



Vol. XLVII—No. 8

SERVING OVER 370,000 MEMBERS

February 2022



ROBERT S. ABRAMS, CHAIRMAN & CEO

Dear Dr. Bronner:

I want to thank...the Retirement Systems of the state of Alabama's pension fund in facilitating the growth of SiO2 Materials Science.

For the last ten years, the money has been spent to help develop 550 patents and 8,000 patent claims. The product is now being used in 185 countries around the world for the Moderna Covid-19 vaccine. When we started the development in Auburn 13 years ago, no one had ever heard of Covid or the pending pandemic. As it turned out, our product developed for the biotech industry provided the only package that was the safest package for the new DNA/mRNA vaccines. While the pandemic has caused significant delays in our biotech commercialization, it was the perfect product for this new family of vaccines, which appears to be a part of our life for the foreseeable future.

SiO2 Materials Science used the money to develop this incredible body of science which guarantees us a significant market for the next 20 years and makes Auburn the center of the world for further development and new products. Auburn University's Chemical Engineering Department has furnished the greatest percentage of our technical workforce. They have done excellent work following the outline that our world-class, Nobel-leading scientists and professors have outlined. The state of Alabama, with our current payroll of approximately \$25 million per year, Lee County, and an equal amount of money spent with the local engineering, building, and supply groups have all benefited from your investment.

The product that we developed over a reasonable period of time will be responsible for saving millions of lives worldwide because it provides the only safe package for the delivery of these complicated new products.

Today a wire was sent to the RSA for \$128 million, which paid back the original loan of \$70 million with 8% interest for the period.

We want to thank you for your foresight and understanding in bringing this engineering miracle to life.... (Editor's Note: The RSA still retains 12+% of stock at current market value. SiO2 is valued over \$1.8B.) ●

## Our UA Trustees

BY DAVID G. BRONNER

**L**agniappe, a weekly newspaper out of Mobile, Alabama, published an article entitled "The Fabulous Lives of the UA Board of Trustees," reporting on some of the perks received by the Board of Trustees of the University of Alabama System. The article also rehashes discussions from two previous articles regarding salary amounts of and payouts made to certain University of Alabama employees.

It is important to note that the Board of Trustees are not eligible in their role as trustees to participate in the RSA and cannot earn a retirement benefit. Thus, any and all perks provided to the Board of Trustees would never be included in any retirement benefit provided by the RSA.

As previously stated in response to *Lagniappe*, the RSA cannot and does not control the setting of employees' salaries. The amount of the compensation and its appropriateness lies solely within the discretion of the employer, in this case the University of Alabama. Furthermore, there is an IRS cap on compensation eligible for retirement that limits the retirement benefits allowed from high salaries (for employees hired after July 1, 1996, compensation in excess of \$290,000 is not included in retirement calculations).

Additionally, the RSA does not permit employees to receive any retirement credit for settlement or severance agreements. By statute, employers certify eligible compensation and remit contributions. The RSA then reviews compensation to confirm that there is no pension spiking. The RSA has safeguards in place to protect its pension system from abuse and these safeguards are applied to all RSA members and employers, including the University of Alabama.

Nothing in the recent article changes RSA's previous review of these issues. Based upon the information provided, the University of Alabama properly certified the compensation of each employee and the correct contributions were paid to the RSA. No pension spiking occurred, no settlement payments were accepted, and the IRS cap was applied, with the exception of two employees who were hired on or before July 1, 1996.

Some of the alleged activities of the Board of Trustees reported by *Lagniappe* do indeed sound unusual for a university, yet that is up to the governor, State Legislature, and alumni to resolve those management issues if there is something amiss at our university. ●

# How Alabama Taxes Compare, 2021 Edition

BY TOM SPENCER, PUBLIC AFFAIRS RESEARCH COUNCIL OF ALABAMA

Alabama had the nation's second-lowest tax collections per capita in 2019. Only Tennessee had lower state and local tax revenue per resident than Alabama. Despite outpacing Tennessee, Alabama still trails far behind other Southeastern states in the amount of state and local taxes collected per resident, which partially explains why Alabama struggles to provide the same level of public services as other states.

The analysis shows that Alabama brought in \$3,677 per resident. In neighboring states, Mississippi collected \$3,952, Florida \$3,987, and Georgia \$4,125. The highest tax collection is the District of Columbia by far, with \$12,130 per resident. The next highest is New York, with \$10,213.

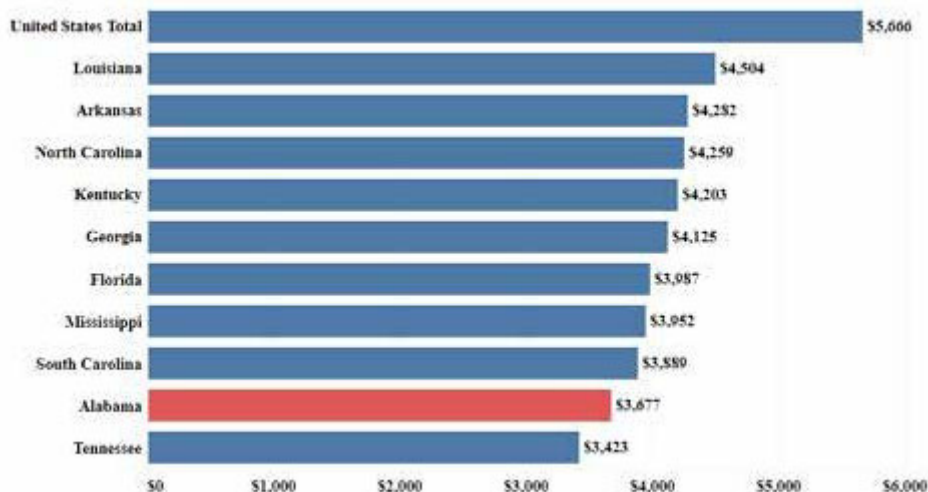
The higher tax collections add up for other states' revenues. For instance, Louisiana has an \$827 per capita advantage over Alabama, according to the analysis, leading to \$4.1 billion in extra revenue for the state. Georgia has a \$2.2 billion revenue advantage over Alabama and Florida

a \$1.5 billion more. This means governments in Alabama have less money than governments in other states to provide a competitive level of service.

PARCA's 2021 edition of "How Alabama Taxes Compare" describes Alabama's tax system and how it compares

with tax systems in other states, based on the latest data available from the U.S. Census Bureau and the Bureau of Economic Analysis. ●

Total State and Local Taxes Collected Per Capita, 2019, Southeastern States and U.S. Average



## Golf & Hotels Receive World Golf Awards

BY MARK FAGAN

The RSA had four properties on the RTJ Golf Trail recognized at the 8th Annual World Golf Awards Ceremony at Park Hyatt Dubai in October 2021. Prattville's Capitol Hill on the Trail was awarded Alabama's Best Golf Course for 2021, and the Renaissance Birmingham Ross Bridge Golf Resort & Spa was selected as Alabama's Best Golf Hotel for 2021. The Grand Hotel Golf Resort & Spa, Autograph Collection was a Top 3 Nominee for Alabama's Best Golf Hotel for 2021. Capitol Hill was also a Top 50 Nominee for North America's Best Golf Course.

Other Top 5 Nominees for Alabama's Best Golf Course were Country Club of Birmingham, FarmLinks Golf Club, Old Overton Club, and Shoal Creek Club. Augusta National Golf Club was awarded the World's Best Golf Course and was the

only U.S. course among the Top 9 Nominees. The Four Seasons Resort Hualalai (Hawaii) was the only U.S. hotel among the Top 9 Nominees for the World's Best Golf Hotel.

World Golf Awards™ is part of the 27-year-old World Travel Awards™ and recognizes excellence in golf tourism, world-class courses, and golf destinations. Their global media partners include Destination Golf, TV5Monde, International New York Times, Bloomberg, and CNBC. This global media partner network has a monthly readership of 1.7 million and a TV audience reach of 90 million. Awards are determined from votes by professionals in the golf travel and tourism industry (senior executives, tour operators, agents, and media professionals) and votes by the public. ●

Home Nominees 2021 North America

### Alabama's Best Golf Course 2021

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And the winner is ...

RTJ Golf Trail at Capitol Hill  
www.rtgolf.com/capitolhill