

# Inter Faculty Organization

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### NOTES FROM THE PRESIDENT

by [Roderick Henry](#), IFO President

Dear Colleagues,

As the state's budget situation continues to deteriorate, universities are taking steps to deal with the directions they are being given from our system's central office. Our best guess is that the universities are preparing for a 6% to 10% reduction. Given that, preparations for cutbacks are underway on most, if not all, campuses.

#### SENIORITY ROSTERS and RETRENCHMENT

In addition to less drastic cost-cutting measures, several universities are apparently preparing for retrenchment or the layoff of probationary or tenured faculty by changing their seniority rosters. According to the IFO-MNSCU Agreement, changes in seniority rosters must be brought to meet and confer in a timely manner prior to roster modifications effective March 1. Additionally, any changes in seniority rosters should conform to the language of the Agreement. This means that unless there is truly some unusual situation, roster changes should correspond to majors or minors at the university where the changes are occurring. It is particularly disturbing to hear that some roster changes might be done to better align faculty with system office accounting or CIP codes; nowhere in our Agreement are such codes referenced. If your campus is currently discussing roster changes and you do not feel that such changes are proper under the Agreement, please contact us ASAP. **Any retrenchment will be by roster so they are NOT a trivial matter. No faculty member should feel compelled to endorse a change to a seniority roster, and all changes will be reviewed.**

#### CHECK YOUR SENIORITY

While reviewing seniority rosters from our universities, I realized a number of faculty may be entitled to either listing on multiple rosters or fractions of years of seniority. Many faculty hired prior to our conversion from a quarter system to a semester system were hired at the start of winter or spring quarter and thus may have seniority

that has not been properly credited to them. **Please [check your seniority roster](#) and report corrections as per the Agreement.**

## APPROPRIATE USE OF CONTINGENT FACULTY

The Agreement specifies the situations under which fixed term and adjunct (community) faculty may be used. The IFO has consistently bargained to improve the compensation and lot of adjunct or fixed-term faculty. Given the fact that costs seem to be driving a lot of the decision making (due to changes over time in the ratio of state versus tuition funding), a program that uses adjunct or fixed term faculty inappropriately is giving itself an unfair cost advantage over a similar program elsewhere. Whatever the motivation, the fact is that if quick cuts need to be made due to unallotments or other emergencies, those contingent faculty may vanish to the disadvantage of students and other faculty. If you have questions about this, please contact me.

## SYSTEM OFFICE AUDIT AND CUTBACKS

In a time when valuable majors and minors are being examined by the Office of the Chancellor for reduction or elimination, it is only appropriate that the system office also participate in cost cutting. The recent audit done by the Office of the Legislative Auditor highlighted a number of central office functions that were of questionable merit. Many of these may be valued by groups of faculty but, overall, are not as critical as others. Specifically, I believe the MnSCU Foundation, system office customized training, centralized faculty development, and EMS/Firefighting are things that should go before any faculty member receives notification of retrenchment. If times are indeed bad, they should be bad for everyone.

And lastly...

## WOULD YOU BELIEVE...MERIT PAY?

Or performance pay, incentive pay, or whatever name it is going under now. My understanding is that the MnSCU Board of Trustees will be going ahead with another round of performance pay for administrators later this year. The IFO was rebuffed in our attempts to discover the detailed reasons why all of our university presidents were considered worthy of performance pay last year... so, we will just have to use our imaginations as to why that occurred. One would think that the local and national uproar over mysterious merit pay mechanisms would have been noticed, but apparently not. Unless MnSCU wants to position itself as another Merrill Lynch, it should be more transparent about the reasons for granting performance bonuses in terrible economic times.

It's going to be another fascinating spring. I sincerely hope that next spring will find our universities and our members in a less perilous place.

## LEGISLATIVE AUDIT SHOWS A GROWING MNSCU CENTRAL OFFICE

by [Russ Stanton](#), *IFO Director of Government Relations*

Last Tuesday the Legislative Auditor released an audit of the MnSCU central office. The audit was first proposed by the IFO as one of its legislative goals last year. Chancellor McCormick sent a letter to legislators supporting the audit, and the Legislative Audit Commission voted to undertake the audit.

The 111 page audit report analyzes system office spending and staffing, governance and oversight issues, academic and student affairs issues, and information and technology issues. Naturally, the central office and the various MnSCU constituencies are emphasizing different aspects of the report, depending on their interests. Here is a [link](#) to both the full report and a summary, and you can decide for yourself which points are most important.

From the IFO's perspective, the report confirms many of the claims the faculty have been making regarding the

## MnSCU central office:

- **The central office is very large.** The report states that the MnSCU central office spent \$88.7 million in FY 2009. 93% of the central office funding (\$82.5 million) comes from state appropriations. MnSCU received \$662 million in state appropriations in FY 2009; therefore, about one out of every eight state dollars appropriated to MnSCU is spent by the central office.
- **The central office is growing.** The auditor's report indicated that in FY 1992, as MnSCU started to be formed, the central offices of the three systems that were merged into MnSCU had a full-time equivalent (FTE) of 233 staff. By 2002, this had grown to 318 FTE, and by FY 2009 the staffing had grown to 385 FTE. In addition, MnSCU expenditures for outside professional/technical contracts grew 110% between 2002 and 2009. MnSCU central office expenditures grew 52% from FY 2002 to FY 2009--while expenditures for the system as a whole grew by 34%. The growth of the system as a whole is closely related to enrollment growth--student FTE enrollment increased 33% between 2002 and 2009. The report found much of the growth was related to expanded services to campuses, but 47% of campus presidents said the central office was "significantly too large" or "too large". Only 6% said the central office was too small.
- **Much of the growth in central office expenditure is due to rapid expansion of the IT division.** The audit indicates that between FY 2005 and 2009, MnSCU expenditures for information technology related expenditures grew by 90%--compared to 24% growth for non-IT spending in the central office.
- **Central office IT has been poorly managed.** In recent years the IFO has frequently charged that the rapid expansion of IT expenditures has been poorly managed and unresponsive to the concerns of faculty users. The audit found that, "The system office's process for prioritizing information technology projects has lacked focus and sufficient campus input." Only 50% of college and university presidents said the system office follows a sound process for identifying IT needs and setting priorities. The report states, "The system office's management of IT projects has been weak, partly reflecting (1) unrealistic expectations for project development, and (2) inadequate sequencing of projects and staff resources." In addition, the report states, "Also, information pertinent to EIC selection criteria--such as the potential for reducing costs through technology investments--has not always been analyzed during project selection. In our review of 11 projects, only 4 had project proposals that included substantial information about cost reductions estimated to result from the projects." Even though the MnSCU's large investments were intended to bring about improved, more cost-effective services, the system office estimates that its budget for ongoing IT operations and maintenance in 2010 will be over \$33 million--a 65% increase over 2007.

The audit report was not particularly flattering for some divisions within MnSCU. The MnSCU Foundation, for instance, only returned \$.75 in contributions to the system for every \$1 spent on administrative costs. The report also indicated that campuses had mixed opinions about the services provided by the Academic and Student Affairs Division.

The report discusses implementation of credit transfer--a key goal of merger. While the report notes important steps taken to improve credit transfer, such as the Minnesota General Education Transfer Curriculum, the Degree Audit Reporting System (DARS), the Course Applicability System (CAS), and the development of 21 Bachelor of Applied Science degrees, it also notes that campuses were very slow to implement these programs. It noted that although many campuses had developed articulation agreements to facilitate transfer, the MnSCU office had incomplete information on these inter-institutional agreements on its web site.

While the Office of the Legislative Auditor interviewed statewide student and faculty leaders as they prepared the report, the report only systematically surveyed the 32 college and university presidents about their opinions regarding the system office and the Board of Trustees. The president's responses were remarkably similar to the concerns voiced by faculty in recent years. Here are some of the more interesting responses:

- To the statement: "The MnSCU System Office has taken sufficient steps to eliminate unnecessary or inefficient services in the System Office."; 3% strongly agreed, 41% agreed, 34% disagreed, 19% strongly disagreed, and 3% responded "Don't know".

- To the statement: “The System Office staff have a sufficient understanding of campus perspectives on key issues.” 3% strongly agreed, 39% agreed, 32% disagreed, and, 26% strongly disagreed.
- When asked to assess how well the MnSCU Board of Trustees performed in overseeing the system office’s size and scope of activities: 6% responded “excellent”, 31% “good”, 34% “fair”, and 22% “poor”, 3% “no answer”, and 3% “don’t know.”

The MnSCU audit comes at a crucial time. In the coming weeks the legislature will be grappling with a \$1.2 billion budget shortfall, and it is certain that higher education will suffer another round of budget cuts. It is important that when making these cuts the legislature do what it can to both protect the core mission of MnSCU, which is teaching and learning, and eliminate unnecessary administrative overhead.

## THE BUDGET CUTTING DEBATE BEGINS SO FAR, MNSCU CUTS ARE SMALL

by [Russ Stanton](#), IFO Director of Government Relations

The debate over how to resolve the state’s \$1.2 billion budget shortfall got underway on Monday of this week as Governor Pawlenty presented his supplement budget recommendations.

The news was better than expected for MnSCU. While the Governor is proposing deep cuts to local government aids (\$250 million), health and human services programs for the poor (\$347 million), and state agencies (\$181 million), his cuts to higher education systems were only \$47 million. The Governor said the higher education systems are “getting off very easy” because the federal stimulus funding came with a requirement that the state maintain its spending on higher education at a minimum of the FY 2006 spending level. It appears that the Governor is going to honor the federal maintenance of effort law and not seek a waiver (as California and Louisiana recently did).

Even better, the Governor proposed to only cut \$10.6 million out of MnSCU’s budget, and \$36.1 million out of the U of M budget. While the federal stimulus money came with a requirement that the state not cut higher education expenditures below the FY 2006 level, it did not say that each system had to be maintained at their FY 2006 level—the state can allocate the \$47 million in cuts between the U of M and MnSCU any way it sees fit. Fortunately, the Governor recommended bringing each system back to its FY 2006 level. Since the U of M’s appropriation has grown more than MnSCU’s appropriation since FY 2006, they would take a bigger cut than MnSCU under the Governor’s plan.

Part of the Governor’s budget plan is to have the legislature ratify the \$2.7 billion in unallotments he made over the summer—including \$50 million unallotments for both the U of M and MnSCU. In late December, a district court judge said that Pawlenty had overstepped his unallotment authority. Pawlenty asked the Minnesota Supreme Court for an expedited ruling on the matter, and the Supreme Court will take the issue up on March 15th.

The legislature will now take the Governor’s recommendations under into consideration and the House and Senate will start to develop their own plans for balancing the budget. It is likely that legislators will wait until after the next budget forecast on March 2nd before putting forth their proposals. Legislative leaders are not expecting a lot of new revenue in the March 2nd forecast, and they have little hope that the Governor will agree to tax increases as part of the budget solution. The House DFL is three votes short of the 90 votes needed to override a veto, so it looks like almost all of the budget balancing this year will have to be done through cuts.

## YEAR END PAYSTUBS AND UNION DUES/FEE DEDUCTIONS

by [Cindy Finch](#), IFO Membership Coordinator

During this time of year, I receive several phone calls from faculty who are completing their taxes. The most frequently asked question is 'why are my year end union dues/fees higher than the yearly designated amount?' The answer to this question is that the IFO deducts dues/fees on a fiscal year basis and most year end paychecks reflect dues/fees that were deducted over two academic years. If you still are unsure about your year end union deductions, please do not hesitate to call me. The IFO does not provide tax-related advice, and recommends that you consult your tax advisor with any tax-related questions.

## CONTACT US

The IFO *Faculty Update* is published and distributed by the [Inter Faculty Organization](#). If you need to contact the Inter Faculty Organization, our 490 Concordia Avenue, Suite 125, Saint Paul, MN 55103, or you can reach us by phone at 800/325-9644 or 651/227-8442. You can send us an email by clicking [HERE](#).