

Subcommittee on Employee Relations Legislative Coordinating Commission



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Greg Hubinger, Director
Sally Kidd, Commission Asst.

DATE: March 24, 2008

TO: Members of the Subcommittee

FROM: Greg Hubinger

RE: Contract summary

This memo summarizes the Minnesota State College Faculty contract. Under the statute that governs the Subcommittee, actions taken during a legislative session are a recommendation to the legislature. The terms of this contract are not effective until a bill ratifying the recommendation of the Subcommittee is passed into law.

Minnesota State College Faculty contract

MnSCU has reached a tentative settlement with the Minnesota State College Faculty. This bargaining unit includes approximately 4,285 faculty (FTE) at community and technical colleges. This contract continues numerous provisions contained in previous contracts that differentiate faculty based on their status as a technical or community college faculty member. A copy of the contract in legislative format is at:
<http://www.commissions.leg.state.mn.us/lcer/MSCF0809.pdf>

Financial provisions

- 1) Effective July 1, 2007, all faculty receive an increase in salary of \$500, and the salary ranges are increased by that same amount.

Effective July 1, 2007, all faculty not at the top of their salary ranges receive a one step increase, which is an average increase of approximately three percent, with a range between 2.5 and 5.0 percent, depending on where the faculty is in their range.

On approval of the contract, faculty at the top of their salary ranges receive a lump sum payment of \$4,000. In addition, all faculty on the salary schedule receive a lump sum payment of \$800, prorated by their FTE.

- 2) Effective July 1, 2008, all faculty not at the top of their salary ranges receive a one step increase, which is an average increase of three percent, with a range between 2.5 and 5.0 percent, depending on where the faculty is in their range.
- 3) Effective October 1, 2008, faculty who are at the top of their range receive a lump sum payment of \$1,250. In addition, all faculty on the salary schedule receive a lump sum of \$800, prorated by their FTE effective February 4, 2009.
- 4) MnSCU will continue to match faculty members' contributions to their supplemental retirement accounts at \$2,300, increasing to \$2,500 in the second year.

Other provisions

- 5) Continue definition of "academic work year" as 171 days, which includes class days, test days, and duty days.
- 6) Continue definition of "work assignments," based on the former contracts:
 - Community college faculty must be assigned 15 credits per semester/30 credits per year, or 20 contact hours per week per semester/40 per year.
 - Technical college faculty and faculty at consolidated colleges who teach in occupational or technical programs must be assigned 32 credits or 27 contact hours per week.
 - Add language indicating that faculty advising is important to student success and retention. Faculty in general education fields are currently required to have one hour of office time for each three credits taught. New language is added that faculty in non-general education fields have two hours of office time per week.
- 7) Implement the State Employee Group Insurance Program as provided in the other contracts.
- 8) Continue providing early retirement incentives:
 - Community college faculty hired before July, 1995, who have 15 years of service and are at least 55 years old, and where it is demonstrated that a layoff will be prevented, a recall allowed or result in a cost savings, receive up to one year's salary upon retirement. This incentive is reduced by 20% per year for each year the faculty member is past age 60.
 - Technical college faculty hired before July, 1995, who have 15 years of service and are at least 55 years old, and are immediately eligible to receive an annuity, receive 50% of their sick leave balance (other faculty who terminate service are eligible to receive 40% of their sick leave balance). Faculty who had ten years of service as of July, 1995, can alternatively elect to receive the

incentive in their 1993-95 collective bargaining agreement. If this benefit consists of health insurance, it can only be paid until the faculty member is 65 years old.

- 9) Continue phased retirement program. Faculty who are 55 years old and have ten years of service may work between .40 and .80 FTE and receive insurance and retirement benefits as if they worked full time. Modify the maximum length of a phased retirement from ten years to six years.
- 10) Continue the sabbatical leave program. Faculty with at least six years of service, who submit a plan, may take a sabbatical. A leave of one semester is paid at 100%. For full year sabbaticals, faculty hired before July 1, 2008 receive sabbaticals based on a percentage of base salary with the first at 2/3, the second at 80% and the third at 90%. Faculty starting after July 1, 2008 will receive a flat 80% of base salary for each sabbatical earned. No more than 10% of the community college faculty, nor more than 2.5% of the technical college faculty, may take a sabbatical in a given year.
- 11) Continue providing Professional Development (for employee workshops, conferences, courses) at \$250 per faculty per year.
- 12) Continue tuition waiver for faculty for up to 24 credits per year. If the faculty member doesn't use the waiver, their dependents can use up to 16 credits per year.
- 13) Continue the "Awards for Excellence" program to recognize completion by a faculty or group of faculty of a project beyond the normal requirements of the individuals' position(s). The projects must be approved by a committee consisting of college administrators and faculty. The awards are up to \$5,000, and are not added to the salary base.

Settlement cost sheet

MnSCU estimates that the cost of the increases (across-the-board increases, steps, insurance, FICA, retirement contributions) provided in the MSCF contract will be 6.07% this biennium. The cost of these increases will add 6.05% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.) The cost of these increases is approximately \$41,438,400 in FY 08-09.

STATE EMPLOYEE SALARY SETTLEMENTS

FY 2008-2009 ESTIMATED COSTS

LCC Subcommittee on Employee Relations

March 24, 2008

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE(1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)
	7/1/2007	1/9/2008	7/1/2008	1/1/2009				
AFSCME, Council 5 (excluding Unit 8)	3.25%		3.25%		\$1,606,759,000	\$95,713,000	5.96%	9.46%
AFSCME, Unit 8, Correctional Guards	3.25%		3.25%		\$213,470,000	\$11,933,000	5.59%	8.62%
AFSCME, Unit 225, Radio Communications Oper	3.25%		3.25%		\$8,272,000	\$449,000	5.43%	8.32%
MN Association of Professional Employees	3.25%		3.25%		\$1,579,695,000	\$91,613,000	5.80%	8.99%
Middle Management Association *	3.25%		3.25%		\$464,715,000	\$25,732,000	5.54%	8.07%
MN Government Engineers Council *	3.25%		3.25%		\$154,141,000	\$8,159,000	5.29%	7.63%
Minnesota Nurses Association								
MN Law Enforcement Association	3.25%		3.25%		\$125,796,000	\$7,596,000	6.04%	9.71%
State Residential Schools Education Assoc		3.25%	3.25%		\$27,428,000	\$1,631,000	5.95%	9.36%
State University Inter Faculty Organization			2.0%	2.0%	\$487,273,440	\$29,161,183	5.98%	11.39%
MN State University Admin & Service Faculty								
> Minnesota State College Faculty	\$500				\$682,553,299	\$41,438,414	6.07%	6.05%
Personnel Plan for MnSCU administrators					\$138,336,586	\$9,131,855	6.60%	10.15%
Personnel Plan for St Bd of Invest employees								
Office of Higher Education Plan	3.25%		3.25%		\$6,514,000	\$401,000	6.16%	16.30%
Managerial Plan	3.25%		3.25%		\$285,262,000	\$16,699,000	5.85%	8.71%
Commissioners Plan (4)	3.25%		3.25%		\$162,878,000	\$9,976,000	6.12%	8.96%
TOTAL					\$5,943,093,325	\$349,633,452	5.88%	9.41%

The ">" indicates proposed contract or plan not yet acted on by the Subcommittee.

(1) Includes all funds, including higher education agencies. Includes salaries, steps, FICA, insurance & pension.

(2) Percent of new money needed over base.

(3) This percentage reflects the annualized cost of the increases granted during the biennium.

This figure depicts all of the costs of the contract, including "tails."

(4) Groups within plan follow lead of comparable bargaining units.

* The across the board increase in the first year is effective July 11, 2007.