SPONSORS OF BILL:

Sen. Martin M. Looney, 11th Dist.

REASONS FOR BILL:

This bill allows the state to revise the actualized factors and assumptions governing the calculation of contributions to the Teachers' Retirement System; thereby stabilizing the Teachers’ Retirement Fund.

RESPONSE FROM ADMINISTRATION/AGENCY:

Melissa McCaw, Office of Policy and Management Ms. McCaw stated SB873 will reduce the risk of insolvency in the event of adverse future market conditions.

Shawn Wooden, Treasurer Mr. Wooden expressed support for SB873, stated with this bill the state can restructure annual payments to the TRF in a way that is more sustainable for taxpayers.

NATURE AND SOURCES OF SUPPORT:

Association of Retired Teachers of CT expressed its support of SB 873. The organization offered that retired teachers depend on legislative decisions and stabilizing supports stabilizing the Teachers’ retirement fund.
Bonnie Barnes, Retired Teacher expressed support of SB 873, believes this legislation provides the necessary steps for the sustainability and solvency of the Teachers’ Retirement System.

Isabel Blank, Yankee Institute expressed its support of SB 873, believes this bill adopts a more realistic investment-return assumption. In addition, Ms. Blank expressed the belief that teachers’ contributions should be raised to match levels required by other states (for example, in Massachusetts teachers contribute 11% while CT is at 7%).

Connecticut Conference of Municipalities offered its support of the bill, stating that it provides realistic financial adjustments to the Teachers Retirement Fund and will allow the state to achieve its pension commitments.

Emily Emilio, Uconn Student expressed her support, that the bill provides a more accurate and realistic plan to address challenges surrounding fluctuating costs and pension liabilities.

Betsy Gara, CT Council of Small Towns expressed their support of SB873 stated this bill should help address fiscal concerns afflicting the TRS.

Jeff Leake, CT Education Association strongly supports this bill, stating he believes “this plan accomplishes two critically important objectives – it reduces the state’s annual payments to a more manageable level, while also allowing the assumed rate of investment return to be lowered from 8% to 6.9%”.

Ed Leavy, State Vocational Federation of Teacher expressed his support of SB 873 as he believes it addresses the underfunded TRS.

Katie Roy, CT School of Finance Project Ms. Roy testified that the bill will address the fiscal challenges posed by the TRS’ underfunding that has built up over decades. She stated that she has concerns with the lack of actuarial data made public. “Without this necessary information, a full and proper discussion of these reforms is not possible and the public will be left in the dark about changes that are of significant importance to the fiscal health of Connecticut”.

NATURE AND SOURCES OF OPPOSITION:

None expressed for SB873.

Reported by:  Sera Vicki                          Date: 5/10/19