

PRELIMINARY FISCAL NOTE
SR 21/HR 11

Appropriations Committee
Meeting

April 15, 2014



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building
Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov
www.cga.ct.gov/ofa

SR 21 and HR 11 - Resolution Proposing Approval of a Collective Bargaining Agreement between the Personal Care Attendant Workforce Council and the New England Health Care Employees Union (District 1199, SEIU)

Summary - The resolution proposes approval of a collective bargaining agreement between the Personal Care Attendant Workforce Council and the New England Health Care Employees Union (District 1199, SEIU). This agreement covers the period July 1, 2013 through June 30, 2016.

Total General Fund (GF) estimated costs associated with this agreement are \$1,866,500 in FY 14; \$4,738,000 in FY 15; and \$5,817,000 in FY 16. The agreement will also result in increased revenue of \$848,250 in FY 14; \$2,179,000 in FY 15; and \$2,683,500 in FY 16 associated with federal Medicaid reimbursement. Upon adoption of the agreement, the FY 14 costs will be paid from the Medicaid account in the Department of Social Services and the Employment Opportunities and Day Programs and Community Residential Programs accounts in the Department of Developmental Services (DDS). It should be noted, the agreement requires that wage increases for FY 16 be negotiated beginning in August of 2015, which will likely affect FY 16 costs. A summary of the estimated General Fund costs of the contract is provided below:

Cost Estimate of Agreement

Agency/Item		FY 14 \$	FY 15 \$	FY 16 \$	Total Value of Contract \$
DSS	Wage Increases	1,040,000	2,910,000	3,680,000	7,630,000
DSS	PCA Training Fund	130,000	230,000	270,000	630,000
DSS	Paid Time Off Fund	90,000	180,000	210,000	480,000
Subtotal DSS		1,260,000	3,320,000	4,160,000	8,740,000
DDS	Wage Increases	476,500	1,178,000	1,387,000	3,041,500
DDS	PCA Training Fund	70,000	120,000	130,000	320,000
DDS	Paid Time Off Fund	60,000	120,000	140,000	320,000
Subtotal DDS		606,500	1,418,000	1,657,000	3,681,500
TOTAL		1,866,500	4,738,000	5,817,000	12,421,500
Less Federal Revenue		848,250	2,179,000	2,683,500	5,710,750
Net Cost		1,018,250	2,559,000	3,133,500	6,710,750

Department of Social Services Wage Increases - The agreement provides for wage increases for PCA's supported by Department of Social Services (DSS) programs, which total \$1,040,000 in FY 14, \$2,910,000 in FY 15 and \$3,680,000 in FY 16. This includes funding to meet the wage ranges specified by the agreement, lump sum payments, as well as funding to support the wage increases outlined below:

Effective Date	Increase \$
January 1, 2014	0.50
January 1, 2015	0.50

Department of Developmental Services Wage Increases - The agreement provides for wage increases for PCA's supported by the Department of Developmental Services, totaling \$476,500 in FY 14, \$1,178,000 in FY 15 and \$1,387,000 in FY 16. This includes funding to meet the wage ranges specified by the agreement, lump sum payments, as well as funding to support the wage increases outlined below:

Effective Date	Increase \$
January 1, 2014	0.40
January 1, 2015	0.35

Training and Orientation Fund - The agreement requires the state to establish an interest bearing account known as the CT PCA Training and Orientation Fund. It requires contributions totaling \$950,000, over the length of the agreement with allocations as follows: \$200,000 effective January 1, 2014, \$350,000 effective July 1, 2014 and \$400,000 effective July 1, 2015. A committee will manage the fund, which will finance skills training and up to 25 slots for eligible workers to participate in certain PCA Training Programs offered by state educational institutions. In addition, each eligible PCA who completes the fund sponsored orientation will receive a stipend of \$37.50 from the fund.

Paid Time Off Fund - The agreement requires the state to allocate a total of \$800,000 over the length of the agreement to a Paid Time Off Fund for eligible PCA's. The criteria and distribution of the funds will be determined by the Labor Management Committee (LMC). The agreement specifies funding be allocated as follows: \$150,000 effective January 1, 2014, \$300,000 effective July 1, 2014 and \$350,000 effective July 1, 2015. Any funds remaining at the end of the agreement will lapse.

Fringe Benefits/Pension - Article 3, Section Three of the agreement clarifies that personal care attendants are not state employees and are exempt from any and all related rights, obligations, privileges or immunities.

Funding Availability - Funding was not provided in the original FY 14 and FY 15 budget for this purpose. However, as stated above, the FY 14 costs will be paid out of the DSS Medicaid account, which is anticipated to lapse funding at the end of the year.

The FY 14 DDS costs will be paid by Employment Opportunity and Day Services and Community Residential Program accounts. DDS anticipates transferring funds available in Personal Services to the Community Residential Program account through FAC action.

sHB 5030, the revised FY 15 budget bill, as favorably reported by the Appropriations Committee, provides funding of \$1 million each for DSS and DDS. Below identifies the additional funding in each agency required to support the cost of the agreement:

Additional Funding Required Beyond sHB 5030

Agency	Amount \$
DSS	730,000
DDS	418,000
Total	1,148,000

DDS costs receive 50% reimbursement under the federal Medicaid waiver, which is recognized as General Fund Revenue. Conversely, costs under the DSS Medicaid account are net funded.

Member Overview - The agreement pertains to an estimated 10,700 personal care attendants. Based on 2012 data, 3,449 provide services under DDS and 7,268 provide services under DSS.

BACKGROUND

Public Act 12-33 allows personal care attendants (PCAs) paid by the state and family child care providers paid by the state's Care4Kids program to collectively bargain with the state through an employee organization (i.e., a union) over reimbursement rates, benefits, payment procedures, contract grievance arbitration, training, professional development, and other requirements and opportunities. It explicitly states that child care providers and PCAs are not state employees and, except for the bargaining rights provided in the act, do not have the rights, obligations, privileges, and immunities statutorily provided to state employees. It also requires the General Assembly to affirmatively approve any contract or arbitration award that would require additional appropriations to maintain existing service levels.

Personal Care Attendant Services - PCA services provide assistance with the acquisition, improvement and retention of skills and provide necessary support to enhance an individual's ability to live in their community as specified in the plan of care. Services may include non-medical care, supervision, socialization, assistance with meals and basic activities of daily living.

Fiscal Intermediaries - A Fiscal Intermediary (FI) is an organization that assists consumers to implement their Individual Support Agreements and to manage financial accountability and employer responsibilities. Fiscal Intermediaries are not service

providers. A Fiscal Intermediary is an administrative and fiscal agent that assists consumers to use the money they receive from the agencies to pay for the services and supports they need. A FI is not able to make decisions about the amount or type of services needed. The FI helps consumers manage the supports that have already been identified in their plans and budgets.

FIs work with the service providers that a consumer chooses. If a consumer chooses to hire their own support workers, the FI will help them manage the paperwork responsibilities that come with being an employer. The FI will assist a consumer to complete employment forms, pay staff, ensure tax compliance and prepare end-of-year reports. If a consumer chooses a provider agency for their supports, the FI pays the provider on their behalf, according to the budget approved with their Individual Support Agreement. The FI will also pay other vendors for special services that consumers have in their budget. The FI will give consumers monthly financial reports to let them know if they are spending what they have budgeted on the items they planned, or if they are spending too much and need to make adjustments to stay within their budget.