Subcommittee on Employee Relations
Legislative Coordinating Commission

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Date: February 29, 2016

To: Members of the Subcommittee

From: Greg Hubinger

Re: Contract summary

This memo summarizes a collective bargaining agreement negotiated by MnSCU.

Minnesota State College Faculty contract

MnSCU has reached a tentative settlement with the Minnesota State College Faculty. This bargaining unit includes 4,686 faculty (FTE) at community and technical colleges. A copy of the contract in legislative format is at: http://www.ser.leg.mn/contracts/16-17/MSCF_draft_FY_16-17.pdf

Financial provisions:

1. Effective July 1, 2015, faculty receive a one-step increase, equal to $1,856. On average, this represents a 2.7% increase. Because three steps are added to the top of the range, all returning faculty are eligible for these step increases.
2. Effective July 1, 2016, faculty receive a one-step increase, equal to $1,856. The average salary increase for these step increases is just under 2.7%
3. Effective January 1, 2017, faculty receive an across the board increase of 1.25%.
4. Effective July 1, 2016, increase the employer contribution for the faculty supplemental retirement account from the current level of $2,500 to $2,600.

Other provisions:

5. Modify the distribution of liquidated sick leave at termination so that 100% is deposited into the faculty member's Health Care Savings Plan account.
6. Provide greater flexibility when assigning faculty to summer teaching assignments, and for classes with smaller enrollment.
7. The Awards for Excellence program (recognizing faculty work above and beyond normal requirements) is continued, with a maximum award of $2,500.
8. Continue the funding for "sabbatical backlogs" at $420,000 per year.
9. Continue "tutorials" as a form of work assignment. Faculty meet with up to eight students for 1/3 of a course's credit value, and the students work independently for the remaining 2/3 of the course's credit value. A faculty member may offer one tutorial per semester. Faculty are compensated at a rate of 2/3 of the normal course value.
10. Implement the same changes to the State Employee Group Insurance Program as provided in the other contracts.
11. Continue providing early retirement incentives for faculty hired before July, 1995:
    - Community college faculty hired before June 30, 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 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 1, 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 1, 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.
12. 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. The maximum length of a phased retirement is six years. This program is based on statute.
13. 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.
14. Continue providing Professional Development (for employee workshops, conferences, courses) at $250 per faculty per year.

15. 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.

Settlement cost sheet
MnSCU estimates that the cost of the increases (steps, across the board increase, insurance, FICA, retirement contributions) provided in the MSCF contract will be 3.79% this biennium. The cost of these increases will add 6.42% 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.)

Please let me know if you have any questions.

Attach: settlement sheet

STATE EMPLOYEE SALARY SETTLEMENTS

FY 16-17 ESTIMATED COSTS

LCC Subcommittee on Employee Relations

February 10, 2016

	Bargaining Unit	Across the board increases (% increase) 7/1/2015	1/1/2016	7/1/2016	1/1/2017	BIENNIAL BASE(1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)	$ IMPACT ON NEXT BIENNIUM
(5)	AFSCME, Council 5	2.50%		2.50%		$ 1,816,059,000	$ 90,145,000	4.96%	8.39%	$152,367,350
(6)	AFSCME, Unit 8, Correctional Guards	2.50%		2.50%		$ 294,490,000	$ 9,636,000	3.27%	4.94%	$14,547,806
(5)	AFSCME, Unit 25, Radio Communications Oper	2.50%		2.50%		$ 8,476,000	$ 423,000	4.99%	8.37%	$709,441
(5)	MN Association of Professional Employees	2.50%		2.50%		$ 2,399,809,000	$ 121,437,000	5.06%	8.45%	$202,783,861
(5)	Middle Management Association	2.50%		2.50%		$ 623,882,000	$ 26,968,000	4.32%	6.94%	$43,297,411
	MN Government Engineering Council					$ 203,259,000				
(6)	Minnesota Nurses Association	2.50%		2.50%		$ 160,981,000	$ 9,018,000	5.60%	9.52%	$15,325,391
(6)	MN Law Enforcement Association	2.50%		2.50%		$ 148,932,000	$ 6,419,000	4.31%	6.85%	$10,201,842
(6)	State Residential Schools Education Assoc	2.50%		2.50%		$ 30,861,000	$ 1,900,000	6.16%	10.73%	$3,311,385
	Service Employees International Union					$ 936,416,185	$ 16,200,000	1.73%		
(6)	State University Inter Faculty Organization	2.20%		1.00%		$ 579,853,722	$ 23,378,059	4.03%	6.29%	$36,472,799
(6)	MN State University Assoc of Admin & Service Faculty	1.50%		1.10%		$ 127,771,687	$ 4,259,614	3.33%	5.72%	$7,308,540
>	Minnesota State College Faculty				1.25%	$ 791,786,418	$ 30,033,409	3.79%	6.42%	$50,832,688
(6)	Personnel Plan for MnSCU administrators					$ 178,926,025	$ 5,872,462	3.28%	4.84%	$8,660,020
	Personnel Plan for St Bd of Invest employees					$ 3,305,402	$ 249,124	7.54%		
(8)	Office of Higher Education Plan	2.00%		2.00%		$ 6,849,000	$ 320,000	4.67%	8.00%	$547,920
(7)	Managerial Plan	0.00%		0.00%		$ 366,422,000	$ 4,214,000	1.15%	2.55%	$9,343,761
(7)	Commissioners Plan (4)	0.00%		0.00%		$ 226,847,000	$ (383,712)	-0.17%	-0.01%	($22,685)
	Office of Legislative Auditor					$ 9,992,128				
	MnSure Compensation Plan					$ 5,928,584				
	TOTAL					$8,920,847,151	$350,088,956	3.92%	6.23%	$ 555,687,531

The ">" indicates proposed contract or plan not yet acted on by the Subcommittee.
The "*" indicates the proposed contract or plan has not been ratified by the Legislature

(1) Includes all funds, including higher education agencies. Includes across the board salary increases, 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.
(5) These contracts were not given interim approval by the Subcommittee, and so will be effective 30 days after their October 29, 2015 submission to the SER.
(6) These contracts and plan were given interim approval by the Subcommittee and were implemented immediately.
(7) These plans were not given interim approval and were not implemented. The costs have been calculated to reflect FY 16-17 costs based on the FY 14-15 plan.