



*Testimony of
Mark Waxenberg, Director, Government Relations
Connecticut Education Association*

*Testimony
Before the
Education Committee*

**Connecticut Education
Association**

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*House Bill #6566 'An Act Concerning Participation in the State Teachers'
Retirement System, House Bill #6569 'An Act Concerning Reporting of
School Graduation Rates' and House Bill #6570 'An Act Concerning
Teacher Salary Deductions'*

March 6, 2009

Senator Gaffey, Representative Fleischmann and members of the Education Committee. I am here today to speak in favor of three pieces of legislation. House Bill #6566 'An Act Concerning Participation in the State Teachers' Retirement System, House Bill #6569 'An Act Concerning Reporting of School Graduation Rates' and House Bill #6570 'An Act Concerning Teacher Salary Deductions'.

House Bill #6566 'An Act Concerning Participation in the State Teachers' Retirement System', is legislation that fixes on problems dealing with Charter School salary contributions to the State Teachers Retirement System. Public Charter School teachers are the only public school teachers exempt from contributing to State Teachers Retirement System and that was not the intent of the law when we drafted it in 1994. We recognized that there could be non-certified staff within the first two years of a Charter School start-up and put in the term "may contribute" to State Teachers Retirement System to accommodate those individuals. The language was never put in to give certified teachers an option because that could and will lead to State Teacher Retirement System issues in the future. Also, I would think that Charter School operators would be supportive of this because it saves them over 7% of a teachers salary that they as employees are contributing to Social Security, where there is no such contribution made by the employer in State Teacher Retirement System. We ask that this legislation be passed to clarify present statute and avoid State Teacher Retirement System problems in the future.

House Bill #6570 'An Act Concerning Teacher Salary Deduction', again is a clarification of existing statute. As you know teachers' can contribute to 403(b) or Tax Shelter Annuities and the union negotiates an amount of Payroll Deduction Slots for such contributions. New IRS Law states that Boards of Education have a fiduciary responsibility to assure the money is being collected, sent, etc. Some Boards of Education have unilaterally hired a third party administrator to comply with the IRS rule

and "handle" the teachers' 403(b) contributions and some of these TPA's charge fees. In fact, we have a situation where one board unilaterally hired a TPA that eliminated existing 403(b) options for teachers and is charging a \$30,000 fee that will be paid by the participants.

House Bill #6569 'An Act Concerning Reporting of School Graduation Rates', CEA supports efforts of keeping students in school and offering alternate education opportunities as well as monitoring those opportunities. The requirement of this legislation, to keep students in school until 18, monitoring students that move from a traditional high school setting to a GED, adult school, type of setting is important as we seek to ensure the best educated workforce possible. This proposed legislation is synonymous with state efforts to raise standards and hold schools and districts accountable for the students identified in this legislation. This is a good first step in addressing the needs of our whole educational community by not allowing students to "fall through the cracks" so easily.

Thank you.