



OKLAHOMA TEACHERS RETIREMENT SYSTEM

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Teachers Retirement System Expresses FY 2011 Funding Concerns *Board Alarmed by \$35 Million Funding Gap to Pay Teachers Retirement Benefits*

OKLAHOMA CITY – The Oklahoma Teachers Retirement System (OTRS) today expressed serious concerns regarding a \$35 million dollar funding gap needed to pay the retirement credits of Oklahoma’s public school teachers and employees. OTRS Board members held a special meeting today to discuss ways to resolve the issue which came to light last month.

“We have a fiduciary responsibility to our clients to ensure they receive the funding for their retirement credits,” said Dr. James Wilbanks, executive director of OTRS. “But it doesn’t appear at this point that OTRS will receive the money to pay for those retirement credits and the Board is alarmed by that.”

Historically, each year the OTRS receives \$35million which is allocated in the State Board of Education’s budget. The OTRS applies that money towards the retirement plans of nearly 90,000 teachers and public school employees. This year however, the State Board of Education did not receive the annual legislative line item request for specific programs such as the OTRS. Last month, OTRS Board members learned the Board of Education adopted a FY-2011 budget which did not allocate the money to OTRS for teachers’ retirement contributions but instead directed it to other programs.

Last week, the State Board considered amending its FY-2011 budget to provide half of the historical amount -\$18 million -toward a portion of this year’s teachers’ retirement credits. But the board decided against amending its budget.

“The OTRS board members are extremely concerned about this issue,” said Wilbanks. “Many members feel it is financially irresponsible for us to allow this to happen because it would further encumber the system which already has a \$9 billion unfunded liability.”

Wilbanks says the OTRS will continue to look at all options to prevent further financial harm the system.

“Our goal is to protect the interests and particularly the retirement plans of our clients,” said Wilbanks.

The OTRS is a state agency that administers retirement assets and provides income security through a monthly retirement benefit payable to its clients, who are educators and employees of Oklahoma's public education institutions and agencies.

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