

# OFFICE OF FISCAL ANALYSIS

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SR-30

RESOLUTION PROPOSING APPROVAL OF AN INTEREST  
ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT  
AND THE CONNECTICUT STATE POLICE UNION (NP-1).

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$	FY 21 \$
Emergency Services and Public Protection, Dept.	GF - Cost	990,374	9,135,465	13,146,909
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	242,345	2,235,448	3,217,049

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The resolution proposes approval of an interest arbitration award between the State of Connecticut and the Connecticut State Police Union (NP-1) bargaining unit. This agreement covers five fiscal years for the period of July 1, 2018 to June 30, 2022.

Total estimated costs associated with this agreement are \$1,232,719 in FY 19; \$11,370,913 in FY 20; \$16,363,958 in FY 21; and \$21,018,182 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 18.

### State Police (NP-1) Cost Estimate<sup>1</sup>

	FY 19 \$	FY 20 \$	FY 21 \$	FY 22 \$	\$ Annualized
Increase Trainee Rate to \$50,000	42,617	376,737	386,344	395,037	395,037
Annual Increment Retroactive	464,757	929,514	929,514	929,514	929,514
Paid Meal Break	483,000	4,186,000	4,361,812	4,545,008	4,635,908
FY 20 - 2.0% General Wage Increase (GWI)	-	1,530,921	1,530,921	1,530,921	1,530,921
FY 20 - Annual Increment	-	1,441,978	1,800,525	1,800,525	1,800,525
Overtime	-	870,802	907,376	945,485	964,395
Eliminate Longevity Payments	-	(289,287)	(320,997)	(351,323)	(351,323)
Hazardous Duty Stipend	-	88,800	88,800	88,800	88,800
FY 21 - 2.25% General Wage Increase (GWI)	-	-	1,797,258	1,800,525	1,800,525
FY 21 - Annual Increment	-	-	1,665,356	1,700,408	1,700,408
FY 22 - 2.25% General Wage Increase (GWI)	-	-	-	1,875,944	1,875,944
FY 22 - Annual Increment	-	-	-	1,625,298	1,665,393
FY 23 - Annual Increment	-	-	-	-	1,747,463
<b>Total Wages</b>	<b>990,374</b>	<b>9,135,465</b>	<b>13,146,909</b>	<b>16,886,143</b>	<b>18,783,511</b>
Social Security, Medicare, and Unemployment	78,041	719,875	1,035,976	1,330,628	1,480,141
OPEB 3%	29,711	274,064	394,407	506,584	563,505
State Employee Retirement System (SERS) <sup>2</sup>	134,592	1,241,510	1,786,665	2,294,827	2,552,679
<b>TOTAL</b>	<b>1,232,719</b>	<b>11,370,913</b>	<b>16,363,958</b>	<b>21,018,182</b>	<b>23,379,836</b>

<sup>1</sup> Source: May 1 Roster from CORE-CT

<sup>2</sup> The SERS impact will not be recognized until FY 21.

**Wage Increases** - In FY 19 payments to raise the salary of the state police trainee positions to \$50,000 annually and will cost \$42,617. Employees will receive retroactive payments for annual increments of \$464,757 in FY 19. Employees will receive a half hour of compensation for a paid meal break for each day worked. This will cost \$483,000 in FY 19; \$4,186,000 in FY 20; \$4,361,812 in FY 21 and \$4,545,008 in FY 22. Employees will receive a cost of living adjustment (COLA) of 2.0% in FY 20, and 2.25% in FY 20 and FY 21, as well as annual increments. These wages are estimated to cost \$2,972,899 in FY 20, \$6,794,061 in FY 21, and \$10,333,622 in FY 22. Overtime expenditures will increase based on the higher wages; costing an additional \$870,802 in FY 20, \$907,376 in FY 21, and \$945,485 in FY 22. Longevity payments will be eliminated. This is estimated to save \$289,287, in FY 20, \$320,997 in FY 21 and \$351,323 in FY 22. A monthly \$100 hazardous stipend will be

paid to those employees in the major crime units; this is estimated to cost \$88,000 annually beginning 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 \$107,753 in FY 19; \$993,939 in FY 20; \$1,430,384 in FY 21; and \$1,837,212 in FY 22.

**Impact to Retirement** - Employees covered by this contract are members of the State Employees' Retirement System (SERS) - Hazardous Duty Plan. The pension impact of the wage related provisions assume an average hazardous duty normal cost SERS rate of 13.59%. The total estimated retirement cost is \$134,592 in FY 19; \$1,241,510 in FY 20; \$1,786,665 in FY 21; and \$2,294,827 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 Adjustments<sup>3</sup> (RSA) General Fund account for collective bargaining costs associated with unsettled contracts and other related costs currently has adequate funding to transfer to the various agencies. Lastly, the provisions of this agreement remain in effect until a subsequent agreement is negotiated by the parties.

**Member Overview** - There are 913 employees covered by this arbitration award.

### ***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.

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