



House of Representatives

General Assembly

File No. 593

February Session, 2012

House Resolution No. 10

House of Representatives, April 24, 2012

The House Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION, NP-9 BARGAINING UNIT.

Resolved by this House:

- 1 That the collective bargaining agreement between the State of
- 2 Connecticut and the Connecticut State Employees Association, NP-9
- 3 Bargaining Unit, concerning State Police Lieutenants and Captains,
- 4 submitted to this assembly March 27, 2012, for approval, as provided
- 5 in subsection (b) of section 5-278 of the general statutes, is approved.

APP *House Favorable*

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 12 \$	FY 13 \$
Department of Emergency Services and Public Protection; Reserve for Salary Adjustments	GF & TF - Cost	474,414	728,393

Note: GF=General Fund; TF = Transportation Fund

Municipal Impact: None

Explanation

The resolution proposes approval of an agreement between the State of Connecticut and the Connecticut State Employees Association, NP-9 bargaining unit. This is the initial agreement for the State Police Lieutenants and Captains bargaining unit for the period January 1, 2012 through June 30, 2016.

Total FY 12 estimated costs associated with this agreement are \$462,249 for the General Fund (GF) and \$12,164 for the Transportation Fund (TF). Total FY 13 estimated costs associated with this agreement are \$709,716 for the GF and \$18,677 for the TF. In addition to these appropriated funds, one employee is paid out of a non-appropriated fund.

A summary of estimated contract costs is provided below:

Contract Items¹	FY 12² \$	FY 13² \$
FY 12 Agreement Items		
Salary Effective 1/1/2012 New Contract	458,330	458,330
April 2012 New Longevity Schedule	22,750	22,750
Removal of Stipends and Meal Allowance ³	(40,366)	(40,366)
Total FY 12	440,714	440,714
FY 13 Agreement Items		
Full Impact of New Collective Bargaining Agreement	-	549,194
New Longevity Schedule Collective Bargaining Agreement	-	36,525
Removal of Stipends and Meal Allowance ³	-	(349,840)
Total FY 13 Additional	-	235,879
Tuition Reimbursement Fund	-	5,000
Sub-Total	440,714	676,593
Social Security Cost	33,700	51,800
TOTAL	474,414	728,393
General Fund Cost Estimate	462,249	709,716
Special Transportation Fund Cost Estimate⁴	12,164	18,677
¹ Derived from the Office of Policy and Management's <i>Cost Estimate of Negotiated Agreement</i> that was included with the contract submission.		
² This cost analysis is based on annual costs equaling the payment of 27 payrolls in FY 12 and 26 payrolls in FY 13.		
³ Per Collective Bargaining Agreement, stipends and meal allowance will cease upon Legislative approval of the agreement; anticipated effective date May 1, 2012. The last three pay periods of FY 12 will have these removed.		
⁴ The estimated Special Transportation Fund cost is due to reimbursements from work at Troop W.		

Bargaining unit members were part of the managerial pay plan (MP) and have not received pay increases since FY 09. Under the MP plan Lieutenants currently receive a base salary ranging from \$72,741 to \$93,304 (MP 62), and Captains receive a base salary ranging from \$81,829 to \$104,954. In addition, these employees are currently eligible for retention stipends and meal allowances. The average annual retention stipend is \$6,322 per employee, and the average annual meal allowance is \$2,991 per employee.

The agreement establishes a new salary schedule effective at the beginning of the first pay period after January 1, 2012. Under the new plan, a Lieutenant's annual salary will range from \$113,600 to \$121,600, and a Captain's annual salary will range from \$128,000 to \$136,000. Pursuant to the agreement, bargaining unit members will no longer receive meal allowances or the retention stipend, which is expected to result in a FY 12 savings of \$40,400, and an anticipated annual savings of \$390,200 beginning in FY 13. These compensation changes result in an increase ranging from 18.5% to 40.4%.¹ The agreement also increases longevity payments and provides \$5,000 per year to a Tuition Reimbursement Fund.

Other than the salary plan changes described above, there are no additional salary increases in FY 13 or FY 14; however the full impact of the new salary schedule will be realized in FY 13. In FY 15 and FY 16, members will receive 3% general wage increases and 2% lump sum payments.² In addition, increased costs to the pension plan³ attributable to the identified salary increases and changes will be recognized in the state's annual required pension contribution in future actuarial valuations.

Funding was not provided in the Department of Emergency Services and Public Protection for this purpose. However, the Reserve for Salary Adjustments (RSA) account pays for collective bargaining costs associated with unsettled contracts and other related costs. The FY 12 budget appropriated \$42.6 million in GF and \$2.4 million in TF in the RSA account.⁴ In addition, \$100.0 million was carried forward from FY 11 into FY 12 in the RSA account (GF). There is sufficient funding in the RSA account to cover the contract costs in FY 12.

¹ Current compensation levels include stipend amounts.

² Although traditionally lump sum payment refers to a one-time payment, in the case of this contract the lump sum payment is annualized (built into salary base).

³ The normal annual pension cost is currently estimated at 13.6% of payroll for Tier II - Hazardous Duty employees. The impact to the unfunded liability cannot be determined at this time.

⁴ The RSA appropriation level is reduced by \$28.6 million in GF and \$1.3 million in TF to achieve bottom-line reductions (lapses) for Labor Management Savings (SEBAC) in the FY 12 budget.

sHB 5014, the revised FY 13 budget bill, as favorably reported by the Appropriations Committee, includes appropriations in the RSA account of \$44.0 million in the General Fund and \$3.0 million in the Transportation Fund for overall collective bargaining costs. The FY 13 estimated cost of the contract reflects 1.5% of the RSA appropriations. There appears to be sufficient funding in the RSA account to cover the contract costs in FY 13.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to future collective bargaining agreements.

Sources: Office of Policy and Management Cost Estimate of Negotiated Agreement

OFA Bill Analysis**HR 10*****RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT STATE EMPLOYEES ASSOCIATION, NP-9 BARGAINING UNIT.*****SUMMARY:**

The resolution proposes approval of an agreement between the State of Connecticut and the Connecticut State Employees Association, NP-9 bargaining unit. This is the initial agreement for the State Police Lieutenants and Captains bargaining unit for the period January 1, 2012, through June 30, 2016.

The agreement establishes a new salary schedule effective at the beginning of the first pay period after January 1, 2012. Under the new plan, a Lieutenant's annual salary will range from \$113,600 to \$121,600, and a Captain's annual salary will range from \$128,000 to \$136,000. Pursuant to the agreement, bargaining unit members will no longer receive meal allowances or the retention stipend. The agreement also increases longevity payments and provides \$5,000 per year to a Tuition Reimbursement Fund.

Other than the salary plan changes described above, there are no additional salary increases in FY 13 or FY 14. In FY 15 and FY 16, members will receive 3% general wage increases and 2% lump sum payments.

The agreement applies to permanent employees only, and supersedes all past practices. It also establishes:

- 250 hour per year union leave bank,

- Paid release time for union stewards,
- Training and educational opportunities,
- Grievance and disciplinary procedures,
- Work schedules,
- Compensatory time procedures,
- Temporary service in a higher class provisions,
- Compensation plan,
- General wage increases and lump sum payment schedule,
- \$5,000 per year Tuition Reimbursement Fund,
- Vacation, personal, and sick leave policies,
- Longevity schedule, and
- Labor Management Committee for the bargaining unit.

Of the 39 bargaining unit positions, there are eight State Police Captains and 31 State Police Lieutenant positions in the bargaining unit (30 filled, one vacant). These employees are hazardous duty employees and are eligible to retire after 20 years of state service.

EFFECTIVE DATE: January 1, 2012

BACKGROUND

The State Police Lieutenants and Captains voted to join the union in 2006. The administration at that time claimed that this group of managers was ineligible to join the union. The Connecticut State Labor Board determined that the Captains and Lieutenants were not managerial employees pursuant to CGS Section 5-270, and that they had the right to unionize. The administration appealed the decision to the state Supreme Court, where the case was remanded to the State Labor Board for clarification. In January, 2011, their right to unionize was reaffirmed by the State Labor Board. Negotiations commenced shortly after that decision. The agreement was ratified by union members on March 16, 2012.

The Revised SEBAC 2011 Agreement authorized this bargaining unit to negotiate agreement provisions through June 30, 2016, however members will be governed by other portions of the SEBAC 2011 Revised Agreement.

COMMITTEE ACTION

Appropriations Committee

House Favorable

Yea 40 Nay 1 (04/13/2012)