

Teachers' Retirement Board

TRB77500

Permanent Full-Time Positions

Fund	Actual FY 16	Actual FY 17	Governor Estimated FY 18	Original Appropriation FY 19	Governor Revised FY 19	Legislative FY 19	Difference Leg-Gov FY 19
General Fund	27	27	27	27	27	27	-

Budget Summary

Account	Actual FY 16	Actual FY 17	Governor Estimated FY 18	Original Appropriation FY 19	Governor Revised FY 19	Legislative FY 19	Difference Leg-Gov FY 19
Personal Services	1,686,764	1,653,278	1,542,153	1,606,365	1,601,604	1,561,604	(40,000)
Other Expenses	378,944	405,352	444,727	468,134	404,727	444,727	40,000
Other Than Payments to Local Governments							
Retirement Contributions	975,578,000	1,012,162,000	1,271,033,000	1,332,368,000	1,292,314,000	1,292,314,000	-
Retirees Health Service Cost	14,566,860	14,566,860	14,554,500	14,575,250	14,575,250	14,575,250	-
Municipal Retiree Health Insurance Costs	5,392,897	5,355,153	4,644,673	4,644,673	4,644,673	4,644,673	-
Agency Total - General Fund	997,603,465	1,034,142,643	1,292,219,053	1,353,662,422	1,313,540,254	1,313,540,254	-

Account	Governor Revised FY 19	Legislative FY 19	Difference from Governor
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Policy Revisions

Annualize FY 18 Budgeted Lapse

Personal Services	(3,536)	(3,536)	-
Other Expenses	(23,407)	(23,407)	-
Total - General Fund	(26,943)	(26,943)	-

Background

The Governor's revised FY 19 budget allocates \$217.2 million in non-SEBAC lapses to various agencies.

Governor

Reduce funding by \$26,943 to reflect this agency's portion of the non-SEBAC lapses.

Legislative

Same as Governor

Rollout SEBAC Attrition Savings to Agencies

Personal Services	(41,225)	(41,225)	-
Total - General Fund	(41,225)	(41,225)	-

Background

The FY 18 - FY 19 biennial budget assumed various savings as a result of 2017 SEBAC agreement. One of the components of the SEBAC Labor Management lapse in the biennial budget was attrition. Attrition savings are achieved by agencies actively managing the normal employee turnover in an agency. The Governor's revised FY 19 budget allocates \$75.1 million to various agencies to achieve savings related to attrition.

Governor

Reduce Personal Services by \$41,225 to reflect this agency's portion of the attrition savings.

Account	Governor Revised FY 19	Legislative FY 19	Difference from Governor
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Legislative

Same as Governor

Reallocate Funding for Personal Services

Personal Services	40,000	-	(40,000)
Other Expenses	(40,000)	-	40,000
Total - General Fund	-	-	-

Background

The TRB is currently hiring a new Administrator due to a retirement. OPM and DAS recently worked to reclassify the Administrator position from an MP70 to an MP71.

Governor

Reallocate funding of \$40,000 from Other Expenses to Personal Services to reflect the recently revised reclassification and salary range of the Administrator position.

Legislative

Funding is not reallocated.

Provide Additional Funding for TRB Health Plan**Background**

The Teachers' Retirement Board (TRB) is required to offer one or more health plans to retired Teachers' Retirement System members who are participating in Medicare. The TRB health plan is funded on a self-insured basis. CGS Sec. 10-183t provides a cost sharing arrangement which requires that retirees, the state, and the TRB health fund each pay one-third of the total cost for the basic plan. The TRB health fund is funded through active teachers' 1.25% contributions. The FY 18 and FY 19 Biennial Budget reduced the state share of the TRB health plan cost to the flat -funded FY 17 level of appropriation. This resulted in a state share of approximately 16% in FY 17 and anticipated share of 12% in FY 18. Beginning July 1, 2018, the TRB basic plan is changing from the Medicare Supplement Plan to a Medicare Advantage Plan administered by Anthem.

Legislative

Section 22 of PA 18 -81 (the Revised FY 19 Budget), transfers \$16.1 million from the Budget Reserve Fund to the retired teachers' health insurance premium account. This transfer, when combined with the FY 19 appropriation in the retirees health service cost account of \$14.6 million, provides a state contribution totaling \$30.7 million for the TRB retiree health plan. This reflects approximately 33% of the TRB retiree health basic plan estimated expenditure for FY 19.

Current Services**Update Teachers Retirement System Pension Contribution**

Retirement Contributions	(40,054,000)	(40,054,000)	-
Total - General Fund	(40,054,000)	(40,054,000)	-

Background

The FY 18 and FY 19 Biennial Budget increased teachers' regular mandatory contributions to the TRS by one percentage point, from 6% to 7% of their annual salary, beginning 1/1/18. The teachers' mandatory contributions are deposited to the Teachers' Retirement Fund. The Biennial Budget also required the Teachers' Retirement Board (TRB), by 12/1/17, to: (1) request a revised actuarial valuation for FY 18 and FY 19 based on the increased contribution percentage for those fiscal years, and (2) based on the revised valuation, certify to the legislature the amount needed to maintain TRS on an actuarial reserve basis in those fiscal years. The revised TRS valuation resulted in a decrease of \$19.4 million in FY 18 and \$40.1 million in FY 19 in the state's retirement contribution.

Governor

Reduce funding by \$40,054,000 to reflect the updated contribution presented in the revised actuarial valuation of the Teachers' Retirement System.

Legislative

Same as Governor

Totals

Budget Components	Governor Revised FY 19	Legislative FY 19	Difference from Governor
Original Appropriation - GF	1,353,662,422	1,353,662,422	-
Policy Revisions	(68,168)	(68,168)	-
Current Services	(40,054,000)	(40,054,000)	-
Total Recommended - GF	1,313,540,254	1,313,540,254	-

Positions	Governor Revised FY 19	Legislative FY 19	Difference from Governor
Original Appropriation - GF	27	27	-
Total Recommended - GF	27	27	-