

TESTIMONY OF WILLIAM MYERS, ACTIVE TEACHER IN SOUTH WINDSOR, CT  
VICE-CHAIR OF THE STATE TEACHERS RETIREMENT BOARD

AN ACT CONCERNING THE STATE BUDGET FOR BIENNIUM ENDING  
JUNE THIRTIETH 2017 RELATED TO  
THE STATE TEACHER'S RETIREMENT BOARD (STRB)

BEFORE THE APPROPRIATIONS COMMITTEE  
MARCH 3, 2015

Good evening Senator Bye, Representative Walker, and members of the Appropriations Committee. My name is Bill Myers. I am an active teacher in South Windsor, CT. I am an elected active teacher member of the State Teacher Retirement Board and its Vice-Chair.

The Governor's budget proposal provides a reduced appropriation to the retired teachers' health insurance fund. Statute requires that the State contribute 33% of the cost of the STRB health subsidy and Medicare supplement plan. The budget proposal provides only 15% of the cost, less than half of the amount the statute requires.

In 2010 and 2011 the State's contribution to the fund was 0.  
In 2012 the State met the required amount, 33%.  
In 2013 and 2014 the State contributed 25% of the cost.  
The proposed budget contributes only 15% of the cost.

This fiscal behavior has led to a growing unfunded liability in the Retired Teacher's Health Fund and if the proposed budget goes through without modification the fund will be underfunded in six of the last seven years. It's time to break the pattern.

The fund faces a growing and uphill battle. We can accurately predict it and we should be preparing for it. In the near future there will be fewer active teachers as student populations' decrease and there will be more retired teachers as the "baby bubble" moves into retirement.

Most of the money that goes into the health care fund turns around and immediately goes out of it. The shortage in funding is a constant problem.

It hasn't been my fault. I estimate to have averaged \$60,000 a year over my 30 years of teaching. That means I have contributed some \$22,500 to the fund. I've never skipped a year, let alone two in my contributions. I've never put in less than the required amount. When I retire, I expect the fund to be there for me. 37,000 other active teachers expect it to be there for them also.

Had the State been steadily contributing its share of the cost there wouldn't be a problem.

There is some good and some more bad news to share with you.

The good news is the STRB continues to work on solving the unfunded liability. With the help of the Treasurer's office we are ready to open a Trust. All contributions to the Health Fund would go into the trust. The trust would allow the State to invest some of the money and earn a return on the investment. **The Trust would lower the future contributions the State is required to make.**

The bad news is the Trust needs the state's full contribution to the retirement health fund in order to begin. The budget proposal of 15% rather than the required 33% does two things, it adds to the unfunded liability and it negates any hope of a Trust.

Please modify the proposed budget ending on June 30th, 2017 and restore the full 33% contribution to the retired teacher's health insurance fund.

Thank you for your time, your service and your consideration.