

# Inter Faculty Organization

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

## Faculty Update

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### President's Comments

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

Dear Colleagues:

While you are reading this Update during your Spring Break, the Inter Faculty Organization staff and committees are continuing their whirlwind activities in many different areas. I would like to fill you in on some recent events:

- On March 8, I testified at the Senate Higher Education Committee on a bill the IFO had introduced by Senator John Hottinger to authorize applied doctoral degrees at state universities. Similar to other bills before the committee, it is being laid over for consideration in the Omnibus Higher Education Bill that will be assembled in the next few weeks. Reaction of the committee membership was generally positive, and the only opposition was from the University of Minnesota. I was not originally scheduled to testify but could not leave unchallenged the University of Minnesota's claim that only their faculty had the experience and "skill set" to teach at the doctoral level.
- A major topic of discussion at MnSCU Board of Trustees' meetings this year has been on Centers of Excellence. Governor Pawlenty has recommended fenced funding of \$20 million in the next biennium for this initiative. His recommendation focuses on "selected" MnSCU institutions and supports programs in the following fields: manufacturing technology; science/engineering; health care; information technology; business; and, teacher education. The governor's budget proposal would continue to neglect the large core operations of the MnSCU institutions, but would create eight new elite programs. The programs that the vast majority of MnSCU students are enrolled in, and a vast majority of MnSCU faculty teach in, would continue to be neglected under the governor's plan. MnSCU offers 3,600 programs—they should all be good. Do we want to have eight really good programs and 3,592 weak programs? MnSCU needs to maintain its core mission and operation. It should provide high-quality, accessible, affordable education—not a few elite programs.

Some MnSCU policies of the past such as our internal allocation model for allocating resources to campuses and programs have forced institutions to a system-wide average (within the bands). Institutions that wanted to exceed the bands to create programs of excellence were financially penalized.

If, as proposed by Governor Pawlenty, competitive salary money only goes to faculty in centers of excellence, it will circumvent collective bargaining and lead to a two-tiered faculty pay system. This would be extremely divisive among faculty who will all be teaching the same students. MnSCU Trustees will devote a good deal of their time to address this issue in the 2006-2007 work plan at their next Board meeting on March 15-16. I will be there for both days and will be speaking up.

- On March 3, the IFO was the prime mover in having an hour and a half Polycom discussion concerning large introductory course design using technology with Professor George Stephans, Physics Department at MIT. Lynda Milne, MnSCU Center for Teaching and Learning, and her staff made arrangements for a hook-up between MIT, St. Paul, Bemidji and St. Cloud. I pushed for this conversation because another initiative being discussed by the MnSCU Board of Trustees is using Carol Twigg (Center for Academic Transformation, RPI) as a consultant for the MnSCU system to increase the use of technology to support large course redesign, delivery, management, and staffing. I attended [Twigg's January presentation to MnSCU](#), and our concerns centered around hearing more about how other institutions have made changes to improve student learning and retention—other than Twigg's organization which appears to be promoting the “McDonaldization” of large introductory courses. As a result of this Polycom experience, we are much more focused in our examination of this issue. We were not particularly surprised that we are already doing many elements of Twigg's academic transformation as well as some of MIT's approaches on our campuses, but we were unaware of how many similarities our students share with MIT students. Debra Japp, IFO Academic Affairs Chair, will be attending a Twigg workshop in Phoenix on March 18<sup>th</sup>; we appreciate the Office of the Chancellor paying for her trip. I am sure you will be hearing more in the future as the Center for Teaching and Learning will be taking up this issue.

## MnSCU Trends: Smaller Appropriations, Higher Tuition, and More Central Control

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

By clicking [HERE](#) you can access a chart that tracks state appropriations, tuition, and enrollment growth within MnSCU for the last six years, plus it shows the effects of inflation on MnSCU funding.

The chart tells a rather sad story about trends within MnSCU. In 1999, MnSCU had an enrollment of 106,827 (FYE) and received \$549.9 million in appropriation from the state. This amounted to \$5,148 per student in state support. In FY 05 (this year) MnSCU's enrollment has grown to 136,557 (FYE) but received \$546.4 million in state appropriations. This amounted to only \$4,002 in state appropriations per student. Plainly put, MnSCU is receiving \$3 million less in state funding than in 1999, but enrollment has grown by 30,000 students—thereby diluting MnSCU's resources.

Inflation over the last six years has amounted to approximately 15%. When MnSCU appropriations per student were adjusted for inflation in 1999, per pupil appropriations dropped from \$5,148 in 1999 to \$3,482 in 2005.

The failure to recognize enrollment growth and inflation has had dramatic real-world effects. Tuition per student increased from \$2,236 per student in 1999 to \$3,791 (\$3,299 when adjusted for inflation) in 2005. Tuition was used to backfill for the shortage of state money. However, even with the sharp increases in tuition, total funding (tuition + appropriations) adjusted for inflation has dropped from \$7,385 per FYE in 1999 to \$6,781 in 2005.

The funding decline has had serious practical effects—faculty salaries increased by 0% last year and 2.4% this year (minus a 15% drop in employer contributions to dependent health care). Salaries are below average to comparable institutions. Last year 46 searches failed because of inadequate pools of applicants and/or inadequate salaries.

Another disturbing trend in MnSCU is the centralization of control over resources by the central office. Of the \$546 million in state appropriations received by MnSCU this year, \$479 million was allocated out to the colleges

and universities by the allocation formula, to be spent according to locally determined needs and priorities. Another \$14.6 million is allocated out to different campuses for MnSCU determined priorities (customized training subsidies, MN Online, the New Priorities Fund, etc.). Another \$18.8 million is spent on “Systemwide Set Asides”. Many of these items cover expenditures on behalf of the whole system (Attorney General expenses, debt service on bonding projects, etc.). However, some of the set asides, such as the Board/Chancellor Initiatives, are simply central office determined priorities. Finally, the Chancellors office spends about \$30 million on itself (salaries, rent, equipment, etc.).

In the budget proposed by the Governor Pawlenty, again there is no recognition of enrollment growth or inflation. The governor is proposing to increase funding for the next biennium by \$107.5 million over this biennium, but aside from the \$50 million for the allocation formula that would go straight to the campuses, most of the money would be “fenced” for specific projects controlled centrally by MnSCU. These include \$20 million for “Centers of Excellence” (selected by MnSCU) and \$5 million for “Competitive Salaries” (but only for those employed in the Centers of Excellence). It also includes \$14 million for MN Online; \$5.5 million for a MnSCU controlled “Innovations Fund”; \$10 million for Nursing Programs (this line item was advocated by IFO); and, \$3 million for Farm and Small Business Management (for the two year institutions). MnSCU is supporting this fencing of the budget.

The first point I am making here is not that the central office is wasteful, or that they are spending all the money on themselves, but that there is a pronounced trend toward centralized control of resources and decision making, and away from control at the local level where teaching and learning take place. This was the worst fear of merger opponents, and it is coming true. The second point I am making is that by ignoring enrollment growth and inflation and concentrating resources on a few pet projects, the giant core operations of MnSCU (that educate 130,000 students and produce 32,000 graduates per year) are being allowed to slowly decline.

### **What you can do:**

The legislature is entering a crucial stage where the House and Senate will be determining how much money to spend on various segments of the budget. Within another week or two the House and Senate higher education committees will start assembling the higher education bill.

Please write a short, polite e-mail to your [campus area legislators](#) and to the [legislative leadership](#) and urge them to provide enough money to MnSCU to fund the enrollment growth in the system and provide for inflation. In addition, please write short e-mails to members of the [House](#) and [Senate](#) higher education committees and urge them to avoid special line item funding of MnSCU and send as much of the money as possible out to the campuses to be spent on locally determined priorities. You can find the legislators e-mail addresses on the [IFO home page](#).

## **Health Reimbursement Arrangement Accounts Status**

by [Wil Harri](#), IFO Office Administrator

We have been advised by MnSCU that the contractual deposit of \$600 for each insurance-eligible faculty member has been made. It should have appeared on your faculty pay confirmation by March. The final Plan Document is being approved by the necessary parties and Eide Bailly (who will process reimbursement requests) has been provided with the list of faculty eligible for reimbursements. The reimbursement form will be available on [Eide Bailly's website](#). Medical expenses incurred back to January 1<sup>st</sup> of this year will qualify for reimbursement. Eide Bailly also administers the Flexible Spending Accounts (FSA).

Faculty having both the FSA and HRA accounts will be reimbursed first from the FSA until their annual maximum has been reached and then reimbursed from the HRA account. Monies remaining in the HRA account at calendar year end will carry forward.

MnSCU has determined that interest on the deposited funds will not be sufficient to cover all administrative fees paid to Eide Bailly and therefore MnSCU will be imposing a small “service fee” on submitted reimbursement

claims.

The IFO has strongly encouraged MnSCU to implement reimbursements as soon as possible, hopefully no later than April 1<sup>st</sup>. Continue to check our website for the status of your HRA account.

## Negotiations and Action Update

by [Rod Henry](#), IFO Negotiations Chair, Bemidji State University  
and [Judy Kilborn](#), IFO Action Chair, St. Cloud State University

Thank you for your responses to the Action/Negotiations mailing. We have received many blue cards or [online responses](#) – it is encouraging to see many faculty willing to participate in actions in support of negotiations. If you have not yet returned your blue card or [responded online](#), please do so NOW – this could make a big difference for the contract. Other groups of state employees have come to the same conclusion that we have: namely that unless we let people clearly know the current situation is not a good one, we will be asked to absorb the effects of inflation or take more “out of hide.”

The IFO Negotiations team has met twice since the last IFO Update.

The team met on February 1<sup>th</sup> and 22<sup>nd</sup> and thoroughly reviewed contract goals resolutions passed by the Delegate Assembly. The team also discussed possible implementation or interpretation problems or technical issues that may have arisen from past contract language. Grievances indicate areas of the contract that may require revision, and this is complicated by an apparent change in the way contract language is being interpreted in arbitrations. Specifically, arbitrators – the final stage of our grievance process – seem to be less willing to look at the intent of negotiated language, which makes precise crafting of contract items essential. Lastly, the team set a schedule for other IFO team meetings and possible meetings with the MnSCU negotiators. At this time it is unclear as to when the MnSCU negotiators will be able to produce an initial proposal, but we will have one ready to go. The timing is complicated by the fact that the final appropriation from the state will be unknown until, regrettably, sometime in June. The team is awaiting the outcome of IFO-MnSCU task forces dealing with salary competitiveness and the cost of changing the proportion of our workload assigned to teaching.

The Negotiations team will meet again in early April. By that time, we hope that your actions will have made it more likely that we will achieve the best possible contract. We need to make all the participants in this process – faculty, local administrators, MnSCU, and our state government - aware that more of the same simply will not provide the foundation for excellence in our universities.

The Statewide Action Committee will meet on March 25th. Please contact your [local action chair](#) or [Judy Kilborn](#), State Action Chair, with additional ideas.

Unified, positive, and highly visible actions early in the process should preclude the need for more dramatic actions later on.

## Annual Reviews of Faculty Salaries Completed Through FY03

by [Patrice Arseneault](#), IFO Equity Advocate

The joint MnSCU IFO Salary Review Committee (SRC) recently completed Annual Reviews of the salaries of newly-hired faculty and faculty awarded terminal degrees for the 2001-2002 and 2002-2003 academic years. As part of this review process, faculty hired during the 2002-2003 academic year will receive a copy of their data from the SRC by the end of March.

The SRC agreed to review faculty salaries for new hires and those awarded terminal degrees since the last annual review using the new “salary calculator” that is now being used to set salaries of newly-hired faculty. The salary calculator was developed by MnSCU in 2003, based on the formula for calculating a faculty member’s estimated or “predicted” salary developed by the Hay Consultants in the FY02 salary study. Campuses began using the

salary calculator to set salaries for new hires for the 2003-2004 academic year. Although the salary calculator was not in place during 2001-02 or 2002-03 academic years because the campuses were still using the equity grids, the SRC agreed to make recommendations for salary equity adjustments for faculty whose salaries may have been within the equity grids, but below the range of salaries on the calculator.

The SRC recommended step increases for 28 faculty members who were hired in FY02 (academic year 2001-02) and FY03 (academic year 2002-03). Salary Equity step increases will be retroactive to the date of hire.

The SRC recommended step increases for 10 faculty members who completed a terminal degree between October 1, 2000 and October 1, 2002. Salary equity step increases for terminal degrees awarded on or before October 1, 2001 will be retroactive to the beginning of the academic year 2001-2002. Salary equity step increases for terminal degrees awarded on or before October 1, 2002, will be retroactive to the beginning of the 2002-2003 academic year.

Equity step increases as a result of FY02 and FY03 annual reviews are in the process of being implemented by the campuses. Faculty who were recommended to receive a salary equity step increase should be notified of the increase within the next few weeks.

The [IFO representatives on the SRC](#) are pleased to have completed the first annual review of salaries following the 2002 Salary Study; we continue to make great progress toward achieving a current salary review process.

For clarification or additional information, please contact [Pat Arseneault](#).

### **Tuition Waiver Maximum Credits and Counting Period Have Changed**

by [Wil Harri](#), IFO Office Administrator

Two important changes in the tuition waiver benefit are now in effect. First, the annual maximum is now 30 credits. Second, the period for counting these credits begins with fall semester and ends with the following summer sessions rather than beginning in the summer sessions and ending the following spring semester. This second change became effective last fall. In other words, credits taken during summer session 2005 will be applied toward this year's 30 credits maximum, and a new counting period will begin fall semester 2005.

### **IFO Leaders Meet Legislative Leaders on IFO Lobby Day**

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

Members of the [IFO Government Relations Committee](#), [Academic Affairs Committee](#), [Faculty Association Presidents](#), and others met with leaders of the legislature on February 15th and 16th to advocate for MnSCU's bond and budget requests and other IFO goals. For photos of your IFO representatives in action click [HERE](#).

Among the legislative leaders the IFO met with were: Sen. Sandy Pappas, Chair of the Senate Higher Education Committee; Rep. Bud Nornes, Chair of the House Higher Education Committee; House Speaker Steve Sviggum; Rep. Jim Knoblach, Chair of the Ways and Means Committee; Sen. Keith Langseth, Chair of the Senate Bonding Committee; and, Sen. Larry Pogemiller, Chair of the Senate Tax Committee. The faculty also met with members of the higher education committees and had breakfast with campus area legislators. In addition, the faculty met with Susan Heegaard, Director of the Higher Education Services Office (HESO) and Governor Pawlenty's higher education advisor, to discuss the governor's proposals for a Rochester university and for reform of the higher education funding formula.

Legislators of both parties felt there was a need for more funding of higher education. While Republicans generally resisted the idea of higher taxes to provide more money, legislators of both parties expressed a willingness to consider raising tobacco taxes to the level of the Wisconsin rate in order to bring in more revenue. Republicans indicated that there would likely be more money available when the state revenue forecast is announced on February 28<sup>th</sup>.

## 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](#).