



# Senate

General Assembly

**File No. 6**

January Session, 2015

Senate Resolution No. 12

*Senate, February 11, 2015*

The Senate Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF AN AGREEMENT  
BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT  
POLICE AND FIRE UNION (NP-5) CONCERNING MOTOR VEHICLE  
LIEUTENANTS.**

Resolved by the Senate:

- 1 That the agreement between the State of Connecticut and the
- 2 Connecticut Police and Fire Union (NP-5) concerning Motor Vehicle
- 3 Lieutenants, signed by the parties on January 5, 2015, and submitted to
- 4 this assembly for approval January 16, 2015, as provided in subsection
- 5 (b) of section 5-278 of the general statutes, is approved.

**APP**      *Senate Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

---

### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 15 \$</b>	<b>FY 16 \$</b>
Motor Vehicle Dept.	TF - Cost	5,550	8,633
Comptroller Misc. Accounts (Fringe Benefits) <sup>1</sup>	TF - Cost	433	673

**Municipal Impact:** None

#### **Explanation**

This resolution proposes approval of the agreement that moves three Motor Vehicle Lieutenants from the Managerial (MP 60) pay plan and places them in the Protective Services (NP-5) pay plan, salary group PS-19, effective October 3, 2014. The Motor Vehicle Lieutenants are placed into a pay grade step closest (of equal or greater value) to their current annual salary.

Transportation Fund (TF) estimated costs associated with this agreement are \$5,983 in FY 15 and \$9,307 in FY 16. A summary of the estimated TF costs is provided below:

---

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 38.65% of payroll in FY 16 and FY 17.

### Cost Estimate of Agreement

Cost Factors	FY 15 \$	FY 16 \$
Move from MP 60 to NP-5	3,905	5,343
Longevity Payments	1,645	3,290
Social Security	425	660
Unemployment	8	13
<b>Subtotal</b>	<b>5,983</b>	<b>9,307</b>
State Employee Retirement System*	670	1,043
<b>TOTAL</b>	<b>6,653</b>	<b>10,350</b>
*The increased pension plan costs will not be recognized until FY 18.		

**Wage Increases** - Under the agreement, Motor Vehicle Lieutenants will receive a raise and become eligible for longevity payments. The wage increase costs are estimated to be \$5,550 in FY 15 and \$8,633 in FY 16.

**Fringe Benefits** - Social security and unemployment related fringe benefit costs will be incurred based on the wage related provisions negotiated in the contract. The current social security rate is 7.65% of salary. The current unemployment rate is 0.15% of salary. The social security and unemployment costs are estimated to be \$433 in FY 15 and \$673 in FY 16.

**State Employee Retirement System (SERS)** - The pension impact of the wage related provisions is based on the average normal cost rate for Tier II and Tier IIA SERS hazardous duty employees, and assumes all other actuarial assumptions remain the same. The estimated normal cost for SERS is \$670 in FY 15 and \$1,043 in FY 16. However, increased costs to the pension plan attributable to the identified wage provisions will not be recognized in the state's actuarially determined employer contribution (ADEC) until FY 18, as the FY 15, FY 16 and FY 17 ADEC are set based on the June 30, 2012 and June 30, 2014 actuarial valuations.

**Funding Availability** - Funding was not provided in the Department of Motor Vehicles' (DMV) FY 15 Revised Budget for this purpose. However, OFA is projecting a DMV lapse which is sufficient

to cover the contract costs of \$5,983 in FY 15. If needed, the Reserve for Salary Adjustments (RSA)<sup>2</sup> account has funding for collective bargaining costs associated with unsettled contracts and other related costs. The FY 15 Revised Budget appropriated \$2.6 million in the RSA Transportation Fund account. There is sufficient funding in the RSA account to cover the contract costs of \$5,983 in FY 15. Please note this does not include SERS costs as this contract does not modify the FY 15, FY 16 and FY 17 SERS ADEC.

It is anticipated that the Governor's FY 16 - FY 17 Biennial Budget will include funding to cover the FY 16 costs of this agreement.

### ***The Out Years***

The current NP-5 contract will expire, effective June 30, 2016. The wage provision 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*

---

<sup>2</sup>The RSA account is used to finance collective bargaining and related costs that are not included in individual agency budgets.

---

**OFA Bill Analysis****SR 12*****RESOLUTION PROPOSING APPROVAL OF AN AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT POLICE AND FIRE UNION (NP-5) CONCERNING MOTOR VEHICLE LIEUTENANTS.*****SUMMARY:**

This resolution proposes approval of an agreement between the State of Connecticut and the Connecticut Police and Fire Union (NP-5). This agreement takes the three present and all future Motor Vehicle Lieutenants in the Managerial pay plan and places them in the NP-5 union PS pay plan. This award contains wage increases.

**COMMITTEE ACTION**

Appropriations Committee

Senate Favorable

Yea 6      Nay 5      (02/04/2015)