



## Subcommittee on Employee Relations

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### Memorandum

**DATE:** December 29, 2021  
**TO:** Members of the Subcommittee on Employee Relations  
**FROM:** Michelle Weber, Legislative Coordinating Commission  
**RE:** FY 2022-23 IFO and MSUAASF Contracts Summary

This memo summarizes the FY 2022-23 collective bargaining agreements with the Inter Faculty Organization (IFO) and the Minnesota State University Association of Administrative and Service Faculty submitted to the Subcommittee on Employee Relations by Minnesota State on December 20, 2021. Under M.S. 3.855, subdivision 2, paragraph c, the Subcommittee may meet by January 19, 2022, to provide interim approval or to disapprove the contracts. If the Subcommittee does not meet by then, or does not affirmatively reject the contracts, the contracts will go into interim effect and will be submitted to the legislature for ratification.

Minnesota State also submitted the Personnel Plan for Administrators. There is no statutory time limit for reviewing and acting on the compensation plan for unrepresented employees.

#### Inter Faculty Organization Contract

Minnesota State's agreement with the Inter Faculty Organization (IFO) covers 3,126 FTE faculty at state universities. The text of this agreement is available at:

<https://www.ser.mn.gov/contracts/22-23/Draft-legislative-2021-2023-IFO-Agreement-11-22-21.pdf>

#### Financial Provisions

1. Faculty receive no scheduled increase in the first year.
2. In FY 23, faculty receive an across the board increase of 1.7%, and a step increase equal to 2.4%. Adds two steps to the top of the salary range.
3. In FY 23, the minimum rate of pay for adjunct faculty increases from \$1,567 per credit to \$1,645, a 5% increase.
4. In FY 23, increases the allocation for professional improvement for non-adjunct faculty from \$600,000 to \$680,000.

5. In FY 23, increases the allocation for professional improvement for adjunct faculty from \$70,000 to \$80,000.
6. In FY 23, increases the allocation of professional improvement funds for community faculty from \$57,800 to \$68,000. Community faculty are employed exclusively at Metropolitan State University.
7. Increases funding for professional study and travel from \$1,450 to \$1,500 for each faculty member.

### **Other Provisions**

1. Health, dental and life insurance provisions are the same as those negotiated in other state labor contracts.
2. Adds a provision for non-credit instruction by faculty who develop and present training focused on occupation, professional or personal improvement that is offered to the public for no credit, or is offered to a particular customer's employees for credit or no credit.
3. Modifies provisions related to appointments of coaches. Provides for new annual appointment that includes an annual salary, with possible supplements for summer camps. Division 1 coaches may receive bonus pay that is no greater than 15% of step 45 (approximately \$20,000 in FY 23). The salary for a Division 1 coach may not exceed the salary range of the Chancellor. (The maximum of the Chancellor's salary range in FY 21 is \$410,000)
4. Adds a provision related to standard professional evaluation to include evidence of achievement in activities intended to close educational equity gaps.  
[Note: See contract provisions on pages 59 and Appendix page 29]
5. Modifies bumping rights for certain tenured faculty.
6. As provided in other state contracts, permits use of sick leave to provide parental supervision for minor children who are required to quarantine by the child's school or childcare provider per CDC and/or Minnesota Department of Health guidelines due to COVID-19 exposure.

### **Continuing Provisions**

1. Faculty who are promoted continue to receive a two-step increase.
2. Faculty who provide one year's notice of retirement continue to receive a two-step increase in their final year of teaching. The faculty member must be at least 55 years old, and have at least 15 years of service. Faculty members at the top of their salary range instead receive a lump sum payment of \$4,800. If the faculty member is an Instructor, and they are at the maximum of their range, the lump sum is \$1,490.
3. Faculty reaching 10, 17 and 25 years of service receive career steps equal to two steps, approximately 4.8%
4. Faculty who are at the top of their salary ranges for five consecutive years without a salary adjustment continue to be provided an adjustment equal to a two-step increase, the equivalent of a 4.85% increase.
5. "University Scholars" to recognize faculty who have demonstrated outstanding teaching, service, or scholarship for three successive years. Faculty receiving this designation are

awarded a lump sum payment up to \$6,000. No more than 5% of a university's faculty may be awarded this recognition each year, as well as no more than 10% in any one department. (Minnesota State reports that no more than four of these awards have been granted in the last five years.)

6. \$800 employer contribution to the faculty member's Health Reimbursement Account (HRA). Faculty who are ineligible to receive the HRA contribution, but who are enrolled in the State Employer Group Insurance Program (SEGIP) are given an \$800 contribution to the faculty members' Health Care Savings Plan.
7. Faculty member's contribution match to a supplemental retirement account, to a maximum of \$2,250.
8. Tuition waiver for faculty at 30 credits per year within the state university system. If the faculty member does not use these credits, they can be used by the faculty member's spouse or dependent children.
9. Phased retirement and annuitant employment programs. Faculty who are 55 years old and have 10 years of service may work between .33 and .67 FTE and receive insurance and retirement benefits as if they worked full time. These programs are authorized in statute.
10. Sabbatical leave program may be granted for faculty with at least seven years of initial service, or at least six years since a previous sabbatical, and who submit a plan. A leave of one semester is paid at 100% and full-year sabbaticals are paid at 80% of base salary regardless of the number of prior sabbaticals that have been taken.
11. A separation incentive, where faculty with 15 years of service and who are at least 55 years old receive up to a year's salary upon retirement. The incentive is equal to the faculty member's salary at age 55 and is decreased by 10% for each year the faculty is greater than age 55. A retiring faculty member receiving this incentive also receives the equivalent amount of the employer's contribution for health insurance for one year contributed to the faculty member's health care savings plan account. Faculty hired after July 1, 1996, are not eligible for this benefit.

### **Settlement Cost Sheet**

Minnesota State estimates that the cost of the increases (salary adjustments, insurance, FICA, retirement contributions) provided in the IFO contract will be 2.65% this biennium. The cost of these increases will add 4.96% 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.)

## **Minnesota State University Association of Administrative and Service Faculty Contract**

This bargaining unit includes approximately 772 faculty (FTE) employed in admissions, financial aid, housing, and student services positions. The tentative agreement is available at:

<https://www.ser.mn.gov/contracts/22-23/TA-2021-2023-MSUAASF-Contract.pdf>

## **Financial Provisions**

1. Effective July 1, 2021 members receive a one-step increase averaging 3.05%. Members at the top of their range who are not eligible to receive a step increase, receive a lump sum payment equivalent to 3% of their salary.
2. Effective July 1, 2022, members receive an across the board increase of 1.3%.
3. Medical directors and Health Service Physicians receive a 3% increase on July 1, 2021, and a 1.3% increase on July 1, 2022.
4. Increases honoraria from \$4,000 to \$4,500.
5. Increases the employee's contribution to a supplemental retirement account, to a maximum of \$2,250, which is matched by the employer.

## **Other Provisions**

1. Increased maximum number of days for intermittent appointments from 75 days to 100 days.
2. Included domestic partners in the relations who may use the tuition waiver benefit.
3. Adds Juneteenth as a state paid holiday.
4. Permits use of up to 40 hours of sick leave to arrange for hospice or nursing care for a family member.
5. As provided in other state contracts, permits use of sick leave to provide parental supervision for minor children who are required to quarantine by the child's school or childcare provider per CDC and/or Minnesota Department of Health guidelines due to COVID-19 exposure.

## **Continuing Provisions**

1. Implements the State Employee Group Insurance Program (SEGIP) as provided in other contracts.
2. Requires each faculty member with five years' of service contribute \$300 to the Health Care Savings Plan. The employer also contributes \$300 each year.
3. Provides "career steps" for members with 17 consecutive years of service. At the end of the 17<sup>th</sup> year, these members will be advanced one step. Members at the top of their range receive an equivalent amount of 3% of their annual salary as a one-time lump sum, not added to the base.
4. The Professional Development Fund continues at \$570,000.
5. "Special Initiative Award Program," in which service faculty (individually or as a group) propose and implement projects that are of benefit to the University, its mission, or to the Minnesota State system. As determined by the president, the maximum award is \$5,000, which is provided as a lump sum upon completion of the project.
6. Provides sabbaticals for employees with at least six years of service.
7. Includes a separation incentive, for employees with 15 years of service and who are at least 55 years old to receive up to one year's salary upon retirement. The incentive is decreased by 10% for each year the employee is greater than age 55. This incentive is discretionary.

The incentive also provides one year of the employer contribution for health insurance. The employer's contribution is deposited into the employee's Health Care Savings Plan. Payments made after July 1, 2022 will be paid to the Health Care Savings Plan, instead of cash.

8. Provides the early retirement notice incentive, which provides a 5% increase in salary in the employee's final year of employment, if the employee provides at least six months' notice, but not more than one year's notice.
9. Maintains the exceptional achievement program, which rewards faculty that demonstrate exceptional achievement. The contract requires extensive evidence of performance meeting numerous criteria. Members with at least nine months of service are eligible for the award, which consists of a lump sum of \$3,000.
10. Continues to provide the Professional Excellence Award, granted to one faculty member by the Board of Trustees. The award is a \$5,000 lump sum. Adds a provision permitting each president to award \$1,000 to nominees who were not granted an award by the Board.
11. Maintains the Professional Improvement Fund at the current \$100,000 level.

### **Settlement Cost Sheet**

Minnesota State estimates that the cost of the increases (across the board increase, insurance, FICA, retirement contributions) provided in the MSUAASF contract will be 2.88% this biennium. The cost of these increases will result in a 3.59% increase 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.)

## **Minnesota State Colleges and Universities Personnel Plan for Administrators**

This plan establishes terms and conditions of employment for about 570 (FTE) unrepresented managers at Minnesota State. A copy of this proposed plan, in legislative format, is available at: <https://www.ser.mn.gov/contracts/22-23/2021-2023-Administrator's-Plan-Legislative-Draft-Final-12-21-21.pdf>

### **Financial Provisions**

1. Effective July 1, 2021, administrators are eligible for merit increases averaging 2.0%. The increase may be provided as an increase to the base salary or a lump sum. An administrator may not have a salary that exceeds the maximum of their range.
2. Effective July 1, 2022, administrators are eligible for merit increases averaging 2.0%. The increase may be provided as an increase to the base salary or a lump sum. An administrator may not have a salary that exceeds the maximum of their range.
3. Salary ranges for administrators are increased by 2.5% each year.

4. Salary ranges for the Chancellor and Presidents are increased by 2.5% each year:

	FY 2021 (current)	FY 2022	FY 2023
Chancellor	\$284,000-\$410,000	\$291,000-\$420,000	\$298,500-\$430,500
Vice-chancellors	\$135,925-\$334,873	\$139,500-\$343,000	\$143,000-\$351,500
Presidents VI	\$227,792-\$336,335	\$239,500-\$353,500	\$245,500-\$362,500
Presidents V	\$164,837-\$326,705	\$173,000-\$343,000	\$175,500-\$351,500
Presidents IV	\$161,418-\$317,071	\$169,500-\$333,000	\$173,500-\$341,500
Presidents III	\$142,517-\$204,926	\$149,500-\$215,500	\$153,000-\$221,000
Presidents II	\$132,609-\$185,822	\$139,500-\$195,500	\$143,000-\$200,000
Presidents I	\$118,954-\$175,636	\$125,000-\$184,500	\$128,000-\$189,000

The board continues to have authority to set the initial salary of the chancellor anywhere within the range, with subsequent changes determined through the existing contract. The Chancellor's current salary is \$410,000.

The chancellor has authority to set the initial salaries of presidents and vice-chancellors anywhere within their salary ranges, under the terms of their individual employment contracts.

#### **Other Provisions**

1. Adds Juneteenth as a state paid holiday.
2. With authorization from a President, an administrator may receive additional compensation for teaching credit generating courses, when such teaching is above and beyond the administrator's regular duties.
3. Implements the State Employee Group Insurance Program (SEGIP), as provided in the other state contracts.

#### **Continuing Provisions**

1. Permits stipends for payment of student loans, after completion of one full year of continuous service. An administrator may receive a stipend for eligible loan payments up to \$2,500 in any one year. The stipends may not exceed the total student loan repayment incurred in the preceding year. Eligibility is based on twelve months of service, and the loan must be for tuition for the administrator's education.
2. Employer contribution of \$800 to the administrator's Health Reimbursement Account (HRA). If the employer determines that continued contributions to the HRA account may risk an excise tax under the Affordable Care Act, the employer may terminate those contributions and instead make this contribution to the administrator's Health Care Savings Account.
3. Matches the employer contribution to the supplemental retirement account at \$2,700 per year, as provided in state law.

4. Provides an early notice of separation incentive payment equal to 5% of the administrator's final annual base salary if they give at least nine months' notice of resignation or retirement.

### **Settlement Cost Sheet**

Minnesota State estimates that the cost of the increases (merit increases, insurance, FICA, retirement contributions) provided in this plan will be 2.95% this biennium. The cost of these increases will add 4.08% 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 feel free to contact me at [michelle.weber@lcc.leg.mn](mailto:michelle.weber@lcc.leg.mn) if you have any questions.

Attachments:            Minnesota State Submitted Statutory Data on Funding Sources  
SER Settlement Sheet

## Minnesota State

Faculty Contract and Administrator Plan Analysis

Minn. Stat. 3.855, Subd. 5

	All Funds		General Fund (4000)		Other Funds	
	Current Agreement	Proposed Agreement	Current Agreement	Proposed Agreement	Current Agreement	Proposed Agreement
<b>Minnesota State Administrator Plan</b>						
Salary/Wages	151,824,884	157,116,116	148,886,710	154,075,544	2,938,174	3,040,572
Nonsalary/Nonwages Benefits	47,326,938	49,595,670	46,411,049	48,635,876	915,889	959,795
Additional Compensation Costs		568,352	-	557,353	0	10,999
<b>Inter Faculty Organization</b>						
Salary/Wages	478,751,064	502,483,665	473,227,748	496,686,548	5,523,316	5,797,118
Nonsalary/Nonwages Benefits	157,453,868	165,200,756	155,637,334	163,294,847	1,816,534	1,905,909
Additional Compensation Costs	8,812,900	9,325,096	8,711,226	9,217,513	101,674	107,583
<b>Minnesota State University Administrative &amp; Service Faculty</b>						
Salary/Wages	97,667,290	102,077,904	76,520,299	79,975,924	21,146,991	22,101,980
Nonsalary/Nonwages Benefits	40,347,924	44,663,250	31,611,763	34,992,731	8,736,161	9,670,519
Additional Compensation Costs	1,240,000	1,280,000	971,514	1,002,853	268,486	277,147
<b>Minnesota State College Instructional Faculty (Pending Completion of Negotiations)</b>						
Salary/Wages						
Nonsalary/Nonwages Benefits						
Additional Compensation Costs						
<b>Total</b>						
Salary/Wages	728,243,238	761,677,685	698,634,757	730,738,015	29,608,481	30,939,670
Nonsalary/Nonwages Benefits	245,128,730	259,459,676	233,660,146	246,923,454	11,468,584	12,536,222
Additional Compensation Costs	10,052,900	11,173,448	9,682,741	10,777,720	370,159	395,728

1. Additional compensation costs include professional development funds, tuition waiver, and Juneteenth holiday

2. Retirement contribution changes assumed as new costs under proposed agreements

3. Automatic salary/wage increases in contracts assumed to be attributed to the current agreement (career steps and promotions)

4. Local accounts include health services, student life/activity, and auxiliary

Minnesota State December 2021

# STATE EMPLOYEE SALARY SETTLEMENTS

## FY 22-23 ESTIMATED COSTS

LCC Subcommittee on Employee Relations  
December 27, 2021

Across the board increases (% increase)									
Bargaining Unit	7/1/2021	1/1/2022	7/1/2022	1/1/2023	BIENNIAL BASE (1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
O AFSCME, Council 5	2.50%		2.50%		\$ 2,084,072,266	\$ 92,044,883	4.42%	6.94%	\$ 144,634,615
O AFSCME, Unit 8, Correctional Officers	2.50%		2.50%		\$ 365,056,850	\$ 17,051,747	4.67%	7.39%	\$ 26,977,701
O AFSCME, Unit 25, Radio Communications Oper	2.50%		2.50%		\$ 11,243,196	\$ 497,646	4.43%	6.95%	\$ 781,402
O MN Association of Professional Employees	2.50%		2.50%		\$ 3,262,497,442	\$ 163,077,761	5.00%	7.97%	\$ 260,021,046
Middle Management Association									
MN Government Engineering Council (5)									
Minnesota Nurses Association									
MN Law Enforcement Association									
State Residential Schools Education Assoc									
I Service Employees International Union (6)	8.68%		5.90%			\$ 67,559,000			\$ 103,888,000
State University Inter Faculty Organization			1.70%		\$ 645,017,833	\$ 17,106,620	2.65%	4.96%	\$ 31,992,885
MN State Univ Assoc of Admin & Service Faculty	1.30%				\$ 144,989,599	\$ 4,180,646	2.88%	3.59%	\$ 5,205,127
Minnesota State College Faculty									
Personnel Plan for MnSCU administrators					\$ 199,151,822	\$ 5,865,709	2.95%	4.08%	\$ 8,125,394
Personnel Plan for St Bd of Invest employees									
Office of Higher Education Plan									
Managerial Plan									
Commissioners Plan (4)									
Office of Legislative Auditor									
MNsure Compensation Plan									
<b>TOTAL</b>					<b>\$ 6,712,029,008</b>	<b>\$ 367,384,012</b>	<b>5.47%</b>	<b>8.67%</b>	<b>\$ 581,626,170</b>

The ">" indicates proposed contract or plan has not been acted on by the Subcommittee.  
 The "O" indicates the contract or plan was provided interim approval by the Subcommittee.  
 The "R" indicates the contract or plan was rejected by the Subcommittee.  
 The "I" indicates a contract or plan that has been implemented absent Subcommittee action  
 The "" indicates the proposed contract or plan has not been ratified by the Legislature  
 The "A" indicates the contract or plan has 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) The arbitration award provided 3.5% across the board increases each year for engineers in the 3 highest classes
- (6) The amount listed is the total state funds; the changes in the contract are also funded through federal Medicaid dollars, not included in this table. The FY22 increase is effective 10/1/21. The percentages reflect the increase in minimum wages.