

# Inter Faculty Organization

BEMIDJI - MANKATO - METROPOLITAN - MOORHEAD - SOUTHWEST - ST. CLOUD - WINONA

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### NOTES FROM THE PRESIDENT

by [Roderick Henry](#), IFO President

#### A "Fight Between Two Bald Men Over a Comb"

The quote is attributed to Jose Luis Borges, commenting on the Falklands War. It may very well soon apply to the various constituencies in Minnesota battling over the remnants of the state budget, with the "winner" receiving a prize of limited utility.

#### The Continuing Budget Crisis

The economic and political uncertainties continue.

The immediate and long-term budget shortfalls that the State of Minnesota faces are much larger than those faced in the past with few resources available for relatively painless solutions.

In times of crisis like these, there are many who will try to implement radical ideas that would not have a chance in a different economic climate. We have already seen proposed salary freezes and other "creative" solutions to the state's fiscal problems; ideas like selling off state assets such as parks and roads. If you want to get an idea of how extreme things can get, look further south down the Mississippi to New Orleans where the Katrina disaster resulted in wide-scale dismissal of tenured faculty without adequate notice, dramatic changes for the worse in faculty consultation regarding policy matters, and personnel actions that were allegedly used to settle scores.

Because the IFO intends to play a constructive role during these bad times, the end of December and the first part of January were filled with meetings directly related to Minnesota's budget problems. I attended many of these along with other faculty and our IFO staff. At each one of these we gave the same basic messages detailed in [last month's IFO Update](#). In summary, we feel that preserving the core provided to students on the campuses is the priority, and that the instructional, advising, research and other functions that we provide are key to building a Minnesota more resilient to economic shocks. We spoke with numerous legislators and others in preparation for the months of lobbying or bargaining to come.

Education tends towards a counter-cyclical pattern of demand, meaning that the demand for degrees and certifications increases as unemployment increases. Legislators recognize this but are hearing the screams of many as conditions worsen with increased unemployment and decreased tax revenues.

### **Pawlenty's Wage Freeze Update...or Why Contracts Matter**

The Pawlenty administration announced December 9 that it wanted state salaries frozen for two years and also announced restrictions on hiring new state workers. The IFO had a 2% salary increase scheduled to take effect in January of 2009 as well as salary equity adjustments. We met with representatives of the Governor's office and learned that, due to contractual obligations, this would not be occurring to IFO faculty and other state employees covered by agreements such as ours. A number of state employees who were NOT covered by collective bargaining agreements did have their salaries frozen. Actions such as this demonstrate the value of having an organization that will enforce a legally binding contract. Our staff responded rapidly to this challenge and was prepared to take all necessary steps to give our members the salary increases that we bargained for.

### **The Unallotment**

MnSCU and the University of Minnesota both had \$20 million dollars removed from their 2009 budgets at the end of December. Unfortunately, the proposal from MnSCU took a greater percentage from the campuses than from the central office and is not the way to promote constructive relations in this environment. The MnSCU proposal for dealing with the unallotment also restricted the campuses in their use of reserves, which means that other accounts or means of cutting expenditures will be used while leaving reserves that can be easily tapped or swept to put things in balance in other parts of the state budget. On the subject of reserves, we learned that the cuts to the central office were going to come from an account that had been accruing interest on bonding money, or, in other words, another reserve. This is eerily reminiscent of the way the central office handled the \$5 million dollar reduction in increase in IT spending last spring - by using an accounting shift to cover about \$2 million of the total. One wonders what other reserves or resources are being held in the central office... Regardless, the timing of this will likely result in reductions in the number of adjunct, community faculty, fixed-term and other appointments as well as a reduction in the number of classes and sections of classes available to students.

### **Coming Soon to a State University Near You... Son of Unallotment!**

There will be more bumps and jolts ahead as the sled of state slides further down into the economic trough. The amount taken this winter is from one-fifth to one-tenth of the amount that has to be dealt with for the next two years, so be prepared to act when the call goes out. We will make it through with minimal bruising, sprains, etc. by working together as a union. I thank all who have helped so far and those who will be helping in the future, as your creativity and effort are much appreciated. I hope you will take the time to let your local Faculty Associations know how valuable the work they do is to the maintenance and improvement of our Minnesota state universities.

### **Want to Know More?**

We will be sending out updates on developments in the state budget and legislative process - now is the time to closely monitor them and respond if required. In my idle hours, I have been reading a number of books about past financial disasters, including *Devil Take the Hindmost* by Chancellor, *Manias, Panics, and Crashes* by Kindleberger, *A Demon of Our Own Design* by Bookstaber, *Tulipmania* by Goldgar, and *Shock Doctrine* by Naomi Klein. For an artistic perspective on things, Jass Records' collection of 1930's era tunes *Brother Can You Spare a Dime? Songs of the Depression* is a wonderful archive charting the ups, downs, and all-arounds of people's moods dealing with those tough times, going from songs like *I'm in the Market for You* to *If I Ever Get a Job Again*. I am open to other suggestions, as it looks like it's going to be a cold Winter...but by spring, I hope to be able to loudly play the song *We're Out of the Red*.

**STATE BUDGET SHORTFALL HITS THE CAMPUS LEVEL**

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

In late December, Governor Pawlenty balanced the \$426 million shortfall in the FY2009 budget by draining the remaining \$155 million in the state's rainy day fund, and cutting \$271 million from state spending. The biggest cuts were \$100 million to local governments, \$73 million to health and human services, \$40 million (10%) to state agencies. K-12 Education (40% of the budget) got by unscathed. Both the U of M and MnSCU will take a \$20 million cut for the remainder of this fiscal year.

During the holiday break, MnSCU announced how it was going to allocate the cuts. MnSCU passed \$16,270,000 of the cut on to campus budgets. This will amount to 2.97% of each campus's annual appropriation for this year. The campuses will have to figure out how the cuts will be absorbed. It will be very difficult because tuition rates have been set for spring semester, and faculty have already been hired. To make matters worse, the central office is telling campuses they cannot use their reserves to solve the immediate problem.

MnSCU cut \$3,730,000 from the \$146 million that is controlled by the central office. Of the "cuts" to the system level spending, \$2.8 million came from interest off of bond proceeds that the system had been accumulating, and \$930,000 came from technology cuts.

As difficult as the current year cuts may seem, they pale in comparison to the cuts that are likely for the next biennium. If higher education is expected to absorb a proportional share of the budget shortfall, the cut to higher education would be \$431 million! That is more than five times as large (on an annualized basis) as the current year cuts. If K-12 education is again spared of cuts, other areas of the budget, including higher education, will have to absorb more than their proportionate share to balance the budget.

The Governor will be presenting his plans for balancing the 2010-2011 biennial budget to the legislature at the end of January. So far the Governor is steadfastly opposing increasing taxes as a solution to the problem, but he has talked in vague terms about "revenue reform." The leaders of the DFL legislature are saying all options must remain on the table for solving the budget crisis.

If new revenue (which could be tuition increases, tax increases, or fees) is not raised we will likely be looking at massive layoffs, frozen salaries, cancellations of sections, closure of programs, and possibly even closure of institutions. The Governor recently spoke about "reducing the physical footprint of our higher education systems."

In late February the state will issue a new revenue forecast for the coming biennium. Most legislators seem to be guessing the projected budget shortfalls for both FY2009 and the 2010 biennium will be even greater than what was projected in November. This would mean another round of cuts this year and deeper cuts next biennium.

The economy could turn around in the next year, but most economists are predicting a long and deep recession. The Obama administration could give a bailout to the states, which could mean smaller cuts, but there is nothing firm on that front yet. All of the options for the Governor and legislators are unpleasant: cutting government spending worsens the economic turndown and hurts the recipients of the service; raising taxes, tuition, and/or fees is very difficult to do for middle and lower income citizens who are trying to get by.

The IFO will be pursuing a multi-pronged strategy as we work our way through these difficult times:

1. We will lobby hard to get more revenue on the table, so the budget cuts do not have to be so deep.
2. We will advocate that the cuts that are made be spread fairly across all sectors of the state budget so higher education does not take a disproportionate share of the cuts.
3. We will advocate that the cuts to MnSCU be absorbed as much as possible by the MnSCU central office, which has grown significantly over the years, and that we protect instructional programs for students, which are the core of our mission. We will advocate that many of the investments in central

office administrative technology be delayed until better times.

4. We will advocate voluntary early retirement incentives to turn over high cost faculty and save the jobs of the newer less costly faculty.
5. If federal bailout funds do materialize, we will advocate using some of the funding to reduce cuts to higher education.
6. We will advocate that MnSCU and the campuses use their reserves to help us survive these difficult times.

We will need your help writing to legislators and the governor. The competition for scarce resources will be intense, and it is usually the squeaky wheel that gets the grease. Over the next few months you will be asked to write to legislators advocating specific positions. Please respond to the call.

## HRA, MDEA "BENNY CARD" TO ARRIVE JANUARY 18TH

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

Because the state health plan had significant savings from health cost containment programs, the State of Minnesota and the unions representing state employees reached agreement to use some of the savings to provide a \$250 Health Reimbursement Arrangement (HRA) account for all participants in the state health plan. The \$250 is a one-time contribution, and is available for expenses incurred after January 1, 2009.

The \$250 state HRA is in addition to the \$800 per year contribution to an HRA for IFO members that is provided under the IFO/MnSCU collective bargaining contract. It is also on top of any voluntary pre-tax contributions a faculty member makes to the Medical Dental Expense Account (MDEA) that is available to faculty.

The HRA can be used for health related expenses such as medical deductibles and co-pays, dental deductibles and co-pays, eyewear, prescription co-pays, and even non-prescription drugs.

A new feature of the HRA and MDEA program is a "Benny Card" that you can take to your clinic, pharmacy or drugstore, and by swiping the card, automatically pay for eligible medical expenses out of your account. This saves paperwork and postage, and you may find there are items you are buying at the grocery store that you didn't realize were eligible for reimbursement.

The new "Benny Cards" should be arriving in the mail in the next week. Here is a [link](#) to more information on the new \$250 HRA and the Benny Card.

## LEGISLATURE CONVENES HIGHER EDUCATION COMMITTEES APPOINTED

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

The 2009 legislature convened on Tuesday, January 6th. The Senate has two new members, both DFL who were elected in special elections. The DFL now has a 46-21 margin of control over the Republicans. The Minnesota House has 23 new members. The DFL now holds an 87-47 margin of control over Republicans. In both the House and Senate the leadership will be the same as last term.

On Tuesday the list of committee membership was released. Here is a [link](#) to the new membership of the House Higher Education and Workforce Development Committee.

The Senate Higher Education Committee has remained the same as last term, with the exception that Senator Sharon Ropes Erickson (DFL-Winona) has been added to the committee. Here is a [link](#) to the new committee membership.

Hearings have already started on the budget shortfall. In late January, Governor Pawlenty will put forth his budget proposal in detail, and the debate over how to balance the budget will begin in earnest. I expect the legislature to hold hearings all over the state to get public input on which programs to cut and which programs should be saved. We will be providing input at those hearings and also during meetings with legislative leaders during IFO's "Lobby Days" at the Capitol on February 11th and 12th. I expect the legislature to start assembling the budget bills soon after they get the last revenue forecast in late February.

## IFO CAMPUS VISITS

by [Connie Howard](#), IFO General Counsel

Faculty have learned to look forward to IFO Director of Government Relations Russ Stanton's whirlwind campus visits each year to do retirement workshops and to help faculty with their retirement planning. This year other IFO staff members have also been busy visiting campuses to provide training and services to IFO represented faculty.

Many thanks to those Bemidji State University ("BSU") faculty members who braved the cold to attend the BSU Faculty Association ("Faculty Association") reception at the Backyard BBQ on January 7, 2009, to socialize and to hear a presentation on the benefits of IFO representation in an era of financial crisis. I also met with the BSU FA Executive Committee on January 8, 2009, to educate them concerning the Minnesota Government Data Practices Act. According to BSU FA President Chris Brown, the BSU FA hopes the reception will be the first of series of gatherings at the start of each semester to give faculty members an opportunity to get better acquainted and to bring their concerns to their FA officers.

Last semester, IFO Director of Grievance and Equity Issues, Patrice Arseneault, and I visited Minnesota State University Moorhead to speak at a faculty gathering about the role of the department under the Master Agreement. In addition, we attended a Metropolitan State University ("MSU") College of Management Faculty meeting to answer faculty questions regarding the role of departments and faculty in tenure proceedings.

Also last semester, Pat Arseneault and IFO Legal Assistant Tiffany Nelson visited Bemidji State University to provide campus assistance training to the BSU grievance committee on processing grievances under the IFO/MnSCU Master Agreement. Pat also presented an Article 22 Professional Development Workshop at Metropolitan, and made multiple visits to Bemidji State University, MSU, St. Cloud State University, and Minnesota State University Mankato in connection with pending grievance issues on those campuses.

Finally, IFO Controller Donna Blake visited all seven campuses to help the FA offices with their accounting and inventory procedures.

## LETTER OF UNDERSTANDING ON APPLICATION OF GRADUATE COURSE MULTIPLIER TO MISCELLANEOUS INSTRUCTION

by [Pat Arseneault](#), IFO Director of Grievances and Equity

The IFO has entered into a [Letter of Understanding \(LOU\)](#) with MnSCU to amend Article 10, Section A, Subdivision 6 of our collective bargaining agreement, to include the graduate course multiplier in calculating compensation for miscellaneous instructional categories. Beginning with spring semester 2009, the LOU amends our Agreement by adding the following to Article 10, Section A, Subdivision 6:

For purposes of determining compensation paid under this subdivision, a three (3) credit graduate course shall be the equivalent of a four (4) credit undergraduate course, and a four (4) credit graduate course shall be the equivalent of a five (5) credit undergraduate course. All other graduate courses shall be calculated as the equivalent of one and one fourth (1.25) undergraduate credits per one (1) graduate credit hour. Graduate equivalency shall apply only to courses exclusively for graduate students.

Until last summer, faculty members at BSU who taught courses under the miscellaneous instruction provision were being compensated for graduate courses using the graduate course multiplier set forth in Article 10, Section A, Subd. 1 (a), as follows: a three (3) credit graduate course shall be the equivalent of a four (4) credit undergraduate course, and a four (4) credit graduate course shall be the equivalent of a five (5) credit undergraduate course. All other graduate courses shall be calculated as the equivalent of one and one fourth (1.25) undergraduate credits per one (1) graduate credit hour.

When BSU stopped applying the graduate course multiplier to compute compensation under miscellaneous instruction, the IFO pursued a grievance. We reached a settlement last fall that included amending the miscellaneous instructional categories provision in the 2007-09 Agreement beginning in spring semester 2009, to apply the graduate course multiplier for purposes of calculating miscellaneous instruction compensation for all campuses. In addition, the grievance settlement will provide back pay to faculty at BSU who accepted graduate course teaching assignments in summer and fall 2008 and were compensated as miscellaneous instruction without application of the graduate multiplier.

If you have any questions on the application of the LOU, contact [Pat Arseneault](#).

## WHAT DOES FACULTY NEED FROM THEIR ONLINE PLATFORM - THE FUTURE?

by [John Schneider](#), IFO Academic Affairs Coordinator

Today, most campuses use D2L with a little Moodle mixed in on some campuses. MnSCU is looking to change and/or upgrade the online platform(s) sometime during 2010-11. Online instructors will be asked this spring to determine the kinds of bells and whistles we want out of the next IMS system in regards to pedagogy. Then in the fall of 2009, campuses will pilot possible alternatives to D2L. A final decision as to which platform will be used on your campus should occur sometime in spring of 2010.

Your IFO has assembled a statewide IFO IT committee to help pull this information together. Members include: John Schneider/Dave Bouchard/Jennifer Wingren [Metropolitan], Cathy Summa/Linda Seppanen [Winona], Kathryn Smith [Bemidji], Michelle Beach [Southwest], Rhonda Fleck [MnState], Rod Henry [IFO], Tom Herget [SCSU], and Jim Slack [Mankato]. Please [contact your local IFO IT advisory committee member](#) and let your voice be heard. You might want to copy your campus IT committee and/or online administrator with your views, needs and hopes.

The committee will also be taking an in-depth look into intellectual property rights as they pertain to online course materials. With the Governor's recent declaration that 25% of all credits will be online in the not so distant future, this has become an urgent topic for IFO members to discuss. MN Online is looking to clone master courses for greater use, gain use of learning objectives to build a users repository, etc.

Looking forward to hearing from you!

## 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 address is 165 Western Avenue North, Suite 8, Saint Paul, MN 55102, or you can reach us by phone at 800/325-9644 or 651/227-8442. You can send us an email by clicking [HERE](#).