

June 29, 2016

The Honorable Martin Looney
The Honorable Dante Bartolomeo
The State Senate Democrats
Legislative Office Building
Room 3300
Hartford, CT 06106-1591

Dear Senators Looney and Bartolomeo:

Thank you for your letter dated today regarding pay at UConn, and for the opportunity to respond to your questions.

Please note that at issue is the pay for four people under agreements that were set two and three years ago, and are now expiring. No similar employment agreements have been offered since that time.

As you know, 92% of UConn's workforce are members of collective bargaining units and their pay is determined by their union contracts.

With respect to pay for non-union senior leaders, the university's aim is always to hire and retain highly-effective, experienced people and pay them fairly based on their professional value and the value of their job, both at UConn and nationally.

Salaries for many non-union staff are determined based on the employee's responsibilities, their skills and experience, how well they perform their job duties, and national benchmarking data produced by the College and University Professional Association for Human Resources (CUPA-HR) that show a range of what similar universities pay individuals in similar positions in a highly competitive market.

The market for senior positions in higher education nationally is a critical factor when determining non-union pay here and at all similar institutions nationally. The university competes with other highly-ranked research universities – both public and private – for many senior staff (as well as for faculty and students). That market drives pay.

This is true with athletic, medical and administrative staff at UConn and throughout higher education.

Most or all unionized state employees received a 5% increase in FY16 under SEBAC, including those at UConn.

Also in FY16, UConn budgeted \$2.91 million to use as a pool to give annual increases to non-union employees. Most non-union employees were eligible for the annual increase. However, because of UConn's fiscal situation, the university first deferred and ultimately cancelled the annual increases from the pool for all but 19 employees (most were administrative assistants making in the range of \$60,000 or less).

The unused remainder of the annual increase pool for non-union employees, \$2.85 million, was returned to the university's operating budget.

UConn's anticipated financial situation is also what led the university to make the same decision for FY17, meaning there will be no annual increases for non-union staff. If someone is promoted, hired into a new job, is reclassified, or has an existing employment agreement, they may receive an increase, but there will be no dedicated pool for increases for non-union staff members in the coming year either.

It is worth noting that the university has identified and implemented more than \$30 million in cost-savings in recent years in response to budget pressures.

You asked a number of specific questions and I have asked UConn's Department of Human Resources to send a separate letter to you, responding to each. However, I will address some of those questions here:

- I discussed each employment agreement with Chairman McHugh in 2013 and 2014 prior to the agreements being offered. It is my understanding that he will respond separately to you in a letter on this matter.
- Last year, the university decided to phase-out car allowances for non-athletic staff. Any current staff members who had a car allowance at the time had the value of the allowance folded into their existing pay. No new car allowances have been or will be assigned to staff at UConn. Again, this was determined last year.
- As I stated above, the four employment agreements you are referring to in your letter are two and three years old, and are now expiring. No similar employment agreements for senior leaders at UConn have been adopted since that time. The university has already determined that non-union pay at UConn will be frozen in 2017. Finally, though performance-based pay and other incentives are a common tool used in both the public and private sector when it comes to compensation –

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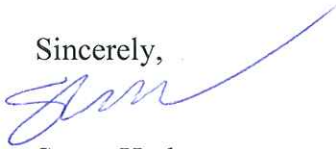
including in higher education – UConn has no plans to include similar provisions in future employment agreements for non-athletic staff. And has not since 2013 – 2014.

As you know, my focus is on ensuring that UConn is a high-quality research university that draws exceptional students, conducts vital research, fuels Connecticut's economy and produces graduates who are well-equipped to join the workforce. That requires excellent faculty and many other leaders at all levels; the university does not run itself. We believe strongly in hiring high-quality employees in order to fulfill UConn's potential and ensure we are as good as we can be as an institution. There are undeniably costs to that, including the pay for the four people that prompted your letter, out of a workforce of more than 9,000.

As I said, I have asked UConn Human Resources to respond to each of your specific questions in a separate communication.

Thank you for writing to me about this matter and for giving me the opportunity to respond to your questions.

Sincerely,



Susan Herbst
President