August 27, 2009
To: Members of the General Faculty
From: Faculty Salary Committee*
Re: Proposal for Handbook amendment and associated Memo of Understanding and Benefits Plan Overview

Last Spring the Faculty Salary Committee (FSC) and the Academic Council Subcommittee on Governance brought forward a package of proposals addressing the stated desire on the part of the administration and the Board of Trustees to improve shared governance, to move the faculty to cost-sharing of healthcare premiums, and to restructure the way faculty benefits are presented and protected. Because the General Faculty and the Board of Trustees did not reach agreement on these proposals, we were left without a new Memo of Understanding (MOU) for 2009-2010.

The FSC has been meeting with the administration this summer to try to resolve this impasse. We are writing to introduce a proposal for a 2009-2010 MOU, with a revised Benefits Plan Overview (BPO) and accompanying amendment to the Fiscal Policies section of the Faculty Handbook. In order to be enacted, this proposal needs the approval of the General Faculty and the Board of Trustees.

The FSC has insisted that we will address only salary and benefit issues, not governance issues that are outside of the purview of the committee. In the context of the Board's stated intention to impose unilateral changes if we do not reach agreement, we believe that the proposal outlined in the attached overview represents the best possible compromise on these fiscal policy issues. As you can see, rather than seeking to move the majority of benefit details from the Handbook into the BPO, the administration is now looking to move only those items which are purely financial commitments. These proposed changes are offset in several ways, including by negotiated agreements in the BPO.

The attached "roadmap" presents an overview of the proposed changes and the compromises we were able to negotiate, and where and how they will be reflected. Items described as "remaining in the Handbook" are things that were removed in the previous proposal. We urge you to study this overview and watch your email for the proposed documents and meeting information. As always, you're welcome to contact members of the committee with your questions.

*Susan Rakowitz (Chair)
David Crawford
Joseph Dennin
Rona Preli
Cheryl Tromley
Commitment to the 95th percentile

• The statement, "The Administration and the Board of Trustees are firmly committed to maintaining the average of the compensation of Assistant, Associate and Professor ranks at the 95th percentile for Class IIA institutions in the national AAUP ratings, subject to financial limitations," remains in the Memo of Understanding (MOU).

• In general, this means that reductions in benefits would have to be compensated for by increases in salaries.

Benefits Plan Overview for Full-Time Faculty (BPO)

• The BPO, which contains specific information about various faculty benefits, continues as an appendix to the MOU. With the change in the Handbook charge to the Faculty Salary Committee, its details will be subject to faculty review annually along with the MOU.

• The BPO includes details (regarding prescription coverage, Fachex, Tuition Exchange and so forth) that were previously only available in plan documents or orally from the Office of Human Resources. Any changes in those details must now come before the faculty via the Faculty Salary Committee.

Health insurance

• A guarantee of coverage through the Blue Cross-Blue Shield Century Preferred Plan or its equivalent remains in the Handbook.

• The phrase "at no cost" is deleted from the Handbook's description of faculty health insurance.

• As faculty move to cost-sharing, their base salaries will increase by $2250 over two years, so that the shift is, at least initially, revenue-neutral across the faculty. This increase is spelled out in the MOU and is incorporated in the minimums of the ranks in the MOU, so that it will be included in all future promotions.

• The administration will accept the negotiated merit plan for inclusion into the Journal of Record, including the paragraph guaranteeing that there will be no additional merit unless standard merit is above CPI.

• The BPO houses specific health care policies. It specifies that for 2010, 2011 and 2012, faculty will pay no more than 10% of basic healthcare premiums. However, no matter how quickly the total premium increases, the cost to the faculty cannot increase more than 6% annually. This 3-year cap on the rate of increase also applies to the costs of optional enhancements in healthcare coverage.

• The outdated language of a separate "major medical plan" is deleted from the Handbook. The health insurance plan described in the Handbook includes both basic and what used to be called major medical coverage.

Retirement

• The listing of TIAA/CREF and Fidelity as providers of retirement plans remains in the Handbook.
The specification that the university's contribution to faculty retirement plans is 10% of base salary is moved from the Handbook to the BPO.

The BPO indicates that the university's 10% contribution will not change over the next three years unless the faculty and administration agree to a change.

Language describing the university's necessary adherence to federal regulations (e.g., regarding which employees are eligible for retirement benefits) is moved from the Handbook to the BPO.

Outdated language stating that participation in the retirement plan is "mandatory" is deleted from the Handbook.

Life insurance
- Details of the life insurance coverage are moved from the Handbook to the BPO.
- The university provided life insurance maximum is increased from $100,000 to $150,000.

Tuition program for children of faculty remains in the Handbook.

Other Handbook changes
- The only changes to the sections on leaves, sabbaticals, consulting and travel are that "Academic Vice President" is changed to "Senior Vice President for Academic Affairs".
- The section on Faculty Services remains intact.