

# OFFICE OF FISCAL ANALYSIS

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sHB-5441

AN ACT ADOPTING THE RECOMMENDATIONS OF THE TASK  
FORCE TO STUDY THE STATE WORKFORCE AND RETIRING  
EMPLOYEES.

## AMENDMENT

LCO No.: 5506

File Copy No.: 418

House Calendar No.: 297

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### ***OFA Fiscal Note***

***State Impact:*** See Below

***Municipal Impact:*** None

### ***Explanation***

The amendment strikes the underlying bill and its associated fiscal impact.

**Sections 1 and 2** require most branches and agencies of the state government to adopt a zero-tolerance policy for using managerial authority to discriminate or retaliate against employees who make discrimination complaints.

The bill creates a new discriminatory practice process for state employees, allowing them to directly file discrimination cases in court instead of through the Commission on Human Rights and Opportunities (CHRO). Currently, CHRO is given the right to intervene in these cases as they are filed in court and the agency does this frequently given it is the agency's responsibility to enforce and administer antidiscrimination laws. Under the bill, these discrimination cases would go directly to court instead of to CHRO. This would result in costs associated with monitoring and litigating these cases in court.

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5/3/22  
(NF)

In FY 21, there were 184 complaints filed against state agencies at CHRO; 223 in FY 20; and 186 in FY 19. Assuming half of those complaints are filed directly in court instead of at CHRO, there would be a significant number of cases litigated in court versus cases that could be handled through CHRO.

Additionally, under the amendment an employee can be awarded double damages for any employment losses, and encourages the filing of additional cases under certain circumstances. This is anticipated to result in costs to CHRO of \$75,051, plus fringe benefits of \$30,418, to hire an additional Human Rights Attorney I position to handle the additional litigation caseload associated under the bill. It could also result in additional costs to the state to the extent additional damages are awarded.

Currently, CHRO receives approximately \$1.1 million in annual revenue from the federal Equal Employment Opportunity Commission (EEOC) as part of CHRO's contract with EEOC to investigate discrimination complaints. It is expected that exempting state employees from CHRO's process would violate the terms of this contract, and result in a General Fund revenue loss in an amount of this contract, approximately \$1.1 million, annually.

**Section 5** establishes the chief diversity, equity, and inclusion officer position to oversee a transformative hiring process in state government. It is estimated that the annual salary for this position would be at least \$150,000. Three additional staff members may be needed to help the chief diversity, equity, and inclusion officer fulfill the bill's requirements at total salary cost of an estimated \$300,000.

**Section 9** requires each state agency and the technical high school system to fill all open positions to levels appropriated in the FY 22 - FY 23 biennial budget.

In addition, the amendment requires each agency to adopt continuous recruitment practices to fill critical shortage positions as appropriated in the FY 23 - FY 24 biennial budget. Further, these

positions do not require approval from DAS or OPM in order to fill.

Continuously hiring for all vacant positions would preclude a potentially significant savings to the state associated with turnover and attrition. Further, the state will incur significant administrative costs (including the hiring of additional HR Specialists), to handle continuously hiring for all vacant positions with recruitment, screening and reviewing applications, interviews and examinations.

**Section 10.** Under the current agreement between the state and SEBAC, state employees who retire after July 1, 2022, will no longer have a minimum annual cost of living adjustment to their pension benefit, and those who are not covered by Medicare will have to pay a higher health insurance premium share. This bill requires OPM to consult with SEBAC to allow all employees to continue working beyond July 1, 2022, without the applicable cost of living adjustment or retiree health care changes, until one month after their replacement has been hired, to train and transition the new employee in the position. Depending on how many employees work past their retirement date, this will preclude the state from realizing potentially significant turnover savings.

**Section 11** establishes a task force to study the feasibility of creating a state employee training account that shall be administered by a joint labor management committee. This provision has no fiscal impact as PA 17-236 prohibits transportation allowances for task force members.

**Section 12** establishes an Office of Racial Justice Ombudsperson within CHRO. While the bill does not explicitly authorize the ombudsperson to hire staff, the Office of Racial Justice Ombudsperson may need up to three staff members in addition to the Ombudsperson which will result in an estimated cost of up to \$440,153 in FY 23 and \$424,933 in FY 24. This consists of a total salary cost of \$302,379 in FY 23 and \$302,379 in FY 24, and fringe benefit cost of \$122,554 in FY 23 and \$122,554 in FY 24, for an Ombudsman and three additional staff (one Research Analyst, one Human Rights Attorney 2, and one Administrative Assistant). This also includes a one-time cost of \$15,220

for equipment in FY 23. The Ombudsperson must report to legislative committees which is not anticipated to have a fiscal impact.

**Section 13** requires CHRO to develop antiracism and bias training for all state employees, managers, state vendors and consultants. This will result in costs to CHRO of \$179,457 in FY 23 to hire one Human Rights and Opportunities Attorney 1 and two Human Rights Trainees, plus fringe benefits of \$72,734, to develop this new program.

Lastly, the amendment sets various study and analysis requirements related to, among other things, state employee retirements, retention rates, diversity, and training and internship programs. The state will need consultants to assist with these provisions. It is estimated that contracting with outside consultants will result in a one-time cost of \$500,000 - \$1 million.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.*