

It's Over!

by Jim Pehler, President

After a long protracted process involving the legislature, we have finally ended the legislative session and have final dollar figures as passed by the legislature and approved by the Governor. While this process was taking place, the MnSCU Board of Trustees held two public hearings to discuss the budget prospect.

At the first hearing on June 8, the MnSCU funding committee asked for public testimony regarding the FY02-03 budget. At that time, I pointed out different scenarios of funding levels that may be available as final positions of the Senate/House compromise. The biggest problem we had was the need for \$153.26 million in new funds necessary to cover inflationary increases.

As you know, the legislature resolved it's budget issues on June 29. We proceeded with a biennial budget of \$100 million in new money and \$5 million reallocated from the central office reserve.

The second hearing was held on July 16. At that time, the MnSCU Board of Trustees indicated that they would need to have an average of a 10.9% increase in tuition per year to attempt to balance the needs of the system vs. the amount of state funding provided.

During my testimony at the July 16 hearing, I stressed that the Governor's budget proposal, even with legislature doubling his proposed funding, still left MnSCU short \$53 million just to cover inflation. I pointed out that this shortfall will force MnSCU to increase tuition by double-digits per year. I personally recommended that the IFO would work with the students, the new Chancellor, the presidents of the institutions and other faculty and professional staff to seek, from the legislature, in the 2002 session, additional supplemental funds dedicated specifically to a dollar for dollar reduction in student tuition costs for the next fiscal year. This would only take place if these supplemental monies would be directed out to each institution based upon actual tuition costs, the number of students attending the institution and the percent of tuition used for meeting the needs of the academic programs. The Board of Trustees adopted this position on July 18.

The state universities must be reimbursed in proportion to the cost and support of tuition by our students. I will not stand by and let tuition increases, at the state universities' expense, supplement other lower tuition supported institutions. I have publicly expressed my disappointment about the funding proposal, it will not adequately meet the state universities needs. We must ensure that the governor is made aware of the fact that even though his budget proposal was doubled, this revised budget has met only two-thirds of the inflation needs for higher education. Supplemental background material is available at our website, entitled "02-03 Funding" at: www.ifo.org.

"The legislature intends that state appropriations be used to strengthen and support education of students. To this end, all money appropriated in this section, except that in direct support of system office activities, shall be allocated by the board directly to the colleges and universities."

- 2001 Legislative Funding Act, MnSCU Directive

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SRC To Complete the Data Appeals Phase of Salary Review

by Patrice Arseneault, Equity Advocate

The joint MnSCU/IFO Salary Review Committee (SRC) has been continuing its data verification phase of the salary review process. At the July meeting, the SRC completed the remaining data appeals.

Throughout the 2000-01 academic year, the SRC returned data information forms to faculty on each campus, and requested that you review the updated information for errors. Faculty members who believed their updated data was not correct were asked to file a data appeal with the committee. In all, the committee received about 140 data appeals. We met in October, December, April and May, in order to review the information provided to us.

The SRC has carefully considered each appeal. We will notify faculty on all campuses who executed a data appeal as to the committee's decision on your appeal and changes in your data. The letters will be mailed by the end of July and will be sent to your home address.

As a reminder to faculty, the pending salary review involves [non-adjunct] faculty salaries for academic years 1996-97, 1997-98 and 1998-1999. If you were hired during the 1999-2000 or 2000-01 academic years, your salary is not being reviewed as part of this study.

Faculty members with general questions about the salary review process may call IFO Equity Advocate, Patrice Arseneault, at 800/325-9644 (outside of the Twin Cities) or 651/227-8442 x 15, or your campus salary committee representative. You may identify local salary representatives by visiting the IFO website at: www.ifo.org.

Specific questions about your data appeal may be directed to Patrice Arseneault at the IFO office or Gary Janikowski at the MnSCU system office.

NO CHANGES FY 02 Membership Rates

APPOINTMENT	ANNUAL DUES	PAY CHECK DEDUCTION	FAIR SHARE FEES	PAY CHECK DEDUCTION
Full-time (75% or more)	\$600.00	40.00	\$510.00	34.00
45% to 74% of full-time	\$300.00	20.00	\$255.00	17.00
Adjunct/Community Faculty	\$120.00	40.00	\$102.00	34.00

For the 2001/02 academic year, the IFO Board continued dues at \$600 a year and \$510 for fair share fees. These amounts translate into 15 successive payroll deductions beginning in September/October and ending in April.

With membership status, you will be given voting privileges for your contract as well as for your campus officers. Non-members are not eligible to participate as a delegate or committee member of the Faculty Association or the IFO. These positions set goals, priorities and objectives for all aspects of your work environment. By joining, you secure the right to express your professional concerns about your employment. You can become a member by logging onto our website at www.ifo.org.

The Chancellor's Work Plan

On July 18, 2001, the MnSCU Board of Trustees approved the new Chancellor's work plan. At that time, the Chancellor was equipped with a 12-page, detailed work plan outlining major goals and themes along with the timelines for each goal. These goals embraced three major categories:

1. advocating for students and the Minnesota State Colleges and Universities;
2. defining the future for the Minnesota State Colleges and Universities; and
3. improving efficiency and effectiveness for the Minnesota State Colleges and Universities.

It was emphasized that efforts will be made for students to transfer from one institution to another; identify and remove real and perceived barriers to participation in higher education; improve recruitment and retention of students traditionally under-represented in higher education; building partnerships to enhance the state's economic and workforce development; strive to enhance recruitment and retention of faculty; and improve our accountability, efficiency and effectiveness at all levels of system's service to the people of Minnesota. It will also be a major goal to listen to the voices of Minnesota -- state legislators, business leaders, students, faculty and staff and our citizen stakeholders.

For a more detailed look at the Chancellor's work plan, you can go to our website at www.ifo.org.

Negotiations Update

by Wil Harri

The IFO/MnSCU Negotiating Teams have agreed to meet on Monday, August 6 and 7 to permit MnSCU to present its initial economic proposal for this biennial Agreement. In addition to discussions regarding the economic proposals, MnSCU is to respond to a proposal expanding the use of tuition waivers in exchange for greater flexibility in the scheduling of summer sessions.

The State and the Union Coalition on Insurance (of which the IFO is part) have tentatively agreed to same sex domestic partner insurance coverage. The exact language will be developed in conjunction with the Agreement with AFSCME.

Negotiation updates will be published on our website (www.ifo.org) the day following any negotiation session.

Liberal Arts Celebration: Sponsored by IFO/MSCF/MnSCU September 24-25, 2001

The Inter Faculty Organization, Minnesota State College Faculty, along with MnSCU's Academic and Student Affairs is sponsoring a day-and-a-half symposium on September 24-25, 2001, at the St. Cloud Civic Center celebrating liberal education: Where Love and Need are One. Nationally known speakers will examine the difference that liberal education has made in academics, civil and business settings and its role within MnSCU. Registration is due by September 10, and hotel reservations are due by September 3. The registration fee is \$35 before September 10, and \$50 after September 10. Participation is limited to 250 people.

For more information, please contact Jo Maniaci at 651/296-9016.

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2001 Session Wrap-Up

By Russ Stanton, Higher Education Lobbyist

The 2001 legislative session was one of the longest and most contentious sessions in the state's history, as the DFL controlled Senate, Republican controlled House, and Independent Governor Jesse Ventura duked it out over tax cuts versus spending on education and higher education. None of the major tax and spending bills passed during the regular session, and the special session called by the Governor came within hours of the deadline for a mandatory shutdown of state government before finally passing the major spending bills. In the end, however, much progress was made on issues important to faculty members. Below is a summary of the major actions of the 2001 legislature.

Higher Education Bill Provides MnSCU with \$100 Million in New Appropriations

While most of the legislative committees had great difficulty getting along and completing their work this session, the higher education conference committee proceeded amicably and completed their work in one meeting once the budget targets for each conference committee were set. The higher education bill was the first bill to pass both houses of the legislature during the special session.

The 2001 Higher Education Bill provided higher education with \$2,844,153,000 in operating funds for the coming biennium. Of that amount, the University of Minnesota received \$1,298,037,000; MnSCU received \$1,241,567,000; the Higher Education Services Office received \$306,349,000; and, the Mayo Medical Foundation received \$3,274,000. The U of M also received \$5,074,000 from the Health Care Access Fund.

MnSCU's appropriation for FY 2002 (which starts July 1, 2001) is \$601,583,000, and represents a 5.97% increase over the starting appropriation base. For FY 2003, the MnSCU appropriation is \$639,984,000, and represents a 6.38% increase over FY 2002.

Aside from an \$110,000 appropriation for a talented math student project at MSU, Mankato, MnSCU's appropriation increase was designated to two broad categories; \$79,890,000 for inflation, and \$20,000,000 for "Academic Excellence".

The use of the nearly \$80 million in the inflation category is not specified in detail. Each campus will get an equal percentage increase for inflation. Under the higher education finance formula, students are supposed to pay 1/3 of the cost of instruction through tuition. If students pay 1/3 of the cost, a 3% across-the-board inflation increase per year will cost about \$55 million in state appropriations over the biennium. A 2% per year increase in salaries for all MnSCU employees above the 3% compensation increase for inflation would require about \$22.2 million in additional state appropriations over the biennium. Thus, there is enough money in the MnSCU appropriation to cover price increases and allow for reasonable salary increases in the next round of negotiations.

The use of the \$20 million for "Academic Excellence" was also not specified. Chancellor Morrie Anderson indicated to legislators that the money would be distributed to campuses according to the MnSCU allocation formula.

The \$100 million increase in MnSCU appropriations was a big improvement from the beginning of the session - when Governor Ventura proposed only a \$47 million increase for MnSCU. The Republican House passed a bill that proposed an increase of \$94 million. The DFL Senate passed a bill that proposed a \$130 million increase for MnSCU. The Senate proposal helped pull the final compromise up to a \$100 million increase for the MnSCU institutions.

Numerous Faculty Pension Proposals Become Law

At 2:00 a.m. on the final night of the session, just hours before a forced shutdown on parts of state government, the legislature passed the State Departments Appropriations Bill; it included the following IFO pension proposals:

- Tax-free (not just tax deferred) post-retirement health care savings accounts were authorized and a program was created within the Minnesota State Retirement System to administer the accounts. Unions are authorized to negotiate contributions to the accounts. The money contributed to the accounts, and the earnings on the contributions, are not taxed by either the federal or state governments as long as the withdrawals are used to pay for health related expenses such as Medicare Part B premiums, Medicare supplemental insurance premiums, deductibles, co-pays, prescriptions drugs, etc.
- The ability to buy TRA service credit for past military, Peace Corp, VISTA, and prior teaching service was extended for two more years, as was the legislation allowing for a member-favorable formula for determining the cost of the credit purchase.
- The TRA service credit buy-back law was extended to allow buy-backs for prior teaching service at the U of M, at public institutions in foreign countries, and at Indian tribal institutions. Also, IRAP members with deferred TRA service can purchase service credit.
- TRA members who were on a Family Medical Leave Act (FMLA) leave can buy back service credit for their time on FMLA leave.
- Supplemental retirement funds can be used to repay past TRA refunds and restore service credit. The advantage of this is that the repayment can be done with pre-tax, rather than after tax dollars.
- IRAP members, who switched from TRA and who have a small TRA deferred benefits, will be able to roll their contributions to TRA, with 6% annual interest, over into their IRAP accounts and consolidate their pension plans.

Financial Aid Improvements

The higher education bill made several changes in financial aid programs that will benefit students:

- The maximum for child care grants was increased from \$2000 to \$2600 per year.
- The length of eligibility for student financial aid grants was extended from four to five years.
- The grants for independent students were increased substantially by reducing the required "family contribution" by 10%, and possibly another 10% if the federal government increases the Pell Grant maximum.
- The tuition and fees recognized for financial aid purposes will be the actual tuition and fees a student pays, rather than a campus average. This will substantially increase aid to many of our students. The "lid" on tuition recognized for financial aid was raised to reflect inflation.
- Residency requirements for eligibility for financial aid were loosened considerably. A student who resides in the state for 12 months without enrolling in college for more than five credits per term will be eligible.

Overall, the financial aid changes this session were favorable to MnSCU students. MnSCU institutions enroll a disproportionate share of the students in the state that are part-time, independent, and/or have child care needs.

Negotiations for Domestic Partner Benefits Allowed

Last fall, Governor Ventura announced his support for insurance benefits for state employees with domestic partners that were comparable to benefits received by married couples. There were attempts by Republicans in both the House and Senate to deny the right to negotiate domestic partner benefits. In the Senate, the restriction passed, but following intensive lobbying; it was reconsidered and the restrictions failed. The House passed the restriction on the right to negotiate domestic party benefits and attached it as an amendment to the State Departments Appropriations Bill. The provision in the House bill was dropped in the conference committee, thanks to a veto threat by Governor Ventura. Thus, the IFO will be able to negotiate for domestic partner benefits.

ADA, ADEA, FMLA, and FLSA Bill Becomes Law

One bright note this session was the passage of an IFO proposed bill that extends the protections of the federal Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA) and the Fair Labor Standards Act (FLSA) to state employees. Recently, the U.S. Supreme Court ruled that state employees could not bring suit under these laws because of states' rights. However, the court said that a state can voluntarily bring itself under these laws, and that is what S. F. 1614 did. The bill passed the Senate 58-0 and the House by a vote of 133-0. Governor Ventura signed it into law.

This new state law reinstates major employee protections for state employees. The ADEA protects employees from age discrimination, such as mandatory retirement. The FLSA regulates everything from overtime pay to minimum wages. The FMLA provides for employee time off for the birth or adoption of a child, care of themselves or a relative, etc. The ADA provides significant protections for employees with disabilities. The passage of this legislation makes Minnesota the first state in the union to voluntarily waive its 11th Amendment (States Rights) rights and comply with the above referenced federal laws.

The IFO Equity Advocate, Pat Arseneault, developed the language for the new law and provided expert testimony to the legislative committees. Rep. Matt Entenza (DFL-St. Paul) is the chief sponsor in the House and Sen. John Hottinger (DFL-Mankato) was the chief sponsor on the Senate side.

Legislators Who Helped

Several legislators deserve special recognition for their performance this session.

- Sen. Roger Moe fought tirelessly for education and higher education this session. Had it not been for the Senate higher education bill, higher education appropriations would have been much smaller than they ended up. It was a tough, bitter battle for Moe, as he had to fight tax cut proposals from both the Governor and the House Republicans in order to secure money for education. He was branded a big spender by his adversaries and was accused of trying to shut down the government. In an unprecedented move for a Majority Leader, he voted against the tax bill, complaining that the state should have invested more in education and higher education.
- Sen. Deanna Wiener and Rep. Peggy Leppik, the chairs of the House and Senate higher education committees, seem to be able to transcend the partisan rancor of the session and work effectively together. Both are strong supporters of education and worked to achieve the greatest amount of support possible from their caucuses.
- Sen. Dick Cohen of St. Paul is new to the Senate Higher Education Budget Committee. Even though he chairs the State Departments Finance Committee and has only private colleges in his district, Cohen spent much of the session making passionate pleas for more funding for public higher education. He also played a pivotal role in defeating restrictions on the right to negotiate domestic partner benefits.
- Sen. Larry Pogemiller carried the pension bill this session. Thanks to him, nearly all of the faculty initiatives on pensions made it into law.

Ironically, none of the above legislators represent a MnSCU institution. Their support stems simply from their belief in the benefits of higher education.

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