

OFFICE OF FISCAL ANALYSIS

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HR-15

RESOLUTION PROPOSING APPROVAL OF AN AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE STATE EMPLOYEES BARGAINING AGENT COALITION (SEBAC).

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

Explanation

The resolution proposes approval of an agreement between the State of Connecticut and the State Employees Bargaining Agent Coalition (SEBAC). This agreement covers one fiscal year for the period of July 1, 2024 - June 30, 2025. The table below contains a summary of the provisions of the agreement and the associated costs to all appropriated funds.

SEBAC All Appropriated Funds Cost Estimate

Description	All Appropriated		General Fund	
	FY 25 \$	FY 26 \$	FY 25 \$	FY 26 \$
Wages				
General Wage Increase (GWI)	68,214,052	70,844,859	60,442,869	62,762,829
Annual Increment (AI)	34,962,800	57,852,286	31,146,522	50,251,123
Other Adjustments	2,804,033	2,748,088	2,804,033	2,748,088
Total Wages	105,980,885	131,445,233	94,393,424	115,762,040
Fringe				
Social Security, Medicare, and Unemployment	8,107,538	10,055,560	7,221,097	8,681,052
Other Post Employment Benefits (OPEB)	1,197,584	1,485,331	1,066,646	1,282,299
State Employee Retirement System (SERS)	5,913,733	7,334,644	5,267,153	6,332,061
Total Fringe	15,218,855	18,875,535	13,554,896	16,295,412

Description	All Appropriated		General Fund	
	FY 25 \$	FY 26 \$	FY 25 \$	FY 26 \$
Constituent Units of Higher Education	32,700,000	32,700,000	32,700,000	32,700,000
Total	153,899,741	183,020,768	140,648,320	164,757,453

General Wage Increase and Annual Increment - Employees will receive a General Wage Increase (GWI) of 2.5% and an Annual Increment (AI) in FY 25. Increases in costs between FY 25 and FY 26 are due to the annualization of the increases provided in FY 25.

Other Adjustments - The table below provides a summary of additional adjustments that were part of the agreement and their associated cost.

SEBAC All Appropriated Funds Other Adjustments Summary

Description	FY 25 \$	FY 26 \$
Health Non-Professional (NP-6) & Health Professional (P-1)		
Overtime and Shift Diff for Some Mobile Crisis Staff	79,608	79,608
Increase Grades for Supervising Psychologists	197,978	197,978
Assistant Attys General (P-6) & Asst AG-Dept Heads (P-7)		
Increase for Employees Receiving Less Than 5% Promotional Increase	178,157	186,263
Lump Sum for Retirement Eligible Employees Receiving Less Than 5% Promotional Increase	64,051	-
St Vocation Federation Teacher		
Supplemental Response/Degree Scale	1,260,970	1,260,970
Professional Development Funding	650,000	650,000
Stipend for Equity/Lacrosse/Library/Media	373,269	373,269
Total	2,804,033	2,748,088

Fringe Benefits - Social Security, Medicare, and retiree health related fringe benefit costs will be incurred based on the wage related provisions negotiated in the contract. The FICA rate is 7.65% of salary. The state contribution towards retiree health is 1.13%.

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 assumes an average normal cost SERS rate of 5.58%. The FY 24 and FY 25 actuarially determined contributions (ADEC) are set in the June 30, 2023, annual valuation.

Constituent Units of Higher Education - The total impact to Connecticut State Colleges and Universities, University of Connecticut, and University of Connecticut Health Center is approximately \$70 million per year beginning in FY 25. It is uncertain the total amount of funds that the Office of Policy and Management (OPM) may dedicate from the Reserve for Salary Account (RSA) to support the constituent units. Providing funding equal to 4.5% of the FY 25 block grant appropriations (\$726.6 million) would result in a transfer of approximately \$32.7 million from RSA to the constituent units of higher education.

Funding Availability - Based on the most recent quarterly report provided by the Office of Policy and Management (OPM) and including the FY 25 Reserve for Salary Adjustment (RSA) appropriation, the current available fund balance of the General Fund RSA account is \$190.1 million. If the appropriated funds requirements total of \$153.9 million for the SEBAC agreement relied on transfers from the General Fund RSA account, the remaining balance would be approximately \$36.2 million.

Member Overview - There are approximately 46,000 state employees covered by this agreement. These figures include both full-time and part-time employees.

Non-Appropriated Fund Impact - The agreement impacts state employees that are supported by non-appropriated funds including state employees working for the constituent units of higher education and those that are supported through federal funds.

The Out Years

This contract will expire effective June 30, 2025. The wage provisions of this resolution will remain in effect in future years subject to the outcome of the collective bargaining process

.Sources: Core-CT Financial Accounting System