

PRELIMINARY FISCAL NOTE
SR 14 /HR 16

Appropriations Committee
Meeting

April 27, 2022



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building Hartford,
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SR 14 and HR 16 - Resolution Proposing Approval of a Memorandum of Agreement between the PCA Workforce Council and the New England Health Care Employees Union (District 1199, SEIU)

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 training and orientation costs, lump sum payments, premium assistance, and paid time off.

The estimated General Fund (GF) net impact associated with this agreement is \$609,000 in FY 22, \$16.8 million in FY 23 and \$10.2 million when annualized in FY 24. The net impact is comprised of (1) expenditures in the Medicaid and Community Residential Services accounts in the Department of Social Services (DSS), the Employment Opportunities and Day Services and Behavioral Services account in the Department of Developmental Services (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:

Cost Estimate of Agreement

Impact by Account	FY 22 \$	FY 23 \$	FY 24 \$
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

The costs described in the following sections reflect both the state and federal share. The net state impact, which factors in off-setting federal revenue, is outlined in the table above.

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 when annualized in FY 24. 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

Training and Orientation Fund - The agreement requires the state to allocate \$1.05 million over the length of the agreement to the PCA Training and Orientation Fund with allocations as 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 funding allocated to the Training and Orientation fund must be used for skills enhancement in FY 23 and annually thereafter.

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 qualifying 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 \$15.3 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.

Funding Availability - Funding was not provided in the FY 22 and FY 23 biennial budget for this purpose. However, in FY 22 DSS has a net lapse of \$227 million and DDS has a 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.

Reopener - The agreement requires a reopener between September 1, 2022 and October 1, 2022. The fiscal impact of any reopener would be dependent on the mutually agreed upon terms negotiated.

Member Overview - There are approximately 14,900 PCAs covered by this agreement.