

# OFFICE OF FISCAL ANALYSIS

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SR-7

RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE CONNECTICUT STATE POLICE UNION (NP-1 BARGAINING UNIT).

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$
Department of Emergency Services and Public Protection	GF - Cost	8,575,026	12,428,981	16,548,595	18,912,783
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	2,094,021	3,035,157	4,041,167	4,618,502
Total <sup>2</sup>	GF - Cost	10,669,047	15,464,138	20,589,762	23,531,285

Note: GF=General Fund

**Municipal Impact:** See below<sup>2</sup>

### **Explanation**

The resolution proposes approval of a collective bargaining agreement between the State of Connecticut and the Connecticut State

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<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 40.53% of payroll in FY 23.

<sup>2</sup> Per CGS Section 29-5, municipalities with resident state troopers are responsible for the cost of "compensation, maintenance and other expenses" of those troopers. Municipalities are responsible for 85% of the enumerated costs above (compensation, maintenance and other expenses) for the first two state troopers, and then 100% for those thereafter.

Police Union (NP-1) bargaining unit. This agreement covers four fiscal years for the period of July 1, 2022 to June 30, 2026.

The agreement makes various changes impacting wages which are summarized in table 1 below. A list of changes with an estimated fiscal impact in wages and fringe benefits is provided in table 4 below.

**Table 1. Summary of Wage Increases**

Description	FY 23	FY 24	FY 25	FY 26
<b>Wage Changes</b>				
General Wage Increase (GWI)	2,011,554	4,357,763	6,614,135	6,614,135
Year of Service Plan (YOS)	1,789,411	6,358,528	8,184,249	10,538,598
\$3,500 Lump Sum Payment	3,108,000	-	-	-
Other Changes	1,666,060	1,712,689	1,750,209	1,760,048
<b>Total</b>	<b>8,575,025</b>	<b>12,428,980</b>	<b>16,548,593</b>	<b>18,912,781</b>

**General Wage Increases (GWI)** - Employees will receive a General Wage Increase (GWI) of 2.5% in each of FY 23 (retroactive to July 1, 2022), FY 24 and FY 25. The last year of the agreement, FY 26, is a wage reopener. The state and the union may negotiate, no sooner than January 1, 2025, the FY 26 GWI.

**Years of Service Plan<sup>3</sup> (YOS)** - Employees will receive the following changes tied to their YOS plan.

- 1) Years of service increases impacting FY 24 through FY 26. There will also be a YOS increase on June 30<sup>th</sup>, 2026, which will impact FY 27.
- 2) Provide 2% Lump Sum to employees at the top step of the YOS plan.
- 3) Increase trainee rate from \$50,000 a year to 10% below adjusted year one trooper pay<sup>4</sup>. This change will only impact new Academy classes with the next new class anticipated to

<sup>3</sup> In accordance with the April 29, 2019, interest arbitration award in the matter of State of Connecticut and Connecticut State Police Union Case No. 2019-SBA-3 NP-1, on June 30, 2022, the step pay plan converted to a years of service plan.

<sup>4</sup> If the recruit has 2 or more years of prior experience, they start at year two of the trooper pay plan.

begin in FY 24. The table 2 shows the new annual salaries for trainees based on the fiscal year in which the class begins.

**Table 2. Trainee Annual Rate of Pay**

FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$
50,000	65,638	67,279	67,279

- 4) Elimination of steps one and two for trooper pay plan. This change combined with the change to a year of service plan results in new base pay for all troopers in Grade 1. Table 3 shows the annual pay by step in FY 23 compared to the new YOS based annual rates.

**Table 3. Eliminate Steps 1 and 2**

Old		New		Difference
Step	\$	Year	\$	\$
1	65,086	1	69,417	4,331
2	67,248	2	71,585	4,337
3	69,417	3	74,346	4,929
4	71,585	4	76,470	4,885
5	74,346	5	78,628	4,282
6	76,470	6	84,440	7,970
7	78,628	7	94,706	16,078
8	84,440	8+	107,827	23,387
9	94,706	8+	107,827	13,121
10	107,827	8+	107,827	-

**\$3,500 Lump Sum Payment** – Full time employees who are active employees and in the bargaining unit upon legislative approval will receive a lump sum payment of \$3,500.

**Other Changes** – There are a total of eleven other changes to the contract that are estimated to have a fiscal impact. The details and the estimated fiscal impacts are found in table 4 below.

**Table 4. State Police (NP-1) Cost Estimate<sup>1</sup>**

Description of Change	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$
2.50% GWI Effective 7/1/2022 - Retroactive	2,011,554	2,011,554	2,011,554	2,011,554
Top step 2% Lump Sum Payment - Retroactive	879,165	1,137,624	1,212,269	1,263,361
One-time \$3,500 Lump Sum Payment	3,108,000			
Eliminate Pay Plan Steps One & two	910,246	3,380,915	3,380,915	3,380,915
Increase Shift Differential to \$1 per hour	261,973	261,973	261,973	261,973
Increase trainee rate to 10% below adjusted year one trooper pay plan or if the recruit has 2 or more years of prior experience, start at year two of the trooper pay plan.	-	832,234	857,185	919,562
Add Juneteenth Independence Day as State Holiday (OT Backfill)	471,790	500,965	524,441	530,598
Remove Stress Reduction Funding	(25,354)	(25,354)	(25,354)	(25,354)
Increase Safety Shoe & Equipment Stipend to \$150	22,200	22,200	22,200	22,200
Add New Annual \$500 Health and Wellness Stipend	444,000	444,000	444,000	444,000
Increase Cleaning Stipend to \$650	18,000	18,000	18,000	18,000
Add \$100 monthly Hazardous Duty Stipend for employees assigned to the Fire Explosion Investigations Unit (FEIU)	10,800	10,800	10,800	10,800
Increase Tuition Reimbursement Fund to \$90K	10,000	10,000	10,000	10,000
Increase Training Fund set aside to \$50K	15,000	15,000	15,000	15,000
Increase Field Training Officer Compensation to Two Hours Per Shift	282,251	299,705	313,749	317,432
Add New Annual \$500 Lump Sum Payment for Bachelor of Arts or Master's degree (Estimated 35%)	155,400	155,400	155,400	155,400
2.50% GWI Effective 7/1/2023		2,346,209	2,346,209	2,346,209
Years of Service Plan per April 29, 2019 Interest Arbitration Award		1,007,755	1,449,428	1,449,428
2.50% GWI Effective 7/1/2024			2,256,372	2,256,372
Years of Service Plan per April 29, 2019 Interest Arbitration Award			1,284,452	2,186,631
GWI wage reopener				
Years of Service Plan per April 29, 2019 Interest Arbitration Award				1,338,700
<b>Total Wages</b>	<b>8,575,025</b>	<b>12,428,980</b>	<b>16,548,593</b>	<b>18,912,781</b>
Social Security 6.2%	531,652	770,597	1,026,013	1,172,593
Medicare 1.45%	124,338	180,220	239,955	274,235
Unemployment 0.18%	15,435	22,372	29,787	34,043
SERS <sup>2</sup> Hazardous Duty Cost 13.59%	1,165,346	1,689,098	2,248,954	2,570,247
OPEB Contribution 3%	257,251	372,869	496,458	567,383
<b>Total Fringes</b>	<b>2,094,021</b>	<b>3,035,157</b>	<b>4,041,167</b>	<b>4,618,502</b>
<b>TOTAL</b>	<b>10,669,047</b>	<b>15,464,138</b>	<b>20,589,762</b>	<b>23,531,285</b>

Description of Change	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$
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<sup>1</sup>Source: December 2022 Roster from CORE-CT

<sup>2</sup>The SERS impact will not be recognized until FY 25.

**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 current social security rate is 7.65% of salary. The current unemployment rate is 0.18% of salary. The current state contribution towards retiree health is 3%. The estimated fringe benefit costs are \$928,675 in FY 23; \$1,346,059 in FY 24; \$1,792,213 in FY 25; and \$2,048,254 in FY 26.

**Impact to Retirement** – Employees covered by this contract are members of the State Employees' Retirement System (SERS) - Hazardous Duty Plan. The pension impact of the wage related provisions assume an average hazardous duty normal cost SERS rate of 13.59%. The total estimated retirement cost is \$1,165,346 in FY 23; \$1,689,098 in FY 24; \$2,248,954 in FY 25; and \$2,570,247 in FY 26. The increased costs to SERS will not be recognized in the state's actuarially determined employer contributions (ADEC) until FY 25, as the FY 24 contribution is set based on the June 30, 2022 actuarial valuation.

**Funding Availability** – The Reserve for Salary Adjustments<sup>3</sup> (RSA) General Fund account for collective bargaining costs associated with unsettled contracts and other related costs currently has adequate funding to transfer to the various agencies. Lastly, the provisions of this agreement remain in effect until a subsequent agreement is negotiated by the parties.

**Member Overview** – There are 888 employees covered by this arbitration award.

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

The agreement will expire, effective June 30, 2026. The wage provisions of this resolution will remain in effect in future years subject to the outcome of the collective bargaining process.

<sup>3</sup> The RSA account is used to finance collective bargaining and related costs that are not

included in individual agency budgets.

*Sources: Core-CT Financial Accounting System*