Testimony for the Appropriation Committee Re: Governor’s Bill - HB 7150, HB 7148

Dear Senator Osten, Representative Walker and esteemed Committee Members,

I would like to start by thanking members of the legislature for their dedication to serve the inhabitants of our state. I firmly believe that the future prosperity of the State of Connecticut will be built on the quality of education available to students.

The Governor’s proposals for the future funding of Teacher Pensions in Connecticut will have a deleterious impact on the education of our children. In Ridgefield, the demand from the Governor that the town funds 25% of the annual cost of the pension benefits for our teaching staff and an additional amount (as the town pays above the median pensionable salary), means that we will incur significant increased costs under his proposal.

Staff salaries and benefits represent over 80% of the cost of the Ridgefield Public Schools. We have just negotiated our tri-annual NEA contract with teachers to commence in July 2019 and run till June 2022. Choices will now be a reduction in teacher numbers or a substantial increase in property taxes. This will hurt Ridgefield and many other towns as they strive to balance the needs of schools with other community services.

Ridgefield residents have already contributed to the Teacher Pension Plan through the state income tax. This proposed change creates a second layer of taxation. It will result in higher property taxes for the towns that have chosen to reward their teachers financially and managed their funds carefully. Why not call it what it is – and a redistributive property tax for those districts that are not considered “distressed” by the state?

Additionally this proposal fails to address the fundamental problems with the current pension plan: underfunding, structural misalignment, and overly optimistic investment return assumptions. It also does not give municipalities any role in determining the future strategy for these problems. The Governor’s proposal to distribute costs to the towns does not offer a long-term financial resolution to the taxpayers of Connecticut; it fills a budget deficit.

I am vehemently opposed to the proposal in the Governor’s Budget.

Yours sincerely,

Frances Walton