

# Inter Faculty Organization

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

## Faculty Update

VOLUME XXIX No. 4

[www.ifo.org](http://www.ifo.org)

NOVEMBER 2006

### In This Issue:

Click on titles to go straight to the story.

- [Notes from the President](#)
- [Elections Bring Brighter Prospects for Higher Education](#)
- [How to Handle Your HRA Balance at Year's End](#)
- [Negotiations Report](#)
- [Hail and Farewell to a Great Legislator](#)
- [IFO Holiday Hours](#)

### NOTES FROM THE PRESIDENT

by [Nancy J. Black](#), President

#### MnSCU Budget Request

This week the MnSCU Board of Trustees will be passing a legislative appropriation request for the coming two years. Last month the BOT Finance Committee recommended a biennial budget increase of \$275 million over the last two years. Actually, the request to the legislature is only \$177 million, because \$73 million of the new funding would come from increased student tuition, and \$25 million is money recycled internally (internal "reallocations") within the base. The MnSCU request includes \$140 million for inflation (3.5% for each year of the biennium), \$40 million for improving the technology infrastructure of MnSCU, and \$95 million for new initiatives proposed by MnSCU.

The IFO supports the 3.5% per year for inflation—it is our highest priority. It has been four years since the state has covered inflation costs, and our purchasing power has been eroded substantially during those four years. We need an inflation increase if faculty salaries are to remain competitive, and we need to keep up with increased energy and equipment costs. Unlike the MnSCU Trustees, who think that students should pay \$73 million of the inflation costs, we believe the state should pick up the entire \$140 million tab for inflation this time—it's their turn. We believe in keeping tuition affordable.

The IFO supports the funding to improve MnSCU's technology infrastructure.

Faculty and student demand on the technology systems has increased dramatically in recent years, and the systems are in danger of being overwhelmed. While the IFO would support funding for many of MnSCU's new initiatives, we believe that the state needs to adequately fund existing programs and infrastructure before launching into yet more new initiatives.

I was disturbed that the first draft of the MnSCU Budget Request contains language under its management initiative that in part has as a Key Measure:

*“Success would be to ensure that the system has the ability to provide total compensation to the most innovative and productive of employees above the 70<sup>th</sup> percentile of the appropriate peer group”*  
*[Board of Trustees FY 2008-2009 Biennial Operating Budget Request ]*

In a letter I sent to Chancellor James McCormick earlier this month, I reminded him of his statements to the IFO Delegate Assembly in March 2004 and again in 2006 in which he announced his desire to raise faculty salaries to the 80<sup>th</sup> percentile of peer institutions as was the case in the past for our membership. Instead our salaries have fallen further behind and at all ranks are hovering just below the 60<sup>th</sup> percentile of peer institutions. Past Delegate Assemblies have strongly expressed that any increases in salary be put into the base. We will not support any budget request that seeks to circumvent the negotiations process to enforce performance pay. Click [here](#) to read more in this issue from Roderick Henry, Chief Negotiator.

## The Elections

The November 8<sup>th</sup> elections brought good news for higher education in Minnesota and for the Inter Faculty Organization.

During the last six years, Republicans controlled the House and Democrats controlled the Senate. House Republicans would sometimes hold the legislation for ratifying public employee contracts until the last hours of the session and/or attach it to other legislation they wanted to pass to gain negotiation leverage with the DFL-controlled Senate. In 2003, they altered the contracts to remove domestic partner benefits before passing them. Now that the DFL firmly controls both the House and Senate, we should no longer have to worry about our contracts getting caught up in the House/Senate battles at the end of the session. This change is most welcome.

I am also hopeful that we will see better funding for higher education than we have in the last four years. MnSCU suffered a \$191 million base cut when Governor Pawlenty took over four years ago. While we recovered part of that loss this biennium, *in 2006 MnSCU still received less funding from the state than we did in 2002—despite 12% inflation over those four years, and enrollment growth of over 8,000 FTE.* This year the affordability of higher education was a big issue in the campaigns, and many of the legislators who were elected campaigned on a platform of more state appropriations for higher education to restrain increases or even roll back tuition. We can expect major efforts to control tuition increases next session. This too would be a welcome change—provided the state appropriates enough money to cover the cost of inflation and replaces the lost tuition revenue with state appropriations.

I want to thank all of the faculty members who got involved in the elections this year by voting, campaigning for candidates, and by contributing to candidates using the Minnesota Political Refund Program. There is no doubt that the IFO Government Relations Committee and other volunteers had an impact—many of the changes to the legislature occurred in state university districts. Your efforts not only resulted in a legislature that is more supportive of higher education, you also helped build relationships with legislators that will be extremely valuable when we need legislative help. Thank you! Click [here](#) to read more in this issue from Russ Stanton, Director of Government Relations.

## Faculty on IFO Committees

Much of IFO’s work is performed by members who serve on [IFO committees](#) and 17 (and increasing) [joint IFO/MnSCU committees](#). First, I want to thank the members of the committees for giving us your time and talent—the IFO could not operate without you. If we don’t “come to the table” by sending members to these committees, decisions are made without our input and sometimes without our knowledge. Secondly, I want to encourage IFO members to contact the representatives from your campus on the appropriate committee whenever you have concerns or questions. You elected them to bring your views.

Finally, I would encourage any IFO member who wants to serve on a committee to contact your local Faculty Association President and make your interest known. Faculty involvement is what makes our union strong—we encourage your participation.

## ELECTIONS BRING BRIGHTER PROSPECTS FOR HIGHER EDUCATION

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

The political earth shook on November 8<sup>th</sup>, and a new landscape emerged. To use the words of President Bush, the Republicans “took a thump’n.” In Minnesota, the DFL emerged with huge majorities in both the House and Senate. However, thanks to Independent Peter Hutchinson siphoning off 6% of the vote, Republican Governor Pawlenty squeaked out a narrow victory over DFLers Mike Hatch. The elections and subsequent leadership elections will have important implications for higher education.

### Control of the House Shifts to the DFL

The biggest change occurred in the Minnesota House, where DFLers went from a 66-68 minority status last session to an 85-49 majority this session. The House will have a new Speaker—Rep. Margaret Anderson Kelliher (DFL) of Minneapolis will replace Rep. Steve Sviggum (Republican) of Kenyon. The new Majority Leader will be Rep. Tony Sertich (DFL) of Chisholm. All of the Republican committee chairs will be replaced by DFLers. The House will go from ultra conservative control to moderate, and on some issues, liberal control.

### The Senate DFL Strengthens its Control

In the Senate, DFLers increased their control from a 38-29 majority last session to a 44-23 majority this session. Senate Majority Leader Dean Elton Johnson of Willmar was narrowly defeated this election, and Senator Larry Pogemiller of Minneapolis was elected by his colleagues as the new Majority Leader. The conservative Republican Minority Leader, Sen. Dick Day, was replaced by Sen. David Senjem, a progressive Republican from Rochester. There will be some shuffling of committee chairs over the next few weeks, but most of the committee leadership is likely to remain the same. With an almost veto-proof majority, and a companion majority in the House, the Senate Democrats are in a much better position to challenge Governor Pawlenty on policy issues.

### What the Changes Mean for Faculty

Voters sent a message Tuesday. They dumped some of the most strident conservatives in the legislature—legislators like Sen. Cal Larson, Sen. Carrie Ruud, Rep. Phil Krinkie, and Rep. Karen Klinzing. These were people who led the fight to cut programs (including higher education funding) and who made life difficult for public employees. Voters tired of their message. I expect a more centrist legislature next session—more willing to spend money on education, higher education and health care. I expect our collective bargaining contracts to pass without being amended or tied to conservative issues for political advantage—a welcome change from recent years. Finally, I don’t expect conservative “wedge” issues, like the constitutional amendment defining marriage, to even make it out of committee. It will still be hard to get tax increases passed, and without new taxes of some kind there can’t be much in the way of new funding for higher education. However, even Governor Pawlenty has indicated that his “no new taxes” pledge is no longer in effect, so there may be a possibility of raising some new revenue.

### Domestic Partner Benefits Still an Uphill Battle

The Christian Right also scored some victories in the election. They targeted eleven DFLers, who had voted not to take up the constitutional amendment on marriage, and one Republican who is openly gay.

In most cases the legislators they targeted (Sen. Keith Langseth, Sen. Leroy Stumpf, Sen. Dan Sparks, etc.) won re-election by wide margins. However, it appears Christian Right's efforts were successful in defeating Senate DFL Majority Leader Dean Elton Johnson and DFL Senator Dallas Sams (although Sams is suffering from a brain tumor and wasn't able to campaign very hard). Senator Leo Foley, who was also targeted, won by a tiny margin (although it probably didn't help to have the name Foley this year). Overall, I think the defeat of Johnson and Sams will have a chilling effect on the passage of domestic partner benefits, as DFLers from conservative districts may shy away from the issue. DFLers also know that Governor Pawlenty would love to veto such legislation to appeal to anti-gay constituencies. It is worth testing the waters on this issue, but it will be a difficult battle.

### IFO Played an Important Role in Elections.

IFO was deeply involved in this year's elections. The IFO political action fund contributed over \$11,200 to the House DFL Caucus, \$3400 to the Senate DFL Caucus, and over \$20,000 to 48 candidates (or party units supporting candidates) for the legislature—all but 4 of whom won. In addition, many IFO members contributed to candidates using the political refund system, and volunteered as door knockers and phone callers for legislative candidates. IFO published candidate voting records and organized voter turnout efforts. The message we tried to send was that how legislators vote on higher education and union issues does matter at election time. By and large, I think our message was heard, and we will have a legislature that is much friendlier to higher education next session.

## HOW TO HANDLE YOUR HRA BALANCE AT YEAR'S END

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

A couple of years ago, the IFO negotiated that the employer (MnSCU) will contribute a set dollar amount to a Health Reimbursement Account (HRA) for each insurance eligible faculty member at the beginning of each calendar year. The current amount the employer contributes is \$600 per year. Employees can use the money in their HRA to pay for medical expenses (deductibles, co-pays, eyewear, long term care premiums, etc.) with pre-tax dollars.

There is a lot of confusion over what happens to unused balances in an employee's account at the end of a calendar year. This is understandable, since the way MnSCU handles these balances is complex. Here is how the system works:

- If at the end of the calendar year (12/31/06) an employee has \$500 or less in their HRA account, the 2006 balance will carry forward in the HRA for use in 2007, and on January 1<sup>st</sup> of 2007 an additional \$600 will be added to the employees HRA account for 2007.
- If at the end of the calendar year (12/31/07) an employee has more than \$500 in their HRA account, the 2006 will carry forward for use in 2007. However, in this case the \$600 employer for 2007 will be contributed to a tax-free Health Care Savings Plan (HCSP) for the faculty member to use once they separate from service. Money deposited in the HCSP is invested in one of seven accounts chosen by the faculty member, and earns interest tax-free.

How you should handle your HRA account depends on what you are trying to achieve:

- If you want the balance to go into the tax free HCSP for use after separation or retirement, just make sure you have at least \$500 in your HRA account on 12/31/06. If you do, your \$600 for 2007 will be deposited in a HCSP account created for you and you will earn tax free interest on it.
- If you want both the 2006 balance and the 2007 contribution to be available to you in your HRA in 2007, just submit enough claims before 12/31/06 to pull the HRA balance below \$500.

You can check the current balance in your HRA account at the Eide Bailly website: [www.eidebailly.com](http://www.eidebailly.com) or by calling their customer service center at 800/300-1672, or in the metro area at 952/944-6633.

## NEGOTIATIONS REPORT

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

The Negotiations Team met in September and October in preparation for the next round of contract negotiations as well as dealing with issues arising from our last contract. New and veteran members of the Team have been reviewing contract language and negotiations strategies as well as dealing with proposed exceptions or changes to the contract in the form of Letters of Understanding (LOUs) and Memoranda of Agreement (MOAs). Under the IFO Operating Procedures LOUs have to be examined by the Team prior to approval or disapproval by the IFO Board. This is important because actions taken on LOUs have an impact on members throughout the system. MOAs, while often local in nature, also can have system-wide implications; and our organization reviews them to ensure that the contract or agreement is not being changed in a way that goes against faculty interests.

A major topic of discussion was the proposed budget for MnSCU. The current trustees are attempting to put merit pay/performance pay into the legislation for our system's budget by language which states, in summary, that the compensation of the most productive faculty members will be at the 70th percentile of comparable institutions. Note three major "zingers" in that language. The first is that the compensation - not base salary - is to be at a certain level. This could mean extended contracts, overload, on-line courses, etc. The second is "most productive." In a system which already has numerous ways of rewarding faculty through promotions, reassignment, extra duty days, honoraria, etc., it is unclear as to how productivity will be measured, which has led to discussions about how many incentive programs tend to be short-term in nature. Lastly, the fact that on two separate occasions our Chancellor declared his intent to take our salaries to the 80th percentile makes this lowering the bar for MnSCU to the 70th percentile particularly upsetting. I and others assumed our Chancellor was not making empty promises to the faculty - but our assumption was apparently incorrect. At the end of the day, my personal feeling is that experimenting with faculty compensation could have extremely negative consequences for the long-term health of our universities by hurting our ability to recruit and retain quality faculty. We will have more to say about this matter as the budget process continues.

Our Team will be meeting again this week as we continue to prepare for what will apparently be a challenging round of contract negotiations.

## HAIL AND FAREWELL TO A GREAT LEGISLATOR

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

Amongst the jubilation over DFL victories on November 8<sup>th</sup>, there was a sad story—after 28 years of legislative service, Senator DFL Majority Leader Dean Elton Johnson of Willmar went down to a narrow defeat.

To describe Johnson as a leader is an understatement. He is the only senator in Minnesota history who served as a leader of both the Republican and DFL caucuses. He is a Lutheran minister and a retired general in the Army National Guard.

Johnson began his legislative career as a Republican, gradually working his way to becoming the leader of the Senate Republican Caucus. He was a leader on many issues, particularly transportation, bonding, and pensions. In the mid 90s, Johnson drew the ire of many of the conservative members of his caucus

when he gave a passionate speech in favor of extending the state Human Rights Law to protect gays and lesbians from discrimination. He carried the day—the legislation become law—but his caucus dumped him as their leader over the issue. A short time later, the DFL invited him to join their caucus, and within a few years he was elected head of the DFL Caucus.

During the last several legislative sessions, Sen. Michelle Bachmann proposed a constitutional amendment defining marriage “or its equivalent” as a union of one man and one woman. Since the state already has a statute defining marriage as the union of one man and one woman, Johnson saw the measure as an attempt (being orchestrated across the country) to get the issue on the ballot to turn out conservative vote. The Bachmann bill was consistently defeated in committee, and Johnson was successful in blocking several attempts to pull the bill out of committee on to the floor.

Conservative groups targeted Johnson for defeat and in the closing days of the campaign they pumped tens of thousands of dollars into the campaign against him. They succeeded. He was defeated in the general election by a vote of 15,669 to 16,222.

Johnson was not defeated because he was ineffective or corrupt. He was defeated because, as a minister, he witnessed the suffering caused by discrimination against gay people, and he had the courage to stand up against it. He is a man of principal, compassion and courage—and his voice will be missed at the Capitol.

## IFO HOLIDAY HOURS

In observance of the Thanksgiving holiday, the IFO office in St. Paul will be closed on November 23-24, 2006.

## 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](#).