

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

WELCOME BACK

To all returning faculty, welcome back to the 2008-2009 academic year. I hope you had an enjoyable summer and are ready to face a challenging new year.

To all new faculty members, welcome to the state universities and to the Inter Faculty Organization (IFO). The IFO is the exclusive representative for the approximately 3,300 full and part-time faculty members who teach at the state universities in Minnesota. We are the organization that bargains your compensation and contractual rights, and we are the exclusive voice of the faculty in university and system affairs. We want your involvement in the IFO—this is your organization.

During the next few weeks I will be traveling to the campuses to meet new faculty members and explain the IFO. Please refer to the [IFO Master Calendar](#) for my schedule. In the meantime, to learn more about us, click [HERE](#).

OVER THE SUMMER

A lot has been happening at the IFO since the end of the last academic year:

- **A Productive Legislative Session Ends**

Shortly after the end of the last academic year, Governor Pawlenty and the Minnesota legislature finally agreed on a budget balancing bill, and the 2008 legislature adjourned on May 19th. It was a successful session for the IFO; our [2007-09 contract](#) was ratified, we saw the passage of a large bonding bill that

included many facilities improvements for state universities, and the final budget cuts (to close a state budget shortfall) to higher education were less than one-third of what was proposed by Governor Pawlenty at the beginning of the session. The IFO was successful in making sure that the entire budget cut to the MnSCU system came out of the central office and that the campus level budgets were spared. See Russ Stanton's summary [below](#).

- **Presidential Transition**

On June 30th, Nancy Black ended her second term, and I took over as IFO president. The IFO has a two-term limit for IFO presidents. Nancy will be a hard act to follow. During her presidency, the IFO negotiated two good contract settlements—the last of which is probably the biggest advancement in faculty pay in the IFO's history. Nancy also left behind a healthy organization, both financially and organizationally.

- **Connie Howard is New General Counsel**

Early this summer, Connie Howard phased into her new job as IFO General Counsel. This is a new position within the IFO. Connie will provide advice to both the IFO Board of Directors and the Negotiations Team. She will monitor legal developments impacting higher education (intellectual property rights, tenure, performance pay, etc.), and handle statewide grievance matters. Connie is already hard at work; see articles below on MnSCU's new [fleet safety rule](#), the [Code of Conduct](#) policy on selling free textbooks, and [contractual benefits for adjunct and community faculty members](#).

- **John Schneider is new Co-Coordinator of Academic Affairs**

Also this summer, the IFO selected John Schneider of Metropolitan State University to serve as Co-Coordinator of the IFO's Academic Affairs. He will work with Cathy Summa from Winona State University and the IFO Academic Affairs Committee to provide advice to the IFO Board and to represent the IFO on academic matters within MnSCU.

- **Brent Jeffers is new Chief Negotiator**

Since I will be serving as the IFO president, I will no longer be serving as the IFO's Chief Negotiator. This position will now be held by Brent Jeffers from Southwest State University. Brent has served on the IFO Negotiations Team for many years, and he will bring a wealth of experience and talent with him to this new position.

- **IFO Provides Input on MnSCU Budget Request**

Over the summer, the IFO has been preparing its [positions on the MnSCU budget request](#) to the legislature next session. We plan to have our positions on the budget request to Chancellor McCormick and the Board of Trustees by late August. The State of Minnesota is projecting another budget shortfall of \$940 million next biennium—assuming no inflation adjustment or compensation increases for state employees. If inflation of just 1.9% per year is included, the budget shortfall increases to nearly \$2 billion dollars. Unless the economy turns around, or the legislature raises taxes, we could be in for another round of budget cuts, large tuition increases, or both.

THIS FALL

- **New Faculty Workshops**

In late August, Russ Stanton will be visiting the campuses to put on workshops for new faculty to help them select between the Individual Retirement Account Plan (IRAP) and the Teachers Retirement Association (TRA) as their basic retirement plan. All faculty have one year to choose, and once the choice is made it is irrevocable for the life of the faculty member. The choice a faculty member makes can mean

the difference of thousands of dollars in the short term and hundreds of thousands of dollars over the course of a faculty member's career. Because this is such a complex but important decision that new faculty members must make, the IFO provides these workshops to help faculty members make an informed decision. Click [HERE](#) for a schedule of new faculty workshops.

- **Workshops for Faculty Nearing Retirement**

In September and early October, Russ Stanton will also be putting on retirement workshops and meeting with faculty members that are nearing retirement. Over the years the IFO has lobbied for and/or negotiated an impressive array of retirement benefits for faculty, including severance pay, early separation incentives, phased retirement options, retiree health care savings plans, etc. The purpose of these workshops is to walk step by step through the retirement process and help faculty maximize their retirement benefits. During the last year there have been many statutory and contractual changes relating to retirement, so even if you have attended workshops in the past, you may want to attend to get updated information. See Russ' article [below](#).

- **Legislative Elections**

This fall the entire Minnesota House of Representatives is up for election. These elections are crucial because they will determine who controls state government and that in turn will determine whether the state's budget shortfall is resolved through raising taxes or cutting programs like higher education. The margins of control are close—the DFL controls the Senate by the exact number of votes necessary to override a veto (and there will be an election to fill the seat of Sen. Dan Larson (DFL-Bloomington) who is retiring from the Senate). The DFL is just five seats short of veto-proof control of the House of Representatives—and several of the “swing” seats up for election are in state university districts. The IFO intends to get involved in this fall's elections. We have money set aside in our political action committee to support friends of public higher education, and our Government Relations Committee will be organizing direct involvement in campaigns by faculty members.

I would encourage *all* faculty members to get involved in the campaigns, regardless of your political preferences. Politicians pay attention to constituencies that get involved and vote because it makes a difference in their political careers. I encourage you to vote, volunteer, and contribute to your favorite candidate.

The State of Minnesota has a campaign finance program to encourage small contributions to political campaigns. **As a Minnesota citizen, you can contribute up to \$50 per person, \$100 per couple filing a joint return, and get the entire amount refunded to you by the state within about a month.** For more information on how to use this program click [HERE](#), or contact Russ Stanton (Stanton@ifo.org or 1-800-325-9644, ext. #14). For contact information of campus area legislators, legislative leaders, and members of the House and Senate higher education committees, click [HERE](#).

STAY IN TOUCH

Each month during the academic year the IFO will publish an *IFO Update Newsletter*, letting you know what is going on within your union. In addition, I would encourage you to regularly visit the IFO web page, www.ifo.org, for the latest developments on issues affecting faculty members.

IFO WORKSHOPS FOR FACULTY NEARING RETIREMENT

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

During September and early October, Russ Stanton will be putting on workshops for faculty members who are contemplating retirement within the next five years. He will also cover many statutory and contractual changes related to retirement that occurred over the last year. In addition, he will meet in half hour increments with individual faculty members to discuss their particular retirement concerns.

The workshops will cover contractual and statutory provisions relating to retirement including:

- **Final year two-step increase**
- **Early separation incentive**
- **Severance pay**
- **Retiree health care and the postretirement tax-free healthcare savings plan**
- **Career steps**
- **TRA: Annuitization options, acceleration options, postretirement cost of living adjustments**
- **Phased retirement and the Annuitant Employment Program**
- **Tax sheltering options, including the new Roth TSA**
- **Healthcare Reimbursement Arrangements (HRAs) and how they relate to retirement**

At the workshop Russ will distribute retirement preparation checklists, information on notification dates, form letters for giving retirement notification and applying for benefits, and a list of phone numbers, addresses, and Internet locations of retirement planning resources.

The retirement workshops are free of charge. IFO does not sell or endorse any products, or receive any fees or commissions related to any product. The purpose of these workshops is to help members maximize their retirement benefits.

The following is a list of dates that Russ Stanton will be on each campus. Click [HERE](#) to contact your local faculty association office for specific times and places, or to schedule an individual ½ hour meeting with Russ.

Bemidji—September 23 & 24

Mankato—September 2, 3, 4, 18 & 19

Metropolitan—September 8 & 15

Moorhead—September 10 & 11

St. Cloud—September 9 & 22 and October 1 & 2

Southwest—September 29 & 30

Winona/Rochester—September 16 & 17

IFO PREPARING FOR ANOTHER \$1-2 BILLION STATE BUDGET SHORTFALL

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

At the end of the last legislative session the state had balanced the FY 2009 budget, but state budget forecasters were predicting a \$940 million shortfall for the next biennium (FY 2010-2011). If inflation (projected then by the state to be 1.9% per year) is added to the budget, then the budget shortfall for next biennium increases by another billion dollars. The cause is a slow growing state economy that is generating less tax revenue.

Since the end of session budget projections, state revenues have actually been coming in about 2.5% above what was projected, but inflation has also taken off, causing the state's revenue forecast to more than double the inflation projection for this fiscal year (from 2.5% to 5.3%).

The budget shortfall spells trouble for higher education. About half of the operating funds for that state universities (including the money to pay salaries) come from state appropriations.

In anticipation of the upcoming budget crisis, the IFO Government Relations Committee and the IFO Budget Committee developed a MnSCU FY 2010-2011 budget request position that was adopted by the IFO Board in late April, and fine tuned by the IFO Executive Committee over the summer. The budget request recommendation calls for inflation increases consistent with the most recent inflation projections of the Federal Reserve Board, funding for enrollment growth, and an extra 1% increase in state university

faculty salaries each year to increase compensation competitiveness relative to peer institutions nationally. Click [HERE](#) for a link to the IFO position paper. This position paper will be used to provide input to the Chancellor and Board of Trustees as they prepare their budget request to the governor and legislature. It will also be used to guide IFO lobbying activities.

NEW MnSCU CODE OF CONDUCT

by [Connie Howard](#), IFO General Counsel and [Pat Arseneault](#), IFO Director of Grievances and Equity

After extensive discussions at Meet and Confer, MnSCU has adopted an Employee Code of Conduct (MnSCU Board Procedure 1C.01), which became effective July 1, 2008. The [Code](#) is available online.

For the most part, the Code codifies and summarizes pre-existing policies on a variety of subjects. For example, the Code states that system employees must comply with all Board policies and procedures, such as the MnSCU Nondiscrimination Policy and Board Procedure 1B.1.1 for filing discrimination/harassment complaints. The Code also provides that faculty are responsible for protecting the privacy of government data under your control in accordance with the Minnesota Government Data Practices Act (MGDPA) and Family Educational Rights and Privacy Act (FERPA).

The new Employee Code of Conduct Procedure 1C.01 specifies that the summaries provided within the Code are intended to serve as a “quick reference” guide to statutes, policies and procedures, but employees should consult the actual language of the statute, policy or procedure to determine their obligations. For example, the Code incorporates the pre-existing Nepotism Board Policy 4.10 and Procedure 4.10.1, which generally prohibits a supervisory relationship between members of the same family or household. Although the Code suggests that employees are prohibited from participating in the performance reviews for any person who is a member of the employee’s family or household, the actual language of the [Nepotism Procedure](#) permits faculty to make recommendations on personnel matters concerning a family or household member where the collective bargaining agreement explicitly provides for the right to make recommendations, such as for tenure and promotion.

The Employee Ethics portion of the Code of Conduct provides a summary of state statutes dealing with conflicts of interest, compensation from other sources, use of position for personal advantage, use of state property, political influence and purchasing of state property.

Faculty should be aware of one important policy change in the Employee Ethics portion of the Code. State law allows faculty to accept free samples of textbooks and related materials. Even though free samples become the property of the faculty to whom they are given, the new Code includes a policy restricting how faculty may dispose of such items. Part 3, Subpart B (1) **prohibits faculty from selling free sample books and materials “for the personal benefit of the faculty member.”** Under the Code, faculty are still permitted to donate such items to charity. Alternatively, you may sell such items as long as the sale does not profit the faculty member personally. For example, the policy would permit faculty in a department to pool their unused textbooks to be sold to fund student travel or to benefit the educational needs of the department.

NEW MnSCU STUDENT DRIVING RESTRICTIONS

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

All faculty members should be aware that, effective July 1, 2008, MnSCU has adopted new restrictions that will have an immediate affect on all programs that rely on student drivers. Under the new policy:

- Drivers under age 21 may **not** drive out of state on “**MnSCU business.**”

- All student drivers who drive on MnSCU business are required to complete a Vehicle Use Agreement (VUA).
 - VUAs are required regardless of whether students drive a MnSCU vehicle, a rental vehicle, **or their own personal vehicle** on MnSCU business.
 - VUAs authorize MnSCU to conduct annual motor vehicle records (MVR) checks.
 - VUAs commit drivers to participate in unspecified, and as yet, undetermined driver safety training.
- Student drivers are classified as eligible, conditional or ineligible drivers based on their MVR using a rating system developed by the Department of Administration.
 - The rating system is more restrictive than required for maintaining a Minnesota driver's license.
 - Based on the Risk Management Division's eligibility determination, individual campuses determine who may drive and under what circumstances.
 - MnSCU has not established any appeal procedures for drivers to challenge their classification.
- Use of 15 passenger vans is prohibited.
- No additional funding is being provided to implement the new policy.

The IFO has raised a number of concerns about this unfunded mandate and your local Faculty Association will be addressing the policy at Meet and Confer this fall. In the meantime, in light of uncertainties about what will qualify as "MnSCU business" under the new policy, about the number of student drivers who will be needed when, and about how long the screening process will take, the **IFO encourages all faculty who may need any student drivers fall semester to request all students in their classes to complete a VUA form on the first day of class. All student employees should also be asked to complete VUA forms immediately unless you can be certain that they will never be asked to drive on MnSCU business.**

For copies of VUA forms and the new policy, or for answers to questions about the policy, contact your [Campus Fleet Risk Management Contact](#). Students should return completed forms directly to the campus contact.

The union is interested in input on how well the new student screening policy to share at university and system Meet and Confer meetings this fall. Please contact your [FA President](#) or IFO General Counsel [Connie Howard](#) if you have any specifics to contribute.

2008 LEGISLATIVE GAINS

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

Despite a large state budget shortfall and a crisis in transportation funding that threatened other infrastructure projects, the 2008 legislative session produced major gains for higher education and state university faculty in particular.

Contract Ratification Went As Planned

The IFO had a goal of passing the contract ratification bill as a separate bill, early in the session, and without changes. The reason we wanted to have it as a separate bill is because in past sessions the contract ratification bill was often attached to other legislation and became a bargaining chip in the eleventh hour negotiations between the governor and the legislature over the budget. It was especially important to pass the bill early this session because we had record breaking compensation increases in our contract at a time when the state was facing a \$935 million budget shortfall.

As soon as MnSCU approved the faculty contracts, the legislature moved quickly and passed our contract

in early April, before the nasty debates over the budget began, and with no changes. The IFO had the largest compensation increase of all the state unions—nearly twice as large as the MSCF.

Budget Balancing Bill Spares Campus Budgets

The legislative session began with the state facing a \$935 million budget shortfall. Governor Pawlenty was advocating a \$26 million cut to MnSCU to help solve the budget shortfall. The IFO supported tax increases to solve the budget shortfall and took the positions that if there were cuts to the MnSCU system, the cuts should be directed at the MnSCU central offices -- central office increases in technology in particular, and that campus budgets should be spared.

The legislature passed a budget balancing bill that used a combination of tax increases, budget cuts, and reserves to balance the budget. MnSCU was cut \$7.9 million (compared to the \$12.3 million cut to the U of M). The bill specifically directed that \$5 million of the cuts come from central office technology -- \$1 million from the central office reserves, and the remainder from the Office of the Chancellor. *There will be no reductions to the campuses, and the central office cannot assess the campuses.*

There were two new appropriations in the bill: Metropolitan State received \$600,000 for the Power of You program, and Winona/Rochester received \$120,000 for a scholarship program to increase diversity in teaching.

The budget balancing bill also contained rider language directing MnSCU to reallocate \$9 million from the central office to hold tuition increases for FY 2009 to 2% at two year institutions and 3% at four year institutions. The money for the tuition buy-downs will come from some central office “initiatives” funds.

Bonding Bill Biggest in History

The IFO supported MnSCU’s \$350 million bonding request. At the beginning of the session Governor Pawlenty recommended only 7 of MnSCU’s 31 requested projects, for a total recommendation of only \$128.6 million.

One of the reasons that the Governor supported such a low appropriation to MnSCU is that he proposed that \$416 million of the bonding bill be used to fund roads and bridges. The IFO supported a gas tax increase to support road and bridge construction. The legislature passed (and over rode a veto of) a \$6 billion transportation package that was funded primarily by a gas tax increase, and this freed up money for bonding to finance other projects. MnSCU’s bonding appropriation shot up as a result.

The legislature passed a \$280.4 million bonding appropriation for MnSCU. Governor Pawlenty vetoed six of the projects—leaving a net bonding appropriation to MnSCU of \$234.2 million. This is the biggest bonding appropriation to MnSCU in history. [HERE](#) is a list of MnSCU requests and a comparison of the House, Senate, and Governor’s positions and a list of the \$17 million worth of HEAPR projects for state university campuses.

Common Course Numbering Bill Fails to Pass

The legislative bill to require MnSCU to develop a common course numbering system for credit transfer did not make it into either the House or Senate higher education bills. A rapid response e-mail campaign from faculty members to legislators appears to have changed legislative support for the measure. In fact, one of the original authors changed her mind and removed her name from the bill. MnSCU has formed a task force to explore less drastic ways to improve credit transfer. The common course numbering bill appears to have emanated from the students at two year institutions; state university students opposed the bill.

IFO Pension Bills Pass

Several pension measures proposed by IFO passed the legislature.

The first bill would require MnSCU to exercise due diligence to find the owners of abandoned IRAP and Supplemental Retirement Accounts. These are usually small amounts (on average about \$6,000) left by

faculty members who quit and moved away, and MnSCU has lost track of them. In some cases, the former faculty member died and MnSCU cannot locate heirs. The bill says that if MnSCU cannot find the owners of the accounts after five years, the money is placed in a reserve account and invested. The interest off the reserve account is used to offset administrative fees charged to faculty participants in the retirement plans. If a former faculty member or heir is later found, their account is restored.

The second piece of legislation would allow faculty members to have access to their Supplemental Retirement funds while in phased retirement. We have such a provision in our contract, but it conflicts with a law prohibiting withdrawals while an employee is still working. This legislation changes the law to allow withdrawals during phased retirement if it is permitted under a collective bargaining contract.

The IFO has also proposed legislation to allow faculty members a second choice between IRAP and TRA once they reach tenured status. TRA raised questions about whether such a choice could adversely impact the funding level of TRA and required contributions by other TRA members. Therefore, we proposed an amendment for a study by an actuary to determine the impact on TRA. The amendment passed. The study will be completed by next January.

In addition, the legislature passed a proposal by the directors of the major pension funds to reform the Postretirement Pension Fund, from which benefits are paid, to gradually eliminate the \$2.6 billion deficit in the Postretirement Fund. The deficit is expected to get much worse by June 30th, the next time the fund is evaluated. The Postretirement Fund reforms will probably result in cost of living adjustment for retirees of only 2.5% for a number of years, but unless something is done about the deficit, the fund directors warned that the state pension funds could go into a “death spiral” similar to what happened to the former Minneapolis Teachers fund. The IFO had a goal to support the Postretirement Fund reforms.

Student Financial Aid: LME Improved

Because the state subtracts the federal Pell Grant from the State Grant a student is eligible to receive, the recent increase in the federal Pell Grant did not result in any net increase in the financial aid a student is eligible to receive. Instead, the Pell Grant increase resulted in a financial windfall to the state treasury. This year the financial windfall is around \$11 million. The Office of Higher Education, the U of M and the Private College Council supported efforts to capture the \$11 million and use it to raise the cap on tuition recognition under the financial aid formula.

The IFO has a goal of opposing increases in the tuition recognition cap. We joined with the MnSCU student organizations to oppose using the Pell windfall to raise the tuition cap in the State Grant formula. Even though MnSCU students make up 60% of Pell Grant recipients in the state, they would not get one penny of increased financial aid resulting from raising the State Grant cap. The tuition recognition cap is currently \$9,838, while the average MnSCU tuition is only about \$5,500; therefore raising the cap only benefits students attending high cost institutions. We think this is a very uneven way to redistribute the Pell windfall. We argued that at a time when the state is cutting funding to higher education, they should not be increasing grants to students at institutions that are not affected by the budget cuts.

We supported increasing the Living and Miscellaneous Expense (LME) allowance for determining student need in lieu of raising the tuition cap because all recipients are benefited by an equal dollar amount from the LME increase, regardless of whether the student attends a MnSCU, U of M, or private higher education institution.

The legislature passed a provision that would use the windfall from the Pell Grant increase to increase the LME allowance for all students by an equal dollar amount.

ADJUNCT AND COMMUNITY FACULTY BENEFITS

Please note the addition of new “[Adjunct Faculty](#)” and “[Community Faculty](#)” links on the left menu of the IFO web page. These links have been added to highlight key provisions of the IFO collective bargaining

agreement that benefit adjunct and community faculty. In particular, the IFO encourages adjunct and community faculty members to take advantage of the tuition waiver benefits they and their families enjoy under the contract. The IFO's arbitration victory earlier this year confirmed that the tuition waiver benefit includes doctoral and other graduate courses as well as undergraduate classes.

SALARY STUDY COMPLETED

by [Cathy Summa](#), Salary Review Committee Chair and [Pat Arseneault](#), IFO Director of Grievances and Equity

The joint IFO MnSCU Salary Review Committee (SRC) has completed the study of faculty salaries for the 2005-06 academic year as provided in Article 11, Section I of our collective bargaining agreement. The salary study was conducted by the [Segal Company](#), an independent consulting firm recommended by the SRC. The Segal Company conducted a multiple regression analysis in order to predict faculty salaries based on a number of factors known to affect pay, including your rank, program, high degree and years of employment experience. The SRC determined a predicted salary step for each faculty member in the study, by matching the predicted salary to a step on the 2005-06 salary schedule that was at or above the predicted salary. The SRC recommended that approximately 400 faculty whose base salaries were more than two steps below their predicted salary step receive salary equity step adjustments. This method for determining equity adjustments is more closely aligned with the way campuses set initial salaries, the way we negotiate across-the-board salary increases, and with the way the SRC reviews faculty in the Annual Reviews of new hires and new terminal degrees.

This fall, all non adjunct/community faculty members who were employed in the system in the 2005-06 academic year will receive a letter from the SRC detailing individual results from the salary study. Those faculty flagged for an equity increase should receive a revised appointment letter for 2008-09 from your campus to reflect the salary equity step increases.

Equity step increases will be implemented this fall. Equity steps are in addition to the two returning steps, career steps and steps for newly promoted faculty. Of the 400 faculty who will receive salary equity steps, slightly over 50% of the adjustments will be a one step equity increase. About one third of equity adjustments will be a two step increase, and the remaining faculty adjustments will be an increase of three or more steps.

For questions on the study contact [Cathy Summa](#), [Pat Arseneault](#), or your [IFO Salary Equity Committee representative](#).

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](#).