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Pension Report Updates Grades for Florida Cities' Retirement Plans

~ LeRoy Collins Institute's newest report shows continued pension decline ~

TALLAHASSEE, Fla. – The LeRoy Collins Institute (LCI) today released its latest report, *Report Card Update: Florida Municipal Pension Plans*, that evaluates 151 municipal pension plans in Florida. First analyzed in 2011 by LCI, this updated report card reveals that municipal pension plans are still struggling to meet their pension obligations, with numbers down from pre-recession and recovery years.

“Our goal with this research is to take a deeper look into the local public retirement system in Florida over a longer period of time and provide objective data to policy makers,” said Carol Weissert, Florida State University (FSU) political science professor and LCI director.

The latest report, authored by Dr. David Matkin, assistant professor at the Rockefeller College of Public Affairs and Policy at the University at Albany - SUNY, assigns letter grades to pension plans using four additional grading criteria not evaluated in the 2011 report, including economic assumptions, the ratio of underfunded liabilities to plan size, sharing costs with employees, and contributions as a percent of payroll. In short, it provides comprehensive data on Florida local governmental retirement benefits.

The new, more comprehensive research methods used to develop the 2014 report led to the following conclusions:

- About 30 percent of plans received an A or B grade, but that number has steadily declined. In 2007, 50 percent of plans received an A or B.
- The number of D grades has drastically increased from 14 percent in 2007 to 35 percent in 2012.
- The number of F grades has more than doubled since 2011, jumping from 5 percent to 11 percent in only three years.
- Cities with the best-funded pension plans, or the “top performers,” include Lake Alfred, Lakeland and Winter Garden.
- Cities with the worst-funded pension plans, or the “poor performers,” include Delray Beach and Tamarac.

“Our hope is that these expanded data will help illuminate the complex details of Florida’s pension challenges over time,” said David Matkin. “Many cities are in urgent need of reform that will help reverse this decline in healthy pension funds and get more plans headed toward the honor roll.”

Patrick Orecki, master of public administration candidate at the Rockefeller College of Public Affairs and Policy, assisted in the research.

For more than 20 years, LCI has studied and promoted creative solutions to key private and public issues. Beginning in 2005, the Institute published several reports in a series called, *Tough Choices: Shaping Florida’s Future*. These publications provided an in-depth analysis of Florida tax and spending policy and were updated in 2014. The research concluded that Florida’s pattern of low spending and low taxes conflicted with the growing demands of the state’s residents, predicting trouble may be ahead. Recent research produced another series, *Tough Choices Facing Florida’s Governments*, which focused on retirement benefits, including pension plans, health benefits and other post-retirement benefits, as well as ethics policy. New research is focusing on trends in higher education.

The full *Report Card Update: Florida Municipal Pension Plans* is available here: <http://collinsinstitute.fsu.edu/>.

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About the LeRoy Collins Institute: Established in 1988, the LeRoy Collins Institute is a nonpartisan, statewide policy organization which studies and promotes creative solutions to key private and public issues facing the people of Florida and the nation. The Institute, located in Tallahassee at Florida State University, is affiliated and works in collaboration with the State University System of Florida. Named in honor of former Florida Governor LeRoy Collins, the Institute is governed by a distinguished board of directors, chaired by Lester Abberger. Other board members include executives, local elected officials, and other professionals from throughout the state.