

OFFICE OF FISCAL ANALYSIS

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SR-28

RESOLUTION PROPOSING APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN THE STATE OF CONNECTICUT JUDICIAL BRANCH AND THE UNION OF PROFESSIONAL JUDICIAL EMPLOYEES, AFT/ AFT-CT, CONCERNING INFORMATION TECHNOLOGY AND OTHER EMPLOYEES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$	FY 21 \$
Judicial Dept.	GF - Cost	365,213	1,067,434	2,134,158
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	64,825	189,470	378,813

Note: GF=General Fund

Municipal Impact: None

Explanation

The resolution proposes approval of an agreement between the Judicial Branch Information Technology employees and the Judicial Professional Employee Union. This agreement covers six fiscal years for the period of July 1, 2017 to June 30, 2022.

Total estimated costs associated with this agreement are \$430,038 in FY 19; \$1,256,904 in FY 20; \$2,512,971 in FY 21; and \$3,170,558 in FY 22.

The estimated impact to FY 19 - FY 22 associated with this agreement is reflected in the table below. There is no fiscal impact in FY 17 or FY 18.

Judicial Information Technology Positions Cost Estimate¹

	FY 19 \$	FY 20 \$	FY 21 \$	FY 22 \$
Longevity	101,888	-	-	-
\$2,000 Bonus/\$1,000 plus top step	263,325	-	-	-
FY 20 - 3.5% General Wage Increase (GWI)	-	460,802	460,802	460,802
FY 20 - Annual Increment	-	228,714	495,548	495,548
Longevity	-	304,321	347,801	380,677
Lump Sum at Top Step	-	14,000	20,000	32,000
Auto Availability Stipend	-	13,200	13,200	13,200
On-Call Stipend	-	46,397	49,878	49,943
FY 21 - 3.5% General Wage Increase (GWI)	-	-	512,079	512,079
FY 21- Annual Increment	-	-	234,850	555,100
FY 22 - Annual Increment	-	-	-	193,269
Total Wages	365,213	1,067,434	2,134,158	2,692,618
Social Security, Medicare, and Unemployment	28,779	84,114	168,172	212,178
OPEB 3%	10,956	32,023	64,025	80,779
State Employee Retirement System (SERS) ²	25,090	73,333	146,617	184,983
TOTAL	430,038	1,256,904	2,512,971	3,170,558

¹ Source: April 25 Roster from Judicial

² The SERS impact will not be recognized until FY 21.

Wage Increases - This agreement establishes wage increases in accordance with the 2017 SEBAC Agreement. There are no wage increases in FY 17 or FY 18. In FY 19, members will receive a bonus payment of \$2,000, or a top step lump sum plus \$1,000. This is estimated to cost \$263,325. In FY 20 and FY 21, employees will receive a cost of living adjustment (COLA) of 3.5% as well as an annual increment; these wages are estimated to cost \$689,516 in FY 20, \$1,703,279 in FY 21, and \$2,216,798 in FY 22. Longevity payments are retroactive in FY 19 and will cost \$101,888. The additional cost estimate for longevity is \$304,321 in FY 20, \$347,801 in FY 21 and \$380,677 in FY 22. Employees at their top step in the pay scale will receive lump sum payments of \$14,000 in FY 20, \$20,000 in FY 21, and \$32,000 in FY 22. Certain employees will also receive an on-call stipend of \$46,397 in FY 20, \$49,878 in FY 21 and \$49,943 in FY 22. Certain employees will also

receive \$300 annually for an auto availability stipend costing \$13,200 annually, starting in FY 20.

Fringe Benefits - Social Security, Medicare, unemployment and retiree health related fringe benefit costs will be incurred based on the wage related provisions negotiated in the contract. The current social security rate is 7.65% of salary. The current unemployment rate is 0.23% of salary. The current state contribution towards retiree health is 3%. The estimated fringe benefit costs are \$39,735 in FY 19; \$116,137 in FY 20; \$232,196 in FY 21; and \$292,957 in FY 22.

Impact to Retirement - Employees covered by this contract are members of the State Employees' Retirement System (SERS). The pension impact of the wage related provisions assume an average normal cost SERS rate of 6.87%. The total estimated retirement cost is \$25,090 in FY 19, \$73,333 in FY 20, \$146,617 in FY 21 and \$184,983 in FY 22. The increased costs to SERS will not be recognized in the state's actuarially determined employer contributions (ADEC) until FY 21, as the FY 20 contribution is set based on the June 30, 2018 actuarial valuation.

Funding Availability The Reserve for Salary Adjustments³ (RSA) General Fund account for collective bargaining costs associated with unsettled contracts and other related costs currently has adequate funding to transfer to JUD. Lastly, the provisions of this agreement remain in effect until a subsequent agreement is negotiated by the parties.

Member Overview - There are 165 employees covered by this agreement.

The Out Years

The agreement will expire, effective June 30, 2022. The wage provisions of this resolution will remain in effect in future years subject to the outcome of the collective bargaining process.

³The RSA account is used to finance collective bargaining and related costs that are not included in individual agency budgets.