

American Association of University Professors
University of Connecticut Health Center Chapter
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Written Testimony for the Higher Education and Employment Advancement Committee
S.B 8 AN ACT CONCERNING THE UNFUNDED PENSION LIABILITY PORTION OF THE FRINGE BENEFIT COST FOR
EMPLOYEES OF THE CONSTITUENT UNITS OF THE STATE SYSTEM OF HIGHER EDUCATION

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Dear Committee members:

I am a Professor at UConn Health and a Principal Investigator and Co-Director of the Center for Reproducible Biomedical Modeling. This is a National Biotechnology Resource Center funded by a six-year grant from the National Institutes of Health. It is a multidisciplinary and multi-institutional center: a collaborative effort between the University of Washington, Seattle, the Icahn School of Medicine at Mount Sinai, New York, UConn Health, Farmington, and the Auckland Bioengineering Institute, New Zealand.

One of the salaried positions funded by this grant is for a computer scientist to work on one of the joint projects between UConn Health and Mount Sinai. This position was originally supposed to be hired through UConn Health, but due to the high fringe benefit rates imposed on research (resulting from the unfunded state pension plan liability), we could not meet the dollar cap on the grant award and the position was moved from the UConn Health budget to the Mount Sinai budget.

The direct result was that UConn Health and the State of Connecticut lost approximately \$1.4 million in federal funds, as well as a newly-created six-year, full-time, highly-skilled STEM job, to Mount Sinai and the State of NY. Were the State of Connecticut to have funded fringe costs appropriately, in this particular case it would have increased state expenditures only by about \$165,000 (total over the five year period). This is one concrete example of how the high fringe benefit rates put UConn Health and the State of Connecticut in a losing position, and of the high return of investment that would result from reducing fringe rates to appropriate levels.

Therefore I am writing in support of SB 8 with the Amendment to the statute as follows: Section 1. (NEW) (Effective on passage). For the fiscal year ending June 30, 2023, and for each fiscal year thereafter, the Comptroller shall fund the retiree pension and retiree health care liability portion of the fringe benefit costs for all employees of the constituent units of the state system of higher education.

Thank you for your time,
Ion Moraru