

# Retiree obligations have stranglehold on LTUSD

## CalSTRS & Cal PERS Increases

Year	STRS Increase	Increase Amount	PERS Increase	Increase Amount
2016-17	1.85%	\$371,318	2.041%	\$133,254
2017-18	1.85%	\$361,962	1.912%	\$127,732
2018-19	1.85%	\$369,229	2.9%	\$198,239
2019-20	1.85%	\$372,504	2.9%	\$203,988
2020-21	1.85%	\$375,944	3.3%	\$237,273
<b>Total Increases through 2020-21</b>	<b>9.25%</b>	<b>\$1,850,957</b>	<b>13.053%</b>	<b>\$900,486</b>

Source: *LTUSD*

**By Kathryn Reed**

Skyrocketing retirement costs are impacting Lake Tahoe Unified School District.

“It’s a half million-dollar hit. We will not be able to keep it going,” Superintendent Jim Tarwater said of the shift in CalSTRS and CalPERS allocations.

Certificated employees pay into the California State Teachers Retirement System, while classified staff are part of the California Public Employment Retirement System.

Billy Wessell, chief business and operations officer for LTUSD, gave a presentation last week to the board about what the governor’s budget proposal will mean locally.

“He really didn’t help us out in his budget,” Wessell said of Gov. Jerry Brown. He called the PERS/STRS situation “scary.”

LTUSD is contributing 12.58 percent to STRS this fiscal year. It's proposed to go up to 14.43 percent for 2017-18. Today the PERS contribution is 13.888 percent. Next year it is projected to be 15.8 percent.

These percentages are of an employee's salary that local taxpayers put into the worker's retirement account. Those workers get a defined amount of money for life when they retire and have stopped contributing in any way to the district.

When investments by PERS and STRS don't keep up with what those agencies have to pay retirees it is then up to member agencies via the taxpayers in those jurisdictions to come up with the shortfall.

Five years of increases for retiree benefits through 2020-21 is expected to cost LTUSD an additional \$2,751,443.