



# SEBAC PROPOSAL



February 20, 2003

Honorable Kevin Sullivan, President Pro Tempore  
 Honorable Martin Looney, Majority Leader  
 Honorable Moira Lyons, Speaker  
 Honorable James Amann, Majority Leader  
 State Capitol, Executive Offices  
 210 Capitol Avenue  
 Hartford, CT 06106

RE: Constructive Solutions to the Budget Impasse

Dear Legislative Leaders:

As you know, SEBAC had been hopeful that the Governor would see the budget bill recently passed by the General Assembly "not as a win or a loss for state workers or the administration, but as a chance for everyone, especially the public we all serve, to move forward towards a genuine solution." We so stated this in a letter to the Governor dated February 15, 2003, which stressed the 750 million dollars by the Governor's own figures, 1.1 billion dollars by ours – which we have offered to help resolve the budget crisis, and urged the Governor to return to the table. Unfortunately, the Governor has chosen to veto the budget, leave the 2800 workers unemployed, and ignore our repeated requests that he return to the table. Now we hear that despite his repeated insistence that concessions from state employees are crucial to the state's future, he is asking the General Assembly to pass a budget bill that leaves out any concessions from state employees. Let me just highlight some of the assistance state employees have offered, which the Governor now asks that you join him in throwing away:

Specifically, our proposal includes:

- All of our members going without a wage increase or increment for an entire year, with future increases delayed by 9 months in the following year, and a total of 31 months of lost wage increases and increments.
- Changes in the state's prescription drug program assuring a much greater use of generic drugs immediately, and accepting an increase in co-pays in the future.
- Preventing new enrollments in the state's most expensive health plan.
- Recomputing premium shares for singles on managed care
- Allowing pharmacy co-pays to increase in July of 2007
- Requiring 3 unpaid furlough days or unpaid holidays immediately.
- An early retirement program to reduce the state's payroll, thus saving the state over \$337 million in the next 2 ½ years from the unionized payroll alone. This would also allow the state to offer a managerial early retirement, which would save at least an additional \$65 million that could be added to the \$750 million in savings.
- Agreement with the administration's suggestion to allow over \$150 million in pension fund deferrals.
- Voluntary schedule reductions, which the administration costed as saving nearly \$16 million dollars over the next 2 ½ years.

***Ironically, other than a change in health care that the Governor values at 2 million dollar, this offer of assistance is identical to the one the Governor seeks for fiscal 2003.*** Many millions in savings would continue over the following biennium and beyond, and this is without counting the hundreds of millions of dollars in additional savings available if the administration were to accept our suggestion to self-insure the health plan and carve out pharmacy benefits.

In return, we sought only genuine job security. While we won't go into the details of the administration's continuing refusal to provide such security, suffice it to say that the administration continues to use the words of job security while leaving public service workers constantly at risk of imminent layoff, and public services at risk of imminent disruption.

The Governor's choice to prolong the suffering of 2800 families, and the damage to state services, and to abandon any effort to reach a concessions agreement with state employee unions threatens to make balancing the state's budget virtually impossible. Under these circumstances, including any concession assumptions from state employee union negotiations *with the Governor* would be unwarranted and irresponsible. Nor given the Governor's attitude, are we in a position to agree to any sort of Early Retirement Incentive Program, unless it is part of an overall solution that puts all of our members back to work. ***As you know, any Early Retirement Program that does not include our agreement would be illegal.*** It is unfortunate that the Governor continues to show such disrespect for contractual agreements that his own administration has reached with state employee unions.

Obviously the General Assembly could choose to accept the Governor's invitation to pass a budget with no concession assumptions from state employees – including no savings assumed from early retirement. Aside from the fact that such a budget would include unnecessary spending cuts, or revenue increases, or both, simply because the 3/4 of a billion dollars in help which we've offered so far would remain unaccepted, it would also leave 2800 families struggling, and no doubt more unnecessary layoffs, draconian service cuts, and chaos soon to come. Therefore, we have reluctantly concluded we must offer the savings directly to the General Assembly. We can prepare language, at your request, that would make the savings actually available, rather than assumptions which the Governor refuses to allow to become real. This is the only way we can think to help, given the Governor's insistence on remaining an obstacle to agreement.

As you know, we much prefer that the Governor live up to his responsibility to direct his representatives to meet with us in an effort to find solutions on behalf of everyone. He has continued to walk away from the table, relying on a series of excuses, with the constitutional lawsuit being only the latest one. We know all of you respect the right of state workers to protect their constitutional rights, and recognize that the Governor being angry at workers using the courts to protect themselves is no basis for his failure to do his job on behalf of 3 million people. In fact, as you all know, the Governor walked away from the table *before* we filed the lawsuit, so he is finding just one more reason to avoid reaching agreement. Nevertheless, we have offered to sign a confidentiality agreement if that would prompt him to return to the table, and even to suspend further progress on the lawsuit, under appropriate circumstances. The Governor refuses every initiative on our part, forcing us to conclude he simply remains uninterested in reaching agreement.

We believe that the people of this state, and their elected representatives, are entitled to make a choice. They can accept a budget framed by the Governor's personal animosity and bitterness, a budget which punishes not just state employees, but Connecticut's most vulnerable residents, its children and its elderly, its towns and cities, and ultimately all 3 million of its residents. Or they can accept a budget framed by the generous spirit of 45,000 state workers, whose offer of an average \$6,000 in wage losses alone which the Governor refused to even counter. While we intend to continue to do everything we can to encourage the Governor to take a more reasonable position – including requesting that he too allow the General Assembly the choice to accept our offer – we hope the General Assembly will accept this direct invitation to fill the breach in good faith efforts by the State that the Governor has created. It will take courage, because we can expect the Governor to use every means possible to derail or prevent an agreement. We are confident, however, that such an agreement can be found and made real if only we have the courage to work together on behalf of all the people who depend on us.

We would like to request an immediate meeting with you to discuss these ideas, and how state employees may help with the continuing budget impasse, despite the Governor's hostile attitude. We look forward to hearing from you shortly.

Very truly yours, Dan Livingston, Chief Negotiator for SEBAC

**WHAT ARE YOUR THOUGHTS?? CONTACT STEVEN PERRUCCIO**

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