

## Another Academic Year Ends

by Jim Pehler, President

The 2002-03 academic year is ending and it has been a very busy, different and yet a somewhat successful year. The first item that pops into mind is the final approval of our contract. The IFO members had voted and approved this settlement on April 9<sup>th</sup>, 2002. Approximately two weeks ago, almost a year to the date it was approved, the governor signed the bill into law. The contract is now in place and will continue until we have successfully completed and approved a new agreement.

We have started the negotiations process (see **Wil Harri article**) and wish to reach a settlement in a timely manner. All of this will depend on the end result of the legislative session. We have to assume that MnSCU will receive a legislative budget cut and that student tuition will increase. The degree of the budget cut hinges on whether the legislature will consider increasing taxes to offset a portion of the projected state deficit (see **Russ Stanton article**). This may not be decided by the adjournment date of May 19<sup>th</sup> and could carry on with a special session potentially lasting until June 30<sup>th</sup>.

One of the major accomplishments of this past year was the completion of the salary equity study. This was a long process that was overdue by six years. We were able to do both studies, as called for in our contract, for 1997 and 2002. The data collected has been discussed on each campus and this discussion was videotaped (see **Patrice Arseneault article**). Excellent information has been developed and will be followed up on by the IFO members of the Salary Review Committee. These committee members deserve our thanks for a very diligent, thorough and extensive study.

A major effort this year was the establishment of a cooperative effort between our state university faculty and that of the two-year institutions to help students be better prepared for transferring to a state university. Members of various disciplines from our universities served to review and help establish a strong academic transition from general education courses to upper division courses and major programs. This process and time spent has helped to ensure university faculty had a strong voice in the steps necessary to have well prepared transfer students arriving on our campuses.

The strength of the IFO has always been the involvement of our members who serve on the campus committees and those who give of their time to participate on state-wide committees. Please see the list in this edition of the *Update* of those who have helped by serving on IFO and IFO/MnSCU state committees. A very sincere **THANK YOU!** When you see these members on your campus, say thank you to them also.

I want to wish you a refreshing summer and look forward to seeing you in the fall. The IFO office will be open all summer and we look forward to your visting us in St. Paul.

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# It's an Ugly Session for Public Employees/Higher Education

by Russ Stanton, IFO Director of Government Relations

To borrow a phrase, faculty are facing “the perfect storm” at the legislature this session. Diverse factors, such as overzealous tax cutting in recent years, a sluggish economy, and a sudden lurch to the right on state politics following the Wellstone memorial just prior to the election, have combined to produce the worst political environment in decades for public employees and higher education constituencies.

The legislature convened in January facing a \$356 million shortfall for the remainder of FY03 (which ends June 30<sup>th</sup>) and a \$4.6 billion dollar shortfall in FY04 and FY05. The shortfall was primarily due to deep cuts in the rates for income taxes, property taxes, and license plate fees, but the problem was exacerbated by both a weak economy and a disastrous stock market. Because the legislature used up most of the state’s budget reserves during the 2002 session, the shortfall has to be solved by either raising taxes or cutting spending.

Governor Pawlenty vowed he would not raise taxes. Because the governor is proposing no cuts to K-12 classroom spending, which is almost half the budget, the remaining areas of the budget have to be cut far deeper to balance the budget. MnSCU took a \$25 million one-time cut when the governor unallotted state budgets to balance the FY03 budget, and the University of Minnesota took a similar reduction.

The governor proposed cutting the FY04 and FY05 budgets with deep budget cuts to state agencies, local government aid and higher education. The governor’s proposed cuts to MnSCU included a \$174 million cut to solve the budget shortfall, plus another \$30 million transferred from MnSCU institutional support to the HESO State Grant Program (half of this grant money goes to private college students). Again, the University of Minnesota received a similar reduction. The governor’s plan calls for limits on tuition increases for public students of 15% each year of the biennium.

Urged on by the Business Partnership, the Taxpayers League and the state Chamber of Commerce, Republicans in the legislature responded to the governor’s proposal by introducing legislation to freeze wages of state workers, freeze the states contribution to employee health insurance, suspend the right to strike under PELRA, and limit the scope of labor negotiations. The proposed cuts to agencies will result in a huge number of layoffs. The House Republican budget includes \$50 million more for higher education than the governor’s plan, and the House did not cut the budgets for the University of Minnesota and MnSCU in order to make up the shortfall in the State Grant Program. The House plan anticipates a 15% per year tuition increase.

There have been no bills introduced by members of the DFL majority in the Senate to freeze wages and/or employer health insurance contributions, and there have been no DFL bills to suspend or modify PELRA. The Senate budget plan calls for raising tobacco taxes and taxes on upper income levels to raise nearly a billion dollars, thereby reducing cuts in state spending. The Senate higher education bill appropriates nearly \$148 million more for higher education than what the governor proposed, and nearly \$98 million more for MnSCU institutions than what the governor proposed.

The House and Senate higher education bills are moving through the committee process, as is HF 749, which contains the wage freeze and the employer insurance contribution freeze. In the next few weeks the bills should pass in their respective bodies, and be sent to conference committees to resolve their considerable differences. Most Capitol observers expect conference committee deadlocks, and a special session in June.

How the budget and labor issues will ultimately be resolved depends upon the willingness of the Republicans to accept the DFL proposed tax increases. Without more revenue it will be impossible to avoid wage freezes, budget cuts and cuts to higher education funding. However, even under the most optimistic scenarios, public employees and higher education institutions are facing rough times in the years ahead.

## Salary Review

by Patrice Arseneault, IFO Equity Advocate

The salary review consultants hired by MnSCU, the Hay Group, have completed the analytical phase of the four-year review of salaries that is required by our collective bargaining agreement. Consultants Tom McMullen and Malcolm Dow presented their findings on the campuses during the week of March 31 – April 4. Their PowerPoint presentations may be reviewed on the IFO web page ([www.ifo.org](http://www.ifo.org)), or you can review the videotape of their presentation by contacting your faculty association office.

Next, the Word document containing the individual campus reports will be posted on the IFO website in a few weeks. Also, the Salary Review Committee (SRC) is assembling a FAQs list of the questions and answers from the campus presentations, which will be sent electronically to each campus faculty association office in the next few weeks, and will be posted on the IFO website.

The joint IFO/MnSCU Salary Review Committee will meet in May in order to prepare its report of recommendations regarding salary equity; however, it may take the committee more than one meeting to consider recommendations and to complete the report. Time permitting in May, the SRC will begin annual reviews of newly hired faculty and those awarded terminal degrees for FY97 through FY01.

## IFO Negotiations Team Presents Initial Contract Proposal May 2<sup>nd</sup>

by Wil Harri, IFO Office Administrator

The IFO Negotiating Team will meet with representatives of MnSCU and the State Universities on May 2<sup>nd</sup> to present their initial proposal for the IFO/MnSCU Agreement effective July 1, 2003 to June 30, 2005. The IFO's proposal is derived from Delegate Assembly resolutions, grievances, past proposals, and recommendations of local faculty associations or the IFO Board of Directors.

The IFO Team has divided its proposal into three parts:

1. “technical” changes to correct clerical errors or the removal of obsolete language (e.g. deletion of references to the Akita campus);
2. language changes throughout the contract ranging from parking fees to dismissal proceedings;
3. and, an economic package covering all compensation and benefits areas of the contract.

MnSCU does not anticipate presenting their initial proposal until mid-May.

Please consult our website ([www.ifo.org](http://www.ifo.org)) for detailed information about negotiations as proposals are released and negotiations take place.

## Career Step Appeals

by Wil Harri, IFO Office Administrator

The IFO and MnSCU are now completing the appeals submitted by faculty concerning the crediting of years of service for purposes of career steps. Normally, as the contract prescribes, years of service for career steps will be based upon the seniority roster. The Career Step Appeals Committee has met to consider appeals on differences between the seniority roster and claimed years of service for career steps.

Aside from the correction of clerical errors in the seniority roster, the parties have tentatively agreed that the appeals process for career steps will be closed on September 15, 2003.

The Inter Faculty Organization would like to thank the individuals on this list who have volunteered to participate in either Minnesota State Colleges and Universities or Inter Faculty Organization committees for their hard work and commitment! If your name does not appear on this list or is in error, please contact our office to correct our records.

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# State Employee Unions and the State Exchange Insurance Proposals

by Wil Harri, IFO Office Administrator

On April 10<sup>th</sup> the unions representing state employees presented their initial insurance proposal for the 2003-2005 contracts. The union proposal maintains the status quo with modest improvements in several areas. At the urging of the IFO, the Health Coalition proposed:

1. any one in the bargaining unit (i.e. 4 or more credits) be allowed to participate in the state insurance plans (at their own expense if less than 75% of full-time);
2. employees, including faculty on sabbatical, residing temporarily out-of-state would be provided with insurance coverage as if residing within the state;
3. increasing the employer-paid term insurance which is equal to a faculty member's annual base salary to a maximum of \$95,000 (currently the maximum is \$75,000);
4. receiving a paid-up life insurance policy for employee-paid additional insurance at the time of retirement and not at age 65;
5. an annual employer contribution of \$500 for the medical/dental expense account;
6. and, 100% employer-paid premiums for dependent dental insurance.

On April 17<sup>th</sup> the Department of Employee Relations presented their initial insurance proposal. Projecting a \$190 million increase in insurance costs for the biennium, the employer proposed that all new insurance costs be paid by state employees. On a per employee basis, this cost shift is \$3,800. In addition to a \$250 a month employee payment for dependent health insurance, annual out-of-pocket maximums and copays would be increased. In the case of dental insurance, the annual maximum benefit would be reduced from \$1,000 to \$400 and orthodontic benefits would be cancelled. The state proposed discontinuing its obligation to insure access to level 1 clinics (the least expensive level) throughout the state.

The parties have scheduled three two-day insurance bargaining sessions in May and June. Current insurance benefits continue in effect until the parties reach a new insurance agreement or until a negotiations impasse is declared.

## Using Professional Study and Development Funds

by Wil Harri, IFO Office Administrator

Following a negotiated change in Article 19, Section B, MnSCU and the IFO were unsure whether the language permitted the use of professional study and travel funds for internet access fees from the faculty member's home. The parties have agreed that such funds may be used for internet access fees subject to the following conditions:

1. before seeking reimbursement the faculty member will first submit a written request for such use of the professional study and travel funds to his/her immediate supervisor;
2. the written request shall explain how home internet access will further the faculty member's professional development with respect to his/her assignment at the university;
3. and, this policy is prospective (as of April 23, 2003) but may be made retroactive to July 1, 2002 with the consent of the university at which reimbursement is being sought.

This interpretation does not amend nor modify the amount or method of allocating such funds to departments or individual faculty.

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