

PRELIMINARY FISCAL NOTE
SR 3 /HR 3

Appropriations Committee
Meeting

February 25, 2022



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building Hartford,
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The resolution proposes approval of an arbitration award between the State of Connecticut and the Union of Professional Judicial Employees (AFT/AFT-CT, AFL-CIO). This arbitration award covers one fiscal year for the period of July 1, 2021 - June 30, 2022.

The above parties currently have a collective bargaining agreement in effect from July 1, 2016 – June 30, 2022; with a wage reopener provision for the final year of the contract.

Total estimated costs associated with this arbitration award are \$4,486,256 in FY 22 (see table below for more detail).

Judicial Branch Professionals All Funds Cost Estimate

	FY 22 \$
3.0% General Wage Increase (GWI) retroactive to 7/1/2021	3,044,224
Annual Increment	602,701
Longevity	98,272
Accrual Payouts	92,343
Overtime	24,687
Stipends: On Call/GPS Monitoring/AAF ¹	46,853
Total Wages	3,909,080
Social Security, Medicare, and Unemployment	299,631
Other Post Employment Benefits (OPEB) 3%	117,272
State Employee Retirement System (SERS) ²	160,272
TOTAL	4,486,256

¹Stipends increase with a GWI.

²The SERS impact will not be recognized until FY 24.

Wage Increases - In FY 22, employees will receive a general wage increase (GWI) of 3.0% (the payment is retroactive to July 1, 2021) that is estimated to have an All Funds cost of \$3,044,224. Employees will receive an Annual Increment which is estimated to cost \$602,701. Additional FY 22 cost increases are: 1) longevity payments - \$98,272; 2) accrual payouts - \$92,343; 3) overtime - \$24,687; and 4) stipends for on call/standby pay, GPS monitoring and auto availability - \$46,853.

Fringe Benefits - Social Security, Medicare, unemployment and retiree health related fringe benefit costs will be incurred based on the wage related provisions negotiated in the contract. The social security rate is 7.65% of salary. The unemployment rate is 0.15% of salary. The state contribution towards retiree health is 3%. The estimated fringe benefit costs are \$416,903 in FY 22.

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 assume an average normal cost SERS rate of 4.10%. The total estimated

retirement cost is \$160,272 in FY 22. The increased costs to SERS will not be recognized in the state's actuarially determined employer contributions (ADEC) until FY 24, as the FY 23 contribution is set based on the June 30, 2022 actuarial valuation.

Funding Availability - There is anticipated to be adequate funding in the FY 22 appropriation for both the Judicial Department and the Public Defender Services Commission to cover the costs associated with this award. Lastly, the provisions of this award remain in effect until a subsequent contract is negotiated by the parties.

Member Overview - There are approximately 1,350 employees covered by this arbitration award.

The Out Years

This contract will expire effective June 30, 2022. The wage provisions of this resolution will remain in effect in future years subject to the outcome of the collective bargaining process.