



House of Representatives

General Assembly

File No. 952

January Session, 2009

House Resolution No. 24

House of Representatives, May 12, 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 PROPOSING APPROVAL OF AN INTEREST
ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT
AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION-SEIU
LOCAL 2001, NP-8 BARGAINING UNIT.***

Resolved by this House:

- 1 That the arbitration award between the state of Connecticut and the
- 2 Connecticut State Employees Association-SEIU Local 2001, NP-8
- 3 Bargaining Unit, issued by the arbitrator on April 6, 2009, filed on
- 4 April 16, 2009, and submitted to this assembly for approval, as
- 5 provided in subsection (b) of section 5-278 of the general statutes, is
- 6 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 12 |
|-------------------|-------------|-----------|-----------|-----------|-----------|
| Correction, Dept. | GF - Cost | 2,078,761 | 4,187,582 | 6,772,177 | 9,733,334 |

Note: GF=General Fund

Municipal Impact: None

Explanation

This arbitration award for the Correction Supervisors' (NP-8) bargaining unit is submitted for approval for the four-year period July 1, 2008 through June 30, 2012. Costs shown above are for the 584 employees in this bargaining unit. All employees are General Fund employees. The annualized FY 12 cost of this award is \$10,036,420. Cost details are below.

The General Wage Increases and Annual Increments associated with this arbitration award are slightly lower than increases in negotiated agreements and arbitrated awards for most other bargaining units for the same time period.

The Reserve for Salary Adjustments (RSA) account includes sufficient funding to cover the FY 09 cost of this award. However, the RSA account in both the Governor's Recommended Biennial Budget for 2009-2011 and sHB 6365, the budget bill, as favorably reported by the Appropriations Committee does not include FY 10 funding for this award, and only partial funding for FY 11.

Cost Estimate of Award
General Fund

Correction Supervisors' (NP-8) Bargaining Unit
 Agency Affected: Department of Correction
 Term of Contract: Four years, July 1, 2008 through June 30, 2012
 Number of Employees Affected by Contract: 584 General Fund

Average Full-Time Salary Data:**Percent Increase (Cash Basis)**

| | Salary | Total | General Wage Increase | Annual Increments and Lump Sums | Other |
|------------------------------|-----------|-------|-----------------------------|--|-------|
| Prior to Contract | \$ 74,031 | | | | |
| 1st Year of Contract (FY 09) | 76,516 | 3.36% | 2.69% | 0.54% | 0.13% |
| 2nd Year of Contract (FY 10) | 78,298 | 2.33% | 1.73% | 0.60% | 0.00% |
| 3rd Year of Contract (FY 11) | 80,719 | 3.09% | 1.73% | 1.21% | 0.15% |
| 4th Year of Contract (FY 12) | 84,219 | 4.34% | 3.14% | 1.17% | 0.03% |

Percent Increase (Annualized Basis)

| | Salary | Total | General Wage Increase | Annual Increments and Lump Sums | Other |
|------------------------------|-----------|-------|-----------------------------|--|-------|
| Prior to Contract | \$ 74,031 | | | | |
| 1st Year of Contract (FY 09) | 77,725 | 4.99% | 2.80% | 2.05% [1] | 0.14% |
| 2nd Year of Contract (FY 10) | 80,721 | 3.85% | 1.87% | 1.98% | 0.00% |
| 3rd Year of Contract (FY 11) | 83,736 | 3.74% | 1.87% | 1.72% | 0.15% |
| 4th Year of Contract (FY 12) | 87,804 | 4.86% | 3.27% | 1.56% | 0.03% |

[1] The percentage increase for Annual Increments and Lump Sums for FY 09 only reflects the lump sum increase over FY 08, not the total lump sum cost in FY 09. Similarly, for subsequent years, only the percentage increase over the prior year is reflected.

Cost Summary Data (Estimated):

| | Prior to Contract | At End of Contract Annualized | Percent Increase (4 years) |
|--------------------|------------------------------|--|---|
| Salaries[1] | \$ 43,234,215 | \$ 51,277,440 | 18.6% |
| Fringe Benefits[2] | \$ 13,676,454 | \$ 15,093,670 | 10.4% |
| Total | \$ 56,910,669 | \$ 66,371,110 | 16.6% |

3.92% average per year (compounded)

[1] Salaries include base salary, longevity payments, lump sum payments for employees at maximum, shift differentials, weekend differentials, on-call pay, shift commander pay, and meal allowances.

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

Detail of Cost Estimates
General Fund

| Contract Items [1] | FY 09 | FY 10 | FY 11 | FY 12 | FY 12 Annualized |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| First Year (FY 09) | | | | | |
| 3% General Wage Increase Effective 6/20/08 (25 pay periods) | \$ 1,164,103 | \$ 1,210,667 | \$ 1,210,667 | \$ 1,210,667 | \$ 1,210,667 |
| Annual Increments, Delayed Six Months | 209,251 | 848,136 | 863,926 | 863,926 | 863,926 |
| Lump Sum Payments for Employees at Maximum | 325,732 | - | - | - | - |
| Increase Meal Allowance from \$8 to \$8.50 on 7/4/08 (24 pay periods) | 52,650 | 57,038 | 57,038 | 57,038 | 57,038 |
| Increase Union Business Leave by 10 Days per Year | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Total First Year | \$ 1,754,237 | \$ 2,118,341 | \$ 2,134,131 | \$ 2,134,131 | \$ 2,134,131 |
| Second Year (FY 10) | | | | | |
| 2% General Wage Increase Effective 7/3/09 (24 pay periods) | | \$ 783,326 | \$ 848,604 | \$ 848,604 | \$ 848,604 |
| Annual Increments, Delayed Six Months | | 158,646 | 765,896 | 781,532 | 781,532 |
| Lump Sum Payments for Employees at Maximum | | 440,684 | - | - | - |
| Total Second Year | | \$ 1,382,656 | \$ 1,614,500 | \$ 1,630,136 | \$ 1,630,136 |
| Third Year (FY 11) | | | | | |
| 2% General Wage Increase Effective 7/2/10 (24 pay periods) | | | \$ 813,421 | \$ 881,206 | \$ 881,206 |
| Annual Increments | | | 475,327 | 716,762 | 716,762 |
| Lump Sum Payments for Employees at Maximum | | | 536,279 | - | - |
| Increase Meal Allowance from \$8.50 to \$9 on 6/18/10 (25 pay periods) | | | 54,844 | 57,038 | 57,038 |
| Increase Weekend Differential from \$0.60/hour to \$0.70/hour Effective 7/1/10 | | | 13,619 | 14,693 | 14,693 |
| Total Third Year | | | \$ 1,893,490 | \$ 1,669,699 | \$ 1,669,699 |
| Fourth Year (FY 12) | | | | | |

| Contract Items [1] | FY 09 | FY 10 | FY 11 | FY 12 | FY 12 Annualized |
|--|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| 3.5% General Wage Increase Effective 7/1/11 (25 pay periods) | | | | \$ 1,536,577 | \$ 1,598,040 |
| Annual Increments | | | | 398,712 | 587,731 |
| Lump Sum Payments for Employees at Maximum Increase Weekend Differential from \$0.70/hour to \$0.80/hour Effective 7/1/11 | | | | 711,766 | 711,766 |
| | | | | 14,128 | 14,693 |
| Total Fourth Year | | | | \$ 2,661,182 | \$ 2,912,230 |
| Total Contract Items | \$ 1,754,237 | \$ 3,500,998 | \$ 5,642,121 | \$ 8,095,148 | \$ 8,346,195 |
| Impact on Overtime | 176,800 | 389,000 | 648,800 | 946,500 | 977,000 |
| Social Security Costs | 147,724 | 297,585 | 481,255 | 691,686 | 713,224 |
| Total General Fund Cost of Contract | \$ 2,078,761 | \$ 4,187,582 | \$ 6,772,177 | \$ 9,733,334 | \$ 10,036,420 |

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

Notes:

[1] In addition to the above costs, the award provides a one-time payment of \$250 for an Associate’s degree and \$1,000 for a Master’s degree. The cost of these payments cannot be determined at this time.

[2] This award requires the state to pay off any unused accumulated compensatory time. It is anticipated that this cost will be minimal.

[3] This contract establishes a random drug testing program. There will be a small administrative cost to implement this program.

[4] This award provides a premium payment for employees with Emergency Medical Technician certification. The cost of this premium payment cannot be determined at this time.

OFA Bill Analysis

HR 24

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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