



General Assembly

February Session, 2002

Amendment

LCO No. 5360

HB0549605360SR0

Offered by:

SEN. GENUARIO, 25th Dist.

To: Subst. House Bill No. 5496

File No. 621

Cal. No. 447

**"AN ACT CONCERNING EARLY CHILDHOOD EDUCATION AND
TEACHERS' RETIREMENT."**

1 After the last section, insert the following:

2 "Sec. 13. Subsection (a) of section 4-30a of the general statutes is
3 repealed and the following is substituted in lieu thereof (*Effective July*
4 *1, 2002*):

5 (a) After the accounts for the General Fund have been closed for
6 each fiscal year and the Comptroller has determined the amount of
7 unappropriated surplus in said fund, after any amounts required by
8 provision of law to be transferred for other purposes have been
9 deducted, the amount of such surplus shall be transferred by the State
10 Treasurer to a special fund to be known as the Budget Reserve Fund.
11 When the amount in said fund equals five per cent of the net General
12 Fund appropriations for the fiscal year in progress, no further transfers
13 shall be made by the Treasurer to said fund. [and the] The amount of
14 such surplus in excess of that transferred to said fund shall be deemed

15 to be appropriated as follows: First to the Teachers Retirement Fund,
16 not to exceed the amount required pursuant to section 10-183z, and
17 then to the State Employees Retirement Fund, in addition to the
18 contributions required pursuant to section 5-156a, but not exceeding
19 five per cent of the unfunded past service liability of the system as set
20 forth in the most recent actuarial valuation certified by the Retirement
21 Commission. Such surplus in excess of the amounts transferred to the
22 Budget Reserve Fund and [the state employees retirement system] as
23 otherwise provided in this subsection shall be deemed to be
24 appropriated for: (1) Redeeming prior to maturity any outstanding
25 indebtedness of the state selected by the Treasurer in the best interests
26 of the state; (2) purchasing outstanding indebtedness of the state in the
27 open market at such prices and on such terms and conditions as the
28 Treasurer shall determine to be in the best interests of the state for the
29 purpose of extinguishing or defeasing such debt; (3) providing for the
30 defeasance of any outstanding indebtedness of the state selected by the
31 Treasurer in the best interests of the state by irrevocably placing with
32 an escrow agent in trust an amount to be used solely for, and sufficient
33 to satisfy, scheduled payments of both interest and principal on such
34 indebtedness; or (4) any combination of these methods. Pending the
35 use or application of such amount for the payment of interest and
36 principal, such amount may be invested in (A) direct obligations of the
37 United States government, including state and local government
38 treasury securities that the United States Treasury issues specifically to
39 provide state and local governments with required cash flows at yields
40 that do not exceed Internal Revenue Service arbitrage limits, (B)
41 obligations guaranteed by the United States government, and (C)
42 securities backed by United States government obligations as collateral
43 and for which interest and principal payments on the collateral
44 generally flow immediately through to the security holder."