



# Senate

General Assembly

**File No. 427**

February Session, 2006

Substitute Senate Joint Resolution No. 3

*Senate, April 6, 2006*

The Committee on Government Administration and Elections reported through SEN. DEFRONZO of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute joint resolution ought to be adopted.

**RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT  
CONCERNING FUNDING OF THE CONNECTICUT TEACHERS'  
RETIREMENT SYSTEM.**

Resolved by this Assembly:

1 That the following be proposed as an amendment to the  
2 Constitution of the State, which, when approved and adopted in the  
3 manner provided by the Constitution, shall, to all intents and  
4 purposes, become a part thereof:

5 Section 1. Article eighth of the constitution is amended by adding  
6 the following section:

7 (NEW) Sec. 5. a. The teachers' retirement system shall be funded on  
8 an actuarial reserve basis, in accordance with generally accepted  
9 actuarial principles. Commencing July 1, 2010, and annually thereafter,  
10 the General Assembly shall provide the teachers' retirement fund with  
11 not less than the amount certified as necessary for such funding by the  
12 Teachers' Retirement Board, as reviewed and approved by the General

13 Assembly.

14 b. The portion of such payment that is certified by the Teachers'  
15 Retirement Board for the unfunded liability of said system shall be  
16 deemed to be evidence of indebtedness under subsection (b) of article  
17 twenty-eighth of the amendments to the constitution.

18 c. If the General Assembly passes a resolution declaring an  
19 emergency and a majority of the members of each house of the General  
20 Assembly are in agreement, the General Assembly may reduce the  
21 amount certified, but no such reduction for any fiscal year may exceed  
22 fifteen per cent of the amount certified by the Teachers' Retirement  
23 Board with respect to such fiscal year. Said resolution shall be  
24 approved prior to the adoption of the state budget.

25 d. If the General Assembly passes a resolution declaring the  
26 existence of extraordinary circumstances and three-fifths of the  
27 members of each house of the General Assembly are in agreement, the  
28 General Assembly may reduce, in excess of fifteen per cent, the  
29 amount certified with respect to such fiscal year. Said resolution shall  
30 be approved prior to the adoption of the state budget.

31 e. The funds of the teachers' retirement system shall not be reduced  
32 or used for any purpose other than the retirement and other benefits of  
33 teachers and their survivors and beneficiaries.

34 RESOLVED: That the foregoing proposed amendment to the  
35 Constitution be continued to the next session of the General Assembly  
36 elected at the general election to be held on November 7, 2006, and  
37 published with the laws passed at the present session, or be presented  
38 to the electors at the general election to be held on November 7, 2006,  
39 whichever the case may be, according to article sixth of the  
40 amendments to the Constitution. The designation of said proposed  
41 amendment to be used on the voting machine ballot labels and  
42 absentee ballots at such election shall be "Shall the Constitution of the  
43 State be amended to require full funding of the Connecticut teachers'  
44 retirement system and use of the system's funds exclusively for the

45 benefit of its members?".

**Statement of Legislative Commissioners:**

In line 16, reference to subsection (c) was changed to subsection (b) for purposes of accuracy.

**GAE**      *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Secretary of the State	GF - Cost	Minimal	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

It is anticipated that the Secretary of the State will be able to cover the costs associated with printing the explanation of the proposed constitutional amendment, and the required posters within budgetary resources. Since the material required for placing a constitutional amendment on the ballot are supplied by the State, no additional costs will be incurred by the municipalities.

**The Out Years**

The aforementioned costs will only occur in FY 07.

**OLR Bill Analysis****sSJ 3*****RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT CONCERNING FUNDING OF THE CONNECTICUT TEACHERS' RETIREMENT SYSTEM.*****SUMMARY:**

This resolution proposes a constitutional amendment requiring the General Assembly to fully fund the teachers' retirement system. It requires teachers' retirement system benefits to be funded on an actuarial basis using methods consistent with generally accepted actuarial standards. The resolution exempts from the constitutional spending cap the amount of each annual payment to the Teachers' Retirement Board attributable to prior unfunded liability. The Teachers' Retirement Board administers the system.

Beginning July 1, 2010 and annually thereafter, the resolution requires the General Assembly to provide the system with at least the amount that the Teachers' Retirement Board certifies as necessary. It allows the General Assembly to reduce the certified amount by up to 15% in a fiscal year if, prior to adopting the state budget, a majority of its members pass a resolution declaring an emergency. The General Assembly may reduce the certified amount by more than 15% if, prior to adopting the budget, three-fifths of its members pass a resolution declaring the existence of extraordinary circumstances.

The resolution specifies that the system's funds may not be reduced or used for any purpose other than the retirement and other benefits of teachers and their survivors and beneficiaries.

The ballot designation to be used when the amendment is presented at the general election is: "Shall the constitution of the state be

amended to require full funding of the Connecticut teachers' retirement system and use of the system's funds exclusively for the benefit of its members?"

EFFECTIVE DATE: If the resolution passes by at least three-fourths of the membership of each chamber, it will be placed on the ballot in the 2006 general election. If it passes by a majority of the membership of each chamber but less than three-fourths, it will be referred to the 2007 session of the General Assembly. If it passes in that session by a majority of each chamber, it will appear on the general election ballot in 2008. If a majority of those voting in the general election approve the amendment, it will become part of the state constitution.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 17    Nay 2    (03/24/2006)