

# INTER FACULTY ORGANIZATION

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## FACULTY UPDATE

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### PRESIDENT'S COMMENTS

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

#### Pay Increases in November 12th Paycheck

On July 1st, (my first day in office) the IFO reached a tentative settlement with MnSCU on the FY 2003-05 contract. Since that time we have been guiding the contract through ratification, first by the faculty, then MnSCU, and then by a legislative committee that implements state employee contracts when the legislature is not in session.

I am happy to report that faculty will begin seeing their pay raises under the new contract starting with their November 12th paycheck. Faculty members will receive back pay to the beginning of this academic year for the step increase for this year. Faculty members who received promotion increases will also receive back pay to the time of promotion. There are 129 faculty who will receive pay equity adjustments; these adjustments will be in the November 26th pay check.

The IFO is currently working with MnSCU and the Minnesota State Retirement System to set up a Health Reimbursement Arrangement (HRA) program. MnSCU will contribute \$600 to each faculty members' HRA account this year, and \$500 per year in future years. The money can be used to pay for uncovered health expenses on a pretax basis, and unused amounts carry forward from year to year. We do not expect the HRA accounts to actually be set up until early next spring. While the new contract is implemented, it still must be ratified by the entire legislature next year. At this point we do not anticipate any problems with ratification, but one can never predict anything with certainty when it comes to the legislature. A copy of the new contract can be found by clicking [HERE](#).

#### Open Enrollment for Insurance Benefits

The open enrollment period for employee insurance benefits for 2005 began on November 4th and will end on November 17th. Please click [HERE](#) for detailed information on open enrollment and the \$600 employer contribution to the new Health Reimbursement Arrangement. Wil Harri, IFO Office Administrator, will serve as an ombudsperson for faculty with questions or problems with insurance and/or

payroll issues. You can contact him at [harri@ifo.org](mailto:harri@ifo.org), or 1-800-325-9644, extension #12.

### Legislative Elections Send a Message

The IFO was deeply involved in this year's elections. The IFO political activity fund contributed to many candidates based on their support of higher education and collective bargaining issues. On most campuses the IFO sponsored candidate forums and get-out-to-vote efforts. The IFO posted information on legislative voting records on the IFO web page and distributed the information to faculty. Many faculty members played decisive roles in legislative campaigns. I want to thank faculty for their involvement.

The November 2nd elections brought major gains to Minnesota for DFLers in the Minnesota House of Representatives. DFLers cut the Republican control in the House from an 81-53 majority last session to a 68-66 majority for the coming session. Considering that the Minnesota vote ran counter to national trends, it was a clear message from the voters they were tired of the partisan gridlock and budget slashing of the last two years. However, faculty should not expect big changes yet. The state is facing a projected deficit of \$451 million before any adjustments for inflation, employee pay increases, and enrollment increases in higher education. While next session will probably be more ideologically balanced, it will still be a very tough session for higher education from a financial perspective.

### MnSCU Seeks Budget Increase from Legislature

During the last six months the IFO has participated in a stakeholders group that provided input to MnSCU as it developed its budget request to the 2005 legislature. At its October meeting, the MnSCU Board of Trustees approved an appropriation request to the 2005 legislature that calls for a \$130 million increase for past and projected enrollment growth, plus a \$66.5 million increase for appropriation "specials". The specials include line item requests for MN Online, repair and replacement of facilities, an innovations fund, outreach services to underserved populations, initiatives to expand the number of new teachers and nurses, and a "competitive salary" initiative that involves both performance pay and market adjustments. The budget request calls for \$62.9 million for 2% per year inflation (primarily compensation inflation), but the money to cover inflation would come from a 4% per tuition increase—not state appropriations. For a complete copy of the MnSCU budget request click [HERE](#).

The IFO has adopted legislative goals that support the MnSCU requests for enrollment growth and a legislative appropriation for inflation. The IFO also supports passage, early in the session, of the bonding bill that was defeated last session because of partisan politics. The bonding bill that was defeated by just two votes last year contained \$176 million in state appropriations for MnSCU building projects.

### Ominous Signs for the MnSCU Budget

There are several clouds on the horizon concerning the MnSCU budget request. First, the state's budget woes continue. Later this month the state will release the semi-annual revenue forecast, and it does not look like the news will be good. Monthly revenue collections have been falling short of expectations, and coupled with the deficit already projected, it spells trouble. Second, enrollments are beginning to drop--three of our state universities have experienced drops in enrollment, and enrollments at the other state universities are fairly flat. How much of a role demographics, the economy, and/or tuition increases play in this drop are difficult to sort out, but as enrollment falls so does our primary source of revenue. Third, MnSCU's budget is predicated on a 4% increase in tuition to cover inflation and employee pay. Students are balking at any more increases in tuition and are asking the legislature to freeze tuition and appropriate \$62.9 million to cover inflation. The danger is the legislature could freeze tuition without appropriating the \$62.9 million. Finally, Governor Pawlenty is still sounding the drumbeat of no tax increases of any kind. Even if we can get the legislature to pass tax increases, he may still veto them.

### Faculty Committee Appointments

During the last several months I have been busy working with the IFO Executive Committee and Board of Directors to fill vacancies on [IFO standing committees](#) and a variety of [IFO/MnSCU committees](#), task

forces and councils. I want to express my deep appreciation to faculty members who volunteer their time and expertise to represent the faculty on these various entities, and to encourage others to [contact me](#) if they are interested in serving on a committee or task force. The effectiveness and strength of our union depends on active participation by the membership.

### What Higher Education Can Teach Business

Robert Hoffman, Chair of the MnSCU Board of Trustees, recently authored an editorial in the Minneapolis *Star Tribune* Newspaper on "What Colleges Can Teach Business". You can access this article by clicking [HERE](#).

## SALARY EQUITY ADJUSTMENTS

by [Patrice Arseneault](#), Equity Advocate

### 2002 Salary Study

Per Article 11, Section I, the MnSCU/IFO Agreement requires that the [MnSCU/IFO Salary Review Committee](#) (SRC) complete a new analysis of salaries of all faculty every four years.

The SRC has completed its work on the new analysis of faculty salaries for the academic year 2001-02. The salary study, conducted by the independent consulting firm, the Hay Group in spring 2003, used a multiple regression analysis to calculate a faculty member's predicted average salary as compared to similarly situated faculty on each campus. The Hay Group statistician also used the regression analysis to identify faculty whose salaries were well below their predicted salary.

At the end of last academic year, the joint MnSCU/IFO Salary Review Committee recommended that faculty salaries well below predicted salary should be adjusted to bring faculty to the closest step of one standard error below the predicted average salary. As a result of the FY02 salary equity study and the SRC recommendations following the study, faculty members who were below the predicted average salary will receive an adjustment to their base pay to the closest step of negative one standard error below predicted salary. Faculty receiving a salary equity increase will receive notification of the step increase, via US mail to your home address, by memorandum from me dated November 5, 2004.

MnSCU has advised us that you should receive your salary equity increase beginning with your November 26th paycheck. This paycheck will include back pay for the salary equity increase to the beginning of fall 2004.

### Annual Reviews

Per Article 11, Section I, the MnSCU/IFO Agreement requires the SRC to annually review new hires and faculty awarded terminal degrees since the previous annual review, and recommend appropriate placement based on the then current equity grid.

Last year, the MnSCU/IFO SRC completed annual reviews of faculty who were newly hired or who received terminal degrees in FY97, FY98, FY99, FY00 and FY01, and faculty who were below the equity grids in place those years received an adjustment to their salaries.

This fall, the SRC is conducting the annual reviews for faculty newly hired or those receiving a new terminal degree in FY03 (academic year 2002-03) and FY04 (academic year 2003-04). We will be recommending salary step adjustments for faculty based on the current "equity grid" which is now the "salary calculator". The SRC is also reviewing newly hired and new terminal degree faculty in FY02 who are well below the salary calculator that is now in place for hiring new faculty. Salary adjustment recommendations as a result of annual reviews will likely be announced to faculty next spring.

## 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 also send us an email by clicking [here](#).