fewer than five years of service. Some realize they are not teachers and need another career, but others seek more economic security than the salary provides. Without a competitive retirement package, the ability to recruit replacement teachers and to retain the current educators is diminished further. The scenario of the agriculture teachers exists in the other CTE teaching disciplines, as well. Kentucky is experiencing a teacher shortage. Insufficient numbers of individuals are entering the profession in part due to inadequate wages and benefits.

In trade and industrial education -- construction, communication, manufacturing, and transportation -- as well as engineering and technology, health science, and information technology, a large number of teachers are recruited from the private sector. This brings invaluable practical experience into the classroom. These individuals accept less salary than they can earn in the private sector in part because of the promise of retirement benefits. Without a competitive retirement package, the ability to recruit and retain individuals from the private sector is diminished. These individuals have the experience to know their value in the private sector. Retention can be even harder with them.

Recruitment and retention of teachers equals a competitive, skilled workforce. Kentucky is in competition with its border states, Southeast and Midwest states, and foreign countries to achieve a viable economy. Studies indicate a principal component of economic competitiveness is a skilled workforce. Without quality teachers, Kentucky cannot build and maintain a skilled workforce. A competitive retirement package is essential in building a competent cadre of skilled educators able to serve a thriving Commonwealth economy.

It is incumbent to address the unfunded liability in the Kentucky Teachers' Retirement System to fulfill the promise made to the state's public school teachers. And it is necessary to maintain an adequate and stable Kentucky Teachers' Retirement System to recruit and retain public school teachers who will lead the Commonwealth into the economic future of global competition. Solving the Kentucky Teachers' Retirement System unfunded liability and maintaining the retirement system for the future is critical for today and tomorrow.