TESTIMONY: EDUCATION COMMITTEE PUBLIC HEARING

MARCH 1, 2019

House Bill No. 7150 An Act Implementing the Governor's Budget Recommendations Concerning Education

Dear Co-Chairs Sanchez and McCrory and Members of the Committee:

The Town of Avon has significant concerns regarding many of the proposals included in House Bill No. 7150 *"An Act Implementing the Governor's Budget Recommendations Concerning Education."* Among other items, the Town of Avon is **strongly opposed** to the Governor's proposal to require Connecticut municipalities to pay for a portion of the normal cost of the Teacher's Retirement Fund, as described in Section 6 of the proposed bill.

According the Governor's proposal, for the fiscal year 2019/2020, the Town of Avon would be responsible for contributing $329,381 to the Fund. For the fiscal year 2020/2021, the Town's contribution increases almost 107.00% to $680,203. Based on this limited information, we can only assume that the Town of Avon's contribution will continue to increase exponentially in future years.

According to data from the Department of Revenue Services (DRS), in 2017, the taxpayers of Avon paid $86,058,222 in income tax to the State of Connecticut. For reference the Town's general fund operating budget in fiscal year 2016/2017 was only $82,890,745. Additionally, Avon, like all municipalities, continues to collect a variety of license and permit fees on behalf of the State of Connecticut. In fiscal year 2016/2017, the Town of Avon sent over $1.2 million to the state in conveyance taxes alone. However, despite the sizeable revenues that Avon taxpayers provide annually to the State of Connecticut, the Town only receives about $1.5 million in state grants each year; a mere 1.7% of our budgeted general fund operating budget.

In short, the taxpayers of the Town of Avon already contribute far more than their fair share to support the operations of the State of Connecticut and it is inequitable to require further payment in the form of a reimbursement to the Teacher's Retirement Fund. It is also inappropriate for the Towns that pay in excess of the state determined median teacher salary, effectively penalizing communities for factors that are beyond our control. Chief among these factors is the inordinate weight that is placed on the "ability to pay" criteria that is associated with the binding arbitration process.

There are certainly structural reforms that need to be considered to ensure the long term solvency of the pension system. However, simply invoicing municipalities for a benefit that we had no role in negotiating or administering is surely not the way to provide a long term, viable solution.

The Town of Avon respectfully urges the Committee to reject efforts to shift even more of the state's operating costs onto our local communities and our property taxpayers and to consider the implementation of structural reforms to the Teacher's Retirement System to resolve these issues for the future of Connecticut.

Sincerely,

Brandon Robertson
Town Manager