



General Assembly

Bill No. 6803

June 30 Special Session,
2003

LCO No. 7791

Referred to Committee on No Committee

Introduced by:

REP. LYONS, 146th Dist.

SEN. SULLIVAN, 5th Dist.

AN ACT CONCERNING STATE EMPLOYEE CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) The Secretary of the Office of
2 Policy and Management shall offer to modify the pension agreement
3 between the State Employees Bargaining Agent Coalition (SEBAC) and
4 the state, within seven days of the effective date of this section, in the
5 following ways: (1) To incorporate the changes made by public act 03-2
6 and special act 03-2, provided nothing in such incorporation shall
7 affect any grievance or arbitration challenging privatization occurring
8 as a result of the state's decision, as reflected in such acts, to offer an
9 Early Retirement Incentive Program; (2) notwithstanding any other
10 provision, in order to refill positions that are vacant due to ERIP, or for
11 any other reason, the secretary may authorize the hiring of up to 2300
12 employees in fiscal year 2004; (3) members of the Alternate Retirement
13 Program retiring within two months of the acceptance by SEBAC of
14 the provisions of this section, who would have been eligible for the
15 ERIP if they had been SERS members, shall receive an additional

16 twelve per cent of their Final Average Earnings, as defined under the
17 SERS, paid out as three equal annual employer contributions to the
18 employee's retirement account, on the dates indicated in subsection (b)
19 of section 6 of public act 03-2, if such is allowable pursuant to
20 applicable law and regulation, or as five equal annual lump sum
21 payments, at the employee's discretion; (4) notwithstanding the
22 provisions of subsection (b) of section 6 of public act 03-2, members of
23 the Teachers' Retirement System retiring during the ERIP period,
24 including the extension of the ERIP under this section, shall not be
25 required to use their credit towards age, rather than years of service,
26 when such use is not otherwise required to meet the minimum
27 retirement standards of the Teachers' Retirement System. Members of
28 the Teachers' Retirement System and the Alternate Retirement
29 Program shall have two months following the acceptance by SEBAC of
30 the provisions of this section to retire under the ERIP. Members of the
31 Teachers' Retirement System who retired prior to June 1, 2003, in order
32 to comply with the ERIP prior to the effective date of this section, shall
33 be deemed to have completed a full year of employment as of their
34 retirement date; (5) the Health Care provisions of the Pension
35 Agreement between SEBAC and the state shall be modified so that
36 active employees and future retirees, but not including any retirees
37 leaving as a result of the ERIP, are covered by a pharmacy copay plan
38 that shall be identical to the current plan, except that the copay for
39 generics shall be five dollars, for preferred brand names shall be ten
40 dollars, and for all other prescriptions shall be fifteen dollars. The list
41 of preferred brands shall be preapproved by the Healthcare Cost
42 Containment Committee. All healthcare provisions shall be further
43 modified to allow the self-insurance of pharmacy coverage; (6) the
44 Health Care provisions of the Pension Agreement between SEBAC and
45 the state shall be modified so that employees first hired on or after July
46 1, 2003, shall not have access to the Preferred POS plan. New
47 enrollment in the preferred plan for current employees shall end no
48 earlier than July 1, 2004, provided enrollment shall not end until the
49 Comptroller certifies that access to out-of-network providers for

50 employees with life threatening illnesses will be provided through the
51 POS standard plan in a manner substantially equivalent to that
52 currently available under the Preferred POS plan. The provisions of
53 this subdivision shall not affect access to the Preferred POS plan for
54 retirees; (7) employees first hired on or after July 1, 2003, shall pay five
55 dollars more for a visit to a doctor than the amounts established as of
56 July 1, 2003, under SEBAC 5A; (8) the employer's contribution to the
57 unfunded accrued pension liability shall be reduced for the state fiscal
58 year ending June 30, 2004, by \$25,000,000 and for the state fiscal year
59 ending June 30, 2005, by \$25,000,000. Such reduction shall not be
60 reflected in any actuarially determined amount required for payment
61 into the State Employees Retirement Fund prior to the state fiscal year
62 ending June 30, 2008, and shall be repaid in equal increments over the
63 remaining period of amortization; (9) any employee laid off after
64 December 1, 2002, who takes the Early Retirement Incentive Program
65 under public act 03-2 and special act 03-2, as amended by this section,
66 shall be deemed to have transitioned directly into retirement for
67 purposes of all benefits accorded retiring employees; (10) the
68 acceptance by SEBAC of the provisions of this subsection shall require
69 the withdrawal as plaintiffs by SEBAC and its constituent unions of
70 *State Employees Bargaining Agent Coalition, et al. v. John G. Rowland, et al.*,
71 *United States District Court, District of Connecticut, Civil No. 3:03CV221*
72 (AWT).

73 (b) The Secretary of the Office of Policy and Management shall
74 ensure compliance by the Commissioner of Administrative Services
75 with the provisions of section 5-248c of the general statutes.

76 (c) The Secretary of the Office of Policy and Management shall,
77 within seven days of the effective date of this section, offer the
78 following contractual terms and conditions to all collective bargaining
79 units: (1) There shall be no general wage increase or annual increment
80 in fiscal year 2004; (2) those units which have not yet accepted a wage
81 freeze, and have settled wages for fiscal year 2004, but have not settled
82 wages for fiscal year 2005, shall receive the following offer: The fiscal

83 year 2005 wage increase shall be the amount currently scheduled for
84 fiscal year 2004; (3) those units which have not yet accepted a wage
85 freeze, and with settled wages for fiscal years 2004 and 2005, but not
86 2006, shall receive the following offer: (A) The fiscal year 2005 wage
87 increase shall be the amount currently scheduled for fiscal year 2004;
88 (B) the fiscal year 2006 raise shall be the amount currently scheduled
89 for fiscal year 2005; (4) those units which have not yet accepted a wage
90 freeze, and with settled wages for fiscal years 2004, 2005 and 2006,
91 shall receive the following offer: (A) The fiscal year 2005 wage increase
92 shall be the amount currently scheduled for fiscal year 2004; (B) the
93 fiscal year 2006 raise shall be the amount currently scheduled for fiscal
94 year 2005; (C) the fiscal year 2007 raise shall be the amount currently
95 scheduled for fiscal year 2006; (5) unless otherwise provided for in this
96 subsection, increment-based units shall receive annual increments at
97 the usual time; (6) any unit with a scheduled fiscal year 2004 increase
98 which has taken effect when the offer required by this section is
99 transmitted may choose to retain such increase, while otherwise
100 accepting this offer, except as modified by subdivision (7) of this
101 subsection; (7) any unit retaining a fiscal year 2004 increase under
102 subdivision (6) of this subsection shall forfeit the comparable increase
103 that otherwise would have occurred in fiscal year 2005; (8) any
104 arbitration award pending before the General Assembly as of the time
105 an offer is made pursuant to this section, shall be deemed to be a
106 settled contract for purposes of this section only; (9) for purposes of
107 this section, "layoff" shall not include (A) separations occurring as a
108 result of the termination of grant funded or durational positions, (B)
109 the failure to renew appointments for performance reasons, or (C) the
110 denial of tenure for performance reasons. "Layoff" shall include
111 demotions for reasons not related to performance; (10) each employee
112 laid off on or after December 1, 2002, shall be offered the opportunity
113 to return to state employment on or before September 1, 2003. Such
114 employee shall be offered the position the employee held immediately
115 prior to being laid off unless that position was eliminated due to the
116 closing of a facility, or the legislative elimination of a program, or as a

117 result of the abolition of an entire classification, or their original
118 position is occupied by another person as the consequence of such an
119 elimination of another position. Otherwise, each laid off employee
120 shall be offered a substantially equivalent position in the same
121 collective bargaining unit for which the laid off employee is qualified.
122 If no such position exists, such laid off employee shall be offered the
123 choice of a lesser paid position in the unit for which the laid off
124 employee is qualified, or an equivalent position in unionized state
125 service for which the laid off employee is qualified. If no such positions
126 exist, laid off employees shall be trained and placed by the Placement
127 and Training Committee. The cost of such retraining assessed to the
128 Replacement and Training Fund shall not exceed five million dollars.
129 The choice of a laid off employee to retire shall not prevent such
130 employee from being offered employment pursuant to this section,
131 provided such employee rescinds his or her retirement within thirty
132 days of any agreement entered into pursuant to this section becoming
133 final and binding. Nothing in this section shall affect any existing
134 contractual seniority; (11) time on layoff shall be considered
135 continuous state service for all purposes. Any laid off employee who
136 returns to state service pursuant to this section may buy back vacation
137 or personal leave time cashed out as a result of his or her layoff; (12)
138 until returned to state employment, those employees separated from
139 state service as a result of the document issued November 27, 2002, by
140 the director of the Office of Labor Relations within the Office of Policy
141 and Management, shall be placed on a preferential hiring list, with all
142 relevant contractual, statutory and SEBAC rights, pending the return
143 of all laid off workers, and prior to the hiring of any new employees in
144 theirs or related job titles; (13) there shall be no layoffs in fiscal year
145 2004 or fiscal year 2005 unless specifically identified in the biennial
146 budget act as originally enacted for said fiscal years; (14) there shall be
147 no layoffs in fiscal year 2006 or fiscal year 2007.

148 Sec. 2. (*Effective from passage*) (a) On or before October 1, 2003, and
149 annually thereafter, the Secretary of the Office of Policy and
150 Management shall certify the amount of any savings to the General

151 Fund in the fiscal year in progress resulting from the concessions
152 identified in section 1 of this act. Said savings shall not include savings
153 associated with personal services appropriations included in the
154 budget for such fiscal year.

155 (b) Notwithstanding the provisions of section 12-704c of the general
156 statutes, for taxable years commencing on or after January 1, 2003, the
157 tax liability of taxpayers under chapter 229 of the general statutes shall
158 be adjusted to reflect an increase in the maximum property tax credit
159 allowed taxpayers under said section 12-704c, which increase shall be
160 an additional ten dollars of credit for each ten million dollars of the
161 savings certified under subsection (a) of this section provided the
162 adjusted maximum credit shall not exceed four hundred fifty dollars.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>