



Senate

General Assembly

File No. 687

February Session, 2022

Senate Resolution No. 14

Senate, May 2, 2022

The Senate Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the resolution ought to be adopted.

RESOLUTION PROPOSING APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN THE PCA WORKFORCE COUNCIL AND THE NEW ENGLAND HEALTH CARE EMPLOYEES UNION, DISTRICT 1199, SEIU.

Resolved by the Senate:

- 1 That the memorandum of agreement between the PCA Workforce
- 2 Council and the New England Health Care Employees Union, District
- 3 1199, SEIU, submitted to this assembly for approval April 20, 2022, as
- 4 provided in subdivisions (7) and (8) of subsection (c) of section 17b-706b
- 5 of the general statutes, including any attachments or appendices thereto,
- 6 and any provisions that require supercedence of a law or regulation, is
- 7 approved.

APP *Senate Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$	Annualized \$
Departments of Social Services & Developmental Services	GF - Cost	712,000	22.1 million	13.3 million
Departments of Social Services & Developmental Services	GF - Revenue Gain (Federal Grants)	103,000	5.3 million	3.1 million
Departments of Social Services & Developmental Services	GF - Net State Cost	609,000	16.8 million	10.2 million

Note: GF=General Fund

Municipal Impact: None

Explanation

Summary - The resolution proposes approval of a memorandum of agreement (MOA) between the Personal Care Attendant (PCA) Workforce Council and the New England Health Care Employees Union (District 1199, SEIU). This agreement covers the period July 1, 2021 through June 30, 2023. The fiscal impact of the agreement begins in FY 22 and is associated with wage increases, assumed effective May 1, 2022, as well as lump sum payments, premium assistance, paid time off and training and orientation costs. The agreement covers approximately 14,900 PCAs employed by approximately 7,300 consumers of the state's Medicaid self-directed programs funded under the Department of Social Services (DSS) and the Department of Developmental Services (DDS).

The table below summarizes the cost of the agreement's provisions and associated fiscal impact to the state, including: (1) the total gross cost (reflecting both the state and federal share of Medicaid), (2) the total state General Fund cost, (3) the General Fund revenue gain to reflect federal reimbursements for certain Medicaid related expenditures, and (4) the net state impact after considering both General Fund costs and revenues.

Cost of Agreement Provisions

Agreement Provisions	FY 22 \$	FY 23 \$	Annualized \$
Wages	675,000	7,920,000	8,250,000
Training & Orientation Fund	300,000	750,000	750,000
Lump Sum Payments	-	9,630,000	-
Premium Assistance	-	15,350,000	10,230,000
Paid Time Off	-	2,030,000	2,030,000
Total Gross Cost	975,000	35,680,000	21,260,000
Total General Fund Cost	712,000	22,090,000	13,280,000
<i>General Fund Revenue Gain</i>	<i>103,000</i>	<i>5,331,000</i>	<i>3,130,000</i>
Net State Cost	609,000	16,759,000	10,150,000

The provisions of the agreement and associated gross costs are described below.

Wage Increases - The agreement provides for wage increases for PCA's supported by DSS and DDS programs, which total \$675,000 in FY 22, \$7,920,000 in FY 23 and \$8,250,000 annualized. The minimum wage and general wage (GWI) percentage increases specified for each employee group in the agreement are outlined below:

Effective Date	Minimum Hourly Wage ¹			GWI		
	PCA	Respite & Companion	ILST ²	Hourly	Per Diem	ILST
5/1/2022	17.25	16.30	35.20	2%	4%	2%
7/1/2022	17.75	16.72	35.90	2%	4%	2%
1/1/2023	18.25	17.25	-	-	-	-

¹The agreement includes provisions aligning the "sleeper" rate for PCA's with the state minimum wage in lieu of a static amount. This increases the sleeper rate from \$10.10 per hour to \$13 on 5/1/22, \$14 on 7/1/22, and \$15 on 6/1/23.

²ILST=Independent Living Skills Trainer

Lump Sum Payments - The agreement requires that eligible employees receive a lump sum payment equal to six percent of the wages earned during the period beginning April 1, 2021 and ending on March 31, 2022, effective May 1, 2022. This is estimated to result in a one-time cost of \$9.6 million payable in FY 23.

Premium Assistance - The agreement requires that qualifying¹ employees receive an amount equal to six percent of their pay on a semi-annual basis, up to an annual maximum amount of \$5,000 for healthcare premium assistance. This is estimated to cost up to \$15.4 million in FY 23 (reflecting one FY 22 payment of \$5.1 million and two FY 23 payments totaling \$10.2 million).

Paid Time Off (PTO) - The agreement specifies that hourly and 12-hour per diem PCAs will be eligible to accrue PTO at a rate of .025 hours per every hour worked up to a maximum of 40 hours per state fiscal year. New hires are not eligible to use PTO until they have completed three months of employment. This is estimated to result in an annualized cost of \$2 million in FY 23.

Training and Orientation Fund - The agreement requires the state to allocate funding to the PCA Training and Orientation Fund was follows: \$300,000 effective May 1, 2022 and \$750,000 effective July 1, 2022 and annually thereafter. The agreement specifies that \$150,000 of the

¹ Employees must provide proof of denial for Husky and Covered Connecticut programs and attest to not having access to any alternate employment or spousal health coverage.

funding allocated to the Training and Orientation fund must be used for skills enhancement in FY 23 and annually thereafter. Any unobligated balance at the end of the fiscal year is to revert to the General Fund.

General Fund Impact

The agreement results in a net state cost to the General Fund after factoring in off-setting federal revenue, as detailed below.

The estimated General Fund (GF) net impact associated with this two-year agreement is \$609,000 in FY 22, \$16.8 million in FY 23 and \$10.2 million annualized. The net impact is comprised of (1) expenditures in the Medicaid and Community Residential Services accounts in DSS, the Employment Opportunities and Day Services and Behavioral Services account in the DDS, and (2) off-setting federal grants revenue associated with Medicaid reimbursement for services provided under Community Residential, Employment Opportunities and Day, and Behavioral Services accounts. A summary of the estimated General Fund cost and revenue impact of the contract is provided below.

General Fund Impact of Agreement

Account	FY 22 \$	FY 23 \$	Annualized \$
Medicaid	415,000	11,200,000	6,791,000
Community Residential Services	187,000	6,861,000	4,088,000
Employment & Day Services	92,000	3,376,000	2,012,000
Behavioral Services	18,000	653,000	389,000
Appropriated Account Total	712,000	22,090,000	13,280,000
Federal Grants Revenue	103,000	5,331,000	3,130,000
Net State Impact	609,000	16,759,000	10,150,000

Funding Availability - Funding was not provided in the FY 22 and FY 23 biennial budget for this purpose. However, in FY 22 DSS has an estimated net lapse of \$227 million and DDS has an estimated net lapse of \$3.6 million. Additionally, sHB 5037, the revised FY 23 budget bill, as favorably reported by the Appropriations Committee, appropriated \$23 million for this purpose in the DSS Medicaid account. As the costs associated with the agreement are paid through both DSS and DDS accounts, funding may be transferred through FAC, MOU or other action.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to a successor agreement.

OFA Bill Analysis

SR 14

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The resolution proposes approval of a memorandum of agreement (MOA) between the Personal Care Attendant (PCA) Workforce Council and the New England Health Care Employees Union (District 1199, SEIU). This agreement covers the period July 1, 2021 through June 30, 2023. See OFA Fiscal Note for details.

EFFECTIVE DATE: Upon Approval

COMMITTEE ACTION

Appropriations

Senate Favorable

Yea 11 Nay 0