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April 23, 2020

Governor Ned Lamont Office of the Governor 210 Capitol Avenue Hartford, CT 06106

Dear Governor Lamont:

I am writing as a follow up to my letter last week regarding the state employee pay increases scheduled to go into effect July 1, 2020.

In my last letter I asked if you had considered delaying the state employee pay increases that were approved under the 2017 SEBAC deal and the state budget which includes a 3.5 % general wage increase and an annual step increase of 2%. I have now obtained more information from the Office of Fiscal Analysis and can share that these raises are estimated to cost the state \$119 million in the General Fund and \$15.3 million in the Special Transportation Fund.

At a time when Connecticut residents, nonprofits and social service providers are struggling significantly, the state should consider delaying these raises and instead directing those funds to support the state's nonprofit providers who make up our safety net services that help the most vulnerable populations.

Nonprofits have sounded the alarm that many are on the brink of financial disaster. Nonprofits have reported that they are struggling to get access to protective equipment and their revenues are eroding. They have furloughed employees and are considering further action to control the costs of staffing. The president and CEO of the CT Community Nonprofit Alliance has recently raised concerns about your administration not being able to make any commitments to further support nonprofits during this difficult time. Sen. Cathy Osten, D-Sprague, co-chair of the Appropriations Committee, has raised concerns that our social safety net is becoming tattered at this time. She recently explained, "We have moved a lot of services from state government into the nonprofit world...! just think this is a group of people that nobody wants to pay attention to."

Given this situation, I ask that you consider pausing the scheduled state employee pay increases and using those funds to instead bolster Connecticut's struggling nonprofits so they can support their workers and vulnerable clients. At a time when everyone is sacrificing so much, when jobs are disappearing around us, a small sacrifice of temporarily pausing a pay increase can go a long way. Delaying these raises for state employees can mean someone else who works at a nonprofit can go back

¹ https://ctmirror.org/2020/04/22/nonprofit-agencies-say-they-are-on-brink-of-financial-disaster/

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to work and provide needed care for someone who is physically, mentally, or emotionally struggling. It means more funding can be directed to lifesaving PPE supplies. It could give our nonprofits the boost they need to help thousands of residents survive the various crises they now face.

Connecticut would not be the first state to delay raises as we face today's challenges. New York Governor Andrew Cuomo recently announced that he is delaying a 2% raise for state employees by 90 days. Virginia Governor Ralph Northam delayed action on state employee raises. Pennsylvania Governor Tom Wolfe went even further and froze the pay of nonessential state employees who cannot work remotely. Connecticut's Office of Policy and Management Secretary Melissa McCaw recently estimated that revenue losses alone next fiscal year could hover around \$1.4 billion. On top of these scheduled raises, the state just this week paid out longevity payments totaling \$10.8 million in the General Fund and \$800,000 in the Special Transportation Fund. In times of a crisis when so many people are struggling and our state budget faces shortfalls, it seems necessary that we revisit pay increases and raises. While nothing can be done about the longevity payments, there is still time to act on the July 1st pay increases.

Connecticut residents are facing a crisis unlike anything they have ever imagined. During this challenging time, our state leaders and our state employee union leaders must consider all options to help our state protect funding for safety net services, public health and nonprofit providers. I have also reached out to Mr. Daniel Livingston, SEBAC's chief negotiator to ask for his support in delaying raises and directing funds to nonprofit providers and core social services.

Thank you for your attention to this matter.

Sincerely

Len Fasano

Senate Republican Leader

cc: Paul Mounds, Chief of Staff