

**TESTIMONY OF Jon-Paul Roden
CONCERNING THE GOVERNOR'S PROPOSED BUDGET RELATED TO
THE STATE TEACHERS' RETIREMENT BOARD**

BEFORE THE APPROPRIATIONS COMMITTEE

FEBRUARY 21, 2012

Good evening Senator Harp, Representative Walker, and members of the Appropriations Committee. My name is Jon-Paul Roden. I am a resident of Vernon and taught in the Vernon Schools for 35 years retiring as the district's Coordinator of Computer Science. I am here tonight to comment on the Governor's proposals related to the Teachers' Retirement System.

I agree completely with the points made by Robyn Kaplan-Cho in her testimony concerning the budget adjustments recommended for FY 2013. In my opinion, the proposed changes in the retiree health state contribution and other budgetary reallocations together with the consolidation of the Teachers' Retirement Board within the Office of the State Comptroller will have serious impacts both on retirees and the efficiency of the TRB.

Reducing the state's share of the premium for the TRB retiree health plan from one-third to one-quarter by increasing the retiree contribution to 42% is going to have a very serious impact on many of our retirees. There are over 30,000 retired teachers in the system, 21,000 over the age of 65, and according to TRB about 19,000 on the TRB health care plan. I have been a part of the TRB health care plan since 2008 and while we have all seen increases in health care costs, I have seen the most basic premium for the TRB plan increase from \$90 per month to its present \$124 with the greatest yearly increase of \$12 per month. The proposed plan would, I believe have a dramatic increase of \$32 per month per member.

I am especially concerned for the over 1600 TRB participants who retired before the Teacher Enhancement Act and whose pensions are among the lowest in the system. What will a major rate increase do to their incomes and how will it impact their quality of care.

I'm also concerned that the proposal redirects the state's share of the Part D Reimbursement from the TRB Health Care account to some account in a non TRB fund. This offset will weaken the balance of the TRB Health Care Fund and could cause financial instability while some other departments financial account appears to have benefited by the "rob Peter to pay Paul" tactic.

Suggesting that retirees stay with their local board of educations health plan, while saving the state money, will cause retirees to face huge costs simply due to the smaller pool of participants in local board plans. It will also likely cost those premiums to

increase since the number of participants who likely have greater health care issues increases.

An unanticipated consequence of increases in health care has been that teachers who use to retire when they had completed 35 years in the profession have chosen to stay in their jobs until they turn 65 especially if they will be eligible for Medicare (many teachers are not) and will then also be eligible for the TRB health care plan. This has caused local board of education salary accounts to be impacted as some of the highest teachers remain in their classrooms. The cost to local boards if administrators do this is even greater. If Secretary Barnes proposal that teachers stay in their local board plans and those teachers decide to postpone retirement, once again the state has passed its cost obligation to each local municipality.

These are only a few of my concerns and I'm sure that you will hear from others with other concerns. I strongly urge you to consider all of the factors with the proposed changes and to vote against the plan.