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Testimony of

Jeff Leake

President, Connecticut Education Association

Before the Appropriations Committee

Re: H.B. No. 7148 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2021, AND MAKING APPROPRIATIONS THEREFOR.

March 6, 2019

Good afternoon Senator Osten, Representative Walker, Senator Formica, Representative Lavielle, and members of the Appropriations Committee. My name is Jeff Leake, President of the Connecticut Education Association. Tonight I am speaking in opposition to the Governor's budget proposal that begins the transfer of responsibility for the State Teachers' Retirement System (TRS) to our cities and towns.

We are fully aware of the need to right Connecticut's financial ship, but that cannot be done by expecting local governments to fund needed retirement payments into TRS.

Regarding the proposal to shift state teachers' retirement costs to municipalities in HB 7150, while we appreciate that this cost shift does not go to the lengths put forth by the previous administration, we know that the amounts due from local boards of education in fiscal years 2020 and 2021 are likely to grow in the years after. We also know that, based on our polling conducted in the last month, about two-thirds of Connecticut voters oppose balancing the state's budget by using local property taxes instead of state funds to cover teacher retirement costs. We also know, from a 2017 poll, that two-thirds of voters wanted their legislators to vote against any plan that shifts costs from the state to cities and towns.

Additionally, many of our towns and cities are still recovering from the financial debacle of ten years ago. Shifting retirement costs to our local communities would result in fewer resources being allocated to our schools. Today, and in the months ahead, municipalities will also be struggling with the effects of the new federal tax act's limit on local tax deductions, which may further impact local property taxes.

Governor Lamont and Treasurer Wooden each provided proposals that can reduce the state's unfunded liability and required contributions without requiring a cost-shift to municipalities. We simply do not need to fundamentally shift the funding of the State Teachers' Retirement System to municipalities. Our cities and towns should not be asked to pick up this cost.