



University of Connecticut
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February 20, 2017

Dear Senator Gomes, Senator Miner, Representative Porter, Senator McLachlan, Senator Osten, Representative Paolillo, Representative Bocchino, and Members of the Labor Committee,

Thank you for your consideration of my written testimony.

Please oppose Proposed H.B. No. 5552, Session Year 2017

An Act Excluding Retirement Benefits from Collective Bargaining By State and
Municipal Employees

The expressed intent is

"To bring state and municipal collective bargaining statutes into line . . .".

I see the bill as misdirected.

There is no evidence that collective bargaining is responsible for current State of Connecticut pension costs. However, there is clearly documented history that shows the pension problems for the State today are from decades of failing to properly fund the pension system. State pension promises have prevailed since 1939, but were inadequately funded [1].

Note that collective bargaining only began in Connecticut in 1974. In the years prior to 1974, retirement benefits were *solely* under the control of the legislature, yet the continuing legacy costs from those years of underfunding are a considerable factor in today's problems.

A credible argument can be made that the pension system was more poorly managed when the legislature had sole authority than when pensions were negotiated by collective bargaining. This may be because the members have a compelling interest in a solvent pension system.

An unintended consequence, suggested by history, is that exclusive legislative control may exacerbate existing problems.

Please reject this bill, as likely to worsen the very problem it intends to fix.

Sincerely,

A handwritten signature in cursive script that reads "Thomas J. Peters".

Thomas J. Peters, Ph.D.
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[1] FINAL REPORT ON CONNECTICUT'S STATE EMPLOYEES RETIREMENT SYSTEM AND TEACHERS' RETIREMENT SYSTEM, J.-P. Aubry and A. H. Munnell, November 2015, Center for Retirement Research at Boston College