

Dr. Paul Krohne  
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September 28, 2011

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**VIA EMAIL**

The Honorable Greg Ryberg  
The Honorable Thomas Alexander  
Senate Finance Special Retirement Subcommittee  
111 Gressette Building  
Columbia, South Carolina 29201

Dear Senators Ryberg and Alexander,

The South Carolina School Boards Association, representing school boards from all 83 school districts in the state, submits this letter to the Senate Finance Special Retirement Subcommittee as commentary on the issue of reforming the South Carolina retirement system.

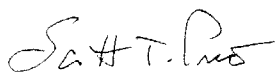
First, SCSBA appreciates the opportunity to have input on this important issue. We salute this committee for taking a bi-partisan, transparent approach to reviewing and making decisions on the issue. Public education advocates are encouraged by the subcommittee's commitment to protect those retirees currently receiving benefits from any proposed changes to the system.

At this point, it is difficult for us to react or draw conclusions on the topic since there are not any clear scenarios or options that have been presented at this time. School board members, the majority of whom are elected officials, are not able to participate by law in the state's retirement system. SCSBA fully supports allowing school board members to participate in the state retirement system. Membership in the state retirement system is a significant incentive and benefit that school districts offer in their continuing efforts to attract and retain effective and highly trained personnel. We hope the subcommittee will continue its efforts to preserve the system as much as possible and make it fair and equitable to all participating individuals.

As the subcommittee explores ways to sustain the state retirement system, please note that SCSBA would have concerns about any changes that would shift costs from the state to local districts, which are defined as employers. Any shift in cost would translate as a cost increase to local taxpayers. As you know, school districts across the state are still coping with significant state funding cuts in recent years due to a struggling economy. Cost increases at the district level could have a detrimental impact in public schools, including the elimination of positions and programs and increased class sizes.

SCSBA will continue to follow the work of the subcommittee and will offer comments on the different scenarios and options as they are presented. We are available to assist the subcommittee as needed and we again thank you for the opportunity to submit our thoughts.

Sincerely,



Scott T. Price  
General Counsel  
South Carolina School Boards Association