

# Inter Faculty Organization

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

## *Faculty Update Newsletter*

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### NOTES FROM THE PRESIDENT

by [Nancy Black](#), IFO President

#### **IFO Agrees to Health Care Package—Open Enrollment Coming Up**

October is the month we turn our attention to health care issues. Open enrollment for the State Employee Group Insurance Plan (SEGIP) starts October 25th and runs through November 7th. See the article below on open enrollment and things we can do to control our health costs.

Health insurance is one of the most important forms of compensation that we as faculty receive. The State Employee Group Insurance Plan covers all state employees, including Inter Faculty Organization members. The insurance package is negotiated by representatives of the State Department of Employee Relations and a coalition made up of representatives of the 16 state employee unions, including IFO. It is a complicated process, and unfortunately not one that we have a lot of control over; IFO members make up only 3400 of the nearly 50,000 state workforce.

Items that are not settled at coalition bargaining are left up to individual union bargaining tables. AFSCME and MAPE are the two largest state unions and usually set the pattern for the remaining bargaining units regarding the state health plan, because all employees are covered by a single health plan.

As we are all too painfully aware, health insurance costs are sky rocketing. While the unions in coalition bargaining were able to negotiate significant reductions in the amount of the cost increase that is passed on to the state employees, AFSCME and MAPE did agree to increases in deductibles and co-pays when they negotiated their contracts. There are limited dollars available for compensation increases, and AFSCME and MAPE apparently preferred putting the money available into salary increases rather than holding down deductibles and co-payments.

At its last meeting, the IFO Board agreed to the insurance article of the contract, even though the remainder of the contract has not been settled. This agreement allows faculty to participate in open enrollment. Meanwhile, the IFO negotiators are trying to negotiate a \$700 annual increase in the employer contribution to the IFO Health Reimbursement Arrangement (HRA) to offset the increased deductibles and co-pays faculty will have to pay.

#### **Negotiations Speed Up**

The pace of IFO/MnSCU negotiations is picking up. We have bargaining sessions scheduled for the next three weekends. We have moved out of interest based bargaining and into position based bargaining over economic issues. Below you will find an article by Rod Henry, our Chief Negotiator, which includes an outline of the major differences between the IFO and MnSCU positions. As you can see we are far apart, particularly on issues of basic compensation for all faculty members. The system continues to push merit pay for limited portions of the faculty, while ignoring the market competitiveness of our compensation relative to comparable institutions nationwide.

Things are going to start heating up now. The IFO Action Committee is meeting on October 26, 2007, to develop specific actions we as a faculty can take to bring negotiations to a successful conclusion. Please respond to the Action Committee calls for action—a union is only as strong as its memberships' participation. Don't expect your negotiators to deliver at the bargaining table if you don't back them in the trenches.

#### **2006 Salary Study**

The IFO is scheduling campus visits in November for Sibson Consulting Firm to discuss the latest salary review process with faculty. It is important that faculty attend these sessions to keep informed about the latest developments that may affect individual salaries. For detailed information, see the article in this issue.

## HEALTH CARE OPEN ENROLLMENT

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

**Open enrollment for participation in the State Employee Group Insurance Plan begins on October 25 and ends November 7, 2007.** During open enrollment, eligible state employees will be able to add or delete dependent coverage, make changes to many insurance benefits for the 2008 calendar year, and change health carriers and clinics. They can also sign up for or change their contributions to their flexible spending plan. In addition, if an employee wants to receive a \$5 reduction in office co-payments during 2008, they must complete an on-line health assessment during open enrollment. Click [here](#) to find out what is "open."

Everything you need for open enrollment will be posted on the Department of Employee Relations (DOER) website (<http://www.doer.state.mn.us/>). You will get a postcard in the mail giving directions to the website, along with your employee ID number. You will need your employee ID number and password to log into your account.

If you do not wish to make changes to your coverages, you do not have to re-enroll.

### **Educate Yourself—and Save**

I would encourage all faculty members to educate themselves regarding their insurance benefits prior to open enrollment. Faculty members can often exercise significant control over their out-of-pocket health care costs through the selection of lower cost clinics, using convenience clinics, using generic or formulary drugs when possible, and/or taking the health assessment. Knowing the proper procedures for using your health care benefits may also help you contain your out-of-pocket costs. In addition, you may also discover benefits you didn't know you had, such as out-of-state coverage for student dependents or for faculty members on sabbatical.

There are many changes to the insurance plans starting next year. In addition to the increases in premiums, deductibles, and co-payments (discussed below) there will be a new single pharmacy benefit provider (Navitus), an incentive for smoking cessation therapy, and an increase in the maximum long term disability insurance that can be purchased. The \$500 retiree death benefit has been replaced by a \$250 contribution to the postretirement Health Care Savings Plan. The Blue Plus Dental Care Plan will no longer be part of SEGIP. In addition, there have been changes in the cost levels of some clinics.

To get more information on the state health plan, visit the Department of Employee Relations web page (<http://www.doer.state.mn.us/>). In particular, I would encourage you to read the Advantage Health Plan: Questions and Answers <http://www.doer.state.mn.us/ei-segip/pdf/qas/Advantage.pdf>. You might also want to attend one of the upcoming informational meetings sponsored by the Minnesota Department of Employee Relations. For rural dates and locations, click [here](#). For Metro dates and locations, click [here](#).

### **Health Care Costs Rising**

Health care costs are rising fast. This is a national trend, but it is particularly true under the state employee health plan, where the average age of the group continues to rise due to the aging of the "baby boom" generation. The state plan is a self insured plan. One of the main drivers of cost increases is simply that employees are using more drugs and health care services—and there is no end in sight for these cost increases.

When negotiations on the healthcare plan began last spring between the state and the coalition of employee bargaining units (including IFO), the state announced that health care costs were expected to increase 13% per year (\$174 million) for the next two years. The state initially said they would pick up \$50 million of the cost increase, but the remainder would have to be picked up by employees through premium increases (they wanted the employees to pick up 15% of the employee premium) and additional co-payments—otherwise there would be less money left on the table for bargaining salaries.

Through negotiations, the cost increases were eventually reduced to 6.7% for the coming year. This was achieved mainly by reducing the reserves, capturing the interest off the reserves and using it to offset cost increases, by moving to a single pharmacy benefit manager and by getting the employer to pick up a greater portion of the cost increase. However, deductibles, co-pays and out-of-pocket maximums did increase to offset rising costs (click [here](#) for a chart showing the increases or [here](#) for a full copy of Article 14). Also, employees with dependents will see an increase in the portion of the dependent premium paid by employee.

**The total cost of employee health coverage will increase from \$405.18 per month in 2007 to \$432.16 per month in 2008. Under the IFO contract the employer pays 100% of the employee health premium—so the premium increase will not affect faculty members with employee only (single) coverage. The premium for dependent health coverage will increase from \$786.32 per month in 2007 to \$836.70 in 2008. Under the IFO contract, the employer pays 85% of dependent coverage and the faculty member pays 15%. Therefore the employer paid share of dependent health premium will increase from \$668.38 per month to \$712.90 (a \$44.52 per month increase), and the faculty paid share of dependent coverage will increase from \$117.94 per month to \$125.80 per month (a \$7.98 per month increase).**

### **Health Assessments**

One of the ways the state health plan has tried to reduce cost increases is through health assessments and coaching of plan participants. The idea behind the assessment and coaching is to identify health risks early and address them through encouraging treatment and lifestyle changes to prevent these conditions from becoming major health risks (and costs) down the road. Many health problems are related to personal decisions (smoking, bad diet, lack of exercise, untreated depression, etc.). The goal is to encourage people to take more personal responsibility for their health, for their own benefit and to hold down costs for others in the self-insured plan.

I have heard some complaints from faculty members who do not want to participate in the assessment for privacy reasons and who think

the quality of the health coaching leaves a lot to be desired. **Taking the health care assessment is entirely voluntary.** As an inducement to encourage participation in the health assessment, the plan provides for a \$5 per visit reduction in the co-pay for office visits. An employee (not dependents) must take the health assessment during open enrollment, and agree to an initial coaching phone call in order to get the lower co-pay. You may discontinue the telephone coaching at any time after the initial phone call by simply saying you don't want any more calls; it will not affect your reduction in co-pays if you discontinue.

### **Choosing a Clinic**

One of the ways the state health plan tries to contain costs is by negotiating with health care providers to control their costs. To add leverage to these negotiations, the plan provides lower deductibles and co-payments to participants that go to lower cost clinics and providers. The idea is to induce participants to control costs by choosing more efficient providers. Clinics are divided into four cost levels, based on their "risk adjusted" cost of providing care. Click [here](#) for a chart of deductibles, co-pays, and co-insurance by clinic cost level.

You can save money by choosing a lower cost level clinic. For instance, the first dollar annual deductible for a Cost Level One clinic is only \$50 per person/\$100 per family; for a Cost Level Four clinic it is \$600 per person/\$1200 per family. You can view the clinic listings by going to <http://www.doer.state.mn.us/>, clicking on "2008 Open Enrollment" and then clicking on "2008 Advantage Clinic Directory."

### **Continuing Efforts**

The state health coalition is continuing efforts to achieve health care cost savings through improving the quality of health care for state employees. Among the things we are looking at is reducing or eliminating co-pays for employees with chronic health care conditions, such as diabetes, to encourage these people to monitor their conditions and take their medications as prescribed, so their conditions do not worsen. Another effort underway is to establish "centers of excellence"—medical centers that are particularly effective at treating certain high cost medical conditions. I was disappointed we didn't make more progress on these efforts during this round of bargaining, but efforts on these fronts will continue between now and the next round of bargaining.

### **IFO Negotiators Seek Increase in Employer HRA Contributions**

With deductibles, co-payments, and out-of-pocket maximums increasing under the state health plan, the IFO Negotiating Team is seeking to increase the employer contribution to the Health Reimbursement Arrangement (HRA) accounts for faculty from \$600 per year to \$1300 per year.

HRA accounts are tax free employer contributions that faculty can use to pay health care costs that are not covered by insurance. Currently the employer contributes \$600 per year to each faculty members HRA. If a faculty member does not use all of the money in their account in any given year, the balance rolls forward for use the next year. If a faculty member has more than \$500 in their account on December 31st, the balance rolls forward for use in the next year, however, the \$600 contribution for the following year gets rolled into the post-retirement tax-free Health Care Savings Plan (HCSP) where it earns interest and can be used for health care costs following separation from employment.

## **NEGOTIATIONS REPORT**

by [Rod Henry](#), IFO Chief Negotiator

The Team has met a number of times over the summer and we have begun a series of five meetings in October and November.

This round has differed from the past in that we have attempted to use a hybrid interest-based bargaining method. To date, that has produced a number of good discussions as well as a tentative-tentative agreement on sabbaticals. We are now back to the traditional give-and-take positional style but hope to use interest-based bargaining as a tool later on should the talks reach the point where mediation would be necessary.

We have begun to get into the economic part of the process and I have included a [summary chart of where the two sides are on many - but not all - of the economic proposals](#). Many items have an economic component and I have not included all of them here. For example, the Delegate Assembly has made requests in the past for improvements in working conditions like the reduction of teaching hours, the reduction of other contact hours, office space, parking, and the use of campus recreational facilities - those are not listed here.

Again, the following chart is a summary, created as a rough guide. Any omissions or errors are mine.

Let me close this by stressing the importance of faculty communicating with their negotiators and participating in the work of the Action committee. We need your support to get the best contract possible.

## **SALARY STUDY BY SIBSON CONSULTANTS**

by [Cathy Summa](#) & [Pat Arseneault](#)

The 2006 Salary Study analysis is winding down and the consultants from Sibson Consulting Firm are planning campus visits to discuss the salary review process with faculty. The salary study included an analysis for internal salary equity (as was previously conducted in 2002) as well as an analysis of external market competitiveness. The external market analysis portion of the study is new. The joint IFO MnSCU Salary Review Committee is in discussions this fall regarding recommendations for possible remedial action based on the results of the study.

Campus visits by the Sibson consulting team are being scheduled on November 5th for Metropolitan and Mankato, on November 6th for Winona, on November 12th for St. Cloud and Bemidji and on November 13th for Moorhead and Southwest. Stay tuned for an announcement as to the time and place for your local campus visit. Presentations made on each campus will be available electronically on

the IFO website following completion of the campus visits. During the campus presentations, the Sibson consulting team will provide a brief overview of the regression analysis used in the internal analysis, as well as a synopsis of the factors considered in the external market analysis. It is important to understand that individual faculty results will NOT be reported during the campus visits.

Following completion of the 2006 salary study, the Salary Review Committee which oversees the salary study will send letters to all faculty detailing individual results. We anticipate that these letters will be mailed early in the spring semester.

### THE SOUTHEAST MINNESOTA FLOODS OF AUGUST 2007

by [Bruce Svingen](#), *President of the Winona Faculty Association*

To say that the rains of late August were of biblical proportions is not necessarily an overstatement. While the Winona Campus itself suffered only minor problems several surrounding communities were devastated. In nearby Stockton, the waters rose so fast in the middle of the night that one family was forced to take refuge on the roof of their house. When the house was subsequently swept from its foundation by the surging waters it did indeed become their ark. A family in Goodview was awakened by a phone call from neighbors just in time to rescue a child asleep in the lower level of the home as the water rose. The city of Rushford perhaps suffered the worst damage, as the waters of Rush Creek destroyed more than two-thirds of the downtown businesses as well as countless homes. The destruction extended to the St. Charles and Whitewater areas. In the Witoka area, roads were washed away and people died when their car plunged into a deep abyss.



The Winona State Community reacted immediately. While the deluge was still coming many of our faculty and staff were out helping in the community. Several faculty members, including past WSU FA President Mary Kesler, were at the Red Cross Emergency Shelter before sunrise to begin offering aid. The WSU football team helped with security operations in Goodview early on Sunday morning until the Minnesota National Guard arrived. They also provided aid to many homeowners in the path of the waters. On Monday the WSU Community formed the Recovery Assistance Planning Team with representatives from all constituency groups. The team organized emergency relief efforts for students and others in the community. By week's end they had organized teams of students to go out in the community to help with cleanup. Cleanup teams worked in surrounding communities on several weekends, including 300 students over the weekend of September 8-9. Individual faculty members and their families volunteered their time and sweat to help "muck out" basements throughout the affected area. And muck is the polite description. Most people just simply decided to discard their work clothes immediately when they were done for the day.

The people of southeastern Minnesota are every bit as stoic as their fellow Minnesotans. The commitment to stay and rebuild has been amazing. For the most part the homes and businesses will be rebuilt and the communities will remain vital. Although we have made it through the immediate crisis, there is much that still needs to be done, and it will take considerable time and effort. People have been wonderful with their generosity in terms of time and finances. The WSU Faculty Association was overwhelmed with gratitude for the monetary donation given by the IFO that allowed us to establish the Faculty Flood Relief Fund. And when our fellow faculty associations also contributed we were also very appreciative. So far, \$5700 has been donated by the IFO and the faculty associations at Bemidji, Mankato, St. Cloud, Southwest and Winona. The money will be used to provide relief to faculty affected by the flood in the form of a monetary gift which allows a recipient to use it in a way that best serves that individual's need.

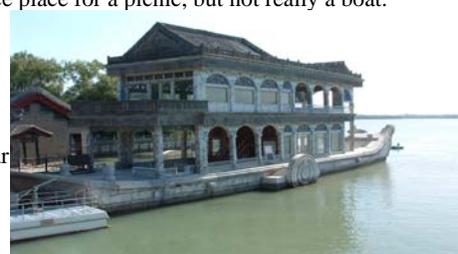
Thanks to all who have helped us so compassionately and selflessly. We hope you never have to experience what our community has but if you do we will be there to return your kindness with interest.

### GUEST EDITORIAL: MnSCU's MARBLE BOAT

by Professor [Darrell Downs](#), *Winona State University*

In the late 1800s, China's Empress Dowager built a boat of stone. In a desperate attempt to gild the declining Qing Dynasty, the Empress diverted funds aimed for the navy and built a faux marble boat at the Summer Palace—a nice place for a picnic, but not really a boat.

In 1995, the state universities, community colleges, and technical colleges were merged into a centralized system of higher education known as the MnSCU (Minnesota State Colleges and Universities). By its own account, MnSCU has reduced and/or merged community colleges, universities, and technical colleges from 45 to 32 separate institutions. The savings produced a new administrative apparatus and multi-million dollar central edifice to higher education reform. Some would prefer something more tangible.



As Chinese school children learned of the Empress Dowager's fabled ploy to use the Dynasty's passion for the latest in maritime technology to obscure her more craven interest in summer palace remodeling, we stand in awe of an equally misdirected trick if "technology" becomes the *raison d'être* of the Imperial Guard at MnSCU. If MnSCU ever had any clear reason for being, it was to serve the educational needs of the campuses. Technology is part of that picture, but technology should never rise above the more basic instructional needs of students. Nor should technology become an excuse for central administration to impose control over the varied academic disciplines of the state's colleges and universities. If that happens, even the most strident efforts by the legislature to rebuild the state's higher education system will be fruitless . . . and such is the

case today. On the heels of the legislature's 12 percent increase in appropriations for MnSCU's two-year budget, the legitimacy of MnSCU's management of these new dollars is disappearing faster than the Peking Duck at a tourist vendors' convention.

Consider MnSCU's Central's latest fetish for instructional technology. Of the \$151 million increase in funding for the biennium, \$62.8 million is slated for technology. If a budget is an expression of agency priority, the clearest priority of MnSCU Central is instructional technology. Of course, MnSCU has declared that instructional technology dollars are headed for the campuses. But how do those technology dollars help the students who can't afford the tuition to attend class, or how do those dollars help campuses hire faculty to offer classes to meet the student demand? On-line courses you say? Perhaps to a small degree, but \$62.8 million is no small degree. Virtual learning you say? Perhaps actual learning should be a higher priority. A new multi-million dollar experiment in leading edge curiosities leads me to wonder how we're helping the campuses in any tangible way for the majority of students. Undoubtedly, a few of the system's 170,000 plus students will salivate at the thought of taking courses via Second Life or other avatar friendly virtual worlds. Most students and faculty, however, live in an actual world that relies on classroom assignments, non-avatar professors, and they must pay actual and unfortunately increasing tuitions.

Could it be that MnSCU doesn't know how to estimate needs? Certainly, this is not easy for 32 separate institutions, but there is no better indicator of campus needs than the students and faculty of these campuses, or the elected representatives that voice their needs. Last year, the MN Senate appropriation bill allocated \$10 million for technology for the biennium. The MN House bill similarly allocated \$30 million. In the end, the legislature decided not to micromanage technology spending, and granted MnSCU the flexibility to serve the campuses in the best way possible. A reasonable person might think that MnSCU Central would consider the spirit of the final appropriation bill to aim for somewhere between \$10 and \$30 million for technology, and if in doubt it would ask the campuses about their priorities. Unfortunately, nobody on the campuses really believed that MnSCU Central would double the amount and, in doing so, ensure yet another unnecessary and divisive battle over scarce higher education funding. But then again, I suppose nobody really believed the Empress was building a marble boat.

Someday soon, we'll look at the MnSCU Imperial Palace and agree that it's a nice place for a picnic, but it has done little for education.

Darrell "non-avatar professor" Downs.

#### CONTACT US

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