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State Employee Concessions Debated

Rank-And-File Debate Whether Sacrifice Is Fairly Distributed

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Gov. M. Jodi Rell has negotiated \$637 million in concessions from the state's employee unions. But not everyone is happy about it.

Arthur Alston knows that some Connecticut taxpayers view him and his 50,000 fellow state workers as coddled bureaucrats — content with their good wages and cushy benefits.

"They hate us," said Alston, who lives in Hartford and works for the state Department of Public Health. "They think we should all get laid off. ... That's just the way it is."

Alston, like many state workers, says he will do his part to help Connecticut endure these dire economic times. He supports a package of givebacks negotiated by Gov. M. Jodi Rell and state employee union leaders worth \$637 million over the next two fiscal years.

Sure, it's a sacrifice, he said, but it's a reasonable one in exchange for job security.

"I don't like it, but if it keeps someone from getting laid off, I'll go along with it," said Alston, who has worked for the state for more than 20 years. "I think most will accept it to save jobs."

That's the same message being sent by Rell and union officials. Under the terms of the agreement hammered out behind closed doors and now being voted on by various state employee unions, state workers would forgo raises for a year, take unpaid furlough days and pay more for health care. In return, the state promises no layoffs.

But some say the state got far too little in the bargaining.

Even with the concessions, they say, state employees will continue to enjoy a package of benefits that exceeds what most private-sector workers have, along with another perk enjoyed by few in corporate America — job security.

At a time when numerous businesses are closing, thousands of workers are being laid off and some



private-sector employees are taking steep pay cuts while facing rising health care costs, some people believe that the one-year pay freeze is not a major sacrifice.

"We hear frustration," said Joe Brennan, senior vice president of the Connecticut Business and Industry Association. "People feel the government hasn't done enough to reduce its costs."

Young Vs. Old

Peter Kent, who owns Bicon Electronics Inc., a manufacturing firm in Canaan with fewer than 100 employees, has had to make some tough decisions because of the sour economy, including freezing or reducing wages, instituting rolling furloughs and putting some of his employees on a four-day work week.

"Our legislature and our government officials must look at the big picture and bring the size of government in line with what we can afford," Kent said.

And it's not just the business community that's critical.

Some state workers say privately that the deal burdens rank-and-file workers while doing nothing to address the number of managers or eliminate their perks. Others say it simply postpones the pain by deferring contributions to the state employee pension fund, an accounting trick that doesn't change the fact that employees who are guaranteed a pension will still receive one.

And, they say, the agreement is structured in a way that hurts younger employees more than veterans.

"The concession package is built on the backs of the newest state employees," said Lisa Siegel, an attorney for the state's Freedom of Information Commission. "All employees who have less than five years of service as of July 2010 will pay 3 percent of their salary to retirement health benefits until reaching 10 years of service. The remainder of all state employees will pay nothing."

As a result, she said, a new employee who earns \$30,000 will give up \$1,000 a year, but veteran employees earning \$90,000 a year will give up nothing for their retirement health benefits.

Although Siegel said she does not object to the concept of a 3 percent giveback, she added, "I don't think it should be shouldered by only the newest employees. Fairness requires a more equitable concession than this."

In break rooms, across cubicles and online, the debate rages.

"Under the present circumstances, though I should be safe, I will vote yes to protect the jobs of my newer co-workers," a man identified only as Paul wrote on a message board on the union's website, www.InThisTogetherCt.org. "But, I would like to know if management and nonunion workers are being told to make the same sacrifices."

It's a legitimate question, said state Rep. Karen Jarmoc, a Democrat from Enfield. She has spoken with many constituents who have voiced the same concerns.

"Here the governor is asking for these concessions, which I think are needed ... but the discussion needs to take place on the management side as well," Jarmoc said.

She ticked off a list of places where she believes fat could be cut, from the layers of management at the state's prisons and within the Department of Children and Families to the car and gas allowances allotted to certain managers and supervisors.

Some members of the rank-and-file share that sentiment. "A lot of these departments are top-heavy," said Liz Woffard, a part-time state employee. "That's where the money's at."

Job Security

But echoing the thoughts of others, Woffard is pleased about the no-layoff provision. Unlike then-Gov. John G. Rowland, Rell avoided trying to close the budget gap by laying off state employees.

"Layoffs hurt everyone," Rell said.

Rell said she got the best deal possible — under the circumstances.

"In any negotiated settlement like this, both sides probably wish they could have gotten better or more," said Rell, noting that the unions were not obligated to reopen their long-term contracts and agree to concessions. "But I am pleased with the results. ... If others could do better, it would be nice, but I'm the one doing the negotiating."

Matt O'Connor, a spokesman for the State Employee Bargaining Agent Coalition, said that members of some unions have already voted, and that several key votes are scheduled for Tuesday and Wednesday.

"It has passed overwhelmingly in every one of those cases," said O'Connor, adding that the margin was at least 4-to-1 in favor of the agreement. And, he said, state employees are definitely making sacrifices.

"Seven hundred million dollars in savings is a tremendous contribution," O'Connor said. "We're talking about a year with a wage freeze. That's nothing to sneeze at. That's a substantial amount. The wage freeze is a major sacrifice on the part of our members."

Regarding the givebacks on health care, O'Connor said that union contracts remain in place until 2017, and that union members will still have "good, quality health care for the duration of that agreement." He added, "It's fair to our members."

The agreement also begins to address some of the long-term obligations facing the state, such as retiree health benefits and pensions.

"One of the positives from our standpoint is that these aren't just short-term incentives," said Brennan of the Connecticut Business and Industry Association.

"This starts to begin to reign in retiree health care costs. ... We're hoping this is just the first step in bringing health and pension benefits more in line with the private sector and the taxpayers' ability to pay," he said.

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