

Presentation to the Commission on Economic Growth and Fiscal Stability



YANKEE INSTITUTE
for Public Policy

Free to succeed

- Smart, limited government
- Fairness for taxpayers
- Open road to opportunity

Solutions: Labor

- Limit Collective Bargaining to Wages Only
- Reform Binding Arbitration
- End supersedence of labor contracts over state law
- Reform retiree healthcare
- Enact Right-to-Work

Public vs. Private Sector Compensation for State Workers

	Private Sector Worker	State Government Worker
Salary	\$71,112	\$70,970
Paid Leave	\$8,747	\$7,161
Insurance	\$9,252	\$12,527
Retirement and Savings	\$4,026	\$27,667
Legally Required Benefits	\$7,346	\$7,206
Total Compensation	\$100,483	\$125,531

Yankee Institute

	Private Sector	Public Sector
Health Insurance	\$8,690	\$12,335
Retiree health insurance	\$329	\$11,017
Pension/Retirement	\$3,698	\$16,650
Total	\$12,717	\$40,002

Pension Reform

Solutions for SERS

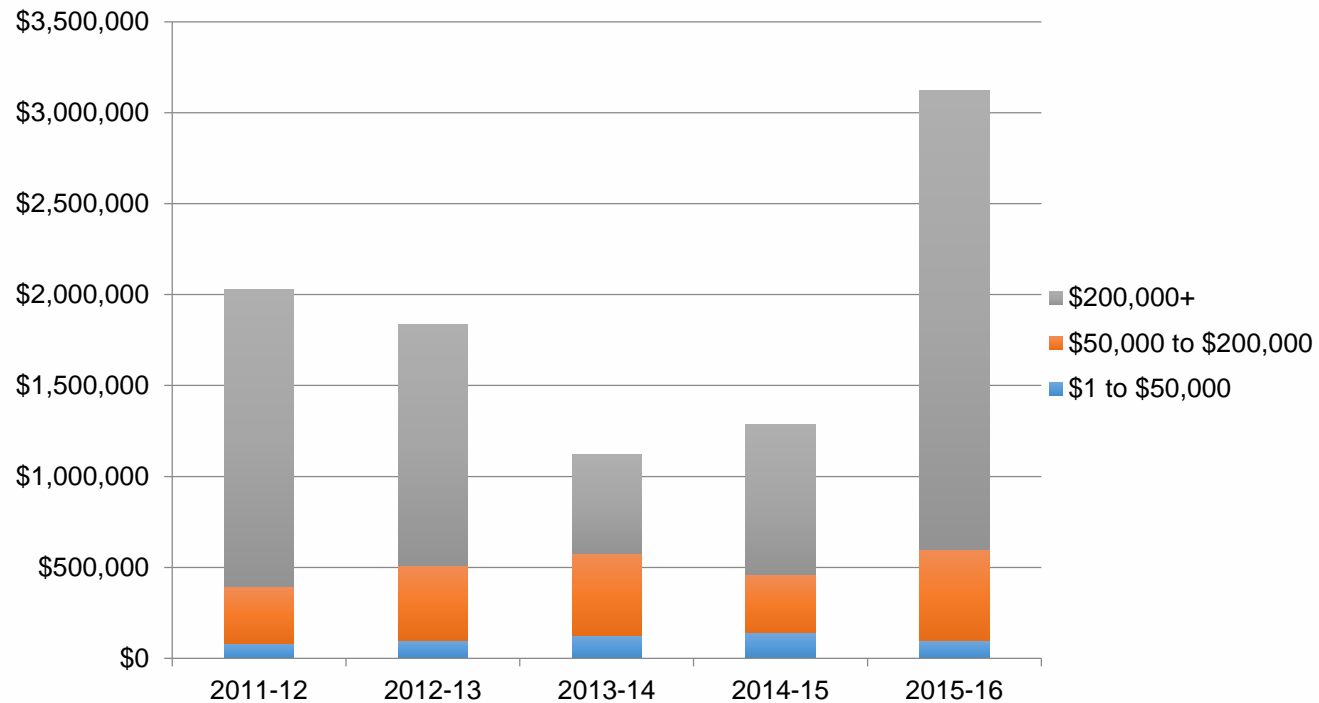
- Increase member contributions to 6%.
SAVINGS: \$4.3 BILLION
- Adopt a \$100,000 cap on pensionable pay.
SAVINGS: \$4.1 BILLION
- Peg COLAs to social security and cap them at 2 percent.
SAVINGS: \$1.3 BILLION
- Remove overtime from pension calculation.
SAVINGS: UNKNOWN (BUT SIGNIFICANT)

Pension Reform

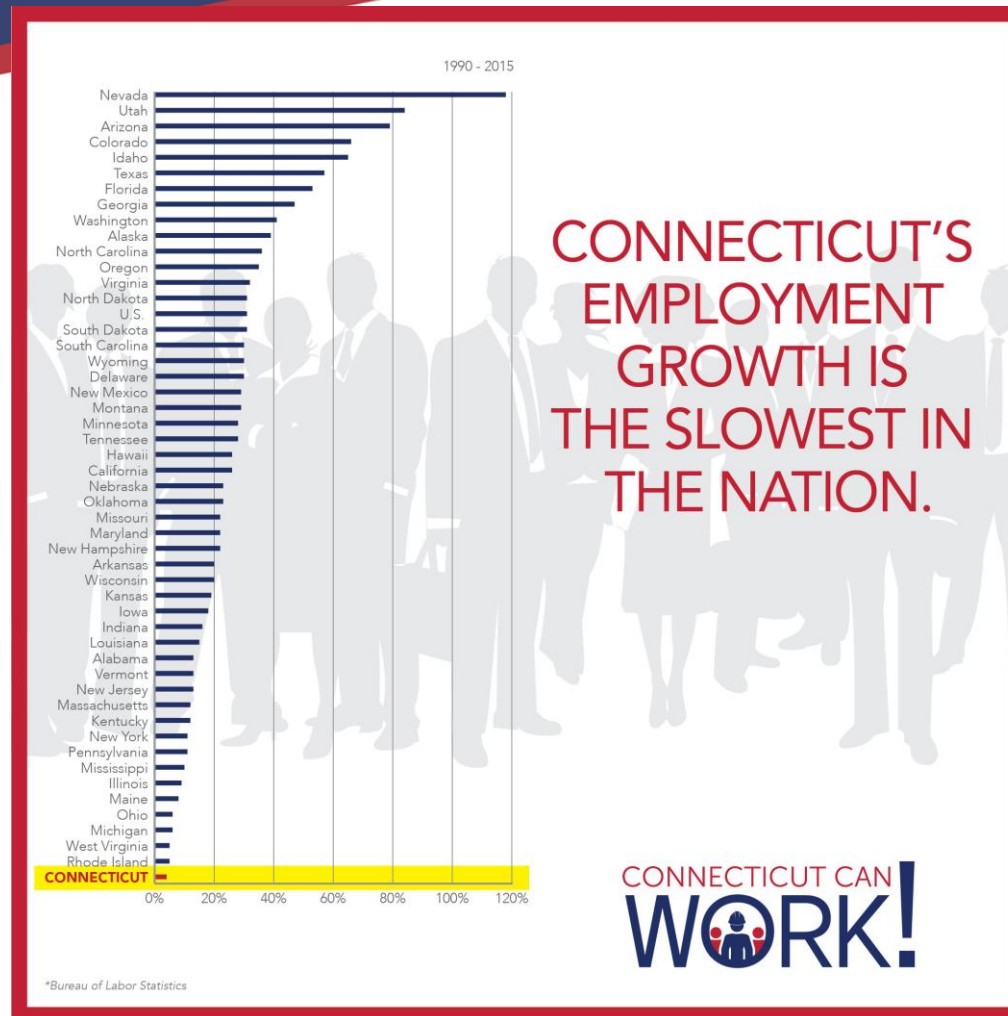
Solutions for TRS

- Increase member contributions to 11%
- Include new teachers in the Social Security program.
- Require additional reporting on the system's risks.
- Eliminate or reduce cost of living adjustments.
- Require defined contribution or hybrid plans for new teachers.

Net Outmigration By Income 2011-2016



Source: IRS Migration Data



Yankee Institute

The state of the states: how much states spend on debt, pensions and retiree healthcare

% of state revenue collections required to pay the sum of interest on bonds, the state's share of unfunded pension and retiree healthcare liabilities, and defined contribution plan payments



Source: J.P. Morgan Asset Management, state/pension plan Comprehensive Annual Financial Reports, Census, Loop Capital Markets. FY 2015.

Municipalities Facing Fiscal Distress:

Hamden
Waterbury
Stratford
Hartford
Bridgeport
New Haven
West Haven
Sprague

Increase Parent Choice to Improve Education Outcomes and Revitalize Cities

- Educational Scholarship Accounts
- Tax Credit Scholarships
- Charter Schools



Thank you!

