

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200

Hartford, CT 06106 ◊ (860) 240-0200

<http://www.cga.ct.gov/ofa>

SR8 and HR7 - RESOLUTION PROPOSING APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF CONNECTICUT AND THE ADMINISTRATIVE AND RESIDUAL EMPLOYEES UNION (A&R).

## PRELIMINARY

### OFA Fiscal Note

#### State Impact:

Agency & Account Affected	Fund-Effect	FY 13 \$	FY 14 \$	FY 15 \$	FY 16 \$
State Comptroller - Fringe Benefits - Tuition Reimbursement Training & Travel Account	GF - May Preclude Potential Savings	None	None	None	Potential

Note: GF=General Fund

**Municipal Impact:** None

#### Explanation

The Memorandum of Understanding (MOU) between the State of Connecticut and the Administrative and Residual (P-5) bargaining unit allows the uncommitted balance in the P-5 Professional Development and Conference Fund to be transferred to the P-5 Tuition Reimbursement Fund to cover tuition reimbursement shortfalls with the mutual agreement of the union and the Office of Policy and Management's Office of Labor Relations. Both funds are within the State Comptroller's Tuition Reimbursement Training & Travel Account and would be an internal transfer.

The current contract provides \$120,000 per year for the P-5 Professional Development and Conference Fund and \$200,000 per year in the P-5 Tuition Reimbursement Fund. In FY 13 to date, the Professional Development and Conference Fund has expended \$64,739; the Tuition Reimbursement Fund has expended \$50,244.

Upon legislative approval, and by September 1 of each subsequent contract year, the MOU allows the union to request that the uncommitted balance in the P-5 Professional Development and Conference Fund, or a portion thereof, be transferred to the P-5 Tuition Reimbursement Fund to offset shortfalls in tuition reimbursement to employees. Both parties must agree on the amount to transfer.

The current Administrative and Residual (P-5) contract provides that the unexpended balance from the Professional Development and Conference Fund and the Tuition Reimbursement Fund carry over from one contract year to the next. However, any

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remaining funds shall expire when the contract ends on June 30, 2016. The MOU does not change this provision.

By allowing a transfer from the Professional Development and Conference Fund to the Tuition Reimbursement Fund it is possible that both funds will be fully expended each year of the contract. Without the ability to transfer funds, it is possible the funds would not be expended at the end of the contract, and a potential savings at the contract expiration date would occur. Therefore, this MOU may preclude a potential savings in FY 16.

### **The Out Years**

This MOU may preclude potential savings at the contract expiration on June 30, 2016.

### **OFA Bill Analysis**

#### **SUMMARY:**

This Memorandum of Understanding between the State of Connecticut and the Administrative and Residual (P-5) bargaining unit provides for reallocation of funds within an appropriated account. It also changes the language in the contract regarding tuition reimbursement to limit reimbursement to three courses or 12 credits or the equivalent per employee per contract year. The current contract allows reimbursement for 75% of the per credit rate at Uconn, Storrs. The contract provides \$200,000 per year in the Tuition Reimbursement Fund and \$120,000 per year in the Professional Development and Conference Fund.

EFFECTIVE DATE: Upon passage

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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