

Teachers' Retirement Board

TRB77500

Permanent Full-Time Positions

Fund	Actual FY 19	Actual FY 20	Appropriation FY 21	Governor Recommended		Legislative	
				FY 22	FY 23	FY 22	FY 23
General Fund	27	27	27	27	27	27	27

Budget Summary

Account	Actual FY 19	Actual FY 20	Appropriation FY 21	Governor Recommended		Legislative	
				FY 22	FY 23	FY 22	FY 23
Personal Services	1,476,745	1,558,516	1,722,838	1,735,511	1,802,924	1,735,511	1,802,924
Other Expenses	504,648	676,481	544,727	413,003	497,003	413,003	497,003
Other Than Payments to Local Governments							
Retirement Contributions	1,292,314,000	1,208,819,000	1,248,029,000	1,443,656,000	1,578,038,000	1,443,656,000	1,578,038,000
Retirees Health Service Cost	14,575,250	24,063,941	29,849,400	26,707,000	29,901,000	26,707,000	29,901,000
Municipal Retiree Health Insurance Costs	4,644,673	5,108,813	5,535,640	5,100,000	5,100,000	5,100,000	5,100,000
Agency Total - General Fund	1,313,515,316	1,240,226,751	1,285,681,605	1,477,611,514	1,615,338,927	1,477,611,514	1,615,338,927
Additional Funds Available							
Special Funds, Non-Appropriated	-	2,271,657,471	-	-	-	-	-
Agency Grand Total	1,313,515,316	3,511,884,222	1,285,681,605	1,477,611,514	1,615,338,927	1,477,611,514	1,615,338,927

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23

Policy Revisions

Annualize FY 21 Rescissions

Personal Services	(17,228)	(17,228)	(17,228)	(17,228)	-	-
Other Expenses	(2,724)	(2,724)	(2,724)	(2,724)	-	-
Total - General Fund	(19,952)	(19,952)	(19,952)	(19,952)	-	-

Background

The Governor implemented General Fund rescissions in FY 21 totaling \$25.3 million across state agencies. The Governor's FY 22 and FY 23 Budget annualizes \$22.6 million of these rescissions in both FY 22 and FY 23 across various agencies.

Governor

Reduce funding by \$19,952 in both FY 22 and FY 23 to annualize the Governor's FY 21 rescissions.

Legislative

Same as Governor

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23

Current Services

Fund the Actuarially Determined Employer Contribution for the Teachers' Pension Plan

Retirement Contributions	195,627,000	330,009,000	195,627,000	330,009,000	-	-
Total - General Fund	195,627,000	330,009,000	195,627,000	330,009,000	-	-

Background

The June 30, 2020 actuarial valuation set an Actuarially Determined Employer Contribution (ADEC) for the Teachers' Retirement System (TRS) of \$1,443.7 million in FY 22 and \$1,578.1 million in FY 23. Payment of the full contribution is required by both statute (CGS Sec. 10-183z) and the bond covenant for Pension Obligation Bonds (POBs), issued pursuant to PA 07-186. The state's debt service payment on the POBs is appropriated in Debt Service - State Treasurer.

Governor

Provide funding of \$195,627,000 in FY 22 and \$330,009,000 in FY 23 to fully fund the state's ADEC for the TRS.

Legislative

Same as Governor

Fund Retiree Health Service Costs at the Statutory Level

Retirees Health Service Cost	(3,142,400)	51,600	(3,142,400)	51,600	-	-
Total - General Fund	(3,142,400)	51,600	(3,142,400)	51,600	-	-

Background

The TRB is required to offer one or more health plans to retired TRS members who are participating in Medicare. CGS Sec. 10-183t requires a cost sharing arrangement in which 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 supported by active teachers who contribute 1.25% of their annual salary. The TRB basic plan changed from a Medicare Supplement Plan to a Medicare Advantage Plan, effective July 1, 2018.

Governor

Reduce funding by \$3,142,400 in FY 22 and provide funding of \$51,600 in FY 23 in the retiree health service cost account to reflect the state's full funding for the TRB health plan cost.

Legislative

Same as Governor

Fund the Retiree Municipal Health Subsidy at the Statutory Level

Municipal Retiree Health Insurance Costs	(435,640)	(435,640)	(435,640)	(435,640)	-	-
Total - General Fund	(435,640)	(435,640)	(435,640)	(435,640)	-	-

Background

The municipal subsidy is provided to those retirees and dependents with health insurance through their last employing board of education. The amount that eligible retirees receive is statutorily set at \$110 per month for most members and \$220 per month for members who are 65 or older, not Medicare eligible and paying more than \$220 per month for health insurance. The state is required to pay one-third of the cost of the subsidy, according to CGS Sec. 10-183t, and two-thirds is paid from the TRB health fund.

Governor

Reduce funding by \$435,640 in both FY 22 and FY 23 to reflect the state's full funding of the TRB municipal retiree health subsidy.

Legislative

Same as Governor

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23

Adjust Funding for Other Expenses to Reflect Current Requirement

Other Expenses	(129,000)	(45,000)	(129,000)	(45,000)	-	-
Total - General Fund	(129,000)	(45,000)	(129,000)	(45,000)	-	-

Governor

Reduce funding by \$129,000 in FY 22 and \$45,000 in FY 23 to reflect the current funding needed for actuarial services required by the Board.

Legislative

Same as Governor

Provide Funding for Wage and Compensation Related Increases

Personal Services	20,551	87,964	20,551	87,964	-	-
Total - General Fund	20,551	87,964	20,551	87,964	-	-

Background

The Governor’s FY 22 and FY 23 Budget provides funding of \$135.9 million in FY 22 and \$383.9 million in FY 23, across six appropriated funds, to reflect current services wage-related adjustments such as an annual increment, cost of living adjustment (COLA), general wage increase, and the 27th payroll. Normally there are 26 pay periods in a fiscal year, however, every 11 years there is an additional pay period. The 27th payroll occurs again in FY 23.

Governor

Provide funding of \$20,551 in FY 22 and \$87,964 in FY 23 to reflect this agency’s increased wage costs.

Legislative

Same as Governor

Transfer Funding from RSA to Agencies for Collective Bargaining Agreements

Personal Services	9,350	9,350	9,350	9,350	-	-
Total - General Fund	9,350	9,350	9,350	9,350	-	-

Background

The Governor's FY 22 and FY 23 Budget transfers funding of \$15.6 million in both FY 22 and FY 23 in the General Fund, and \$409,880 in both FY 22 and FY 23 in the Special Transportation Fund from the Reserve for Salary Adjustment account (RSA) to agencies for previously approved collective bargaining contracts.

Governor

Transfer funding of \$9,350 in both FY 22 and FY 23 from RSA to reflect this agency's collective bargaining wage increases.

Legislative

Same as Governor

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 22	FY 23	FY 22	FY 23	FY 22	FY 23
FY 21 Appropriation - GF	1,285,681,605	1,285,681,605	1,285,681,605	1,285,681,605	-	-
Policy Revisions	(19,952)	(19,952)	(19,952)	(19,952)	-	-
Current Services	191,949,861	329,677,274	191,949,861	329,677,274	-	-
Total Recommended - GF	1,477,611,514	1,615,338,927	1,477,611,514	1,615,338,927	-	-