

**Written Testimony on SB 1082, March 25, 2021**

**Submitted by James Stirling, 20 Miller Road, Bethany, CT 06524**

Dear Co-Chairs Senator Osten and Rep. Walker, Vice-Chairs Senator Hartley, Rep. Dathan and Rep Nolan, and Ranking Members Senator Miner and Rep. France, and Distinguished Members of the Appropriations Committee,

I am writing in SUPPORT OF SB 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.

By way of disclosure, my firm served as a vendor to the TRB for over two decades. In that capacity, I attended most TRB Board meetings until about eighteen months ago.

**Regarding the Advisory Council:**

Over the last several years, a group of well-informed retirees began to feel excluded from what appeared to be “insider information” that was only available to some members of the Board and close advisors. The request for an Advisory Council addresses this concern by asking for information and input before consideration by the Board. The Board has been perceived as unresponsive to requests from interested members. Requiring inclusion of the Advisory Council will not only improve government transparency, but it will also help the Board understand how their actions may be perceived by the retiree community.

**Regarding Board Membership:**

The Board currently includes members from active retiree and active teacher organizations, as well as from other agencies. Greater participation will expand voices at the table. There is a concern among some retirees that the traditional teacher organizations like the CEA and AFT, are more focused on active member needs than those that are no longer paying active employee dues (retirees). While members from

these organizations typically serve with distinction and integrity, a concerned group of retirees feel that broader retiree representation will enhance good governance at the state level.

### **Term Limits**

I have observed that sometimes, long serving Board members begin to feel that it is their Board, instead of a citizen Board. The TRB election process favors insiders and chosen candidates. Incumbency can lead to insulation from the opinions and needs of those we serve. Requiring term limits will help enhance fresh perspectives, fresh ideas and new solutions. An added benefit is that term limits will reduce the opportunity for long serving members to become too close to vendors and advisors. Sometimes a too close relationship can lead to compromised objectivity.

### **A cap on consulting fees**

Fifteen years (or so) ago, the consultant fees were paid out of the Agency budget. After the 2008 Great Recession, when the state faced financial constraints, a legislative change allowed the TRB medical consultant to have their fees paid from the TRB claims account. This is the account that retirees had paid into during their lifetime careers as teachers

After this change, a previous consultant to the TRB began to build into their vendor RFP's a provision that the winning bidder would also pay for an audit twice during the three-year contract. Of course, the winning vendor had to build these "audit" payments into their charges for administering the TRB contract. The funds to pay the vendor came from the claims account. An investigation by the Comptroller's office found, in their written report, that while this practice was not illegal, it was un-ethical.

This conduct led to suspicion and distrust of Board decisions regarding RFP's by some retirees, and brings us to the fee cap limitation in this Act. It is important to note that the current consultant and agency staff were not part of this past "audit" RFP fee structure.

## **Medicare Supplement Plan**

The TRB currently offers a Medicare Supplement program. Retirees pay the difference between any lower cost (base) plan and any other option, so the state would not pay more to provide this choice.

Taken together, this Act is a response to disappointments that retirees have felt with the TRB Board leadership. In my opinion, the agency staff and the current consultant are doing a fine job and were not part of what led to the breakdown of trust between the Board leadership and some dedicated retirees. The combination of a secure position and long tenure, a too close association with a limited number of advisors, and a sense that “we know what’s best” has eroded faith that the Board is objective.

I encourage you to support SB 1082.

Sincerely submitted,  
James Stirling