

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-6861

AN ACT ADOPTING THE RECOMMENDATIONS OF THE TASK FORCE TO STUDY THE STATE WORKFORCE AND RETIRING EMPLOYEES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Human Rights & Opportunities, Com.	GF - Potential Revenue Loss	1.1 million	1.1 million
Attorney General	GF - Cost	At least 172,700	At least 353,000
Human Rights & Opportunities, Com.	GF - Cost	110,000	225,500
State Comptroller - Fringe Benefits ¹	GF - Cost	160,600	296,400
Equity Advisory Committee	GF - Cost	112,500	153,800

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes several changes regarding discrimination and equity in state government. The bill generally alters the process for state employees to make complaints in court and makes various requirements for the Commission on Human Rights and Opportunities (CHRO). This would result in costs starting in FY 24 to CHRO, the Office of the Attorney General (OAG), and the new Equity Advisory Committee, to handle additional complaints expected under the bill and

¹The 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 42.82% of payroll in FY 24.

to hire the new staff required. The bill's alterations to the complaint process may also result in an annualized General Fund revenue loss of approximately \$1.1 million, starting in FY 24, along with additional costs to the state for increased damages.

Section 2 results in: (1) a potential annual General Fund revenue loss of approximately \$1.1 million beginning in FY 24, (2) an annual cost to CHRO of \$90,000 plus fringe benefits, starting in FY 24 (with half-year costs in FY 24), and (3) an annual cost to OAG beginning in FY 24.

The section establishes a new discriminatory practice process for state employees that allows this group to bypass the CHRO administrative processes and file complaints directly in court. It also encourages employees to file cases, under certain conditions, which could result in an increased number of complex and lengthy cases for CHRO to handle.

Exempting state employees from CHRO's process could violate the terms of the agency's contract with the federal Equal Employment Opportunity Commission (EEOC). Under the contract, CHRO is eligible for a \$1,000 per case reimbursement if certain criteria are met; in 2022, there were 1,550 cases that met reimbursement eligibility. If CHRO were to lose the contract, then there could be an annual revenue loss of approximately \$1.1 million.

This section is also expected to increase the CHRO workload, resulting in costs for an additional staff. From FY 19 through FY 22, the average number of complaints filed with CHRO against state agencies was 193. Assuming half of these complaints are filed directly in court instead of with CHRO, there could be a significant amount of litigation handled by the agency versus through the current less costly CHRO intake and investigation process. It is estimated that CHRO would need to hire an additional Human Rights Attorney I position at an annual salary of \$90,000 (with half-year costs in FY 24) to handle the litigation associated with these cases. Including associated fringe benefits, the total cost of the position is estimated to be \$64,300 in FY 24 and \$131,800 in FY 25 (and annually thereafter).

The section also results in annual costs to OAG of at least \$353,000 (with half-year costs in FY 24), since the bill would result in certain state employee complaints being heard directly in court, without a change agency level resolution.² The OAG Employment Section would need to hire two additional Assistant Attorneys General (at a starting salary of \$105,678) and one Human Rights Generalist (\$93,985), as well as pay other associated litigation costs of approximately \$40,000 annually. In addition, there could be costs to the state since cases that are awarded monetary damages would be entitled to double damages, under the bill.

Section 3 of the bill requires the new Equity Advisory Committee to hire a Chief Diversity, Equity and Inclusion Officer to oversee equity within the state employee hiring process. The total cost of the new position is estimated at \$219,600 annually, with salary costs of approximately \$150,000 and associated fringe benefits (with an FY 24 salary cost of nine months, due to the bill's requirements).

Section 6 of the bill requires CHRO to establish the Office of the Racial Justice Ombudsperson to perform various tasks. It is estimated that the ombudsperson's salary would be approximately \$130,000 annually (with a half-year's salary in FY 24 due to the section's effective date), plus fringe benefits, for a total annual cost of approximately \$190,300.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of complaints filed in court, the number and magnitude of monetary damages awarded, and changes in employee wages and benefits.

² The Office of the Attorney General is involved in defending the state in such cases.