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### Reductions-in-Force

## Connecticut, State Unions Reach \$100M Settlement Over Targeted Layoffs in 2003

Connecticut's attorney general April 28 announced an agreement worth between \$100 million and \$125 million to settle a 2003 lawsuit that alleged former Gov. John G. Rowland (R) targeted over 3,000 union members for termination in retaliation for their unions' refusal to give up certain pension and benefit rights (*State Emps. Bargaining Agent Coal. v. Rowland*, D. Conn., No. 3:03-cv-221, *legislative approval requested* 4/28/15; *Conboy v. State*, Conn. Super. Ct., No. CV-05-5001734, *legislative approval requested* 4/28/15; *Parizo v. State*, Conn. Super. Ct., No. CV-03-0828527, *legislative approval requested* 4/28/15).

Attorney General George Jepsen (D) informed legislators that the agreement negotiated with the State Employees Bargaining Agent Coalition (SEBAC) was structured to minimize immediate financial impact on the state, and urged them to accept the proposal instead of facing the prospect of higher damages in court. A group of state worker unions and several individual members sued, alleging Rowland intentionally violated their rights to freedom of speech, association, due process and equal protection of the law.

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“The state was in a situation where it could have realistically faced up to \$350 million in damages, due in 30 days,” Jepsen told Bloomberg BNA May 4. “I’m glad we’ve been able to get where we did, and to bring closure to 12-year-old issues that have been difficult for many people.”

“This has been a long time coming,” named plaintiff Denise Bouffard told Bloomberg BNA May 5. “As both a plaintiff and taxpayer, I think the agreement is fair and just, given the state of the budget in Connecticut.”

The agreement encompasses two state cases that also challenged Rowland’s actions.

**Unique Settlement Accounts for Budget Issues.** The U.S. Court of Appeals for the Second Circuit held in 2013 that Rowland and former policy secretary Mark Ryan’s decision to terminate only union members violated the workers’ right to free association, and ordered a lower court to determine damages (51 GERR 739, 6/4/13).

Jepsen subsequently filed and withdrew a petition to the U.S. Supreme Court, and Rowland’s individual petition to that court was denied in 2014 (52 GERR 113, 1/28/14).

The agreement was structured “to ameliorate the potential financial effects . . . on the State’s budget,” according to Jepsen’s memorandum. It would include deferred cash payments and provides that the state pay a significant portion of the damages through vacation pay and personal leave awards, which may be redeemed when plaintiffs leave state employment.

Jepsen noted that “the potential claims of over 37,000 union members for chilling of their First Amendment rights” would be resolved “without any future payment in the majority of cases through a small award of personal leave time.”

Because of “discounts and compromises agreed to by the plaintiffs,” each dollar they could have potentially recovered would be reduced by over 40 percent. Payment of economic damages would be “deferred over a minimum of two budget cycles and, in the majority of cases, until the conclusion of employment,” with the state, Jepsen wrote.

Plaintiffs no longer employed by Connecticut will receive \$1,500 for emotional distress, and \$700 if otherwise economically harmed. Those who aren’t entitled to damages will receive 1.25 leave days or a \$100 nominal award.

If the state legislature approves the settlement, it would next go to a federal court for final approval. A 60 percent super-majority in the legislature can reject the settlement.

Silver Golub & Teitell represented the unions. The attorney general’s office and McElroy, Deutsch, Mulvaney & Carpenter represented the state parties.

**Named Plaintiff: ‘Fair and Just Agreement.’** “As a single mother, going from earning a decent salary to collecting unemployment affected me greatly,” Bouffard said in her interview with Bloomberg BNA.

The former child support enforcement officer said she was called back to work roughly six months after being laid off, but was relocated about 60 miles from her home. She later reapplied and was rehired to her former position and currently works in a different position.

Bouffard said she is generally satisfied with the settlement, despite the difficulties of being laid off.

“When I was approached to be a named plaintiff, I was anxious, but I thought it was important to stand up for what I believe in—that Rowland’s actions were illegal and harmed union members,” she said.

BY HASSAN KANU

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*Text of the attorney general’s memorandum is available at <http://op.bna.com/dlrcases.nsf/r?Open=hkau-9w7tc5>.*