



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY OF S. FAE BROWN-BREWTON
UNDERSECRETARY FOR LABOR RELATIONS
OFFICE OF POLICY AND MANAGEMENT BEFORE THE JOINT COMMITTEE ON
APPROPRIATIONS OF THE GENERAL ASSEMBLY
MONDAY, APRIL 1, 2019

SR 26/HR 23 RESOLUTIONS PROPOSING APPROVAL OF A TENTATIVE AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE ADMINISTRATIVE AND RESIDUAL (P-5) BARGAINING UNIT.

The proposed resolutions represents the conclusion of impact negotiations regarding the accretion of six (6) employees in the classifications of Tax Attorney 1, 2 and 3 employed by the Department of Revenue Services into the Administrative and Residual Employees (P-5) Bargaining Unit. This group was formerly classified as managers, and the State Board of Labor Relations certified them for bargaining on February 27, 2017. As managers, they have only received two pay increases in the past ten years. They received 3% general wage increases in 2013 and 2014. They were also eligible to receive a 3% performance-based increases in those same two years as well.¹ They organized following the announcement that they would be subject to a higher premium cost share for health insurance than their unionized coworkers.

At the outset of negotiations, the Union sought to place them on the existing A&R pay plan. The Union wanted to place them on a step in the pay plan that would immediately result in annual pay increases of up to almost \$6,000. The Union wanted them to be able to automatically progress to the next higher level, in the class series, as is the case for the current Staff Attorney job classifications. The State successfully negotiated against those and other costly proposals. To that end, we've managed to ensure that they are not eligible for time and one-half pay for overtime hours worked, and reduced their vacation accrual maximum, and associated payout upon employment separation. It has been a long, arduous struggle to reach an agreement that neither rewards nor punishes them for their decision to organize, but recognizes the State's ongoing fiscal struggles that included budget shortfalls for a number of years, by providing lower incremental increases than the rest of the bargaining unit.

The Administrative and Residual (P-5) Bargaining Unit already has a contract in place that will expire on June 30, 2021. The parties have agreed that the Tax Attorneys will be covered, by the terms of the current contract that was approved by the Legislature in July of 2017 with some exceptions. The Agreement before you today, therefore, follows the wage structure set forth in the 2017 SEBAC Agreement. Of note is the fact that the value steps (aka increments) in the A&R pay plan is 3.1%. This Agreement for the Tax Attorneys provides only a 2% incremental increase, in lieu of steps, in the last two years of the Agreement.¹ We have effectively captured a savings for the State with this lower increment rate. The Agreement provides for no general wage increases for contract

¹ Attachment A is a side-by-side comparison of the wage history of the P-5 Unit and Managers.

years 2016-2017, 2017-2018, and 2018-2019. It provides no incremental or step movement for the same period. For those at the top of the pay scale, they shall receive the 2.5% lump sum payment at maximum as prescribed by the contract. Like other SEBAC-covered units, they are eligible to receive a \$2,000 lump sum payment upon Legislative approval of the Agreement.

The Tax Attorneys' Agreement avoids any immediate pay increases that would otherwise result by placing them on a step within the A&R pay plan. They shall maintain their current rate of pay, based on the managerial range plan, and they shall only be afforded general wage increases and step movement along with the rest of the A&R bargaining unit, commencing July 1, 2019 and July 1, 2020. This outcome was dictated by the statutory factors that an arbitrator must consider in interest arbitration. Section 5-276(e)(5) of the General Statutes provides, in relevant part, that:

The factors to be considered by the arbitrator in arriving at a decision are: The history of negotiations between the parties including those leading to the instant proceeding; the existing conditions of employment of similar groups of employees; the wages, fringe benefits and working conditions prevailing in the labor market; the overall compensation paid to the employees involved in the arbitration proceedings..., the ability of the employer to pay; changes in the cost of living; and the interests and welfare of the employees.

The history of the negotiations between the State and the A&R Union resulted in an agreement that already has a wage package that was the result of the SEBAC 2017 Agreement. The conditions of employment of similar groups of employees is reflected in the SEBAC 2017 Agreement which covered approximately 40,000 state employees. The wages, fringe benefits and working conditions prevailing in the labor market also supports the wages for this group of Attorneys. Fringe benefits such as pension and health care were negotiated on a coalition basis pursuant to Section 5-278(f)(1) of the General Statutes. Those benefits are included in the 2017 SEBAC Agreement which will not be open for renegotiation until 2027. The overall compensation paid to these employees reflects multiple years without any pay increases at all; and when we consider the changes in the cost of living with the rest of the bargaining unit, it is clear they have fallen behind. The ability of the employer to pay this conservative increase in pay is minimal when the State's budget is considered as a whole. Finally, the statute requires that an arbitrator consider "the interest and welfare of the employees." While it should be patently obvious that the interest and welfare of the employer and the employee are inexorably tied together, the Statute only requires an arbitrator to consider the interest and welfare of the employees.

The Agreement captures the three years of hard zero increases with the exception of the \$2,000 one-time lump sum payment following Legislative approval. They are on par with the rest of the bargaining unit, and the other organized employee groups. I am available to respond to any questions.

¹ Attachment B is a side-by-side comparison of the wages of P-5 Unit and Tax Attorneys.

ATTACHMENT A

Administrative and Residual (Bargaining Unit 16)

Fiscal Year	GWI	AI / Step	Notes
1991	4.00%	yes	
1992	5.00%	yes	
1993			
1994	4.50%	yes	
1995			
1996		yes	Hours increased to 36.25, AI delayed 3
1997	2.00%	yes	Hours increased to 37.5, AI delayed 3
1998	2.00%	yes	Hours increased to 38.75, AI delayed 3
1999	2.00%	yes	Hours increased to 40, AI delayed 3
2000	2.00%	yes	
2001	3.50%	yes	8th step added
2002	3.00%	yes	
2003	3.00%	yes	
2004			
2005	3.50%	3.10%	AI delayed 3 months
2006	3.50%	3.10%	AI delayed 3 months
2007	3.50%	3.10%	AI delayed 3 months
2008	3.00%	3.10%	2.5% lump sum at
2009	3.00%		
2010			lump sum paid only to employees at
2011	3.25%	3.10%	9th step added. No
2012			No lump sum
2013			No lump sum
2014	3.00%	3.10%	lump sum at maximum reinstated,
2015	3.00%	3.10%	
2016	3.00%	3.10%	
2017			No lump sum
2018			No lump sum
2019			Lump sum payment reinstated. 1-time payment of \$2,000
2020	3.50%	3.10%	
2021	3.50%	3.10%	

Managers (MP and MD Pay Plan (Units 02 or 03))

Fiscal Year	GWI	MIP/PARS	Notes
1991	4.00%	3.00%	
1992			
1993	5.00%	3.00%	
1994	4.50%	3.00%	
1995			
1996		3.00%	Hours increased
1997		3.00%	Hours increased
1998	3.00%	3.00%	Hours increased
1999	3.00%	3.00%	Hours increased
2000	2.00%	3.00%	PARS delayed 3
2001	3.50%	3.00%	PARS delayed 6
2002	3.00%	3.00%	PARS delayed 6
2003			
2004	3.00%	2.50%	PARS delayed 6
2005	3.00%	3.00%	PARS delayed 3
2006	3.00%	3.00%	
2007	3.00%	3.00%	
2008	3.00%	3.00%	
2009	3.00%	2.50%	
2010			
2011			
2012			
2013			
2014	3.00%	3.00%	Lump Sum Longevity
2015	3.00%	3.00%	PARS delayed 6
2016			
2017			
2018			
2019			
2020			
2021			

ATTACHMENT B

Administrative and Residual (Bargaining Unit 16)

Fiscal Year	GW	AI / Step	Notes
1991	4.00%	yes	
1992	5.00%	yes	
1993			
1994	4.50%	yes	
1995			
1996		yes	Hours increased to 36.25, AI delayed 3
1997	2.00%	yes	Hours increased to 37.5, AI delayed 3
1998	2.00%	yes	Hours increased to 38.75, AI delayed 3
1999	2.00%	yes	Hours increased to 40, AI delayed 3
2000	2.00%	yes	
2001	3.50%	yes	8th step added
2002	3.00%	yes	
2003	3.00%	yes	
2004			
2005	3.50%	3.10%	AI delayed 3 months
2006	3.50%	3.10%	AI delayed 3 months
2007	3.50%	3.10%	AI delayed 3 months
2008	3.00%	3.10%	2.5% lump sum at
2009	3.00%		
2010			lump sum paid only to employees at
2011	3.25%	3.10%	9th step added. No
2012			No lump sum
2013			No lump sum
2014	3.00%	3.10%	lump sum at maximum reinstated,
2015	3.00%	3.10%	
2016	3.00%	3.10%	
2017			No lump sum
2018			No lump sum
2019			Lump sum payment reinstated. 1-time payment of \$2,000
2020	3.50%	3.10%	
2021	3.50%	3.10%	

TAX ATTORNEYS

Year	GW	Increment	Lump sum
2016	No GW	No AI	
2017	No GW	No AI	No lump sum payment
2018	No GW	No AI	No lump sum payment
2019	No GW	No AI	Lump sum payment 1-time payment of \$2,000 (or \$1,000 if lump sum > \$1,000) paid upon Legis. Apprv.
2020	3.50%	2% AI	
2021	3.50%	2%AI	