TESTIMONY BY ADMINISTRATOR DARLENE PEREZ
CONNECTICUT TEACHERS' RETIREMENT BOARD
APPROPRIATIONS COMMITTEE PUBLIC HEARING
MARCH 17, 2010

H.B. 5400	AAC REEMPLOYMENT OF RETIRED TEACHERS
H.B. 5401	AAC TECHNICAL CHANGES TO THE TEACHERS' RETIREMENT SYSTEM STATUTES
H.B. 5402	AAC EXPENSES FOR HEALTH BENEFIT PLANS UNDER THE TEACHERS' RETIREMENT FUND

Good morning Senator Harp, Representative Geragosian, and members of the Appropriations Committee. My name is Darlene Perez and I am the Administrator of the Connecticut Teachers' Retirement Board (TRB). Thank you for the opportunity given to me to present the Board's support in favor of H.B.s 5400, 5401 and 5402.

H.B. 5400 relates to the reemployment of retired teachers in the public schools of Connecticut. While there are existing salary limits in place that limit the earnings of a retired school teacher who is substituting in the public schools of CT, there is also language that limits the substitute service a retired teacher provides on a "temporary basis" defined as less than a school year. This definition prohibits a school teacher from working in the same assignment from the first day of school through the last day of school. The TRB feels this language should be eliminated so that the same retired teacher who returns as a substitute can begin the school year and if necessary can complete the school year so that the school district doesn't have to hire two substitutes for the same assignment within the same school year. H.B. as written restricts post retirement substituting to one year. The TRB supports the following language which would allow the retiree to work in excess of one year under the salary limitations already in place as many of our retirees depend on substitute pay to offset their cost of insurance after retirement, which is usually paid for in full by the retiree with a small subsidy from the state but without any employer subsidy, and in addition will allow a substitute to work from September through June, if needed, with salary limitations that are already in place.

Sec. 10-183v. ***Reemployment of teachers. (a) Except as provided in subsection (b) of this section, a [former] teacher receiving retirement benefits from the system may not be employed in a teaching position receiving compensation paid out of public money appropriated for school purposes except that such [former] teacher may be employed [temporarily] in such a position and receive no more than forty-five per cent of the maximum salary level for the assigned position. Any [former] teacher who receives in***

excess of such amount shall reimburse the board for the amount of such excess. [Temporary employment means employment for less than a school year.] Notice of such employment shall be sent [semi-annually on January thirty-first and June thirtieth] to the board by the [employing officials] EMPLOYER and [by] the retired teacher AT THE TIME OF HIRE AND at the end of each assignment.

H.B. 5401 has been submitted to make technical changes to delete obsolete language which was recommended by the State Auditors of Public Accounts in recent audit findings. The TRB supports these changes.

H.B. 5402 relates to the funding of a health care consultant for the TRB who has relied on General Fund appropriations for this critical and on-going need. The health care consultant provides services such as the following:

Identifies and resolves systemic issues with the health care vendors.
Calculates the premium equivalent for the health care plans (prescription, medical, dental and vision/hearing)
Prepares reports and cost analysis on health plan changes.
Maintains a health fund model used in forecasting financial needs for benefits.
Provides annual HIPAA training for staff.
Writes RFP's for the health care vendors services (medical, dental and prescriptions)
Prepares financial analysis on pricing offers received from vendors.

Provides guidance and recommendations on:

- appeals and prior authorization requests,
- plan enhancements,
- industry standards,
- cost containment initiatives,
- Federal and State legislation,
- claim/coverage complaints.
- HIPAA compliance

The September budget mitigation budget eliminated the funding for these services. Absent of general fund appropriations for these services the TRB considers this bill crucial to the continued financial and administrative success of it's multiple health care plans for current and future retired teachers of CT. The TRB submitted and fully supports this bill.