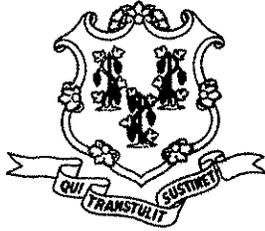


Connecticut General Assembly



OFFICE OF FISCAL ANALYSIS

PHONE: (860) 240-0200
FAX: (860) 240-0052
E-MAIL: ofa@cga.ct.gov

LEGISLATIVE OFFICE BUILDING
ROOM 5200
HARTFORD, CONNECTICUT 06106-1591

January 22, 2009

PRELIMINARY FISCAL NOTE FOR APPROPRIATIONS COMMITTEE

SR-8 and HR-6 RESOLUTION PROPOSING APPROVAL OF A STIPULATED AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION, P-4, BARGAINING UNIT.

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Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

PRELIMINARY

SR-8 and HR-6 RESOLUTION PROPOSING APPROVAL OF A STIPULATED AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION, P-4, BARGAINING UNIT.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09	FY 10	FY 10 Annualized
Dept. of Transportation	Transportation Fund - Cost	656,820	4,187,224	4,269,327
Dept. of Transportation	Other Funds - Cost	771,050	4,915,437	5,011,818
Dept. of Transportation	TOTAL COST	1,427,870	9,102,661	9,281,145

Municipal Impact: None

Explanation

This stipulated agreement for the Engineering, Scientific and Technical (P-4) bargaining unit is submitted for approval. The agreement permits the Department of Transportation (DOT) to offer full-time DOT employees in this bargaining unit a one-time opportunity to volunteer for a 40 hour workweek. 875 employees have agreed to the increased workweek.

These employees currently work 35 hours per week. They will move to a 37.5 hour workweek the first full pay period after legislative approval, and to a 40 hour workweek in FY 10. Cost details are included below.

The voluntary increased workweek does not apply to bargaining unit members in the Bureau of Policy and Planning. However, the agreement includes a provision to implement a 40 hour workweek for

these employees if the union and the state agree to do so in writing. If the union and the state agree to a 40 hour workweek for these employees, the longer workweek may be implemented without additional legislative approval. According to the DOT, there are approximately 100 employees in the Bureau of Policy and Planning. If the workweek increase is extended to these employees, the state would assume an additional cost estimated at \$490,000 per year.

The 2007-2009 Biennial Budget includes sufficient funding in the Transportation Fund's Reserve for Salary Adjustments account to cover the FY 09 costs of this agreement.

Detail of Cost Estimate

Agreement Items [1]	All Funds		
	FY 09	FY 10	FY 10 Annualized
First Year (FY 09)			
Increase workweek for P-4 DOT employees from 35 to 37.5 hours, effective the first pay period after legislative approval (8 pay periods) [2]	\$ 1,326,399	\$ 4,310,797	\$ 4,310,797
Total First Year	\$ 1,326,399	\$ 4,310,797	\$ 4,310,797
Second Year (FY 10)			
Increase workweek for P-4 DOT employees from 37.5 to 40 hours, effective 6/19/09 (25 pay periods) [2]		\$ 4,144,997	\$ 4,310,797
Total Second Year		\$ 4,144,997	\$ 4,310,797
Total Agreement Items	\$ 1,326,399	\$ 8,455,793	\$ 8,621,593
Social Security Costs	101,470	646,868	659,552
Estimated Cost of Agreement	\$ 1,427,869	\$ 9,102,661	\$ 9,281,145
Transportation Fund Portion (46%) [3]	\$ 656,820	\$ 4,187,224	\$ 4,269,327
Other Funds Portion (54%)	\$ 771,050	\$ 4,915,437	\$ 5,011,818

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls.

[2] This cost is based on the 875 employees who elected the increased workweek. In addition, this agreement may reduce overtime payments.

[3] This estimate assumes that reimbursement can be made for some of this cost at the same rate that it had been obtained in FY 08. In FY 08 approximately 46% of the non-overtime pay for P-4 Department of Transportation employees was paid out of the Transportation Fund. Federal reimbursements covered most of the remaining costs.

Note: This cost estimate assumes that annual increments and lump sum payments for employees at maximum will be made in FY 10 as part of the next contract between the parties. If employees do not receive these payments, costs associated with the workweek increase will be lower. No general wage increase is assumed for FY 10 for the purposes of these costs.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either House thereof for any purpose.