

# Inter Faculty Organization

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

## *Faculty Update Newsletter*

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### NOTES FROM THE PRESIDENT

by [Roderick Henry](#), IFO President

#### **The drama continues...it is not over yet.**

As I write this, a number of important pieces of legislation continue to work their way through the Minnesota House and Senate. Russ Stanton's article below gives more details, but it is safe to say that the potential for our state's political process causing major disruptions to our universities is still high. Please keep on alert for important legislative updates from Russ as events may unfold quickly and we may need your support in the form of letters or phone calls to the various decision makers involved. To paraphrase, "political vigilance is the price of being a member of the faculty in a state-supported university."

The Minnesota political play occurs on the stage set by our national economic problems, which are also unresolved as of this time. Credit remains in a Bemidji-in-February-style deep freeze; unemployment is high according to a variety of measures; GM and Chrysler are doing variations on the bankruptcy sword-dance; and, just to top it off, a new strain of influenza has appeared that has a high mortality rate. Drought in the eastern part of the state and flooding in the west throws more uncertainty into the mix.

I will continue to send out appropriate thank you letters to those who have supported our organization's legislative goals, and I encourage you to do the same. Given the state of the media and the level of political discourse (which seems to be more on the World Wrestling Entertainment end of the spectrum than the Debate Club end) it never hurts to let those who have taken our side know we appreciate their efforts.

#### **NCSCBHEP**

Is not the name of some long-dead pharaoh or some new additive found in that "organic" candy bar that tastes suspiciously like the old "Forever Yours." It is the National Center for the Study of Collective Bargaining in Higher Education and the Professions, which has an annual conference in New York City at the CUNY Baruch Vertical Campus. As in years past, I attended (along with our General Counsel, Connie Howard) and took in a number of presentations dealing with the themes of cuts, re-engineering, and more

cuts. As grim as the fiscal situation sounds from time to time in Minnesota, we have yet to reach the depths plumbed by states such as New York and California. It is hard to see so many states turn away from the concept of affordable higher education at a time when the need is increasing...but it is the fallout from years of experimentation with the basic role of government born in the last economic depression. We will try to provide some in-depth analysis of topics in future *IFO Updates*.

One problem that seems to be universal, is the attempt to replace tenured faculty positions with adjunct or fixed-term ones. There is a place in the Agreement for the use of adjunct and fixed term faculty (as well as our own group of Community Faculty and Non-Tenure-Track Faculty). The inappropriate use of these types of positions is NOT a solution to financial problems.

### **Moving Day**

In June, the IFO will move its offices to a new location. The location is close to our current location and we believe that the move will enable us to realize savings. Given the uncertainty regarding our universities' finances in the coming year and beyond, the Board and Executive Committee felt it appropriate to explore potential economies resulting from the current state of the commercial real estate market. We will give more details on the move as they become available.

### **Thank You!**

As this is probably the last *IFO Update* many of you will read until next September. I want to take the opportunity to thank the members of the Board, Executive Committee, and our IFO Staff. It has been "one of those" years, to say the least, and my time has been made easier due to their understanding and efforts.

## **LEGISLATIVE UPDATE BRACE YOURSELF FOR A TRAIN WRECK!**

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

All the major tax and appropriations bills are due out of conference committee by the end of this week. They will be repassed in short order and sent to the governor. The legislature is scheduled to adjourn on May 18th.

Most of the major issues the legislature must deal with are still up in the air. The House and Senate spending bills are dependent upon raising billions in tax revenue to close the state's huge budget shortfall. The governor's spending proposals are dependent upon the legislature agreeing to billions in borrowing (i.e. "tobacco bonds") and accounting shifts. The governor says he will not support any tax increases. The legislature says it will not support the governor's "tobacco bonds" proposal. So far, neither side is blinking. If they can't agree on some method to come up with more revenue, the spending bills will have to be redone and the cuts to state programs (including higher education) will have to be much deeper.

With less than two weeks to go, here is a quick rundown of where we stand on IFO goals:

### **Contract Ratification**

The bill to ratify state employment contracts is on the Senate floor awaiting a vote, and it should reach the House floor in the next day or two. Most of the contracts in the bill are left over contracts for this biennium that were agreed to during the interim. The IFO contract is the only state contract for the next biennium that is included in the bill. The rest of the state collective bargaining agreements will not be ratified until next year.

There has been some opposition to the IFO contract by some conservative legislators in the House who don't think MnSCU squeezed the faculty enough—they want concessions. I don't think it is widespread—an attempt by Rep. Steve Draskowski to cut the salaries' of higher education employees earning over

\$100,000 by 10% was trounced by a vote of 2-130; I expect the ratification bill to pass the legislature by a comfortable margin. The governor has indicated he supports our contract.

### **MnSCU Audit**

One of IFO's goals was to get an audit of the MnSCU central office. The Legislative Audit Commission voted to do such an audit over the next year. Chancellor McCormick supported the audit. I believe he wants to either address the criticisms of the central office or put the issue to rest.

### **Higher Education Bill**

- **MnSCU Funding**

The Omnibus Higher Education Bill is in conference committee. The Senate bill appropriates \$675 million in FY 2010 (of which \$60 million is federal stimulus money) and \$644 million in FY 2011 (no stimulus money). The House bill appropriates \$665 million (of which \$65 million is federal stimulus money) each year in FY 2010 and FY 2011. This is very close to our current funding level, following the \$20 million unallotment last December. From the negotiations, it appears as if the Senate would like to come up to the House spending level, but the Senate wants the House to drop much of its language regarding controlling central office costs. The House bill would create a separate line item for MnSCU central office costs, and then shrink the appropriation. The House bill would also limit spending on merit pay and central office technology. Senate conferees argue that these limitations constitute micro-management. I testified in favor of the House position.

Another point of contention between the House and Senate is tuition caps. The House bill would cap tuition at 5% per year for the next two years, and then use federal stimulus money to buy-down the actual tuition rates to 2% per year. The Senate bill does not have tuition caps—tuition rates would be set by the MnSCU Board.

- **Student Financial Aid**

There is also a lot of disagreement between the House and Senate conferees regarding student financial aid. The Senate is pushing for a big increase in the maximum tuition recognition cap for determining state grants (which benefits only U of M and private college students), and the House is pushing for increases in the Living and Miscellaneous Expense allowance (which benefits the U of M, MnSCU and private college students by an equal dollar amount per student).

- **60/120 Credit Limit Modifications**

The Senate and House also disagree over revising the law limiting the maximum number of credits for a two-year degree to 60, and the maximum credits for a four-year degree to 120 credits. The Senate would like to repeal the limitation; the House bill would loosen up the limitations by allowing waivers for emerging and innovative programs.

- **Wrap Up**

The differences between the House and Senate on the higher education bill are not that great, and Rep. Rukavina and Sen. Pappas seem to be working well together. The higher education bill is very close to the governor's proposed spending levels, and I don't see too many areas of disagreement on policy. I am hopeful that this is a bill the governor will sign. This is important, because the possibility of budget deadlock and a government shutdown seems to grow by the day. If the higher education bill gets signed, then the state universities would not be impacted by a shutdown.

### **Pension Legislation**

The pension bill is sitting in Finance committees, while the legislature processes the big tax and appropriation bills. It will probably be one of the last bills to pass. The IFO is pushing for three provisions in the bill:

- The IFO proposal to allow transfers from IRAP to TRA at the point of tenure. This legislation seems to be moving along without opposition. We would have liked legislation to allow any faculty member to transfer from IRAP to TRA, but an actuarial study indicated that when faculty that are older and have more years of service transfer, it has an adverse impact on TRA's funding. TRA already has serious under funding problems, so there was no legislative support for allowing the transfer beyond the point of tenure.
- A proposal to allow MnSCU to design and offer early separation incentives. MnSCU has indicated it is looking at offering about \$8 million in incentives in the next two years, which has raised some eyebrows.
- The TRA proposal that would phase in TRA benefit improvements and increase contribution rates over a four year period starting in 2011. There is growing public opposition to this legislation. I think the chances of it surviving are doubtful.

### **Domestic Partner Legislation**

The IFO initiated bill to grant domestic partners the same health care eligibility as married couples passed the House as part of the Omnibus State Departments Appropriation Bill (which funds all state agencies). The Senate Omnibus State Departments Appropriation bill does not have the domestic partners benefit included. The bills are in conference committee. Governor Pawlenty has told the conferees that if domestic partner benefits are included in the final bill he will not sign it. Therefore, I am sure the conferees will not include the domestic partner benefits legislation.

Senator Pappas moved our separate bill on domestic partner benefits through the Senate Finance Committee last Friday, and it could be up on the Senate floor before the end of the session. However, even if the legislation passes both the House and Senate, it still faces a certain veto by Governor Pawlenty.

The domestic partner benefits legislation was a top priority of the IFO this session—we pulled out all the stops to try to pass the legislation. Even though the bill is unlikely to make it into law this year, we did prove that this legislation can pass the legislature. This legislation was voted on by six different legislative committees and by the full House of Representatives—it passed every time. We counted our votes, and have the votes to pass the bill in the Senate. Each year that we bring this issue up we get more votes. We also identified which legislators support us, and which legislators still need to be persuaded. I have no doubt that as soon as we get a new governor, this legislation will pass.

### **Bonding**

Senator Keith Langseth and Representative Alice Hausman are getting very close on a capital bonding bill agreement. For MnSCU, the Senate is proposing \$45 million in Higher Education Asset Preservation and Repair (HEAPR) projects, plus funding for five MnSCU projects vetoed by Governor Pawlenty last session (including Metropolitan's "smart classroom" project). The House is now at \$40 million for HEAPR and supports the same five projects. The sticking point is Governor Pawlenty; it seems he will support the HEAPR projects, but he is still resisting new building projects.

### **Dues Deduction Legislation**

IFO legislation to require payroll dues and fair share deductions for both unions when an employee works under more than one union contract has passed both the House and Senate as part of the Omnibus State Departments Bills. The Omnibus State Departments Bills are now in conference committee, and the conference committee has agreed to the dues deduction provision. Unless the Omnibus State Departments Bill get vetoed, this provision should become law.

### **Tax Increases**

IFO supports progressive tax increases to close the state budget gap. Both the House and Senate have passed tax increases designed to both make the tax code more progressive and raise money (along with budget cuts) to close the state budget gap. Talks are ongoing between the legislative leadership and the governor, but at the present time the governor is saying he will veto tax increases. If this standoff isn't resolved by May 18th, there will have to be a special session. If it is not solved by July 1st, there will have to be either a partial or full shutdown of state government.

I would suggest you brace yourself for a train wreck.

## HEALTH CARE BENEFITS FOR 2010 - 11 DETERMINED

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

When the IFO reached agreement on its FY2010-11 contract, the health provisions of the contract were still in coalition bargaining between the state's seventeen employee unions and the State of Minnesota. The health provisions have now been agreed to, and will be added to the IFO contract. Here are the main provisions of the health care agreement:

- There will be no benefit changes in plan design in either year of the contract except the technical Level 4 changes from 30% co-insurance to 25% co-insurance as required by the Department of Health.
- We will continue to have full employer paid single health insurance and 85% employer paid dependent insurance.
- There will be no premium increase in 2010, and in 2011 the anticipated premium increase will be 6.7%.
- The special one-time \$250 HRA from the state this year will not be continued next year. However, in 2011, a \$125 contribution to the Health Reimbursement Arrangement will be made by the State (this is in addition to the \$800 HRA the IFO negotiated in its contract).
- There will be an opportunity to increase life insurance coverage during open enrollment. We will send out more on this at a later date, when more details are known.

The major emphasis in this round of bargaining was to hold down premium costs to both the employer and employees. Holding down premiums for the employer means employer financial savings, and hopefully fewer lay offs.

## 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 until June 17 will be 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](#).