

Testimony of William Myers, Vice-Chair of the Teachers' Retirement Board (STRB)

Before the Appropriations Committee

Tuesday, February 21, 2012

Good evening, Senator Harp, Representative Walker, and members of the Appropriations Committee.

My name is Bill Myers. I'm in my 25th year of teaching in Connecticut, the last 16 as a K-5 music teacher in South Windsor. I currently am an elected teacher serving as the Vice-Chair of the State Teachers' Retirement Board. Thank you for listening to me today.

I have been actively involved with the sub-committee of the TRB that was charged with interviewing and selecting a vendor to manage the STRB's Medicare supplement plan, a process that is repeated every 3 years. This past summer, it was once again very competitive. The committee chose Stirling and Stirling as the vendor and the full Board later approved the selection.

The current financial structure of the retired teachers' health fund, where the plan is funded by active teachers, retired teachers and the state, is extremely efficient and well subscribed to with over 19,000 participants.

Our plan is the envy of other state health plans due to its tight management and cost-effective history. However, it has had its share of dire financial circumstances. In Gov. Rell's tenure, the state eliminated its contribution for two years and put the fund at risk since a shortage in any one year has lasting and increasing repercussions for years down the line. Nonetheless, during those years, active and retired teachers continued to make their required contributions to the Fund.

Now we find ourselves in yet another untenable financial situation because the Governor's current budget proposes reducing permanently, the State's share to this Fund, a share on which the plan is balanced. Instead, the Governor proposes shifting a portion of its share to our oldest retirees, those on the TRB's Medicare supplement plan. They are being asked to pay a premium share increase from 33% to 42%. These are the retirees who can least afford it.

A spate issue for the TRB, an autonomous state agency, is the Governor's proposal to combine or merge the TRB with the Comptroller's Office. The concern here may be a matter of detail for the many unanswered questions that are not covered in the legislation. There is a serious need for clarifications which we on the Board are willing to work on together to help come to the best solutions for all parties. As it is now, the TRB operates with bare bones staff and yet still provides services to our members at the cost of \$27. No other state teacher or state employee system comes close to matching that number. Would this proposal actually provide a savings to the state?

We have serious space needs not met with a consolidation, not to mention parking, a dedicated space for the TRB staff and storage for all of its files. Housing them in a storage facility outside the agency office space creates another multitude of problems. They are referred to on a daily basis. Moreover, our technology systems are entirely different so it appears that there would be a cost to integrating two very different computer systems.

Finally, the autonomy of the TRB is almost entirely removed. Rather, the TRB would operate under the direction of the Comptroller and, under this proposal, most of the statutory functions currently vested in the TRB are transferred to the Comptroller.

Again, thank you for your attentive listening. Parts of this budget proposal pose serious risk to the TRB and all of its members. The aforementioned sections need to be studied and rewritten before they become law.