

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

SR-31

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 THE COUNSEL, LEGAL SERVICES JOB CLASSIFICATION.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$	FY 21 \$
Judicial Dept.	GF - Cost	17,303	52,690	101,572
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	3,071	9,352	18,029

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The resolution proposes approval of an agreement between the Judicial Branch Counsel and Legal Services 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 \$20,374 in FY 19; \$62,042 in FY 20; \$119,601 in FY 21; and \$157,632 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.

Primary Analyst: DC  
Contributing Analyst(s):

5/21/19

### Judicial Counsel and Legal Services Positions Cost Estimate<sup>1</sup>

	FY 19 \$	FY 20 \$	FY 21 \$	FY 22 \$
Longevity Retroactive	6,578	-	-	-
\$2,000 Bonus/\$1,000 plus top step	8,625	-	-	-
Auto Availability Stipend	2,100	-	-	-
FY 20 - 3.5% General Wage Increase (GWI)	-	22,166	22,166	22,166
FY 20 - Annual Increment	-	10,172	22,040	22,040
Longevity	-	18,252	19,941	25,188
Auto Availability Stipend	-	2,100	2,100	2,100
FY 21 - 3.5% General Wage Increase (GWI)	-	-	24,565	24,565
FY 21- Annual Increment	-	-	10,760	25,433
FY 22 - Annual Increment	-	-	-	12,378
<b>Total Wages</b>	<b>17,303</b>	<b>52,690</b>	<b>101,572</b>	<b>133,870</b>
Social Security, Medicare, and Unemployment	1,363	4,152	8,004	10,549
OPEB 3%	519	1,581	3,047	4,016
State Employee Retirement System (SERS) <sup>2</sup>	1,189	3,620	6,978	9,197
<b>TOTAL</b>	<b>20,374</b>	<b>62,042</b>	<b>119,601</b>	<b>157,632</b>

<sup>1</sup>Source: April 25 Roster from Judicial

<sup>2</sup>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 \$8,625. 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 \$32,338 in FY 20, \$79,531 in FY 21, and \$106,582 in FY 22. Longevity payments are retroactive in FY 19 and will cost \$6,578. The additional cost estimate for longevity is \$18,252 in FY 20, \$19,941 in FY 21 and \$25,188 in FY 22. The employees will also receive \$300 annually for an auto availability stipend costing \$2,100 annually.

**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 \$1,883 in FY 19; \$5,733 in FY 20; \$11,051 in FY 21; and \$14,565 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 \$1,189 in FY 19, \$3,620 in FY 20, \$6,978 in FY 21 and \$9,197 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 JUD. Lastly, the provisions of this agreement remain in effect until a subsequent agreement is negotiated by the parties.

**Member Overview** - There are seven 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.

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