



# House of Representatives

General Assembly

**File No. 874**

*January Session, 2009*

House Resolution No. 16

*House of Representatives, April 30, 2009*

The House Committee on Appropriations reported through REP. GERAGOSIAN of the 25th Dist., Chairperson of the Committee on the part of the House, that the House Committee makes no recommendation and the resolution is favorably reported pursuant to Joint Rule 31.

***RESOLUTION APPROVING AN ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT EMPLOYEES UNION INDEPENDENT, INC. (CEUI), NP-2 BARGAINING UNIT.***

Resolved by this House:

- 1 That the arbitration award between the State of Connecticut and the
- 2 Connecticut Employees Union Independent, Inc. (CEUI), NP-2
- 3 Bargaining Unit, issued by the arbitrator on March 14, 2009, filed by
- 4 the bargaining representative of the employer on March 24, 2009, and
- 5 submitted to this assembly, as provided in subsection (b) of section 5-
- 6 278 of the general statutes, is approved.

**APP** Pursuant to Joint Rule 31

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 09	FY 10	FY 11	FY 11 Annualized
Various	GF - Cost	2,135,900	7,191,100	12,419,200	13,459,100
Various	TF - Cost	1,838,584	6,313,955	10,966,746	11,817,554
Various	Other Funds-Cost	611,825	2,144,819	3,678,336	3,930,166
<b>Various</b>	<b>TOTAL COST</b>	<b>4,586,309</b>	<b>15,649,874</b>	<b>27,064,282</b>	<b>29,206,820</b>

Note: GF=General Fund; TF=Transportation Fund;

**Municipal Impact:** None

**Explanation**

This arbitration award for the Maintenance and Service (NP-2) bargaining unit is submitted for approval for the three-year period July 1, 2008 through June 30, 2011. There are 4,211 full-time employees in this bargaining unit, including 2,012 General Fund employees, and 1,551 Transportation Fund employees. Cost details are included below.

This is the first bargaining unit to receive a 0% General Wage Increase in FY 09. The award provides 3% General Wage Increases in FY 10 and FY 11. It also provides on-time Annual Increments in each year of the award. The 2007-2009 Biennial Budget includes sufficient funding in the Reserve for Salary Adjustments account to cover the FY 09 costs of this award.

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**Cost Estimate of Award**
**All Funds**

Maintenance and Service (NP-2) Bargaining Unit

Agencies Affected: Various

Term of Contract: Three years, July 1, 2008 through June 30, 2011

Number of Full-Time Employees Affected by Contract:

2,012	General Fund
1,551	Transportation Fund
<u>648</u>	<u>Other Funds</u>
<b>4,211</b>	<b>All Funds</b>

**Average Full-Time Salary Data:**

Cash	<b>Percent Increase (Cash Basis)</b>				
	Salary	Total	General Wage Increase	Annual Increments and Lump Sums	Other
Prior to Contract	\$ 47,980				
1st Year of Contract (FY 09)	48,442	0.96%	0.00%	0.95%	0.01%
2nd Year of Contract (FY 10)	50,163	3.55%	2.73%	0.75%	0.07%
3rd Year of Contract (FY 11)	51,844	3.35%	2.69%	0.65%	0.01%

Cash	<b>Percent Increase (Annualized Basis)</b>				
	Salary	Total	General Wage Increase	Annual Increments and Lump Sums	Other
Prior to Contract	\$ 47,980				
1st Year of Contract (FY 09)	48,770	1.65%	0.00%	1.64% [1]	0.01%
2nd Year of Contract (FY 10)	50,906	4.38%	2.93%	1.38%	0.07%
3rd Year of Contract (FY 11)	53,010	4.13%	2.90%	1.21%	0.02%

[1] The percentage increase for FY 09 Annual Increments and Lump Sum Payments for employees at maximum only reflects the lump sum increase over FY 08, not the total lump sum cost in FY 09.

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**Cost Summary Data (Estimated):**

	<b>Prior to Contract</b>	<b>At End of Contract Annualized</b>	<b>Percent Increase (3 years)</b>
Salaries[1]	\$ 202,044,518	\$ 223,245,321	10.5%
Fringe Benefits[2]			
Value of Current Items	<u>\$ 80,837,477</u>	<u>\$ 84,573,058</u>	4.6%
<b>Total</b>	<b>\$ 282,881,995</b>	<b>\$ 307,818,379</b>	<b>8.8%</b>

2.85% average per year (compounded)

[1] Salaries include base salary, longevity payments, lump sum bonuses for employees at maximum, meal allowances, shift and weekend differential payments, on-call/standby pay, hazardous duty pay, snow and ice removal premium pay, skill differentials, and safety shoe allowances.

[2] Fringe Benefits include Social Security, normal cost of pension contributions, health and life insurance, and Tuition Fund.

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**Detail of Cost Estimate**
**All Funds**

Contract Items [1]	FY 09	FY 10	FY 11	FY 11 Annualized
<b>First Year (FY 09)</b>				
0% General Wage Increase	\$ -	\$ -	\$ -	\$ -
Annual Increments	1,216,683	2,614,880	2,614,880	2,614,880
2.5% Lump Sum Bonuses for Employees at Maximum [2]	2,404,316	2,404,316	2,404,316	2,404,316
Increase Temporary Shift Differential from \$2/hour to \$4/hour, Effective 7/1/08 (24.3 pay periods)	23,691	25,348	25,348	25,348
<b>Total First Year</b>	<b>\$ 3,644,689</b>	<b>\$ 5,044,544</b>	<b>\$ 5,044,544</b>	<b>\$ 5,044,544</b>
<b>Second Year (FY 10)</b>				
3% General Wage Increase, Effective 7/1/09 (24.2 pay periods)		\$ 5,600,620	\$ 6,017,195	\$ 6,017,195
Annual Increments		1,128,838	2,426,540	2,426,540
Lump Sum Bonuses for New Employees at Maximum		409,479	409,479	409,479
Increase Shift Differential \$.05/hour, Effective 7/1/09 (24.2 pay periods)		58,776	63,148	63,148
Increase Safety Shoe Allowance from \$125 to \$135, Effective 7/1/09		36,880	36,880	36,880
Increase Meal Allowance by \$1 per Meal, Effective 7/1/09 (24.2 pay periods)		41,200	41,200	41,200
<b>Total Second Year</b>		<b>\$ 7,275,793</b>	<b>\$ 8,994,442</b>	<b>\$ 8,994,442</b>
<b>Third Year (FY 11)</b>				
3% General Wage Increase, Effective 7/1/10 (24.1 pay periods)			\$ 5,768,776	\$ 6,223,576
Annual Increments			1,038,939	2,238,784
Lump Sum Bonuses for New Employees at Maximum			364,796	364,796
Increase Snow and Ice Premium Removal Differential from \$1.60/hour to \$1.70/hour, Effective 7/1/10 (24.1 pay periods)			30,898	33,334
<b>Total Third Year</b>			<b>\$ 7,203,410</b>	<b>\$ 8,860,491</b>

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<b>Contract Items [1]</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 11 Annualized</b>
<b>Total Contract Items</b>	<b>\$ 3,644,689</b>	<b>\$ 12,320,337</b>	<b>\$ 21,242,396</b>	<b>\$ 22,899,477</b>
Impact on Part-time Employees	82,400	414,600	751,300	839,000
Impact on Overtime and Holiday Premium Pay	533,300	1,802,800	3,147,300	3,392,800
Social Security Costs	325,920	1,112,137	1,923,286	2,075,543
<b>Total Cost of Contract</b>	<b>\$ 4,586,309</b>	<b>\$ 15,649,874</b>	<b>\$ 27,064,282</b>	<b>\$ 29,206,820</b>
<b>Estimated General Fund Cost of Contract</b>	<b>\$ 2,135,900</b>	<b>\$ 7,191,100</b>	<b>\$ 12,419,200</b>	<b>\$ 13,459,100</b>
<b>Estimated Transportation Fund Cost of Contract</b>	<b>\$ 1,838,584</b>	<b>\$ 6,313,955</b>	<b>\$ 10,966,746</b>	<b>\$ 11,817,554</b>
<b>Estimated Other Funds Cost of Contract</b>	<b>\$ 611,825</b>	<b>\$ 2,144,819</b>	<b>\$ 3,678,336</b>	<b>\$ 3,930,166</b>

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

[2] In FY 08, \$1,698,674 was spent on lump sum payments for employees at maximum, so the increase over FY 08 is \$705,626.

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**OFA Bill Analysis**

**HR 16**

***RESOLUTION APPROVING AN ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT EMPLOYEES UNION INDEPENDENT, INC. (CEUI), NP-2 BARGAINING UNIT.***

**SUMMARY:**

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

EFFECTIVE DATE: Upon passage.

**COMMITTEE ACTION**

Appropriations Committee

Pursuant to Joint Rule 31