

## Reserve for Salary Adjustments OPM20100

### Budget Summary

Account	Actual FY 15	Actual FY 16	Appropriation FY 17	Governor Recommended		Legislative		
				FY 18	FY 19	FY 18	FY 19	
<b>Other Current Expenses</b>								
Reserve For Salary Adjustments	-	-	18,473,255	317,050,763	484,497,698	317,050,763	484,497,698	
<b>Agency Total - General Fund</b>	-	-	<b>18,473,255</b>	<b>317,050,763</b>	<b>484,497,698</b>	<b>317,050,763</b>	<b>484,497,698</b>	
<b>Reserve For Salary Adjustments</b>								
Reserve For Salary Adjustments	-	-	7,301,186	2,301,186	2,301,186	2,301,186	2,301,186	
<b>Agency Total - Special Transportation Fund</b>	-	-	<b>7,301,186</b>	<b>2,301,186</b>	<b>2,301,186</b>	<b>2,301,186</b>	<b>2,301,186</b>	
<b>Total - Appropriated Funds</b>	-	-	<b>25,774,441</b>	<b>319,351,949</b>	<b>486,798,884</b>	<b>319,351,949</b>	<b>486,798,884</b>	
<b>Additional Funds Available</b>								
Carry Forward Funding	-	-	-	-	-	33,462,326	-	
Carry Forward Transportation Fund	-	-	-	-	-	11,667,593	-	
<b>Agency Grand Total</b>	-	-	<b>25,774,441</b>	<b>319,351,949</b>	<b>486,798,884</b>	<b>364,481,868</b>	<b>486,798,884</b>	

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

### Current Services

#### Provide Funding for Wage Increases

Reserve For Salary Adjustments	300,591,650	468,216,721	300,591,650	468,216,721	-	-
<b>Total - General Fund</b>	<b>300,591,650</b>	<b>468,216,721</b>	<b>300,591,650</b>	<b>468,216,721</b>	<b>-</b>	<b>-</b>

#### Background

All collective bargaining contracts, with the exception of the State Police (NP-1) contract, expired June 30, 2016.

#### Governor

Provide funding of \$300,591,650 in FY 18 and \$468,216,721 in FY 19 to reflect anticipated wage increases, primarily for unsettled collective bargaining contracts. The \$300.6 million in FY 18 funding is anticipated to cover collective bargaining wage increases in FY 17 (retroactive) and FY 18. The \$468.2 million in FY 19 includes the FY 17 and FY 18 wage increases, plus an additional \$167.2 million for anticipated wage increases in FY 19.

#### Legislative

Same as Governor

#### Provide Funding for General Fund Accrual Payouts

Reserve For Salary Adjustments	6,579,444	6,286,308	6,579,444	6,286,308	-	-
<b>Total - General Fund</b>	<b>6,579,444</b>	<b>6,286,308</b>	<b>6,579,444</b>	<b>6,286,308</b>	<b>-</b>	<b>-</b>

#### Governor

Provide funding of \$6,579,444 in FY 18 and \$6,286,308 in FY 19 for General Fund accrual payouts.

#### Legislative

Same as Governor

#### Transfer Funding from RSA to DESPP for NP-1 Contract Costs

Reserve For Salary Adjustments	(8,593,586)	(8,478,586)	(8,593,586)	(8,478,586)	-	-
<b>Total - General Fund</b>	<b>(8,593,586)</b>	<b>(8,478,586)</b>	<b>(8,593,586)</b>	<b>(8,478,586)</b>	<b>-</b>	<b>-</b>

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

**Background**

In FY 17, \$8,478,586 was transferred from the Reserve for Salary Adjustment to the Department of Emergency Services and Public Protection (DESPP) for the settlement of the NP-1 contract.

**Governor**

Transfer funding of \$8,593,586 in FY 18 and \$8,478,586 in FY 19 to (DESPP) for the wage and compensation costs of the settled NP-1 contract.

**Legislative**

Same as Governor

**Reduce Funding for Transportation Fund Accrual Payouts**

Reserve For Salary Adjustments	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	-	-
<b>Total - Special Transportation Fund</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>-</b>	<b>-</b>

**Governor**

Reduce funding by \$5 million in both FY 18 and FY 19 to reflect anticipated STF accrual payouts.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward Funding for RSA**

Reserve For Salary Adjustments	-	-	33,462,326	-	33,462,326	-
<b>Total - Carry Forward Funding</b>	<b>-</b>	<b>-</b>	<b>33,462,326</b>	<b>-</b>	<b>33,462,326</b>	<b>-</b>
Reserve For Salary Adjustments	-	-	11,667,593	-	11,667,593	-
<b>Total - Carry Forward Transportation Fund</b>	<b>-</b>	<b>-</b>	<b>11,667,593</b>	<b>-</b>	<b>11,667,593</b>	<b>-</b>

**Legislative**

Section 19 (a) of PA17-2 JSS, the FY 18 and FY 19 budget, carries forward funding of \$45,129,919 (\$33,462,326 in the GF and \$11,667,593 in the STF) for collective bargaining costs.

**Totals**

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
FY 17 Appropriation - GF	18,473,255	18,473,255	18,473,255	18,473,255	-	-
Current Services	298,577,508	466,024,443	298,577,508	466,024,443	-	-
<b>Total Recommended - GF</b>	<b>317,050,763</b>	<b>484,497,698</b>	<b>317,050,763</b>	<b>484,497,698</b>	<b>-</b>	<b>-</b>
FY 17 Appropriation - TF	7,301,186	7,301,186	7,301,186	7,301,186	-	-
Current Services	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	-	-
<b>Total Recommended - TF</b>	<b>2,301,186</b>	<b>2,301,186</b>	<b>2,301,186</b>	<b>2,301,186</b>	<b>-</b>	<b>-</b>

***Other Significant Legislation*****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$300,600,000. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

<b>Account</b>	<b>Appropriation \$</b>	<b>Reduction Amount \$</b>	<b>Net Remaining \$</b>	<b>% Reduction</b>
Reserve For Salary Adjustments	317,050,763	(300,600,000)	16,450,763	94.8%

**SR 51 and HR 202, Resolution Proposing Approval of an Agreement Between the State of Connecticut and the State Employees' Bargaining Agent Coalition (SEBAC)**

SR 51 and HR 202 resulted in various labor concessions. PA 17-2 JSS, the budget, included bottom-line savings (lapses) of \$700 million in FY 18 and \$867.6 million in FY 19 related to labor-management/SEBAC savings. In FY 18, the Office of Policy and Management administratively allocated these savings targets to state agencies through reductions of funds available for expenditures (holdbacks). The FY 18 holdbacks allocated to the Reserve for Salary Adjustment account within the Office of Policy and Management for SEBAC are reflected in the table above and total \$300.6 million in FY 18 from the General Fund.