

PRELIMINARY FISCAL NOTE
SR 37/HR 32

Appropriations Committee
Meeting

May 11, 2015



OFFICE OF FISCAL ANALYSIS

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SR 37 and HR 32 - Resolution Proposing Approval of a Collective Bargaining Agreement between the University of Connecticut Board of Trustees (UConn) and the Graduate Employee Union Local 6950-International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW).

Summary - The resolution proposes approval of an agreement between UConn and the Graduate Employee Union. This agreement covers three years for the period July 1, 2015 through June 30, 2018. Graduate assistants in the UConn Health Center and the Provost’s Professional Internship Program for Public Outreach, Service and Engagement are exempt from the agreement.

Total estimated costs of this agreement are \$2,037,789 in FY 16; \$5,237,648 in FY 17; and \$7,069,534 in FY 18. A summary of the estimated contract costs is provided below:

Cost Estimate of Agreement

	FY 16 \$	FY 17 \$	FY 18 \$
FY 16 - 3% Wage Increase	1,243,417	1,243,417	1,243,417
FY 17 - 3% Wage Increase	-	1,280,720	1,280,720
FY 18 - 3% Wage Increase	-	-	1,319,141
Health Insurance Changes	(530,286)	922,767	979,055
Partial Parking Permit Waiver	110,208	110,208	110,208
Infrastructure Maintenance Fee Waiver	1,014,203	1,014,203	1,014,203
General University Fee Credit	-	433,420	866,840
Paid Union Representatives	160,247	167,913	175,950
Childcare Reimbursement	40,000	65,000	80,000
TOTAL	2,037,789	5,237,648	7,069,534

Sources: UConn; CORE-CT; and National Health Expenditures, CMS Office of the Actuary, September 2014.

Wage Increases - Currently, there is no contract in place. This agreement establishes 3% wage increases, in each fiscal year, for the duration of the agreement.

Health Insurance Changes - Commencing at the beginning of the agreement, UConn shall provide graduate assistants with health insurance under the Connecticut Partnership Plan without the Health Enhancement Program. Prior to the agreement, UConn was planning to transition to a self-funded graduate assistant program that required a \$1.4 million reserve fund. As a result of this agreement, the reserve will be released in FY 16 and result in a net savings of \$530,286 in FY 16. There is a net cost of \$922,767 in FY 17 and \$979,055 in FY 18 from changing to health insurance plans. The estimate assumes a 6.1% increase in healthcare costs.¹

¹Source: National Health Expenditures, CMS Office of the Actuary, September 2014.

Partial Parking Permit Waiver - The agreement requires UConn to provide a 50% waiver for parking permits to bargaining unit members. Currently, a parking permit costs \$192 and 1,148 graduate assistants purchased them. The 50% waiver results in a cost of \$110,208 in each fiscal year.

Infrastructure Maintenance Fee Waiver - The agreement requires UConn to provide a waiver for the infrastructure maintenance fee to each bargaining unit member. Currently, graduate assistants must pay \$468, per year, in infrastructure maintenance fees. Assuming 2,167 graduate assistants, this would result in a cost to UConn of \$1,014,203 in each fiscal year.

General University Fee Credit - The agreement requires UConn to provide a credit of \$200 in FY 17 and \$400 in FY 18 to each bargaining unit member. This would result in a cost to UConn of \$433,420 in FY 17 and \$866,840 in FY 18.

Paid Union Representatives - The agreement requires UConn to allow three bargaining unit members to serve as Release-Time Union Representatives. Two shall receive full stipends and one to receive a half stipend. UConn will need to provide these three assistants: (1) a tuition waiver, (2) health insurance, (3) waived fees, (4) workers' compensation, and (5) a stipend. This results in a cost to UConn of \$160,247 in FY 16, \$167,913 in FY 17, and \$175,950 in FY 18.

Childcare Reimbursement- The agreement requires UConn to establish a fund to provide reimbursement of qualifying child care expenses to bargaining unit members. In FY 16 the fund will contain \$40,000; in FY 17 the fund will contain \$65,000; and in FY 18 the fund will contain at least \$80,000.

Fringe Benefits - UConn is not required to pay social security or unemployment costs of graduate assistants.

State Employees Retirement System - Graduate assistants are not eligible to participate in the State Employees Retirement System.

Funding Availability - It is anticipated these employees will be paid out of the University of Connecticut Operating Fund, which is funded through student tuition and fees and has sufficient funding to cover the costs of this agreement.

Member Overview - There are a total of 2,167 eligible bargaining unit members as of February 2015. All are paid by UConn, but 505 are paid through restricted sponsored programs and 258 paid through self-supported, grant and gift accounts. Due to the temporary nature of graduate assistants, the total number of bargaining unit members is expected to change each year.