



**STATE OF CONNECTICUT**  
**OFFICE OF POLICY AND MANAGEMENT**

***TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE***  
***MARCH 26, 2021***

*Melissa McCaw*  
*Secretary*  
*Office of Policy and Management*

Testimony Opposing Senate Bill No. 1082

**AN ACT CONCERNING A RETIRED TEACHER ADVISORY COUNCIL, THE MEMBERSHIP  
OF AND TERM LIMITS FOR THE TEACHERS' RETIREMENT BOARD, A CAP ON  
CERTAIN PROFESSIONAL FEES PAID BY THE BOARD, AND MEDICARE  
SUPPLEMENTAL PLANS FOR RETIRED TEACHERS**

---

Senator Osten, Representative Walker and distinguished members of Appropriations Committee, thank you for the opportunity to offer testimony against Senate Bill 885, An Act Concerning a Retired Teacher Advisory Council, the Membership of and Term Limits for the Teachers' Retirement Board, a Cap on Certain Professional Fees Paid by the Board, and Medicare Supplemental Plans for Retired Teachers.

This bill adds additional costs to the agency's budget and duplicates the functions of the Teachers' Retirement Board (TRB). A section-by-section summary of the bill and our concerns follow.

Section 1 establishes a Retired Teacher Advisory Council consisting of retired and active teachers and a member of the agency. The bill requires the board to provide to this council: 1) materials related the health benefit plans offered, 2) materials related to communication channels and practices between the board and retired teachers, 3) copies of legislative proposals that might affect retirement benefits, and 4) any other materials to be reviewed by the council. The proposed council would be redundant with the current Teachers' Retirement Board that consists of active and retired teachers, plus designees from the State Board of Education, Treasurer's Office, and Office of Policy & Management. Materials related to the health benefit plans are provided to teachers and retired teachers on TRB's website and several mailings throughout the year. It would result in additional costs to the agency as they would now have to prepare items for two separate boards/councils.

Section 2 adds language to section 10-183I C.G.S. for the election of a retired teacher to the board who is a member of an organization composed solely of retired teachers that is not represented on the board and is an enrollee of a TRB health plan. It also provides term limits of 12 years, consecutively or nonconsecutively, for all elected members to the board.

Section 3 would require TRB to offer a Medicare supplemental plan with coverage substantially equal to or better than the basic and optional plans which includes coverage consistent with all state insurance mandates. Although TRB currently offers a Medicare supplement plan in addition to its Medicare Advantage (MA) Plan (basic plan), this proposal could result in substantial added costs to the state, which is responsible for paying one-third of the retiree health care costs. The current Medicare supplement plan costs more than the MA plan (medical and pharmacy state share is \$167 per month vs \$64 per month, respectively) and has been losing enrolled members. This proposal would limit the ability of TRB to find more cost-effective solutions. As an example, the state employee plan switched all its Medicare eligible retirees into a Medicare Advantage plan, saving well over \$135 million a year. The savings relied on moving the entire population into the one plan. Legislation like this would prevent TRB from taking advantage of a similar cost savings opportunity.

Section 4 limits the payments of a health care consultant to \$150,000 and requires the board to provide to each member a detailed accounting of payments made during the previous fiscal year by August 1. The statutes previously limited the health care consultant fees at \$150,000 per year but it was removed because it proved detrimental to the agency in the RFP process as they could not get enough candidates for a competitive process.

Thank you for the opportunity to provide testimony outlining our concerns about this proposed legislation.