

Voices of Experience

Newsletter for OEA-Retired

Omaha Education Association–Retired is an affiliate of NSEA-Retired and NEA-Retired
Roger Rea, Editor – email: rea68154@yahoo.com www.OEARetired.org March 2021

Omaha visitor sites to be discussed at March 11 meeting

When you have visitors from outside Omaha, do you struggle to think of places to see and things for them to do? Omaha has a large number of interesting and historic sites that can be visited, but many of them are not widely known. The March 11 meeting for OEA-Retired will feature Jasmyn Goodwin, Vice President of Marketing and Communications for *Visit Omaha*. Jasmyn will *zoom* into the March 11th meeting to discuss various experiences available in Omaha. She will discuss tourism in Omaha and how the tourist industry has been impacted by the pandemic. She will discuss the city's entertainment options for a variety of comfort levels. Jasmyn will also share exclusive discounts that are available for out-of-town friends and family (or anyone living outside a 50-mile radius of the city). Also on the March 11 meeting

agenda will be discussion of legislative bills that may impact our retirement plan. You can find more detail about those bills elsewhere in this newsletter.

The Thursday, March 11th meeting will be held via Zoom. OEA-Retired members for whom we have a valid email address will receive a link to the Zoom meeting. If you do not get the link in an email, you can find the link on our website, www.OEARetired.org.

The Zoom meeting will start at 10 a.m. Clicking on the link to the meeting will put guests into a "virtual waiting room" until the meeting host is ready to begin the meeting. You will need to enter your full name in order to be admitted to the meeting from this "virtual waiting room"

Attend the Zoom meeting to learn more about some of the attractions that Omaha has to offer!

Can the Omaha office of OSERS be retained? A Call to Action!

By: Walta Sue Dodd, OEA-Retired President

Since our meeting in December 2020, several bills have been submitted detailing a transfer of OSERS to the state retirement systems. The main bills are **LB 145**, which requires a compliance audit of OSERS; **LB 147**, which outlines transferring both the management and governance of OSERS to the state retirement systems; and **LB 582**, which dissolves the current OSERS Board of Trustees and replaces it with a new Board appointed by the OPS School Board. Additional details on these bills can be found in this newsletter.

The OEA-Retired Board of Directors opposes closing the Omaha OSERS office, but stopping it promises to be an uphill battle. The NE Legislative Retirement Committee Chair has stated that he will amend all of the bills that impact OSERS into LB 147, and designate LB 147 as a Committee Priority Bill. OPS, OEA, NSEA, OSAA and a few other organizations testified in favor of the bills. Organizations that opposed the bills include: OEA-Retired Board of Directors, OEA-Retired members (according to our survey in December 2020), Omaha Area Retired School Employee Association (OARSEA), and the OSERS Board of Trustees. I know the value of personalized retirement counseling, and know that personal counseling will be

greatly diminished if the Omaha office of OSERS is closed.

Call to Action!

Please contact your state senator and ask that the bills be postponed until all of the unanswered questions raised in the LB 31 study (completed last year) have been answered, and express your support for maintaining an OSERS office in Omaha. You can find your senator on the Unicameral website, www.nebraskalegislative.gov. If you do not live in Nebraska, please call, or email the NE Legislative Retirement Committee at www.retpl@leg.ne.gov to express your opinion.

NE Legislative Retirement Committee members

- Mark Kolterman, Chair (402) 471-2756
- Brett Lindstrom, Vice Chair (402) 471-2618
- Robert Clements (402) 471-2613
- Mike McDonnell (402) 471-2710
- Julie Slama (402) 471-2733
- John P. Stinner (402) 471-2802

This truism applies to keeping the Omaha office of OSERS open: **"You don't appreciate what you have until it's gone. And then you can't get it back!"**

Five bills in Legislature would impact OSERS

The Omaha School Employees' Retirement System, OSERS, is the second oldest continuously operating school retirement system in the country. OSERS was started in 1909, and has paid retirement benefits to retired OPS employees since then.

In September 2020, the Legislature received the results of a study completed by an outside consultant detailing the costs and probable impact of transferring the governance and management of OSERS to the state retirement systems. The report indicated that it would cost \$3.8 - \$6.1 million just to modify the state retirement system computers to accommodate the unique benefit structure of OSERS. OPS has agreed to pay that cost, and has asked that bills be introduced that would transfer the governance and management of the retirement system to the state retirement systems. Five bills have been introduced on behalf of OPS to accomplish that task.

In December 2020, OEA-Retired surveyed members regarding their attitudes on making the transfer of management and governance to Lincoln. More than 80% of the respondents to the survey favored keeping the OSERS office in Omaha.

OEA-Retired has participated in the Better Together Coalition (BTC) for the past year. OPS Superintendent Cheryl Logan formed BTC to address several concerns facing OPS. Among those concerns is the future of OSERS. Walta Sue Dodd, OEA-Retired President, represents OEA-Retired on BTC. She has written regular reports for this newsletter on the activities of BTC. The OEA-Retired Board has voted unanimously to oppose closing the Omaha office of OSERS and transferring all operations to Lincoln. BTC has officially taken a neutral position on the transfer.

The five bills that would impact OSERS are: (a) **LB 144** – a “placeholder bill” that will not advance this session, but may have needed amendments in the next legislative session; (b) **LB 145** – requires an IRS compliance audit of OSERS, and an audit by the State Auditor. OSERS already has annual financial audits done by an independent auditor and annual actuarial audits done by the System actuary. (c) **LB 146** – clarifies that retired teachers may substitute a maximum of 8 days per month during the first 180 days of their retirement; (d) **LB 147** – main bill to transfer management and governance of OSERS to the state retirement systems by 2024; and (e) **LB 582** – dissolves the current OSERS Board of Trustees in July 2021 and replaces it with a board appointed by the OPS School Board consisting of 2 OPS Board members, 2 OSERS members, 2 business representatives, and the OPS Superintendent. This board would facilitate the transfer of OSERS management to the state retirement systems, and then would be terminated.

The OEA-Retired Board of Directors voted to oppose all bills that would close the Omaha office of OSERS and move operations to Lincoln.

The hearings on these bills were held on February 23, 2021. OEA-Retired President Walta Sue Dodd testified against the transfer. OPS officials testified in support of the transfer. OEA-Retired members are urged to contact their state senators to oppose the transfer and support keeping an OSERS office in Omaha. You can find contact information for your state senator and follow the progress of the bills on the Unicameral website: www.nebrasklegislature.gov.

New study shows fiscal impact of retirees leaving the state

By: Roger Rea, NSEA-Retired Vice President

Nebraska is one of just a few states which impose a state income tax on Social Security benefits. Nebraska uses a threshold income – an income level below which no state income tax is levied – to apply the state tax. That threshold income was raised in 2017, and indexed for inflation in 2018. Even so, Nebraska applies the greatest income-tax burden on Social Security benefits of any state in our seven-state area (NE, KS, MO, IA, SD, WY, and CO).

We know that about 10% of retirees leave Nebraska at or near retirement age. That outmigration removes a substantial amount of money from the state economy. If a worker moves out of the state, his or her job stays in the state and will be filled by a new worker. The wages that were paid to the worker who moved away will now be paid to a worker who lives in

Nebraska, so the wages paid stay in the state when the worker leaves. But when a retiree moves out of the state, they take their entire retirement income (including Social Security, Medicare benefits, and pension dollars) with them. That money is NOT replaced because no retiree moves in to fill the void. If taxation of Social Security income were to be reduced further, it is likely that fewer people would decide to move to other states when they retire. Nebraska is aging, especially in rural areas. Medicare is a major payer for health care benefits, and much of that money funds the hospitals and medical providers in rural areas of the state. Retaining retirees is important to the Nebraska economy. How does outmigration of retirees impact the state economy?

The UNO Center for Public Affairs Research

Department released a report on February 17, 2021 detailing the cumulative financial impact of the consistent out-migration of individuals age 55-69. The study is based on data from the US Census Bureau and American Community Surveys from 2006 to 2019. Nebraska has had a consistent net loss of people in this age range for the last 10 years. That means that more people in this age range leave the state than move into the state. The 55-69 age group includes individuals who are retiring at the end of a career. The data were compiled by David Drozd, UNO CPAR researcher.

The cumulative loss of people in the 55-69 age group to out-migration over the past decade is 8,500. The Census Department estimates that the average

income for people in this age range is \$53,000. That means that Nebraska loses about \$450 million in income from this age group every year. The annual income loss translates to lost income tax, lost sales tax, and lost economic impact when that income is not available to spend in local businesses. The cumulative effect of this lost income is nearly \$4.5 billion over the 10-year time frame. And since these individuals are not likely to return, the income is lost forever!

Two bills have been introduced this year that will lessen the state tax burden on Social Security incomes. The details of the bills can be found elsewhere in this newsletter.

Bills introduced to reduce state tax on Social Security

Two bills have been introduced this Legislative session that would reduce the state tax on Social Security benefits. LB 64, introduced by Senator Brett Lindstrom, would eliminate state taxation of Social Security benefits over a five-year time frame.

LB 237, introduced by Senator Tom Brewer, would raise the threshold income below which Social Security benefits are not taxed over a five-year time frame. Currently, Social Security benefits for people with incomes below \$58,000 (married filing jointly) and \$43,000 (single) are not taxed. LB 237 raises that threshold income to \$75,000 (married filing jointly) and \$60,000 (single). There are provisions in the bill to tax Social Security benefits at lesser amounts for married

individuals earning between \$75,000 and \$95,000 (between \$60,000 and \$80,000 for single individuals). Married couples earning more than \$95,000 (\$80,000 for single individuals) would be taxed on their entire Social Security income.

OEA-Retired has submitted written testimony supporting both bills. The hearing on these bills was February 25. OEA-Retired members are encouraged to contact their state senator to support LB 64 and LB 237.

The Unicameral website, www.nebrasklegislature.gov, has tools for finding your state senator, contact information for your state senator, and links to all of the bills that will be before the Unicameral this session.

OEA-Retired meeting dates

OEA-Retired will have two more general meetings this year. The meetings will be held either via Zoom or in-person at the OEA office, 4202 South 57th Street, from 10:00 – 11:30 a.m. The type of meeting (Zoom or in-person) will be announced in *Voices of Experience* prior to each meeting. The meeting dates and tentative programs as well as NSEA-Retired meetings of note are:

March 11, Thurs. – Visit Omaha (things to do locally) via Zoom

April 22, Thurs. – NSEA-Retired Zoom Spring Conference, Lincoln Children's Zoo

April 23-24, Fri. and Sat. – NSEA Delegate Assembly (Lincoln)

May 13, Thurs. – Pandemic Review / Health Updates
If OPS schools are closed or delayed due to inclement weather on the date of our meeting, the OEA-Retired in-person meeting will be canceled. OEA-

Retired will not meet in person if OPS schools are closed for health reasons. Notice will be sent out if the session is re-scheduled for a later date.

No OEA-Retired elections this year

Elections for officers for OEA-Retired are generally set for the May meeting each year. This year none of the officer positions are up for election, so there will be no general election this May.

The OEA-Retired officers for 2020-2021, and their terms of office, are:

President = Walta Sue Dodd (2019-2022)

Vice President = Scott McGinty (2019-2022)

Secretary = Ruby M. Davis (2020-2023)

At-large Directors = Sue Kalina (2020-2023); Doreen Jankovich (2020-2023); Deborah Pauley (2019-2022); Cheryl Richardson (2019-2022)

Bookkeeper and Newsletter = Roger Rea

NSEA-Retired elections now underway!

Ballots were mailed to NSEA-Retired members at the end of February to elect a Metro District Director as

well as delegates to represent NSEA-Retired at both NSEA Delegate Assembly (in April) and NEA Representative Assembly (in June and July).

Five delegates to NSEA Delegate Assembly will be elected from Metro District. One delegate to NEA Representative Assembly from the combined membership of Metro and Capitol Districts will be elected, and three additional delegates to NEA-RA will be elected at-large. You can find a complete list of candidates for the various offices, as well as a short biographical sketch of the candidates for Board Officers and NEA-RA delegates on the NSEA-Retired web page, www.nsea.org/retired. Click on the "ELECTIONS" tab on the

home page. Clicking on the names of the candidates will bring up a short biographical sketch of each candidate running for the NSEA-Retired Board of Directors and those running for NEA-RA delegates.

Ballots must be postmarked no later than **Friday, March 19**. Be sure to mark your ballots and return them if you have not already done so!

OEA-Retired

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OPS Phase 2 Bond Update

By: Cheryl Richardson, OEA-Retired Board Member

The OPS Phase 1 Bond issue, started in 2014, had 83 projects and is nearly completed. Only two projects are not finished, and they are both in closeout. The original Program Budget for Phase 1 was \$421,000,000. Unused bond money was invested, and earned \$3,296,581. That gave a total of \$424,296,581 for this initial bond issue. There is \$1,888,459 still available for the final closeout of Phase 1.

The OPS Phase 2 Bond issue, started in 2018, consists of 25 projects. Four of these projects are in closeout, two are complete and 11 are in the construction phase. In October 2020, the OPS Board of Education approved the Capital Improvement and Renovation Projects for Central High School, South High School, Adams Elementary School, and Blackburn Alternative School.

Elementary schools receiving additions are: Edison (extra classrooms will be added); Highland (11 classrooms will be added); Masters (extra classrooms will be added); and Spring Lake (10 classrooms will be added). Middle Schools receiving additions are Lewis and Clark (15 classrooms will be added); and Morton (9 classrooms will be added). All of these additions will assist in solving overcrowding problems.

Two new elementary schools, one new middle school and two new high schools are currently under construction. Aerial drone footage of the new

construction can be seen at:
<https://bond.ops.org/Default.aspx>

COVID-19 vaccinations available now!

Each state has developed its own protocol for vaccinating residents against COVID-19. Nebraska has different protocols for each county. If you live in Douglas County, you should go to the Douglas County Health Department website, www.DouglasCountyHealth.com, to register for your shots. You will be notified to sign up for shots when your age group becomes eligible.

Veterans should contact the local office of the Veterans Administration for easy access to COVID-19 shots. The VA has its own supply of vaccine and schedules veterans as space permits.

If you live outside of Douglas County, find your local health department by doing a Google search. You can also find phone numbers to call for an appointment.

NSEA-Retired Spring Conference is virtual

NSEA-Retired will hold its Spring Conference on Thursday, April 22. The conference will feature a "behind the scenes" visit to the Lincoln Children's Zoo. The conference agenda and a link to registration for the conference can be found on the NSEA-Retired web page, www.nsea.org/retired. Click on the *Calendar, Events, and Registrations* tab to find details.