CHAIRPERSON: Representative Toni Walker

SENATORS: Formica, Abrams, Flexer, Kushner, Lesser, Osten

REPRESENTATIVES: Lavielle, Abercrombie, Baker, Betts, Bolinsky, Candelaria, Currey, Dathan, Dauphinais, Dillon, DiMassa, Gibson, Gilchrest, Haddad, Hall, Horn, Johnson, Mastrofrancesco, Pavalock-D'Amato, Porter, Reyes, Rotella, Ryan, Simanski, Tercyak, Zawistowski, Nolan

REP. WALKER (93RD): We’d like to call the Appropriations Committee Public Hearing open to convene. Today we will be hearing testimony for two resolutions. Senate Resolution No. 23 and House Resolution No. 21. RESOLUTION PROPOSING APPROVAL OF AN ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT AND THE AMERICAN FEDERATION OF TEACHERS - CONNECTICUT BARGAINING UNIT (AFT, AFT, AFL-CIO). So, with that, I would like to start and ask my Chairs, my Rankings if they have anything to say. Is today St. Patrick's Day? No, yesterday was, okay, I missed them.

Anyhow, with that I would like to call Fae Brewton up, Under Secretary for Labor Relations. Hi, Fae. Everybody who comes up, please make sure to state your name so that it goes onto the record and then you can proceed. If anybody new comes up to bring
any information, please make sure that you do the same also. Good afternoon, ma'am.

MS. BROWN-BREWTON: Good afternoon Madam Chairperson and thank you. I am Fae Brown-Brewton, Under Secretary for Labor Relations with the Office of Policy and Management. I am here to testify regarding H.R. 21 and S.R. 23.

These proposed resolutions represent the combination and interest arbitration with two recently organized bargaining units. They include Assistant Attorney's General and AAG Department Heads. There are approximately 188 Assistant Attorney Generals and 14 Department Heads excluding one confidential.

In large measure, the agreement follows the wage pattern set forth in the 2017 SEBAC Agreement. It's a five-year agreement from July 1, 2016 to June 30, 2021. The AAGs Arbitration Award provides for no general wage increases for Contract years 2016-2017, 2017-2018 and 2018-2019. It also provides for no incremental or step movement for the same movement of time.

Like the other SEBAC units, they will receive at $2,000 lump sum payment in July of 2019 and will also see a 3.5 percent general wage increase in the last two years of the contract along with 2 percent incremental increases within the current pay range.

For those at the top of the scale, they shall receive a 2 percent lump sum payment at maximum. The Governor's budget includes costs associated with this Award and in the Reserve Salary Adjustment Account.

The 2 percent incremental increase is a significant department, in my opinion, from the SEBAC pattern inasmuch as incremental increases and other Executive Branch bargaining units negotiated by my office hover around 3 percent.
There is a substantial stipend payable to the Department Heads. $6000 in 2019 and $12,000 in 2020. But that reflects, according to the arbitrator, the deficiencies in the job classifications that fail to recognize the complexity of work borne by the Department Heads. That is an issue that we will have time to address and shall address prior to the next round of bargaining.

The Assistant Attorney Generals have the benefit of job security as set forth in the 2017 SEBAC Agreement along with the requirement to serve three unpaid furlough days. This is an initial contract for these two groups of employees formerly classified as managers.

The Award embraces three years of hard zeros with the exception of the $2000 one-time lump sum payment following Legislative approval. They are on par with other organized bargaining units as contemplated by the statutory factors of the arbitrator was required to consider. I would be happy to answer any questions that you my have. I also have with me Adam Garelick, Principle Labor Relations Specialists who was one of the chief negotiators for this contract.

REP. WALKER (93RD): Thank you and thank you for your testimony. Are there any questions? Representative Lavielle.

REP. LAVIELLE (143RD): Thank you very much, Madam Chair. Good afternoon, thank you for your testimony, that's for being here with us.

MS. BROWN-BREWTON: You're welcome.

REP. LAVIELLE (143RD): A few questions if I may. First off, the stipend $6000 one year and $12,000 the next. It was somewhat unclear in the document, I just wanted to clarify with you. Are those
included as part of each employee's wages when it comes time to do retirement benefit calculations?

MS. BROWN-BREWTON: Yes, ma'am.

REP. LAVIELLE (143RD): Totally included.

MS. BROWN-BREWTON: Yes, ma'am.

REP. LAVIELLE (143RD): Okay so they have a $6000 larger salary one year and a $12,000 larger salary the next.

MS. BROWN-BREWTON: That is correct.

REP. LAVIELLE (143RD): Thank you. And that's the managers, right?

MS. BROWN-BREWTON: The Department Heads.

REP. LAVIELLE (143RD): The Departments Heads.

MS. BROWN-BREWTON: Yes, yes. It used to be managers.

REP. LAVIELLE (143RD): Got it. And which brings me to another question. Usually, well very frequently you see union contracts negotiated between employees and the people who manage them. In this case, the people who manage them are the Department Heads for the smaller and the larger union. Is there any kind of a conflict of interest when the managers are themselves, and I know they're called Department Heads, when they are themselves unionized?

MS. BROWN-BREWTON: The Collective Bargaining Act provides that individuals in this type of situation cannot belong to the same bargaining unit, thereby trying to avoid those kinds of potential conflicts. That's why the Attorney Generals, the Assistant Attorney Generals, organized and the Department Heads didn't organize until a year later. So, there are two separate bargaining units and that is pretty commonplace throughout State government.
REP. LAVIELLE (143RD): Okay so the separation into two units is considered --

MS. BROWN-BREWTON: Yes.

REP. LAVIELLE (143RD): -- not have the same interest. I have a more kind of drilling down a bit. Reading over the arbitrators, the evidence that they used and the rationale that they used also on the two issues that were in dispute. I noticed that the State had provided quite substantial evidence in terms of ability to pay.

MS. BROWN-BREWTON: Yes.

REP. LAVIELLE (143RD): And I wondered if you could elaborate a bit more for us on why the arbitrator decided that that was not sufficient to bear out the last best offer of the State.

MS. BROWN-BREWTON: I'm going to turn to Adam to respond to that question specifically.

MR. GARELICK: Thank you. The arbitrator looked --

REP. WALKER (93RD): Excuse me, young man, who are you?

MR. GARELICK: My name is Adam Garelick. I'm Principle Labor Relations Specialist with the Office of Labor Relations.

REP. WALKER (93RD): Thank you.

MR. GARELICK: Thank you. The arbitrator spoke specifically to this in the Award and looked at the amount, at the difference between the State's proposal and the union's proposal. And he considered what percentage that amount was in relation to the overall State budget. And I think it was, I can find the exact location.

But his position was that it was a miniscule amount and so he didn't think that the State's ability to
pay was effective given that little amount, I think it was .0001 percent. So, that's what the arbitrator looked at in considering the State's ability to pay.

REP. LAVIELLE (143RD): So, the arbitrator didn't consider perhaps, doesn't have to consider the rest of the State's obligations regardless of the size of its budget?

MR. GARELICK: I think the statute would provide that he does have to look at the State's ability to pay in whole and this was limited, you know, his discussion in the Award was limited to that aspect.

REP. LAVIELLE (143RD): Okay. Thank you. I would also like to ask you, if you know, if either of you do, if you have any history of arbitrated decisions. How often has the arbitrator decided in favor of the State on various issues. Do you have any sort of information you could give us on that?

MS. BROWN-BREWTON: At least from my experience, arbitrators tend to straddle the line. And so, on any given number of issues, they will rule in favor of the State for some issues and rule in favor of the union in other issues.

REP. LAVIELLE (143RD): When was the last time that they ruled in favor of the State on an issue?

MS. BROWN-BREWTON: Well, on specific issues, the State, for example, the last State Police contract, if memory serves me correctly, the State asked for hard zeros in first two years and the arbitrator ruled in the State's favor on one year.

REP. LAVIELLE (143RD): Okay. I'm just curious. I would love to see; I know we can't have it today I guess but I would love to see some of that history at some point. Here, of course, we have only two issues but there was quite a difference and, of
course, since they have to take one last isomer or the other and nothing in between. It's kind of well that's a difficult -- that's kind of not giving them -- not sure they've got to go one way or the other.

MS. BROWN-BREWTON: Correct.

REP. LAVIELLE (143RD): So, they went pretty far. Okay well I will let other people ask some questions. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Senator Formica.

SENATOR FORMICA (20TH): Thank you, Madam Chair, good afternoon.

MS. BROWN-BREWTON: Good afternoon, sir.

SENATOR FORMICA (20TH): Good afternoon, welcome. I have a few questions, probably mostly for Adam as we walk through the process a little bit of where we were. This process happened pretty much during the previous administration as I see the final required reply briefs, try saying that five times fast, were filed on the 28th of December. Is that --

MR. GARELICK: That's correct.

SENATOR FORMICA (20TH): And then, you know, then we bridge over into the next thing and the arbiter ruled sometime in February?

MR. GARELICK: Yes.

SENATOR FORMICA (20TH): Thank you. So, as you go through last year, the Governor was involved. Has this administration been involved at any level in this?

MR. GARELICK: No, we had submitted this prior to the administration taking office.

SENATOR FORMICA (20TH): Okay, all right thank you. And then on the process with regard to items one
through nine, those were decided on and not part of
the arbiter's decision. And then you got together
another time and four other items kind of joined
them, is that correct?

MR. GARELICK: These were all issues that had been in
dispute. And then we were able to, after the
arbitration, we were able to resolve some of the
issues regarding compensation. But the Department
Head stipends for the last two years remained in
dispute and was decided by the arbitrator.

SENATOR FORMICA (20TH): Okay thank you. You
touched on it briefly but if you could go through
how items one through nine and the other four. Were
there substantial discussions with regard to those
items and how those got resolved please?

MR. GARELICK: Yes, there was substantial
discussions throughout the negotiations and through
the arbitration. One of the factors that the
arbitrator is required to consider is how other like
situated employees are -- what they are receiving
for compensation. So, we had the SEBAC 2017
Agreement, excuse me, which this group had actually
been identified in. They were covered for some
parts of the 2017 SEBAC.

So, there was a pretty strong argument on the union
side that whatever the employees received for
compensation in SEBAC 2017, the AAGs should receive
the same. And we were able to negotiate 2 percent
within range movement. Whereas, most of the other
State employees and bargaining units have anywhere
from 3 percent.

SENATOR FORMICA (20TH): Thank you. That 2 percent,
I have a question. I don’t remember that 2 percent
being in the SEBAC Agreement. What I remember is
the zero, zero, a $2000 cash payment or 3.5 percent
plus a step and a 3.5 plus a step. So, are you referring that 2 percent to be the step?

MS. BROWN-BREWTON: Yes, that's what that 2 percent reflects is movement in lieu of step. Because they're on a range plan as opposed to a step plan. That's what that 2 percent is.

SENATOR FORMICA (20TH): But they're not eligible for steps so this became a one-time payment, is that correct?

MS. BROWN-BREWTON: No, that's -- there's two different things. There is a lump sum payment at max. For those people who are at the top of the pay scale and don't see any incremental movement, there is a 2 percent lump sum payment for those folks. But for those people who are within the range, they're going to move incrementally in 2 percent steps in lieu of steps because they are not on a step plan.

SENATOR FORMICA (20TH): So, I was correct they're not on a step plan. So, this 2 percent then becomes a step equivalent, if you will.

MS. BROWN-BREWTON: Yes.

SENATOR FORMICA (20TH): Your argument would be that in the previous contracts negotiated, that was a 3 percent number.

MS. BROWN-BREWTON: Yes.

SENATOR FORMICA (20TH): Okay great. And then you couldn't decide on the last two items, I think they're numbered 14 and 15 with regard to the payment of $6000 and $12,000. And I think in your opening statement you referred to that as a balancing, did you use that word or is that my word? Would you please refresh my memory on that?
MS. BROWN-BREWTON: Well, the arbitrator determined that the stipend for Department Heads was warranted because there was a lack of recognition of the amount of work that they actually do versus the AAG-4 practitioner. So, the AAG-4 Department Head supervises individuals.

And so, the arbitrator was saying that the job specification and the belated pay, they ought to acknowledge the fact that they did more work than the others. And so, there was discussion with the parties. But as you can see, there was quite a spread between the last best offers and the arbitrator chose the unions.

SENATOR FORMICA (20TH): But the last best offer from the management side indicated on a kind of a sliding scale, $500, $1000, $1500 to compensate for some of that but the arbiter didn't feel that that was adequate.

MR. GARELICK: That's correct. We looked at a sliding scale based on the number of employees supervised. That was our last best offer.

SENATOR FORMICA (20TH): Thank you. And then on page 21 of this, the union argued that SEBAC will save the State $25 billion over 20 years. That number represents a multiple of the zeros that would have been another number over 20 years, is that where that number comes from?

MS. BROWN-BREWTON: Because that was SEBACs argument [no audio - 00:17:32].

SENATOR FORMICA (20TH): Fair enough, thank you. Just a couple more comments, Madam Chair with your indulgence.

REP. WALKER (93RD): Um-hum.

SENATOR FORMICA (20TH): Thank you. I noticed a number of places that in the write up where it talks
about the discussions that were had. And it says on page 23 of this write up, I don’t know if you have the same thing. The State did not make any argument in its brief that the document supported your last best offer.

And then on page 26 it refers to the State not offering any evidence that would support this concept on the top of the page. And on the bottom, the State has not presented any evidence that the Department Heads in other States are paid similar.

On page 27, it speaks to the State did not in either of its briefs argue the salary information contained supported its last best offer. Nor could they explain how the information requested was interpreted.

And on page 28, the State did not present any evidence to support the argument that managers are not working any more hours. On page 29, the State failed to present any evidence the supervisors in other similar bargaining units are compensated. And the State had not presented any evidence to support his opinion on bottom of page 29.

And finally, on page 30, the State has not offered any evidence that its tiered approach to compensation exists. The State failed to present a sufficient argument. And so, consequently, the arbiter ruled in the favor of the union.

Are those comments, they kind of make me pause a little bit as to what kind of arguments we were making in that room and the discussions that led up to the agreements of numbers one through nine and the subsequent four. Whether they just were the effect of the SEBAC Agreement and that was that or, you know, so I’m a little concerned about reading all of those statements in there if you wouldn’t mind addressing that.
MS. BROWN-BREWTON: I'm going to ask Adam to respond to that because he certainly has some feelings about the arbitrator ruling on that.

MR. GARELICK: Thank you. We introduced, and there was testimony by the union's witnesses, their own witnesses that Department Heads are devoting a substantial amount of their time supervising other employees. There was direct testimony that they performed evaluations of their employees, they read all the briefs of their employees.

And so, our argument was that based on that evidence, it would make sense to compensate them based on their supervision duties. And so, we had that evidence in the record and I also think that a lot of comments in there about there being no evidence as to other bargaining units or other groups is not entirely accurate. We had actually entered into the record evidence of other attorneys within State government which we thought was the comparable group that these attorneys should be compared to.

The union at the hearing compared the Attorney Generals employees to private sector attorneys. And we vigorously defended that at the arbitration. Because if you look at the wages of a private sector attorney as compared to an assistant attorney general, that's not the whole story. There's a significant pension payment that's being made. There are all sorts of other factors, non-billable hours and we made that point that the comparable class is not the private sector. It's staff attorneys throughout the State.

And unfortunately, the arbitrator didn't include that. I think that the arguments as were set forth in our brief were not included and they were -- the Award was presented in a way to justify the decision to Award the unions last best offer.
SENATOR FORMICA (20TH): Thank you for that clarification. And this arbiters Award is not appealable other than through this Committee and the subsequent procedure as we move forward?

MR. GARELICK: Yeah, we -- it goes obviously to the Legislature and we leave it here.

SENATOR FORMICA (20TH): Thank you very much. Thank you for your kind explanations to my questions and your patience with my questions, I appreciate it. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. I just have just a quick couple questions -- just one question. I -- we did a little research and we found out that in 2009, 2010, 2011, 2012, 2013, 2015, '16, '17 and '18 they had zero raises, is that correct?

MS. BROWN-BREWTON: That is correct. They were classified as managers and that has been the wage pattern for managers in State government, yes, ma'am.

REP. WALKER (93RD): Okay thank you. Thank you for your answer. Representative Mastrofrancesco. Did I get it right?

REP. MASTROFRANCESCO (80TH): Mastrofrancesco, Madam Chair.

REP. WALKER (93RD): Okay.

REP. MASTROFRANCESCO (80TH): Thank you very much. I'm sorry, I got your first name Adam. What is your last name, I'm sorry?

MR. GARELICK: Garelick.

REP. MASTROFRANCESCO (80TH): Garelick. Beginning with a G?

MR. GARELICK: G.
REP. MASTROFRANCESCO (80TH): Okay.

MS. BROWN-BREWTON: Just like the milk.

REP. MASTROFRANCESCO (80TH): Oh, there you go, okay. (laughter) I guess I'm curious why the -- this is a newly formed bargaining unit, correct?

MS. BROWN-BREWTON: That is correct.

MR. GARELICK: That is correct.

REP. MASTROFRANCESCO (80TH): Why is it going under the American Federation of Teachers Union. What other unions are out there? Since attorney generals have absolutely nothing to do with teachers, I'm just curious why or how it got under that.

MS. BROWN-BREWTON: I will defer to the bargaining representative to respond to that question. We have no role in which group they organize with.

REP. MASTROFRANCESCO (80TH): Okay. And Adam, so to go to Representative Lavielle's question, she was asking about management, you know, obviously bargaining. Is your position currently right now in a bargaining unit?

MR. GARELICK: No, my position is considered confidential.

REP. MASTROFRANCESCO (80TH): Okay. But there are other people that are bargained with these contracts that are in a bargaining unit, is that correct? Or no you are the sole bargaining person for this particular contract.

MR. GARELICK: There were two employees of the Office of Labor Relations and we negotiated, we were the State's representative for purposes of this collective bargaining unit.
REP. MASTROFRANCESCO (80TH): Correct but you're not going to bargain -- neither you nor the other people were in a bargaining unit.

MR. GARELICK: That's correct, we were not.

REP. MASTROFRANCESCO (80TH): Okay, all right. So, is there any law that when a new bargaining unit is formed, the reason they want to go they want to obviously form a union, it's certainly their right to do that, that you can't start from scratch? Is there any law saying that they have to follow under a certain agreement that exists within other bargaining units? Is there any State law that says you have to use that as a base?

MS. BROWN-BREWTON: No, there is no law that says you have to use that as a base. But in this situation, this bargaining unit was certified during the SEBAC 2017 concession discussions. And so, as part of that agreement, there was reference to and Adam spoke to it, that they would be covered, in general terms, by that agreement.

And so, it was that agreement that was submitted and approved by the Legislature. That had already basically encompassed this group for certain terms that led to the conclusion that they should get the same type of pattern.

REP. MASTROFRANCESCO (80TH): Okay. But it's something they didn't have to do, right? They just made an agreement that okay, if you're going to go into perform as a new bargaining group, we're going to basically follow the SEBAC Agreement. It's not something they had to do it's something that they really kind of verbally agreed on. So, now we're here at that point where it was a mutual agreement -
MS. BROWN-BREWTON: Well, it wasn't verbally it was written. It was included as part of the SEBAC Agreement.

REP. MASTROFRANCESCO (80TH): Right.

MS. BROWN-BREWTON: This group would complete their negotiations in arbitration and be covered by the SEBAC Agreement.

REP. MASTROFRANCESCO (80TH): Would that be just for this particular unit or is that for any union that wants to form going forward?

MS. BROWN-BREWTON: That was specific to this particular unit.

REP. MASTROFRANCESCO (80TH): Okay.

MS. BROWN-BREWTON: There may have been reference to one other but that was termed specific to this unit, these two units.

REP. MASTROFRANCESCO (80TH): So, going forward, if another department would like to go into a union, technically the people who are negotiating like yourself can say okay, we're starting from scratch.

MS. BROWN-BREWTON: Yes.

REP. MASTROFRANCESCO (80TH): We can do that.

MS. BROWN-BREWTON: Yes.

REP. MASTROFRANCESCO (80TH): Okay good. And is there any way we would find out what they were -- type of benefits that they were getting before? I don't see anything in the paperwork that I have that it shows me what their benefits are in here. Is there a base contract that you use as a starting point that I can reference?

MS. BROWN-BREWTON: They were classified as managers in the classified service. And so, all of the
benefits, entitlements, privileges that are there in statute and the DAS regulations regarding personnel matters covered those folks.

REP. MASTROFRANCESCO (80TH): Where would I find that information? It's in the statute you said?

MS. BROWN-BREWTON: Yes.

REP. MASTROFRANCESCO (80TH): Okay. So, their benefits and so forth would be very similar to the last contract that we did and with regards to vacation, sick time, all of that?

MS. BROWN-BREWTON: Well, it's not a contract. They were not covered by a contract. So, it wouldn't have been based on contract terms. It would have been based upon statutory terms and DAS, Department of Administrative Services Regulations under the State Personnel Act.

REP. MASTROFRANCESCO (80TH): Right. This particular contract that we have now, is it going to be very similar to the benefits that are already in the SEBAC Agreement with the other employees? I think before we covered it, they get like 15 vacation days, 15 sick days, 12 holidays, 3 personal days. Are all those things the same, I guess in this, because I don’t see it here and I was wondering how I could get that?

MS. BROWN-BREWTON: I'll let Adam respond because he negotiated those specific terms.

MR. GARELICK: So, many of those are similar. The personal leave days, the sick days and vacation days are similar. So, I think that there's, you know, they are similar to other bargaining units. They're not different.

REP. MASTROFRANCESCO (80TH): Can you tell me what they are?
MR. GARELICK: Sure. So, for PL days, you have three PL days. For, you know, for vacation days and they're in the Award here. You're going to have vacation days. Let me direct you to the actual pages. So, on page 15 of the Award, you'll see vacation and personal leave. And the vacation leave is one and one quarter work days accrued per month, a total of 15 days per year. And for the, as I said, the personal leave days, once you become -- once you've completed six months of continuous service, you are entitled to three personal leave days per year.

REP. MASTROFRANCESCO (80TH): And the sick days?

MR. GARELICK: The sick days also there's a sick leave article.

REP. WALKER (93RD): It's in the contract?

MR. GARELICK: Yes.

REP. WALKER (93RD): Okay I think it's in the contract. All those things that he's quoting are in the contract.

REP. MASTROFRANCESCO (80TH): That's what I'm trying to get at. I can't see it, that's all.

REP. WALKER (93RD): What page? What we can do is --

MR. GARELICK: The sick leave --

REP. WALKER (93RD): Do you have page, sir, so that we can give it to her so we can move on?

MR. GARELICK: So, what I was just referring to was on page 15 of the Award. And there's actually no page number for the sick leave bank.

REP. MASTROFRANCESCO (80TH): I'm very confused, I guess. You've got stuff struck through; you can't
Mr. Garelick: Yes.

Rep. Mastrofrancesco (80th): It's probably 15 sick days, 15 vacation, 3 personal days. Same thing, 45 days and nine weeks.

Mr. Garelick: That's correct.

Rep. Mastrofrancesco (80th): That's all the questions I have. Thank you, Madam Chair.


Senator Osten (19th): Thank you very much, Madam Chair. Did you look at the revenue generated in the annual reports by the Attorney General's office to provide that information to the arbitrator?

Mr. Garelick: I'm sorry, the information?

Senator Osten (19th): In the annual reports that are done by the Attorney General's office. Did you by any chance look at the revenue that was generated in the annual reports when you addressed the arbitrator?

Mr. Garelick: That was something that I believe the union had made an argument in regards to.

Senator Osten (19th): Okay. Would you be surprised to find out that in the '16-'17 fiscal year with operating expenses of $30 million that the revenue generated was $636 million in the '16-'17 year for attorney generals?

Mr. Garelick: That would not surprise me.

Senator Osten (19th): Okay and then in '17-'18 would be surprised that the operating expenses of $32 million had a revenue generated of $707 million by the Assistant Attorney General's work?
MR. GARELICK: That would not surprise me.

SENATOR OSTEN (19TH): And when my colleague talked about benefits, would you be able to provide the reference in the statute that referenced personal leave and vacation. Because I do believe that exactly patterns the managerial classified folks, what they get for personal leave, vacation time, sick time et cetera.

MR. GARELICK: We'd be happy to provide you with those statutory references.

SENATOR OSTEN (19TH): Okay and these folks are considered Department Heads and Assistant Attorney Generals, they're not considered managerial employees because they joined a bargaining unit of their choosing. Would that be true?

MR. GARELICK: That's correct. And the determination as to whether they're a manager or not is statutory.

SENATOR OSTEN (19TH): Yes, I believe there's four tenants of that statute. I think Fae and I might have talked about that at one time or another in the past. So, if you could provide that statute that would be great. Thank you very much, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you very much. Just to clarify, the total operating expenses of 2018 were $32 million, is that right? The whole unit, that's what it cost the State in 2018?

MR. GARELICK: I believe that's, yes what was just said, yes.

REP. DATHAN (142ND): So overall, we're talking about a 5 percent increase on 2018 expenses which have been relatively flat from year on year?
MR. GARELICK: Approximately.

REP. DATHAN (142ND): Before that, okay. Can you tell me how many personnel are included in this bargaining unit?

MR. GARELICK: There are approximately 188 Assistant Attorney Generals and then there are a total of 15 Department Heads but one is excluded. So, the bargaining unit consists of 14 Department Heads.

REP. DATHAN (142ND): Great thank you very much.

REP. WALKER (93RD): Thank you. Are there any other questions? With that, thank you very much. We can go onto the next one. Thank you very much, thank you.

Now we go onto the public speakers. And Emily Melendez followed by Mark Kohler followed by Dan Livingston. You got enough chairs? Comfy? We'll give you four minutes each. Okay, go right ahead.

MS. MELENDEZ: Good afternoon, I'm Emily Melendez Assistant Attorney General and also President of the Association of Connecticut Assistant Attorney Generals. Good afternoon, members of the Committee.

I just wanted to provide a few brief remarks. Our decision to organize in a sense was not based on a single event but a series of events over numbers of years. We work very hard. We bring money into the State so that other State programs can continue to be run but our wages were stagnant.

We received no increases between 2009 and 2013 or from 2015 to the present. And it's important to point out that at least in one occasion, we were promised three times we would get these raises and the day before they were to go into effect they were pulled.
We chose AFT-CT, the American Federation of Teachers because AFT-CT is more than just a union of teachers who we are proud to stand beside. AFT is a union of professionals. They represent teachers, healthcare workers and also attorneys in the State of Connecticut who are known as staff attorneys who are associated with the Administrative and Residual union who are affiliated with AFT-CT.

We believe that this is a fair Award. It models or is patterned after the SEBAC Agreement which every other State union in Connecticut has received. We will be taking three furlough days and that is no small matter.

In the end what we sought was fairness and that's what this Award brings. And I would like to now turn it over to my colleague.

REP. WALKER (93RD): Please make sure that you press the button right in front of you. Turn yours off and then give us your name, sir.

MR. KOHLER: Good afternoon, my name is Mark Kohler. I'm an Assistant Attorney General. And for nearly the last 16 years, I've been Department Head in the office, the 8 of which I've been Department Head for our special adhesion unit.

I want to speak briefly about kind of what Department Heads to that's unique about it that we thought justified seeking an additional stipend on top of our existing salary. Department Heads are responsible for overseeing all the litigation and legal matters in their respective departments as well as supervising all the lawyers and other staff in those departments.

But in addition to those obviously very important roles, Department Heads typically maintain their own fairly heavy caseload of matters, some of which are often the most important cases that our office is
involved in. But our department compensation historically didn't really recognize that different role that we serve from the line attorneys. In fact, we were compensated at the same rate that AG-4 or the highest level line attorneys are compensated.

And, I think, it had been the view of my colleagues and I that that really was not a reasonable way to compensate us. And for that reason, that when we had the opportunity to engage in collective bargaining that we sought to have that additional important role recognized with a reasonable annual stipend above our salary. I think that it is justified and a fair way to compensate us for the work we do. Thank you.

REP. WALKER (93RD): Thank you. Young man, do you want to identify yourself? Slide down just a little bit. Okay there we go, thank you.

MR. LIVINGSTON: So, my name is Dan Livingston. I was the chief negotiator for the AFT bargaining units with respect to these contracts. Since the subject of SEBAC has come up, I should mention I am also the chief negotiator for SEBAC. So, I just have a couple of points and then mostly I'm here to answer questions.

So, the SEBAC Agreement was a give and take between all 34 existing bargaining units and the Malloy administration a very difficult give and take. And one of the only ways the SEBAC Agreement works is if the administration is required to make as part of the agreement, in return for all the savings, which is $25 billion over 20 years. In return for all those savings is required to offer a common pattern to all the bargaining units. Otherwise it would be impossible to bring everybody together.

And so, the pattern that's in front of you for the AFT bargaining units which starts with three zeros,
not exactly a wonderful thing, but does end with increases, that's the pattern that was required, the administration was required to offer to all of the bargaining units.

And as you heard testimony before, if anything that pattern was -- the question exactly how to handle in lieu of increments in these -- in those units that don't have steps or increments, we did argue it should be 3 percent. And we ended up settling on in lieu of increment is only 2 percent. So, if anything, the administration was able to shave a little bit off the pattern. But they were required to offer the pattern to this unit.

That's despite the fact that this unit was many raises behind all the other SEBAC bargaining units. And, in fact, when we started the negotiations, we said hey at least give them the raise in 2015, July '15 and January '16 which the SEBAC units got as part of SEBAC 2011. And we did not -- we didn't take that all -- we took it to arbitration, we withdrew it before final decision.

But if you want to argue anything at all, these people instead of being similarly situated to other bargaining units, they're actually still behind. Because we did not make up for the years of missed raises which Emily has just talked about and which there was some questioning about.

So, the other thing I want to talk just for a minute about is the Department Heads. So, virtually anywhere else in the classified service supervisors make typically two grades higher than the people they supervise. They get promoted and then they have just cause protection and they don’t lose that money unless there's just cause to then demote them back down to the working position.
This unit, the Office of Attorney General, was unique. In that as you just heard, if I'm an AG-4 and I get promoted and now I'm responsible for supervising my entire department I get absolutely nothing. So, what we ended up doing was compromising. We would have loved to see an actual promotion, two grade promotion and then you couldn't get demoted without just cause as most employees have.

In fact, this is only a stipend. You only get it for as long as you are the Department Head and you serve at the pleasure of the Attorney General. The Attorney General can, in fact, demote you, if you want to use that word, back down to working Attorney General and you would then lose the stipend.

So, the question was asked about does it count towards your pension. It only counts towards your pension if you happen to retire as a Department Head. If you get knocked back down it's not going to be in your final average earnings in all likelihood if you work another ten years. And so, it wouldn't even count towards your pension.

So, again this was a compromise. The $12,000 that we figured out is approximately reflective of about a two grade promotion. That's where the number came from, it wasn't pulled out of a hat. The arbitrator found that persuasive.

And I do want to just say since Senator Formica, you asked some questions that might suggest that the Office of Labor Relations didn't do a good job on their side of the table. We were very vigorously opposed. They were, by the way, joined by then Deputy Attorney General Perry Zinn Rowthorn, the second highest person in the Attorney General's Office and also the Associate Attorney General on their side, very vigorously bargaining.
This was a very vigorously litigated matter. There were only two issues in the union -- at the end, there were only two issues. The union won those two issues. It's a little bit deceptive because we chose not to go forward with what would have been the most expensive issue for the State which is if we had asked for the retroactive increase that these folks missed that would have put them more on par with their co-workers.

By the way, there was a unit that got such a retroactive increase that we argued. It was one of the reasons that we argued for it but we ended up not going forward. So, I do have to say, I don’t always agree with the folks in the Office of Labor Relations but I respect them and I respect how hard they work to try to defend the position of the State in bargaining.

And if there was any suggestion that they didn't do a good job, whether, you know, questioning or that's how you interpret the arbitrator's Award, I don't believe that's what the arbitrator felt and I don't think it would be a fair suggestion. So, with that I will take questions.

REP. WALKER (93RD): Thank you and thank you all for your testimony. Are there questions? Senator Lesser.

SENATOR LESSER (9TH): Thank you, Madam Chair, and thank you for your testimony. I recall on many occasions talking to the former Attorney General, Attorney General Jepsen and expressing his enormous frustration with his inability or the difficulty he had in luring away attorneys from the private sector due to the relatively low pay and the repeated years of zeros.

So, just can you talk about why the decision to join AFT? Because, you know, there had been some
discussion earlier about it being a teacher's union. But I think the majority of AFT members in Connecticut are actually not teachers, is that correct?

MS. MELENDEZ: That is my understanding. But key to our choosing AFT-CT was the idea we wanted a union that had experience with attorneys. And they have long time experience with attorneys who serve as staff attorneys in the State agencies. Staff attorneys do do a different job than we do. They don’t go necessarily go to court. There are a few instances where they’re permitted to go to court but we -- that is a distinguishing factor between AAG's and staff attorneys. But they have long time experience with attorneys.

SENATOR LESSER (9TH): Thank you and I am also the co-chair of the Insurance Committee. I know that the attorneys in the Insurance Department are definitely represented by AFT and I don’t think they're teachers. Were the three furlough days that the bargaining units alluded to in FY20, were they -- were those requested by the bargaining unit or by the Office of Labor Relations?

MS. MELENDEZ: I'm not sure that I would call but I believe --

REP. WALKER (93RD): You want to move the microphone towards you. There you go, thank you.

MS. MELENDEZ: I don't specifically recall. But keeping within the framework that what we were seeking was a SEBAC pattern, that was part of the SEBAC pattern.

SENATOR LESSER (9TH): Thank you.

REP. WALKER (93RD): Representative Lavielle.

REP. LAVIELLE (143RD): Thank you, Madam Chair. Good afternoon, thank you all for being here. I
have essentially two questions. The first one is very brief. I recall reading in the document that we have about some of the work that the Department Heads do. Do they have the choice not to take any case load if they want to and just to supervise? I don’t mean just but, you know, and to supervise only? Because I seem to remember reading that.

MR. KOHLER: As a practical matter, I don’t think that's a reasonable -- would be a choice we could do. It's just too much work. It would be -- in my own experience, I've never had that luxury of not taking on my own cases as well supervisory work.

REP. LAVIELLE (143RD): Could you take reduced, substantially reduced number of cases than you had before, then the number you had before you became a Department Head?

MR. KOHLER: That’s really hard to answer because no two cases are the same. And the senior you get the more bigger cases you get. So, I may in one year have three or four cases but they may take substantial amounts of time. Where a junior attorney might have a lot more number of cases than I would but I've never been able, and I've been in the office for 16 years. I've never thought that I had a reduced case level.

REP. LAVIELLE (143RD): I was somewhat surprised seeing it in the document. I just wanted to clarify, thank you. The other question I have is in the part of the document that concerns the Award on page 4. There's quite an interesting sort of outline of the history of SEBAC and so on. And I wondered if one of you could comment on this. And it's about the protocol that the SEBAC Committee has used for contact negotiations. We recognize it obviously because there was a negotiation in 2011 and one in 2017. And some of us were here for both of those.
So, my questions are this. First, who is on the SEBAC Committee? Second, what in terms of this protocol, is it just something that the SEBAC Committee has decided is the way things will be or were others involved in setting the protocol and what's it's, I guess, what is the word I'm looking for. Why -- what makes it stand up and can an alternative be chosen at any time?

MR. LIVINGSTON: So, first of all, you listed 2011 and 2017. This protocol dates back --

REP. LAVIELLE (143RD): Also 2009. I wasn't here for that. Exactly.

MR. LIVINGSTON: -- when Governor Rowland interacted with us around 2002 and 2003 was the same protocol. And when Governor Weicker interacted with us 1991 and 1992 it was the same protocol. So, it's been Governor's of actually three political parties if you count the A Connecticut Party.

The purpose of it is that the Governor's have sought to deal with all of the bargaining units at the same time. And part of it is because they wanted to deal with tension in healthcare which is by statute, a coalition issue and they've sought concessions in pension and healthcare. As you probably know, 2017 and 2011 together were close to $2 billion in budgetary savings in part sacrifices by State workers that this building includes in every budget, ongoing. That's from the past agreements in 2009, 2011, 2017, close to $2 billion in sacrifices.

So, Governor's have felt like they want that, they want to balance in the 2017 case. More than a third of the State budget deficit was balanced by that Agreement. And in order to do it, they need to talk to all of the -- to be effective, they need to talk to all the unions together.
So, there needs to be a protocol when you include all these units about the poor wage and increment wage of step issues that are common to all of them. That protocol is what you're asking about. And that says basically everybody gets the same GWI if we're going to reach coalition agreement. The State is going to have to offer the same GWI to everybody. Sometimes it's zero to everybody, far too many times. --

REP. WALKER (93RD): Excuse me, what's GWI?

MR. LIVINGSTON: Sorry, General Wage Increase.

REP. WALKER (93RD): Thank you.

MR. LIVINGSTON: So, that's offered to everybody. And then steps are offered or not offered to everybody but there are some units that are not structured on a step system. And so, the protocol is designed to provide some rough equity between those units that are structured on a step system and those that aren't.

Particularly the unit here, is on a range system. And so, we use 2 percent movement in range as a rough estimate for what a step is worth. As you probably know, the State saves a lot of money on a step system or a range system because it enables you to hire at lower than the job rate. And so, sometimes it shows as a cost before the General Assembly, it's actually a savings. If you didn't have a step system, you'd hire people at the job rate much higher instead of sometimes 40 percent lower.

But at any rate, that's how we create that equity. It is required in order to effectively negotiate these agreements. Which, as I said, Governors of all political parties have sought and about $2 billion of savings that are in this year's budget as a result of that.
REP. LAVIELLE (143RD): Thank you. I wasn't seeking to lay it on any one particular or two particular Governors or parties but I -- there's only three years listed here and one of them I wasn't here for, so. I guess what I'm getting at is, you know, I understand what purpose it serves and you've also explained that.

Is this written down anywhere? Is there an official character of it or is it just something that the SEBAC Committee and the Executive Branch have generally agreed on for this long period of time?

MR. LIVINGSTON: Well the SEBAC 2017 Agreement as SEBAC 2011 and '09 both did incorporate the language of the protocol to the translation between step units or increments and non-step units. That protocol has been agreed since, as I said, back under Lowell Weicker, to be -- it's 2 percent if there's no range at all as some higher units don't have any range at all. There are a couple of units where it is where they define their increment as 3 percent. And so, in that case, the step would be defined in the contract as 3 percent. If it's not defined anywhere and there's no step system it's 2 percent.

REP. LAVIELLE (143RD): I understand the content. I just wondered if the, you know, the principles were actually agreeing to open a contract. But actually, this is mid-term contract negotiations. So, agreeing to open it, agreeing to negotiate depends upon this protocol. Is it actually written down anywhere as a precondition for opening negotiations or do they just generally sort of follow this? Is there anything formal?

MR. LIVINGSTON: No. I wouldn't say that it's written down. If you mean the definition protocol, there's lots of testimony about it in a lot of different places.
REP. LAVIELLE (143RD): Right.

MR. LIVINGSTON: So, you have the actual participants under oath on both sides who know what is. But the idea is it's necessary for the Governors to be able to accomplish what they want to accomplish for the people of the State and for the unions and to make sure that what they accomplish is fair to the members under the circumstances.

We wouldn't have coalition bargaining that has saved the State all these billions if we didn't have a way of making these translations between unions.

REP. LAVIELLE (143RD): And just for purposes of getting the definition right. The SEBAC Committee is made up representatives from each bargaining unit, is that how that works?

MR. LIVINGSTON: Yes. By statute, every bargaining unit is part of the SEBAC coalition. Some of those bargaining units have chosen to combine together to have a single representative for a number of units. But that's effectively correct.

REP. LAVIELLE (143RD): Okay thank you very much, I appreciate it. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you very much, Madam Chair. Just wanted to compare where we were before the Agreement and where we are after the Agreement just to get my understanding. So, in terms of vacation, personal leave, can you run through so I have like for like comparison on what the Agency had before the Agreement? We had like personal days, vacation, public holidays and sick time. If you can just let me know.

MR. LIVINGSTON: So, there was a -- most of it was simply brought over from what people already had.
REP. DATHAN (142ND): So, this is consistent. So, there's no differences?

MR. LIVINGSTON: Most of it. The differences would be the maximum accrual for new hired AG's has been reduced. Typically, in DAS units, the maximum accrual is 60 days for unionized people and 120 days for managers. So, we were able to retain that advantage only for existing AG's. But for new AG's the maximum accrual was lowered.

And then there was improvement in the number of family sick days that could be taken. There's not more sick days but you can use more for the family from 5 to 10 which went across the State and which the administration gave to managers as well. And the ability to use family -- to use sick days for family medical leave purposes was an improvement. That's a coalition line improvement that would apply to this unit.

REP. DATHAN (142ND): Okay. And then with the, I know you can't bank so to speak the personal days. You couldn't do that before?

MR. LIVINGSTON: You couldn't do it before, you can't do it now.

REP. DATHAN (142ND): Okay, great. So, likewise the minimum paygrade, the Award says, you know, on a base $77,172 post for the under the new Agreement. What was it before?

MR. LIVINGSTON: So, all of these paygrades have not been increased since July 1, 2014. They didn't get the July 1, 2015 increase that unionized workers got because they weren't in a union then. So, this is the same pay range from -- that was in existence July 1, 2014.

REP. DATHAN (142ND): So, the Agreement therefore didn't change the paygrades it just -- for new hires
it was more of for existing people, gave them, because they haven't had raises in so many years just working with existing people.

MR. LIVINGSTON: Right. So, let me just be clear. It will in the future change the paygrades because that's when you get what's called General Wage Increase. The paygrades move with it. So, starting July 1, 2019 and then again in July 1, 2020, they're going to get the two General Wage Increases that all of the other unionized people get. But going backwards from July 1, 2014 all the way until July 1, 2019, there was no increase for this group which is different than the other unionized units who would have had one increase during that period.

REP. DATHAN (142ND): Got it. Okay that makes sense, thank you very much. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Are there any other questions? Representative Hall.

REP. HALL (59TH): Thank you, Madam Chair. Just a point of clarification. You as somebody who mentioned earlier that there wasn't a huge difference between the Department Head's pay and the folks that they were managing. Can you give us an actual salary of a Department Head versus one of the assistant's they may be managing? And I know they're all at different paygrades, depending on when they came in. But just an average, I guess, is what I'm looking for for a number.

MR. LIVINGSTON: So, there are four grades of Attorney Generals at the moment. And when you come in, you're typically an AG-1. There's an automatic promotion to AG-2 after a set number of years. There are no other automatic promotions after that. All the other promotions after that are merit based.

The most senior AG's, assuming that promotions get made and that money is provided for promotions. The
most senior AG's are AG-4's. And they are -- if they are working AG-4's, which most of them are, they make exactly the same amount of money as a Department Head. They are on precisely the same paygrade.

Which is unique to my knowledge in the Executive Branch of State Government and that's what we argued didn't make any sense. We were not able to create new paygrades for AG-4's in these negotiations but we were able to get the stipend which they get at least as long as Department Heads, as least as long as they are a Department Head.

REP. HALL (59TH): Okay so the starting assistant AG is definitely going to be below what your Department Heads are getting. The people that are supervising, they're definitely making more money than the initial personnel that they're managing, correct? I mean, you're saying the Department Heads are at the same level as some of the folks they're managing. But these folks that you're referencing are folks that have been here a while, correct or no? You're saying there is no pay difference between folks they're managing and the folks they're --

MR. LIVINGSTON: So, AG-3's make less than AG-4's.

REP. HALL (59TH): Right.

MR. LIVINGSTON: In terms of what their range looks like. But we need to keep in mind that the ranges overlap. So, you have some people who are AG-3's who make less than senior AG-2's. And you have some people who are AG-4's who make less than senior AG-3's. So, there's an overlap in the range.

But the maximum of the range, so typically the maximum of the range for each of the grades is about $12,000 maybe a little more, maybe a little less than the maximum of the range below which is where we got the stipend.
REP. HALL (59TH): Okay. I think that helps, thank you.

MR. LIVINGSTON: You're welcome.

REP. WALKER (93RD): Thank you. Are there any other questions?

REP. MASTROFRANCESCO (80TH): Thank you, Madam Chair. Thank you for giving us that information, I appreciate it. Just one clarification on the paygrade. The paygrade is in reference to AG-1, 2, 3 and 4, correct, on the paygrade?

MR. LIVINGSTON: Yes, those are the paygrades currently and those will remain the paygrades.

REP. MASTROFRANCESCO (80TH): And you had mentioned there has no been increase in the paygrade since 2014 did you say?

MR. LIVINGSTON: The range has not moved since July 1, 2014. And there has been no movement for people in the range since January 1, 2015. Those are two different things. But January 1, 2015 was the last movement in range for people who are in this bargaining unit. So, unless they were promoted, they didn't see an increase.

REP. MASTROFRANCESCO (80TH): Right. So, somebody who wasn't promoted, what is the average pay an AG-1?

MR. LIVINGSTON: I'm not --

REP. MASTROFRANCESCO (80TH): Any idea?

MR. LIVINGSTON: We have the job descriptions but I don't know off hand.

REP. MASTROFRANCESCO (80TH): Okay so I'll just throw a crazy number out there. So, if the average pay for an AG-1 let's say was $100,000 and they
stayed in that position since 2014 what would be their salary today, still 100,000?

MR. LIVINGSTON: Well, AG-1 there is an automatic promotion to AG-2 so they would have gotten an increase. But AG-2, 3 and 4, they would have been flat since --

REP. MASTROFRANCESCO (80TH): Okay. So, if they went from an AG-1 to an AG-2 maybe from $100,000 to $105,000. I'm just throwing a number out there.

MR. LIVINGSTON: Does one of you want to tell me? Emily or Mark probably have a better sense of what the pay is. It's much less than a 100, I think, for an AG-1.

MS. MELENDEZ: Actually, I don’t have that information off the top of my head but we could certainly get that to you. But I do not believe that the range for AAG-1 is -- goes above $100,000. And currently, there are only three individuals serving as AAG-1's.

REP. MASTROFRANCESCO (80TH): Okay so I'm just using that as a figure. I can use a $50,000 figure just to try to get to my question. I'll use a $75,000 figure. Someone is an AG-2 making $75,000 a year in 2014 because that's when I believe when you said, what would be their salary today?

MR. LIVINGSTON: So, there was a --

REP. WALKER (93RD): Turn on the microphone please. Thanks.

MR. LIVINGSTON: So, the range moved in July 1, 2014 and they may have gotten a move within range in January 1, 2015 and they would have gotten a promotion. So, you'd have to look at all the other people, the promotion is a $5000 promotion.
REP. MASTROFRANCESCO (80TH): Okay so now they're at $80,000 let's say.

MR. LIVINGSTON: Correct.

REP. MASTROFRANCESCO (80TH): Okay.

MR. LIVINGSTON: And that's what they have.

REP. MASTROFRANCESCO (80TH): So, in 2015 now they're at $80,000 to 2019 today they're still at $80,000. That's all I'm trying to figure out.

MR. LIVINGSTON: Yeah, they would have gotten, the range would have moved in July 1, 2014, they would have gotten a step in July 1, 2015, they would have gotten a $5000 promotion and that's where they are today. All the other AG's, 2's, 3's and 4's didn't get that $5000. There were very few promotions that were made in this department. And so, these folks basically were -- have -- are making the same thing they were making as of January 1, 2015.

REP. MASTROFRANCESCO (80TH): Okay thank you, I just wanted clarification.

REP. WALKER (93RD): Are there any other questions? If not, thank you very much. Thank you for your testimonies, thank you everyone. Thank you. Turn on the microphone.

MR. LIVINGSTON: Yeah, I meant to just make one quick point about -- because I've heard people talk about the cost of this Award. If you separate the SEBAC, the required SEBAC pattern which was, as we said, in return for $25 billion in savings. If you separate the cost for that, this Award cost something like $150, 160,000 a year. Because it's only, it's a Department Head stipend, that's the only thing left.

So, I just, you know, when I hear people talk about the cost, I kind of cringe because that's what's at
stake here. Everything else was already required to be offered and, in fact, as I said, of anything they shaved a little bit off with the 2 percent when we had an argument for 3 percent on the movement of range. So, I just didn’t want to forget to say that.

REP. WALKER (93RD): Okay thank you. Senator Formica.

SENATOR FORMICA (20TH): Thank you very much, Madam Chair. Thank you, sir, for your kind statements today. And I just am going to ask a question with regard to your statement about being SEBAC required. I don't know that it's required, I thought this was a negotiation. And the $25 billion in savings that you keep referring to, my question previously was is that a multiple of zeros over a period of time at a given value or are there other reasons to quantify that $25 billion?

Through you, Madam Chair.

MR. LIVINGSTON: So, the requirement is in a contract, the SEBAC 2017 Agreement which was approved by the General Assembly in 2017. So, it is a binding legal requirement, contracts are binding. The requirement says that that pattern must be offered to all SEBAC bargaining units. So, it is required as a result of that contract which was approved by this body.

SENATOR FORMICA (20TH): May be offered or may be guaranteed?

REP. WALKER (93RD): Okay let --

MR. LIVINGSTON: It must be offered.

REP. WALKER (93RD): Let's not talk over each other, okay sir.

MR. LIVINGSTON: I'm sorry.
REP. WALKER (93RD): That's okay, go right ahead.

MR. LIVINGSTON: So, it must be offered to -- by the administration to the bargaining units. That is a requirement on the administration in return for all of the savings that the administration got through the SEBAC 2017.

Your question about where the $25 billion comes from, the administration presented SEBAC 2017 to the pension plan actuaries and to the SEGAL consultants who handle the health plan. And they quantified all the savings from the increased pension contributions and the lower COLA and the changes in healthcare including higher premiums.

All of those things were quantified by the SEBAC actuaries. They actually came up with $24 billion over 25 years and then it turned out there were actually a little more savings in a piece of it than expected. So, the last figure that the administration used in their projections was $25 billion instead of $24. So, I suppose the hardest analyst says $24 billion instead of $25 billion. Either way, it's a pretty big number.

SENATOR FORMICA (20TH): Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Are there any other questions? If not, thank you have a good day. Are there any other people who would like to testify today? Is there anybody else who would like to testify today? If not, I will conclude this public hearing.