



Senate

General Assembly

File No. 740

January Session, 2003

Senate Resolution No. 30

Senate, May 21, 2003

The Senate Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, 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 ORGANIZATION OF ADMINISTRATIVE FACULTY (SUOAF).

Resolved by the Senate:

- 1 That the memorandum of agreement between the Board of Trustees
- 2 for the Connecticut State University System and the Connecticut State
- 3 University Organization of Administrative Faculty (SUOAF),
- 4 AFSCME, Council 4, Local 2836, submitted to this assembly April 28,
- 5 2003, for approval, as provided in subsection (b) of section 5-278 of the
- 6 general statutes, is approved.

APP *Senate 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:

Fund-Type	Agency Affected	FY 04 \$	FY 05 \$	FY 06 \$
All Funds - Cost Savings	Connecticut State University	1,598,471	1,972,721	2,084,353
GF - Cost Savings	Connecticut State University	922,328	1,138,364	1,202,175

Note: GF=General Fund

Municipal Impact: None

Explanation

This Memorandum of Agreement (MOA) for the Connecticut State University Administrative Faculty bargaining unit is submitted for approval. Costs shown above are for the 557 All Funds employees covered by the original contract, including 322 employees funded by the General Fund. The estimated FY 07 cost savings of the agreement is \$2,018,973 for All Funds, which includes \$1,163,838 for the General Fund. The estimated annualized FY 07 cost savings of the agreement is \$1,518,645 for All Funds, which includes \$875,023 for the General Fund. Details of the costs are attached.

This agreement amends the existing collective bargaining agreement, which is effective through June 30, 2005, and adds two years to the original contract, extending the contract through June 30, 2007. The MOA does not impact FY 03 costs, however FY 04 salaries are frozen at FY 03 levels. FY 04 increases originally scheduled to be implemented on June 27, 2003 will be deferred until September 17, 2004. FY 05 increases originally scheduled to be implemented on June 25, 2004 will be deferred until September 30, 2005. The MOA also

provides a FY 07 General Wage Increase and Merit Payments totaling 4.5%.

In addition to the above wage implications, the MOA specifies that non-renewals of administrative faculty on term appointments cannot be used to reduce the workforce for economic reasons. This provision does not apply to contracts or grant-funded positions where funding has terminated, or to temporary positions and appointments.

The MOA also allows the Chancellor to convene a Labor/Management Committee to explore ways to reduce expenditures.

Detail of Cost Estimates

All Funds

Cost of Original Contract and Assumed Extension

	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07[1]
FY 04 and FY 05 Original Contract	\$ 1,485,802	\$ 2,978,767	\$ 3,050,336	\$ 3,050,336	\$ 3,050,336
FY 06 Assume 4% Salary Increase (25 pay periods) [2]			1,484,928	1,543,316	1,543,316
FY 07 Assume 4% Salary Increase (25 pay periods) [2]				1,544,325	1,605,049
Total	\$ 1,485,802	\$ 2,978,767	\$ 4,535,263	\$ 6,137,977	\$ 6,198,701

Cost of Memorandum of Agreement (MOA)

	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07[1]
First Year (FY 04)					
No General Wage Increase or Merit Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Minority Mentoring Increase	924	924	924	924	924
Total First Year	\$ 924	\$ 924	\$ 924	\$ 924	\$ 924
Second Year (FY 05)[3]					
4.12% General Wage Increase Effective 9/17/04 (19 pay periods)		\$ 1,052,309	\$ 1,440,001	\$ 1,440,001	\$ 1,440,001
Merit Payment of 0.27% Base Salary (19 pay periods)		68,962	94,369	94,369	94,369
4.12% Longevity Increase		24,040	24,040	24,040	24,040
Total Second Year		\$ 1,145,311	\$ 1,558,410	\$ 1,558,410	\$ 1,558,410

	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07[1]
Third Year (FY 06)[3]					
3.75% General Wage Increase Effective 9/30/05 (18 pay periods)			\$ 947,229	\$ 1,368,220	\$ 1,368,220
Merit Payment of 0.27% Base Salary (18 pay periods)			68,200	98,512	98,512
Minority Mentoring Increase			1,487	1,487	1,487
3.75% Longevity Increase			22,783	22,783	22,783
Total Third Year			\$ 1,039,699	\$ 1,491,002	\$ 1,491,002
Fourth Year (FY 07)					
4.5% General Wage Increase and Merit Payments Effective 9/29/06 (18 pay periods)				\$ 1,182,369	\$ 1,707,867
Minority Mentoring Increase				1,410	1,410
4.5% Longevity Increase				28,364	28,364
Total Fourth Year				\$ 1,212,143	\$ 1,737,641
Subtotal of MOA Costs	\$ 924	\$ 1,146,235	\$ 2,599,033	\$ 4,262,479	\$ 4,787,977
Subtotal MOA Savings from					
Original Contract	\$ (1,484,878)	\$ (1,832,532)	\$ (1,936,231)	\$ (1,875,498)	\$ (1,410,725)
Social Security Savings [4]	(113,593)	(140,189)	(148,122)	(143,476)	(107,920)
Total Savings - All Funds	\$ (1,598,471)	\$ (1,972,721)	\$ (2,084,353)	\$ (2,018,973)	\$ (1,518,645)
Estimated General Fund Savings	\$ (922,328)	\$ (1,138,364)	\$ (1,202,175)	\$ (1,163,838)	\$ (875,023)

[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 June 30, 2005. The MOA extends the contract two years. For costing purposes, there is an assumed 4% increase in FY 06 and FY 07 for 25 pay periods.

[3] The cost estimates for this MOA are based on costs provided in the fiscal note for the original contract.

[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.

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

Senate Favorable Report

Yea 9 Nay 0