RE: HB-7150, AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING EDUCATION.

My name is Don Stein, I am the First Selectman of the Town of Barkhamsted.

Thank you for the opportunity to comment in opposition to the provisions in HB-7150 which would force towns to pick up 25% of the normal cost of teachers’ pensions.

Although the costs are phased in over time, it is a cost that we have no ability to negotiate with our teachers. We are also concerned that this will set the stage for the state to push more of the teachers’ pension costs onto towns. This would be burdensome in a town in which education expenses are 80% of our annual budget and we provide almost no town-funded services beyond education.

The Teachers’ Retirement System, including the benefit structure, is set forth in state statute. Towns have no opportunity to control costs or negotiate changes in teachers’ pensions.

Shifting this burden onto local property taxpayers will place an unfair burden on local budgets, particularly if the percentage creeps up over time. As you may recall, given the impact on municipal finances, Standard and Poors Global Ratings raised concerns that shifting teachers’ pension costs to towns may negatively impact municipal bond ratings, leading to higher debt costs.

Given recent cuts in municipal aid and additional costs resulting from the state shifting greater responsibilities onto municipalities, I urge you to oppose this measure.