



# House of Representatives

General Assembly

**File No. 747**

*January Session, 2003*

House Resolution No. 28

*House of Representatives, May 21, 2003*

The House Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN THE BOARD OF TRUSTEES FOR THE CONNECTICUT STATE UNIVERSITY SYSTEM AND THE CONNECTICUT STATE UNIVERSITY AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS.**

Resolved by this House:

- 1 That the memorandum of agreement between the Board of Trustees
- 2 for the Connecticut State University System and the Connecticut State
- 3 University System American Association of University Professors,
- 4 submitted to this assembly April 28, 2003, for approval, as provided in
- 5 subsection (b) of section 5-278 of the general statutes, is approved.

**APP**      *House Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

<b>Fund-Type</b>	<b>Agency Affected</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>	<b>FY 06 \$</b>
All Funds - Cost Savings	Connecticut State University	3,787,020	4,726,212	4,169,295
GF - Cost Savings	Connecticut State University	3,181,097	3,970,018	3,502,208

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

This Memorandum of Agreement (MOA) for the Connecticut State University Professors' (AAUP) bargaining unit is submitted for approval. Costs shown above are for the 1,224 full-time All Funds employees covered by the original contract, including 1,028 employees funded by the General Fund. The estimated FY 07 cost savings of the agreement is \$4,027,617 for All Funds, which includes \$3,383,198 for the General Fund. The estimated annualized FY 07 cost savings of the agreement is \$4,027,617 for All Funds, which includes \$3,383,198 for the General Fund. Details of the costs are attached.

This agreement amends the existing collective bargaining agreement, which is effective through August 24, 2006, and extends the contract for one year. The amended contract will expire on August 24, 2007. The MOA does not impact FY 03 costs, however FY 04 salaries are frozen at FY 03 levels, except for increases resulting from promotions. Increases scheduled to take effect in FY 04 will be deferred until FY 05. The original contract provided for a reopener to determine FY 05 and FY 06 wage increases. The MOA provides a 5%

General Wage Increase in FY 06, as well as a 5% increase in Special Funds.

The MOA also provides that there will be no layoffs for the remainder of the contract, unless non-renewal is related to performance issues (Article 4 of the agreement), or where management declares a financial exigency (Article 17 of the contract). This provision does not apply to grant-funded positions wherein funding terminates, special appointments, temporary or durational employees.

**Detail of Cost Estimates**

**All Funds**

<b>Cost of Original Contract and Assumed Reopener</b>					
	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07[1]
FY 04 Original Contract	\$ 3,522,810	\$ 4,307,297	\$ 4,307,297	\$ 4,307,297	\$ 4,307,297
FY 05 Assumed 5% Salary Increase for 21 pay periods and 5% Special Funds Increase [2]		3,611,989	4,435,701	4,435,701	4,435,701
FY 06 Assumed 4% Salary Increase for 21 pay periods and 4% Special Funds Increase [2]			3,034,718	3,726,635	3,726,635
<b>Total - Original Contract and Assumed Reopener</b>	<b>\$ 3,522,810</b>	<b>\$ 7,919,286</b>	<b>\$11,777,715</b>	<b>\$12,469,632</b>	<b>\$12,469,632</b>

<b>Cost of Memorandum of Agreement</b>					
	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07
<b>First Year of Contract (FY 04)</b>					
No General Wage or Special Funds Increases	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total First Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Second Year of Contract (FY 05) [3]</b>					
5% General Wage Increase, Effective 8/20/04		\$ 3,294,846	\$ 4,079,333	\$ 4,079,333	\$ 4,079,333
Longevity Increase		126,915	126,915	126,915	126,915
Department Chair Stipend Increase (3.7%)		16,430	16,430	16,430	16,430
Market Pay Adjustment		4,237	4,237	4,237	4,237
Minority Recruitment and Retention Funds Increase		2,119	2,119	2,119	2,119

	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07
The following items will be increased 5%					-
Travel		30,679	30,679	30,679	30,679
Faculty Development		7,357	7,357	7,357	7,357
Research Grants		29,035	29,035	29,035	29,035
Curriculum-Related Activities		9,392	9,392	9,392	9,392
Retraining Funds		1,800	1,800	1,800	1,800
<b>Total Second Year</b>		<b>\$ 3,522,810</b>	<b>\$ 4,307,297</b>	<b>\$ 4,307,297</b>	<b>\$ 4,307,297</b>
<b>Third Year of Contract (FY 06)</b>					
5% General Wage Increase Effective 8/19/05 (21 pay periods)			\$ 3,459,588	\$ 4,283,299	\$ 4,283,299
Longevity Increase			34,630	34,630	34,630
Department Chair Stipend Increase (3.7%)			9,253	9,253	9,253
Market Pay Adjustment			4,238	4,238	4,238
Minority Recruitment and Retention Funds Increase			2,119	2,119	2,119
The following items will be increased 5%					
Travel			32,213	32,213	32,213
Faculty Development			7,724	7,724	7,724
Research Grants			30,488	30,488	30,488
Curriculum-Related Activities			9,862	9,862	9,862
Retraining Funds			1,890	1,890	1,890
<b>Total Third Year</b>			<b>\$ 3,592,004</b>	<b>\$ 4,415,715</b>	<b>\$ 4,415,715</b>
<b>Fourth Year of Contract (FY 07)</b>					
Reopener for Salary and Special Funds Increases				Reopener	Reopener
<b>Total Fourth Year</b>				\$ -	\$ -
<b>Subtotal of MOA Costs</b>	\$ -	\$ 3,522,810	\$ 7,899,301	\$ 8,723,012	\$ 8,723,012
<b>Subtotal MOA Savings from Original Contract</b>					
	\$ (3,522,810)	\$ (4,396,476)	\$ (3,878,414)	\$ (3,746,620)	\$ (3,746,620)
Social Security Savings [4]	(264,211)	(329,736)	(290,881)	(280,997)	(280,997)
<b>Total Savings - All Funds</b>	<b>\$ (3,787,020)</b>	<b>\$ (4,726,212)</b>	<b>\$ (4,169,295)</b>	<b>\$ (4,027,617)</b>	<b>\$ (4,027,617)</b>
<b>Estimated General Fund Savings</b>	<b>\$ (3,181,097)</b>	<b>\$ (3,970,018)</b>	<b>\$ (3,502,208)</b>	<b>\$ (3,383,198)</b>	<b>\$ (3,383,198)</b>

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls. PA 99-1 of the June Special Session authorizes the

development of the 2003-2005 state budget on a GAAP (Generally Accepted Accounting Principles) basis. This change will basically add one-tenth of a payroll to annual costs beginning in FY 04.

[2] The original contract expires on August 24, 2006, and includes wage reopeners for FY 05 and FY 06. A 5% increase for 21 pay periods is assumed for FY 05, and a 4% increase for 21 pay periods is assumed for FY 06. The MOA extends the contract one year.

[3] The cost estimates for this MOA are based on costs provided in the fiscal note for the original contract. Salaries for Lecturers are not included.

[4] Wage increases directly impact Social Security contributions. Due to the actuarial valuation method used to cost pension plan contributions, the impact on pension costs is delayed until the next valuation.

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**OFA Bill Analysis**

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**SUMMARY:**

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

**COMMITTEE ACTION**

Appropriations Committee

House Favorable Report

Yea 34    Nay 0