

**SEBAC 2009**

**AGREEMENT**

-between-

**STATE OF CONNECTICUT**

-and-

**STATE EMPLOYEES BARGAINING AGENT COALITION (SEBAC)**

In order to assist in resolving the financial issues currently facing the State of Connecticut while preserving public services, the State of Connecticut and the State Employees Bargaining Agent Coalition agree to the following provisions.

**I. RETIREMENT INCENTIVE PROGRAM 2009**

There shall be a Retirement Incentive Program (2009 RIP) offered to full-time and part-time State employees, as described herein, in addition to the normal retirement program.

**A. Eligibility Rules.**

The following members of the State Employees Retirement System (SERS) shall be eligible to participate in the program:

1. All full-time and part-time State employees other than employees eligible for hazardous duty retirement under Section 2 herein:
  - a) Who will be at least fifty-five (55) years of age on or before June 30, 2009; and
  - b) Who are on active status on the payroll on the day prior to retirement; and
  - c) Who have at least ten (10) years of actual state service in SERS, which shall consist of time worked and may not include purchased service credits or credits transferred from another employer; and

- c. Any arbitration necessary to resolve a claim that an employee is being denied a suitable comparable assignment under this agreement shall receive priority processing for purposes of assignment of an arbitrator, a hearing date, and resolution of the arbitration. Any dispute or arbitration under this agreement shall be under the SEBAC agreement process.

#### 5. Transfer Implications

- a. Where staffing disproportions are caused by the RIP or for other reasons agreeable between the affected bargaining unit and the State, the process outlined in this Section B will be used to eliminate the necessity of a transfer (directly or through layoff notice). If there is more than one employee in the impacted classification, the State shall ask the employees in layoff seniority order and, in the event there are no volunteers, the junior employee shall be transferred.
- b. In cases where involuntary transfers occur, affected employees shall have the right of first refusal to return to their prior geographic locations prior to an equivalent position being offered at the prior geographic location to a less senior person.

#### C. Job Security for Units Not Covered by OLR.

1. Job security for other units has been or shall be negotiated on a unit-by-unit basis consistent with the April 6, 2009 Recommended Agreement on Financial Issues – And Framework for Job Security, including the provisions for wages and furlough days which are summarized in Attachment A.

### V. TRIGGERS FOR FURTHER ACTION

#### A. The State and SEBAC agree as follows:

1. For the purposes of this provision, following adoption of the budget, the Comptroller's revenue projections shall be used in deciding whether one of the following may occur.
2. If the projected revenue from all sources to the General Fund and Special Transportation Fund is \$300 million or more below that in the final adopted budget, and the Governor exercises any rescission authority, the following will occur:

- a. Emergency convening of SEBAC and representatives of the administration to consider potential savings in addition to those listed below.
  - b. Joint measures taken to encourage voluntary schedule reductions.
  - c. The State's contribution to the state employees retirement plan may be reduced by up to \$100 million annually.
3. If the projected revenue from all sources to the General Fund and Special Transportation Fund is \$350 million or more below that in the final adopted budget, and the Governor exercises any rescission authority, in addition to the measures in 2 above, the effective date of SCOPE shall be delayed to FY2012.
- B. The State and SEBAC further agree that if the number of full-time employees who retire under the 2009 RIP is below 3000, the State may reduce its contributions to unfunded liability (pension or OPEB) up to \$100 million annually, at the following points, in the amounts stated:

2,750	up to \$8.25 million
2,500	up to \$16.50 million
2,250	up to \$24.75 million
2,000	up to \$33.00 million
1,750	up to \$41.25 million
1,500	up to \$49.50 million
1,000	up to \$57.75 million
500	up to \$66.00 million
250	up to \$74.25 million
0	up to \$92.50 million


Any deferral of unfunded liability taken under this provision shall be subtracted from the \$100 million annual amount provided in A-2 above for the fiscal year in which it is applied.

**VI. TENTATIVE AGREEMENT, SUBJECT TO RATIFICATION AND  
APPROVAL BY THE GENERAL ASSEMBLY**

By their signatures below, the parties indicate that this tentative agreement has been approved by the governor, and recommended by SEBAC Leadership for ratification by the membership. SEBAC's final approval is subject to a post-membership vote by SEBAC Leadership in accordance with SEBAC rules. This agreement is further subject to the approval of the General Assembly in accordance with the provisions of Connecticut General Statutes §5-278(b).

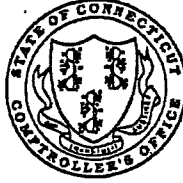


Daniel E. Livingston, Chief Negotiator  
SEBAC



Saranne P. Murray, Chief Negotiator  
State of Connecticut

Dated this 21<sup>st</sup> day of April, 2009.



NANCY WYMAN  
COMPTROLLER

STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER  
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MARK E. OJAKIAN  
DEPUTY COMPTROLLER

December 1, 2009

The Honorable M. Jodi Rell  
Governor of the State of Connecticut  
State Capitol  
Hartford, Connecticut

Dear Governor Rell:

I write to provide you with General and Transportation Fund financial statements for Fiscal Year 2010 based on activity through October 31, 2009.

The Office of Policy and Management (OPM) has projected a Fiscal Year 2010 General Fund budget deficit of \$466.5 million. However, this estimate does not include \$129.5 million in estimated revenue that will be realized in Fiscal Year 2010 due to the elimination of a 0.5 percent reduction in the sales tax. Including this additional revenue brings the OPM General Fund deficit projection for Fiscal Year 2010 to \$337 million. The projected year end balance in the Transportation Fund is estimated to be \$97.6 million. I am projecting a Fiscal Year 2010 General Fund deficit of \$549.5 million after accounting for the elimination of the sales tax reduction. I am in general agreement with the Transportation Fund estimate. \*

The Fiscal Year 2010 General Fund tax revenue projections developed by OPM, the Office of Fiscal Analysis (OFA) and my office all show tax revenues falling below one percent of initial budget estimates. This shortfall triggers the elimination of the planned sales tax reduction in accordance with the provisions of PA 09-3 JSS, Section 113. Therefore, this revenue has been added to the OPM deficit projection and incorporated into my projection as outlined above.

The only significant difference between the OPM deficit projection and my projection is in the income tax estimate. My estimated income tax receipts are \$212.5 million below the OPM number (\$162.5 million below the OFA figure). My estimate relies heavily on historical collection patterns adjusted for current month trends. As of October, estimated income tax payments were trending down by 29.4 percent. The two month trend in the withholding portion of the income tax was down 4.3 percent.

While the state gained one thousand payroll jobs in October, the unemployment rate increased from 8.4 percent to 8.8 percent. Over the twelve month period ending in October, Connecticut lost 71,100 payroll jobs. To date this fiscal year the state has lost 12,200 jobs. The revenue gain associated with the income tax rate increase is just sufficient to offset the negative trending in income tax collections, which leaves my estimate close to the Fiscal Year 2009 receipt level.

	FY 09 Actual	FY 10 Budget	Consensus Revisions	Consensus Revised	OPM 11/20/2009	OSC 12/1/2009	OPM Chng from Budget	OSC Chng from Budget	Chng OPM	Chng OSC
<b>Taxes</b>										
Personal Income	6,385,856	6,630,700	(20,000)	6,610,700	6,610,700	6,398,174	(20,000)	(232,526)	3.5%	0.2%
Sales and Use Corporations	3,318,752	3,166,700	(89,800)	3,076,900	3,010,300	3,139,800	(156,400)	(26,900)	-9.3%	-5.4%
Public Service Corporations	615,971	721,600	-	721,600	721,600	721,600	0	0	17.2%	17.2%
Inheritance and Estate Insurance Companies	268,495	272,300	-	272,300	272,300	272,300	0	0	1.4%	1.4%
Cigarettes	238,337	208,700	(6,500)	202,200	202,200	202,200	(6,500)	(6,500)	-15.2%	-15.2%
Real Estate Conveyance	202,217	202,700	(2,500)	200,200	200,200	200,200	(2,500)	(2,500)	-1.0%	-1.0%
Oil Companies	317,774	392,600	(5,000)	387,600	387,600	387,600	(5,000)	(5,000)	22.0%	22.0%
Alcoholic Beverages	90,802	94,500	-	94,500	94,500	94,500	0	0	4.1%	4.1%
Admissions, Dues and Cabaret	104,413	98,900	25,500	124,400	124,400	124,400	25,500	25,500	19.1%	19.1%
Miscellaneous	47,064	48,000	-	48,000	48,000	48,000	0	0	2.0%	2.0%
Total Taxes	36,040	37,100	-	37,100	37,100	37,100	0	0	2.9%	2.9%
Refunds of Taxes	143,304	143,700	1,800	145,500	145,500	145,500	1,800	1,800	1.5%	1.5%
R & D Credit Exchange	11,768,975	12,017,500	(96,500)	11,921,000	11,854,400	11,771,374	(163,100)	(246,126)	0.7%	0.0%
Taxes Less Refunds	(1,052,286)	(9,400)	(25,000)	(1,105,500)	(1,105,500)	(1,105,500)	(25,000)	(25,000)	5.1%	5.1%
Other Revenue	(8,428)	(9,400)	-	(9,400)	(9,400)	(9,400)	0	0	11.5%	11.5%
Transfer Special Revenue	10,708,261	10,927,600	(121,500)	10,806,100	10,739,500	10,656,474	(188,100)	(271,126)	0.3%	-0.5%
Indian Gaming Payments	287,195	293,400	-	293,400	293,400	293,400	0	0	2.2%	2.2%
Licenses, Permits and Fees	377,805	384,100	(13,100)	371,000	371,000	371,000	(13,100)	(13,100)	-1.8%	-1.8%
Sales of Commodities and Services	162,474	281,500	(1,600)	279,900	279,900	279,900	(1,600)	(1,600)	72.3%	72.3%
Rentals, Fines and Escheats	32,558	33,200	-	33,200	33,200	33,200	0	0	2.0%	2.0%
Investment Income	64,018	97,300	(1,500)	95,800	112,300	112,300	15,000	15,000	75.4%	75.4%
Miscellaneous	18,806	10,000	-	10,000	10,000	10,000	0	0	-46.8%	-46.8%
Refunds of Payments	163,023	208,000	(5,500)	202,500	176,600	176,600	(31,400)	(31,400)	8.3%	8.3%
Total Other Revenue	(662)	(700)	-	(700)	(700)	(700)	0	0	5.7%	5.7%
Other Sources	1,105,217	1,306,800	(21,700)	1,285,100	1,275,700	1,275,700	(31,100)	(31,100)	15.4%	15.4%
Federal Grants	3,619,490	4,051,800	-	4,051,800	4,051,100	4,051,100	(700)	(700)	11.9%	11.9%
Transfer to the Resources of the General Fund	238,331	1,121,900	(25,200)	1,096,700	1,073,300	1,073,300	(1,121,900)	(1,121,900)	-100.0%	-100.0%
Transfer from Tobacco Settlement Fund	115,800	107,300	-	107,300	107,300	107,300	0	0	-7.3%	-7.3%
Transfer From (To) Other Funds	(86,300)	(143,000)	-	(143,000)	953,700	953,700	1,096,700	1,096,700	-1205.1%	-1205.1%
Total Other Sources	3,887,321	5,139,000	(25,200)	5,112,800	5,112,100	5,112,100	(25,900)	(25,900)	31.5%	31.5%
Total Revenue	15,700,799	\$17,372,400	(\$168,400)	17,204,000	17,127,300	17,044,274	(245,100)	(328,126)	9.1%	8.6%