

**Memorandum of Understanding
Faculty Compensation (Salary and Benefits)
FY 2018-2020**

After collegial discussions, the Faculty Salary Committee and the Administration have agreed to recommend to the General Faculty for ratification and to the Budget Committee for inclusion in the budget to be submitted to the President and the Board of Trustees the following compensation package and related provisions.

It is understood that if accepted by the General Faculty and Budget Committee and subject to the final approval of the Board of Trustees, through its adoption of the annual budget, all faculty appointments and compensation shall be in accordance with the provisions set forth herein (including the Benefits Plan Overview for Full-Time Faculty) and in the Faculty Handbook as currently amended. All individual, annual letters of appointment will be in accordance with the compensation provisions of this document and with the Faculty Handbook (11th edition, 2013, and subsequent amendments).

In the event that either the General Faculty or the Budget Committee raise objections to the recommended compensation changes, the Faculty Salary Committee and the Administration will hold further meetings with the intention of resolving the objections prior to the June Board of Trustees meeting. In the absence of a resolution, the Annual Budget adopted by the Board of Trustees shall be final regarding faculty compensation for the ensuing academic year. In this case, the Administration will provide the Faculty Salary Committee with the revised information called for in this document. All individual, annual letters of appointment will be in accordance with the revised compensation provisions of this document and with the Faculty Handbook (11th edition, 2013, and subsequent amendments).

Recommended Salary and Benefit Changes for FY 2018-2020

- A. All faculty will receive compensation and benefits in accordance with the provisions set forth below.

- B. The salary budget for FY 2018 will be increased by the greater of a) 2.0% of the faculty 2016-2017 salary budget or b) 1% less than the percentage increase in tuition for FY 2018; the salary budget for FY 2019 will be increased by the greater of a) 2.25% of the faculty 2017-18 salary budget or b) 1% less than the percentage increase in tuition for FY 2019; the salary budget for FY 2020 will be increased by the greater of a) 2.25% of the faculty 2018-2019 salary budget or b) 1% less than the percentage increase in tuition for FY 2020.

In the absence of an agreed upon replacement for the “Annual Merit Review and Self-Evaluation Process” (JOR, Appendix 12), a simplified version of the existing merit

review system is provided in Appendix 1 to this Agreement. Under this process, salary increases will be distributed under the following methodology:

If the increase in the salary budget described above is at or below the increase in the cost of living (CPI-U), the entire increase in this budget will go to Standard Merit. If the increase in this salary budget is above the increase in the cost of living, then the percent going to Standard Merit will be cost of living plus one quarter of the remainder of the increase in this budget, and three quarters of the remainder of this budget will go to Additional Merit. Standard Merit will be distributed to recipients as a percent of salary or of the mean of the rank, whichever is greater. Additional Merit will be distributed in such a way that each faculty member who receives Additional Merit will receive the same dollar amount, and it will be equal to the budget of Additional Merit divided by those eligible for Additional Merit.

- C. Each faculty member with a base salary of \$75,000 or less as of 6/30/2017, will receive a one-time, base pay increase of \$500, effective September 1, 2017, prior to application of standard merit

- D. Each faculty member will receive a one-time, base pay increase of \$500, effective September 1, 2018, prior to application of standard merit

- E. A supplemental budget will be provided for each year of this Agreement and represents additional compensation above and beyond the salary budget defined in Section B, or any other discretionary increases initiated by the Provost. The administration of this budget will be governed by the following provisions:
 - The budget will be established on July 1st for each year of the three year agreement – the dollar budget is calculated by multiplying the supplemental budget percentage times the aggregate Jun 30th full time faculty salaries.
 - The percentage budget available for each year is provided below:
 - FY 2018 – 0%
 - FY 2019 – 0.75%
 - FY 2020 – 0.75%

 - The pool will be allocated by designated faculty in connection with annual FSC discussions.
 - As part of the process, each year, administration will provide various iterations / cuts of AAUP, CUPA and any other survey data that may be available and deemed useful.
 - The budget may be expended for:
 - equity / market adjustments:
 - allocated as additional merit pursuant to Appendix 1
 - folded into the salary budget for the coming year.
 - The budget may be used in the current year, on or after July 1st; any unused portion may be carried over to the next year.

- All monies from the supplemental budget will be allocated by category or group. Individual equity or market adjustments will continued to be administered and funded as described in item K below.
- All expenditures will be reviewed and approved by the Provost and the General Faculty.
- The entire budget must be expended by the end of the three year Agreement (June 30th 2020)

F. The 2016-2017 mean for each rank and the 2% increase for each mean are:

	<u>Mean</u>	<u>Increase</u>
Professor	\$125,384	\$2,508
Associate	\$97,048	\$1,941
Assistant	\$82,202	\$1,644
Instructor	\$71,043	\$1,421

Means and increases for each rank for 2017-2018 and 2018-2019 will be calculated by the Faculty Salary Committee and the Administration's Compensation Committee for FY 2019 and FY 2020 based on actual salary data.

G. The minimum starting salary for each rank in 2017-2018 will be:

	<u>Minimum</u>
Professor	\$113,769
Associate	\$86,345
Assistant(*)	\$75,271
Instructor(*)	\$60,662

Minimums for 2018-2019 and 2019-2020 will be calculated by the Faculty Salary Committee and the Administration's Compensation Committee as dictated by Item B. (*) - \$500 base increase added to instructor and assistant rates

- H. In the event of a promotion in rank, the faculty member will receive the greater of the following: a) their current base salary plus the merit increase to the current base salary plus \$1,000, or b) the minimum of the new rank plus any additional merit compensation awarded to the faculty member beyond standard merit prior to the current year.
- I. The salary paid for part-time instruction to full-time faculty members (beyond normal load) and the salary for credit courses for adjunct faculty who are not full-time faculty members will be as follows. Higher payments are occasionally made as market conditions dictate.

	<u>2017-2018</u>	<u>2018-2020</u>
Non-terminal degree	\$4,750	\$5,000
Terminal degree	\$5,250	\$5,500

- J. The standard stipend for chairing a department shall be \$6,000 per year.
- K. The Faculty Salary Committee and the Administration continue to recognize the need to examine faculty salary distributions for gender inequities, racial inequities, and other inequities covered by federal and state statute as well as inequities created by hiring new faculty and by market conditions. The redress of such inequities, by adding appropriate increments to faculty base salaries, shall be accomplished by a joint decision of the Faculty Salary Committee and the Administration's Compensation Committee while always protecting the privacy of any individuals involved. If consensus cannot be reached, the Administration cannot be prevented from redressing such inequities. In all cases, the Faculty Salary Committee will be informed in writing of the changes in salary.
- L. On or about December 1, 2017, 2018 and 2019, the Administration shall provide to the Faculty Salary Committee a list of all faculty salaries and benefits including rank, school, gender, date of hire and date of rank. The Faculty Salary Committee agrees to maintain confidentiality and not to share or discuss individual salaries with anyone outside the salary committee.
- M. For calendar year 2018, the University will offer the existing PPO and HSA plans. The plans will continue in their current configurations for calendar years 2019 and 2020 pending further changes resulting from Healthcare Committee deliberations as described in paragraph N ("Collaboration of Healthcare"), subsequent collegial discussions between the administration and the Faculty Salary Committee and eventual approval by the General Faculty. The Rx (pharmacy) program will adopt precertification and step therapy provisions effective January 1, 2018. The employee's premium cost share will change from its current level of 20% to 22.5% for all coverage levels on January 1, 2018, to 23.5% on January 1, 2019, and to 25% on January 1, 2020. This cost share will remain unchanged during the life of the Agreement. The "Benefit Plans Overview (BPO) for Full-Time Faculty", a summary of existing benefits, is incorporated in this document as Appendix 2.

Collaboration on Healthcare

- N. The future of national healthcare is uncertain given potential changes to or the elimination of the Affordable Healthcare Act. While it is impossible at this time to determine the impact of any such changes, it is understood that any new or existing regulations that affect the University's medical plans or increase the cost of offering those plans, may require the University to reevaluate changes to its medical plans during the life of this Agreement. To that end, the Administration and Faculty agree to continue on-going deliberations, as required, in response to healthcare industry or legislative changes:

- The Healthcare Committee will meet during the life of this Agreement for the purpose of mitigating the impact of any regulatory changes and/or exploring ways of reducing escalation in medical costs, which may include changing the features of the medical and pharmacy plans, as may be required for CY 2019 or CY 2020. Any resulting medical plan recommendations need to be finalized by May 30th to allow appropriate time for open enrollment and implementation in the following year.
- The Healthcare Committee agrees, as part of its deliberations, to study and evaluate consumer directed healthcare and private exchange models as potential healthcare solutions with implementation as early as January 1, 2019.

Establishing a Medical Reserve Account

- O. The University agrees to establish a medical reserve account effective January 1, 2018 and continue working with the Faculty as a risk sharing partner by utilizing a ledger account for the purpose of premium rate stabilization. The reserve account will track the employee's share of favorable and unfavorable variances to the medical budget versus expenditures to build up a financial reserve that once fully funded, can be applied to mitigate instances where actual costs exceed plan budgeted costs and to reduce employee contributions when plan budgeted costs exceed actual costs. A description of the reserve account and its operation is incorporated into this document as Appendix 3. The reserve account balance will be initially seeded by the University in the amount of \$612,109.

Other Benefit Items

- P. Both the FACHEX plan and the Tuition Exchange Program are coordinated through the Office of the Dean of Enrollment.
- Q. The benefits and conditions stated in this MOU shall be reflected in all letters of appointment for 2017 - 2018, 2018 - 2019 and 2019 - 2020. The Faculty Salary Committee and the Administration will begin collegial discussions of FY 2021 faculty compensation on or about October 15, 2019. In the spirit of collegiality, and in furtherance of the President's directive for a more collaborative system of governance, the Administration agrees to work with the Faculty Salary Committee to discuss salaries as well as any and all benefits; to provide all pertinent information; to receive recommendations concerning benefits and any substantive changes to benefits; to discuss salary and benefit changes; to be receptive to faculty participation in a cooperative process with the intent of arriving at a mutually agreed upon Memo of Understanding for 2020 – 2021 and possibly beyond.

Faculty Salary Committee

Robert Epstein, Chair

Paul Baginski

Bryan Crandall

Paul Lakeland

Vincent Rosivach

Administration

Scott Esposito, Chair

Nancy Dallavalle

Donald Gibson

Michael Trafecante

Approved by the General Faculty on May 16, 2017