



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

TESTIMONY OF
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CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION
SUBMITTED TO THE
LABOR AND PUBLIC EMPLOYEES COMMITTEE
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LEGISLATIVE OFFICE BUILDING
STATE CAPITOL
HARTFORD, CONNECTICUT

Good day. My name is Peter Gioia. I am the vice president and economist for the Connecticut Business and Industry Association (CBIA). CBIA represents over 10,000 firms, which employ about 700,000 women and men in Connecticut. Our membership consists of firms of all sizes and types, the vast majority of which are small businesses employing fewer than 50 people.

CBIA supports SB 153 An Act Concerning a Retired State Employee Workforce Reserve.

Connecticut's ability to manage its state and local government's budgets has a direct effect on our economy. The more effective and efficient that government is, the better our business climate will be, and the better Connecticut will be able to compete with other states to bring in businesses and the jobs and revenue they generate. These jobs make the economy stronger and produce additional tax revenues that make it easier to pay for state and local programs and services.

Therefore, making government more efficient isn't just a desired goal--it's essential to maintaining a healthy economy and good quality of life. In order to meet vital citizen needs, government needs more choices and options in how service are delivered. Government needs to find ways to introduce more flexibility into its operations.

CBIA supports SB 153 because it creates the opportunity within existing contract constraints to effectively reduce overtime accrual which increases operating costs and can lead to “padding” pension payments for some workers.

CBIA has repeatedly called for changes in state labor practices to both reduce the use of overtime and to correct the practice of counting overtime in pension benefit calculations. We have not been alone in having this concern. Two reports from the Connecticut Regional Institute for the 21st Century noted concerns in these areas. The institute report on corrections (see <http://www.ct21.org/>) cited concerns about a 5 day on 3 day off scheduling practice for prison guards that actually exacerbated the use of overtime. As we know that’s not the only agency with serious OT issues. The institute report on state pensions noted a serious issue was the ease by which employees near to retirement increased their final pension numbers by accruing inordinate hours of overtime.

The bill seeks to use a pool of retirees coordinated by DAS to reduce overtime. Because changing work rules to reduce overtime or changing time counting towards pension determination would require opening contracts and/or long negotiations the bill offers a solution that could work given system constraints.

CBIA urges the Committee to pass the bill. Thank you for the opportunity to submit this testimony.