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NOTES FROM THE PRESIDENT AND CHIEF NEGOTIATOR

by [Nancy J. Black](#), President and [Rod Henry](#), Chief Negotiator

Dear Colleagues:

One of the crucial ingredients in making an effective bargaining agreement is trust. If a negotiating team does not have trust in the other side - if they do not believe that the other side believes that a deal is a deal - then negotiations turn into a long, drawn-out exercise. Much time is spent confirming that the other side actually means what they say. Extra time is spent speculating on how apparently clear language could possibly be misinterpreted or misused by the other side. With trust, a reasonable agreement can be reached in a reasonable amount of time.

That is why actions taken by Minnesota State Colleges and Universities (MnSCU) after our last contract was agreed upon are so troubling.

Throughout the course of negotiations the IFO Negotiating Team expended considerable effort coming up with mutually agreeable solutions to shared concerns. We also informed MnSCU of areas in which we believed no agreement was possible. Many hours were spent creating proposals that, in our opinion, were fair trades for terms that the other side wanted. At the end of the process the IFO Negotiating Team accepted a proposal that gave a significant amount of money to faculty but not every dollar that could have been on the table. In turn, MnSCU did not get everything they wanted either. They did not get merit or performance pay - something they had especially wanted from the outset of negotiations – in fact they had floated several proposals for merit or performance pay. The IFO Delegate Assembly has consistently voiced its opposition to merit or performance pay. The recent history of the use and abuse of these pay systems in Minnesota schools and nationally shows that these essentially short-term pay schemes cause long-term problems.

At the last two Delegate Assemblies, our Chancellor has addressed us. Both times he stated his intent to bring state university faculties back to the 80th percentile of national salaries, a place we have been in the past. Currently State University Faculty at all levels from Instructor to Full Professor at all seven

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universities are hovering below the 60th percentile. Despite our side offering proposals to move toward the 80th percentile, we saw little willingness on the part of MnSCU to join us in this effort.

Both sides signed on to a contract that specifically did not include merit pay or performance pay but did make some small steps toward bringing up the base salaries of faculty. Unfortunately, before printed copies of our new contract were even delivered to us, MnSCU was implementing a variation of pay-for-performance: the IPESL grant program. Despite knowing from negotiations that such a program would be of great concern to the IFO, MnSCU did not mention the creation of such a program until mid-April 2006. We had not been informed through the normal method of meet-and-confer. Documents show that this initiative had been discussed within MnSCU for some time and had even been shared with campus Presidents who in turn had sent it around some of their campuses. A June application deadline had been circulated. In short, by the time the IFO was informed, it was meant to be a "done deal." Unilateral implementation of a compensation scheme is a violation of state law: an unfair bargaining practice. Despite these circumstances, the IFO Negotiating Team and the IFO Executive Committee recognized the importance of getting this money to faculty and went to great efforts to produce a one-time-only proposal, but one that would not cause lasting harm to the bargaining process. We were able to expand the range of subjects so that potentially every faculty member could apply. We saw to it that Professional Improvement funds (Article 19A) were more than doubled. We also required significant local faculty union involvement in the process. Together these changes served to dilute its top-down, short-term focus. It remains to be seen if MnSCU will be able to fulfill its obligations and implement the program as amended.

It will be even more important to see if MnSCU will attempt to rebuild the trust that has been destroyed in the course of this experience. Such complete disregard for the collective bargaining AGREEMENT is very destructive to the working relationship between faculty and the administration. An environment of trust is necessary for our universities to move forward.

Every faculty member should know that many members of the MnSCU Board of Trustees are committed to the idea of a top-down, executive-controlled, central-administration driven view of performance or merit pay. Many do not seem to understand or appreciate the nature of shared governance in higher education and its benefits to our students. MnSCU will continue to attempt to push these types of plans on us in this next round of negotiations.

We would like to be able to rebuild trust, but want you all to know the climate we all are facing.

MNSCU BUDGET REQUEST

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

This summer MnSCU began the process of developing an appropriation request to the 2007 legislature. In the first stage of the development process, students, faculty, and administrative participants were divided into three task forces centered on goals that were predetermined by the MnSCU Board. The recommendations of the task forces will be forwarded to a Leadership Steering Committee (made up of senior MnSCU administrators) and then will go to the MnSCU Board for approval before being sent to the Department of Finance, the governor, and the legislature.

IFO President Nancy Black, John Palmer from St. Cloud, Gregg Marg from Mankato, Barb Matthees from Moorhead, and Russ Stanton represented the IFO on the task forces, and we proposed a budget approved by the IFO Board last spring as guidance for our input. We also worked very closely with the student groups. The task force recommendations generally reflected IFO's budget priorities, and include:

- Inflation at 3.5% per year (\$140 million).

- Quality programs and professional development (\$52 million).
- IT capacity (\$70 million).
- Serving the underserved (\$40 million).
- Centers of Excellence (\$15 million).
- Workforce Development (\$15 million).
- Tuition buy-down (\$59 million).

The above amounts represent biennial increases over the current MnSCU appropriation base of about \$600 million per year.

Whether the task force recommendations will survive the Leadership Steering Committee and the MnSCU Board is quite another matter. However, the IFO made it very clear to MnSCU that we feel no obligation to support MnSCU legislative initiatives that do not reflect our input.

HATCH/PAWLENTY HIGHER EDUCATION PROPOSALS

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

Higher education funding is a big issue in this fall's elections. The two major candidates for governor, Republican Tim Pawlenty and DFLers Mike Hatch, have each put forth proposals for improved funding of higher education, but their proposals differ greatly. Legislative candidates are lining up behind each of the proposals.

The Pawlenty Proposal:

In June, Republican Governor Tim Pawlenty put forth a "free tuition" proposal. The proposal is a sharply scaled back version of the Georgia "Hope Scholarship" program.

Under Pawlenty's proposal, only students in the top 25% of their high school graduating class would receive two years of free tuition at a Minnesota public postsecondary institution, although students in math, science, technology and engineering could receive an additional two years. Students from households earning more than \$150,000 (about 10% of households) would be ineligible for grants. On the other end of the spectrum, students from low to moderate income families who receive student financial aid would have their financial aid subtracted from the amount of free tuition.

The Pawlenty proposal would only affect about 16,000 of the approximately 250,000 students in higher education in Minnesota. Current students would not realize any benefit from the proposal which would take effect starting fall of 2007. Even then, it would only apply to recent high school graduates and not benefit students previously enrolled or non-traditional students.

Pawlenty's proposal would cost an estimated \$112 million. He said he will pay for it out of future "budget surpluses." The problem is that if the governor funds inflation adjustments for higher education and other state programs, there won't be a budget surplus. The fear is that colleges and universities might have to "eat" the cost of providing free tuition.

Pawlenty says his plan is designed to create an incentive for high school students to become better prepared for college, and to stimulate interest in science, technology, engineering and math.

Critics of the governor quickly contrasted Pawlenty's promise with his record on higher education funding.

When the governor took office four years ago, he balanced the state budget by cutting appropriations to higher education and other programs rather than raising taxes. This action meant cutting the MnSCU budget by \$204 million and the U of M budget by \$185 million. The colleges and universities then raised tuition sharply to fill in the shortfall of state appropriations—state university students saw their tuition raised by approximately 45% during the four years of the Pawlenty administration.

The Hatch Proposal:

DFL gubernatorial candidate Mike Hatch has made college affordability a central issue in his campaign. He has proposed rolling back tuition levels for public college and university students to the FY 2002 levels---filling in the lost tuition revenue with state appropriations.

Hatch proposes paying for his tuition roll-back by closing the foreign-owned corporate tax loophole created by a recent Supreme Court decision which allows corporations to shelter passive income from royalties; interest and dividends in overseas branches has been on the table before. Senate DFLers have proposed it several times, and Pawlenty has vowed to veto it. The proposal would raise about \$300 million per year.

In contrasting his proposal to that of Pawlenty, Hatch argues that his proposal would help all public higher education students, not just the top 25%. He argues that his proposal would help students currently enrolled, not just future students. Finally, he argues that he has identified the source of revenue (taxes) that will pay for the proposal.

Hatch is currently the Minnesota Attorney General. Since that office does not normally deal with higher education matters, Hatch does not have a past voting record on higher education that can be contrasted with Pawlenty's.

Control of State Government Could Depend on Higher Education Vote

Polls show the race for governor is razor close—with the candidates tied for support in the polls at 42% each, and with Independent candidate Peter Hutchinson garnering only about 7% of the vote. At the same time, all of the members of the Minnesota House of Representatives and Senate also are up for election. The Republicans currently hold the Minnesota House by only a two vote margin, and the DFL holds the Minnesota Senate by only a six vote margin. Thirty-two incumbent legislators are not seeking re-election, meaning a large number of open seats. Legislative districts containing state universities, with the exception of Metropolitan State, tend to be “swing” districts, in which either party has a chance of winning. As a result, higher education has received increased attention this election, as candidates vie for the higher education vote.

CONGRATULATIONS!

Congratulations to Russ Stanton, first place blue ribbon winner for the largest squash at the Minnesota State Fair (and second place for the longest green bean).

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](#).