



# Senate

General Assembly

**File No. 6**

February Session, 2016

Senate Resolution No. 4

*Senate, March 3, 2016*

The Senate Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the resolution ought NOT to be adopted.

**RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE UNIVERSITY OF CONNECTICUT BOARD OF TRUSTEES AND THE UNIVERSITY OF CONNECTICUT PROFESSIONAL EMPLOYEES ASSOCIATION (UCPEA).**

Resolved by the Senate:

- 1 That the collective bargaining agreement between The University of
- 2 Connecticut Board of Trustees and The University of Connecticut
- 3 Professional Employees Association (UCPEA), effective July 1, 2016, to
- 4 June 30, 2021, inclusive, and submitted to this assembly February 8,
- 5 2016, for approval, as provided in subsection (b) of section 5-278 of the
- 6 general statutes, is approved.

**APP**      *Senate Unfavorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$	FY 19 \$	FY 20 \$	FY 21 \$
UConn	All Funds - Cost	4,346,335	9,944,931	16,074,287	22,448,812	29,027,287
UConn/Comptroller-Fringe Benefits	All Funds - Cost	471,496	1,434,859	2,346,892	3,295,406	4,274,267
Teachers' Retirement	GF - Cost	-	2,446	4,000	5,617	7,285

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The resolution proposes approval of an agreement between the University of Connecticut Board of Trustees and the University of Connecticut Professional Employees Association (UCPEA). This agreement covers five fiscal years for the period July 1, 2016 through June 30, 2021.

Total estimated costs associated with this agreement are \$4,949,163<sup>1</sup> in FY 17; \$11,382,236 in FY 18; \$18,425,179 in FY 19; \$25,749,835 in FY 20; \$33,308,839 in FY 21; and \$33,836,534 annually thereafter. A summary of the estimated costs is provided in the table below:

<sup>1</sup> The pension portion of this cost will not be recognized until FY 18.

## UCPEA Agreement Cost Estimate

	FY 17 \$	FY 18 \$	FY 19 \$	FY 20 \$	FY 21 \$	Annualized FY 21 \$
FY 17 - 2% General Wage Increase (GWI)	2,409,522	2,557,043	2,557,043	2,557,043	2,557,043	2,557,043
FY 17 - 1% Merit Increase	1,204,761	1,278,522	1,278,522	1,278,522	1,278,522	1,278,522
FY 18 - 1% GWI	-	1,229,839	1,310,485	1,310,485	1,310,485	1,310,485
FY 18 - 1% Merit Increase	-	1,229,839	1,310,485	1,310,485	1,310,485	1,310,485
FY 18 - 2.5% Work Schedule Increase	-	3,074,599	3,276,212	3,276,212	3,276,212	3,276,212
FY 19 - 1% GWI	-	-	1,279,033	1,362,904	1,362,904	1,362,904
FY 19 - 1% Merit Increase	-	-	1,279,033	1,362,904	1,362,904	1,362,904
FY 19 - 2.5% Work Schedule Increase	-	-	3,197,583	3,407,260	3,407,260	3,407,260
FY 20 - 1% GWI	-	-	-	1,330,194	1,417,420	1,417,420
FY 20 - 1% Merit Increase	-	-	-	1,330,194	1,417,420	1,417,420
FY 20 - 2.5% Work Schedule Increase	-	-	-	3,325,486	3,543,551	3,543,551
FY 21 - 1% GWI	-	-	-	-	1,372,063	1,474,117
FY 21 - 1% Merit Increase	-	-	-	-	1,372,063	1,474,117
FY 21 - 2.5% Work Schedule Increase	-	-	-	-	3,430,157	3,685,293
Increased Longevity Payments	24,000	24,840	25,709	26,609	27,541	27,541
Vacation Payout - increased from 44 to 60 days	238,796	248,348	258,282	268,614	279,358	279,358
One-time Comp. Payout for Certain Athletics Employees	167,356	-	-	-	-	-
<b>Total Earnings</b>	<b>4,044,435</b>	<b>9,643,031</b>	<b>15,772,387</b>	<b>22,146,912</b>	<b>28,725,387</b>	<b>29,184,631</b>
Professional Development Fund increase from \$187,000 to \$400,000	213,000	213,000	213,000	213,000	213,000	213,000
Tuition Reimbursement increase from \$19,500 to \$50,000	30,500	30,500	30,500	30,500	30,500	30,500
Childcare Fund increase from \$41,600 to \$100,000	58,400	58,400	58,400	58,400	58,400	58,400
Social Security, Medicare, and Unemployment	314,253	749,264	1,225,514	1,720,815	2,231,963	2,267,646
<b>Sub-Total</b>	<b>4,660,588</b>	<b>10,694,195</b>	<b>17,299,801</b>	<b>24,169,627</b>	<b>31,259,250</b>	<b>31,754,177</b>
Alternate Retirement Program	157,243	374,910	613,212	861,046	1,116,810	1,134,665
Teachers' Retirement <sup>1</sup>	1,026	2,446	4,000	5,617	7,285	7,402
State Employee Retirement System <sup>1</sup>	130,306	310,686	508,166	713,545	925,494	940,291
<b>TOTAL</b>	<b>4,949,163</b>	<b>11,382,236</b>	<b>18,425,179</b>	<b>25,749,835</b>	<b>33,308,839</b>	<b>33,836,534</b>

<sup>1</sup>The increased costs to the pension plans will not be recognized until FY 18.

Source: The University of Connecticut provided OFA with a raw UCPEA roster run.

**Wage Increases** - The current contract expires on June 30, 2016. This agreement establishes wage increases from FY 17 - FY 21. See table below for details:

	FY 17	FY 18	FY 19	FY 20	FY 21
Work Week Schedule Increase	0%	2.5%	2.5%	2.5%	2.5%
General Wage Increase (GWI)	2%	1%	1%	1%	1%
Merit Increase	1%	1%	1%	1%	1%
<b>Total Salary Increase</b>	<b>3.0%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>

**Increase in Vacation Payout** - Increases the maximum number of accrued vacation days, from 44 to 60, an employee can be paid upon separation from state service. This is estimated to cost \$238,796 in FY 17; \$248,348 in FY 18; \$258,282 in FY 19; \$268,614 in FY 20; and \$279,358 in FY 21.

**One-time Compensation Time Payout** - As of June 30, 2016, professional staff within the Division of Athletics whose compensatory time balance is in excess of 400 hours will receive a one-time payment equal to 25% of their accrued hours. This one-time cost is estimated to be \$167,356 in FY 17. Thereafter, professional athletics' employees must use all compensatory time within one year of being earned.

**Fringe Benefits** - Social Security, Medicare and unemployment related fringe benefit costs will be incurred based on the wage related provisions negotiated in the contract. The current social security rate is 7.65% of salary. The current unemployment rate is 0.12% of salary. The social security and unemployment costs are estimated to be \$314,253 in FY 17; \$749,264 in FY 18; \$1,225,514 in FY 19; \$1,720,815 in FY 20; and \$2,231,963 in FY 21.

**Impact to Retirement** - Employees covered by this contract are enrolled in one of three retirement plans: (1) the Higher Education Alternate Retirement System (ARP) (894 employees), (2) the Teachers' Retirement System (TRS) (4 employees), and (3) the State Employees'

Retirement System (SERS) (935 employees)<sup>2</sup>. The pension impact of the wage related provisions is based on the following rates: (1) 8% for ARP which reflects the employer's contribution, (2) 9.73% for TRS which reflects the employer's normal cost as of the June 30, 2014 valuation, and (3) 6.30% which reflects the normal cost for the SERS Hybrid Plan as of the June 30, 2014 valuation. The total estimated retirement cost is \$288,575 in FY 17. However, increased costs to the SERS and TRS attributable to the identified wage provisions will not be recognized in the state's actuarially determined employer contributions (ADEC) until FY 18, as the FY 17 contributions are set based on the June 30, 2014 actuarial valuations.

**Funding Availability** - It is estimated that UConn has sufficient funding to cover the agreement costs, pending budgetary changes adopted this session. Please note this does not include SERS or TRS costs, as this contract does not modify the FY 17 SERS or TRS ADEC. Lastly, the provisions of this agreement remain in effect until a subsequent agreement is negotiated by the parties.

**Member Overview** - There are 1,839 non-teaching professional bargaining unit members filling numerous job classifications as of February 1, 2016. The bargaining unit is comprised of admissions officers, physicians, accountants, academic advisors, librarians, information technology staff, and others.

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<sup>2</sup> The SERS figure includes 16 employees for which a retirement plan has not yet been designated.

**OFA Bill Analysis****SR 4****RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE UNIVERSITY OF CONNECTICUT BOARD OF TRUSTEES AND THE UNIVERSITY OF CONNECTICUT PROFESSIONAL EMPLOYEES ASSOCIATION (UCPEA).****SUMMARY:**

This resolution proposes approval of an agreement between University of Connecticut Board of Trustees and the University of Connecticut Professional Employees Association (UCPEA). This five year agreement includes various provisions, including wage increases, raises the work week from 35 to 40 hours, one time compensation time payouts for certain members, and increases the maximum number of accrued vacation days.

EFFECTIVE DATE: July 1, 2016

**COMMITTEE ACTION**

Appropriations Committee

Senate Unfavorable

Yea 6      Nay 6      (02/23/2016)