

**TESTIMONY OF Gloria A. Brown
CONCERNING HOUSE BILL 5016
RELATED TO
THE STATE TEACHERS' RETIREMENT BOARD
BEFORE THE APPROPRIATIONS COMMITTEE
MARCH 8, 2012**

Good morning Senator Harp, Representative Walker, and members of the Appropriations Committee. My name is Gloria Brown. I am a resident of Southington. I was a teacher in Wolcott for 38 years. I am here to comment on the Governor's proposals related to the Teachers' Retirement System.

One of the greatest concerns to both active and retired teachers is the cost of healthcare. Like many of my fellow retirees, I am very concerned by the Governor's proposal to shift more of the burden of the cost of retiree healthcare to retirees.

Since its inception in 1991, the Retired Teachers' Health Insurance Fund has been funded equally by contributions from active teachers, from retired teachers participating in the STRB Medicare supplement plan, and from the State of CT. The Governor wants to change this balance and have retirees contribute 42%. Based on the current 2012 rates, this increase amounts to \$32 per person per month, a 26% increase. No big deal, right? Wrong. Retirees have not gotten a COLA increase in 2 years. This year when we are finally getting an increase- and not until July for most of us- this proposal wants to take a big chunk of it away.

This increase will be especially difficult for our oldest retirees- about 2,000 of whom retired on minimal salaries before the Enhancement Act. I realize this is a cost-saving measure, but I implore you to find another way to save money than taking it from the hardworking, dedicated retired teachers who served their students and their towns well.

When I first heard about the proposal to merge the State Teachers' Retirement Board (STRB) with the Comptroller's Office, I couldn't help but ask, "Why?" So far no one has been able to answer that question to my satisfaction.

What we have now works well, despite understaffing and budget reductions. Connecticut has an STRB that provides services to members efficiently at a cost of about \$27/member. No other state has a system that comes close to ours in matching this cost efficiency. Why are we looking to change something that works so well?

I am also concerned about the STRB losing its autonomy if this proposal passes. Again, when something is working, why are we proposing to change it? I understand that this change might require expenditures to integrate two very different computer systems. It doesn't make sense

**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

**TESTIMONY OF GRETA STANFORD
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 Greta Stanford. I am a resident of Milford and was a Biology and Chemistry teacher in that city for 25 years. I am also a newly elected member of the Board of Aldermen in Milford (an unpaid position).

Despite the fact that you've been inundated with Retirement Board figures, they bear repeating. In 2009-2010, active teachers contributed over \$44 million to the Retired Teachers' Health Insurance Fund, retired teachers, \$27 million, the state---0.

In 2010-2011, active teachers contributed over \$45 million, retired teachers, \$30 million, the state of CT----a big fat 0.

Thankfully, last year, the full appropriation was re-committed back to the health fund. But now the Governor is proposing permanently reducing its contribution – an action that will jeopardize the future of the health fund and unfairly burden some of our oldest retired teachers and their spouses.

The Governor's proposal will mean that retired teachers pay a premium increase of at least \$32/ month. That amounts to \$384 a year. That may not seem like a lot, but it won't pay for the vacations we never take. It won't pay for the new car we need--my husband drives an 11 year old Accord and I drive a 6 year old Civic. (He let me drive the newer one.). But we're content. However, that \$384 I spoke of pays part of our prescription co-pays. Meds are the only things keeping us alive.

It appears that the Governor is bent on having some of the oldest retired teachers pay a portion of the State's obligation. That just should not happen – active and retired teachers have consistently paid our fair share to the health fund, which is the majority of the money in the fund, and the State should not be allowed to back away from its obligation to do the same.

Please do not support the Governor's proposal to reduce the State's funding to the health fund.

Thank you for your consideration.

TESTIMONY OF Virginia P. Coleman
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 Virginia P. Coleman. I reside in the town of North Canaan and taught in the town of Salisbury in the elementary school for 39 years including grades one through eight. I am here tonight to comment on the Governor's proposals related to the Teachers' Retirement System.

I retired in June of 2008 taking a cut of about 1/3 of my income from my teaching salary to my pension. That was as expected and planned. What I did not expect was the increase in taxes and contributions to health care plus no cost of living increase for the following two years resulting in \$175 per month less in my pension from 2009 to 2010 and another \$42 less per month from 2010 to 2011.

As my pension kept shrinking, my normal expenses were mounting. Home heating oil went from \$350 to fill the tank per month in 2009 to over \$600 per month in December of 2011. I would have been unable to afford the Board of Education group plan as suggested by Secretary Barnes for my health insurance at a cost of over \$700 per month. Fortunately, I am eligible for Medicare and the TRB sponsored health plan, but those premiums keep rising as well.

My critical concern is for my elder colleagues who retired before the Enhancement Act of 1986. Their pensions are already so small that many of them qualify for public assistance. Asking these people who have spent their lives giving service to their communities to assume some of the state's share of its contribution to health care is telling them that they are a waste of state dollars and denying them the dignity of even a margin of comfort in their sunset years.

I empathize with the Governor's desire to cut wasteful expenditures and unnecessarily funding projects. However, to expect to relieve the state's financial burden by transferring it to retirees and especially those retirees who can least afford it is disrespectful and uncaring to those who have already given so much.

Both active and retired teachers are already contributing their share to the health care fund costs. During 2010 through 2011, retired teachers contributed more than \$30 million.

Testimony before the Appropriations Committee of the Connecticut General Assembly
February 21, 2012
Submitted by: Daria M. Plummer, Retired Educator, South Windsor, CT

Good Evening, Ladies and Gentlemen of the Appropriations Committee. My name is Daria Plummer. I am a retired Connecticut educator of 39 years, 38 years in Connecticut and one year in Massachusetts. I taught with pride and passion; it was my pleasure to teach children and to work with parents, staffs, and communities throughout my tenure as a public educator.

If you are reading this testimony because you could not be present for this portion of the public hearing, kindly envision me as you read these words. If you are present as I am speaking, allow me to describe myself as follows: I could be your or your spouse's mother or grandmother, an in-law, relative—a sister perhaps—or a friend. I could be each of the same of your closest friend.

I represent thousands of retired teachers who could not be here this evening because they cannot drive distances on the highway at night due to aging degenerative eye conditions that make such travel unsafe and who, if they could travel, need to care for grandchildren or aging, ill spouses, or simple age prevents them from driving at all. Or perhaps they did not hear about this hearing at all as it was scheduled only last week and today's television coverage is focused on the active teacher changes within the budget. Perhaps older residents, retired teachers, don't count as important enough?

That is the perception.

Had you chosen the teaching profession, I could be you.

I am here to testify against the Governor's proposal to reduce Connecticut's contribution to the Retired Teachers' Health Insurance Fund (Health Fund) by over \$15,000,000, shifting the obligation of the savings onto my retired colleagues and me, which will result in a nine percent (9%) increase in our health care costs for our Medicare supplemental plan. Nine percent, ladies and gentlemen, equals a yearly increase of over \$400 per person. Perhaps that does not seem like a horrible or burdensome increase to you, but with gasoline in my community on its dramatic daily rise, predicted to be \$5.00/gallon by Memorial Day and the price of cereal, bread, and milk at levels commensurate with a 9% increase, the choices have and are becoming increasing stark and dire: food, the ability to drive to buy food, or health care.

I have paid and continue to pay into the Health Fund, both as an active professional and as a retiree. My insurance costs have gone up yearly, both for Medicare Part B and for my Medicare supplemental plan through the State Teachers Retirement Board. I have yet to realize a yearly maintenance in retirement benefits as the cost of medical insurance has risen annually, compounded by no COLA increases for the past two years. Most of my colleagues, including myself, will not even see the new COLA increase until July 2012, as it is dependent upon one's retirement month.