

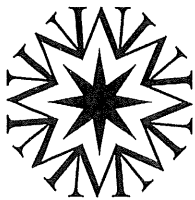
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Report to the Legislature:

Laws of 2013, Chapter 99, Article 1, Section 4,
Subdivision 3

April 1, 2014

Minnesota State Colleges and Universities



Minnesota
STATE COLLEGES
& UNIVERSITIES

I. INTRODUCTION

This report is submitted by on behalf of the Board of Trustees of the Minnesota State Colleges and Universities to the legislative committees with jurisdiction over higher education policy and finance, in compliance with Laws of 2013, Chapter 99, Article 1, Section 4, Subdivision 3 (also referred to as the Higher Education Appropriation). Subdivision 3 sets forth the biennial appropriation for the Minnesota State Colleges and Universities, including “\$17,000,000 in fiscal year 2014 for retention of talented faculty and staff.” The law specifies that by April 1, 2014, “the Board of Trustees must report to the legislative committees with jurisdiction over higher education finance and policy” on the expenditure of the \$17,000,000 appropriation. The report must describe the following:

- (1) the aggregate number of positions retained systemwide, and by individual campus;
- (2) the criteria used to determine whether a position qualified for retention funds from this appropriation;
- (3) the allocation of this appropriation among employment categories including, but not limited to, central administrative staff, executive administration on individual campuses, directors or chairs of individual programs and departments, faculty, academic support and student services staff, auxiliary services, and other employment categories as appropriate, and the average compensation increase for positions within each category;
- (4) an itemized accounting of this appropriation's allocation by individual employment position, including each position's job title, the full compensation and benefit structure for that position before and after this appropriation is allocated, the percent increase in compensation and benefits for that position as a result of this appropriation, and data comparing the compensation and benefit structure offered with similar positions at peer institutions; and
- (5) the number of talented faculty and staff positions targeted for retention that were not able to be retained, and the reasons those positions were not retained.

As explained in greater detail herein, to date, Minnesota State Colleges and Universities has not expended any portion of the \$17,000,000 for retention of talented faculty and staff.

II. REPORT

A. Background

The Minnesota State Colleges and Universities routinely allocates the substantial majority of the legislative appropriation to its colleges and universities to fund the operations of those institutions. These operational expenses include the wages and benefits for employees of each college and university. In Fiscal Year 2014, more than \$493,000,000 of the \$550,776,000 total legislative appropriation was allocated directly to the colleges and universities that comprise the MnSCU system. Although the \$493,000,000 direct allocation to the colleges and univesities

includes the \$17,000,000 for retention of talented faculty and staff, MnSCU has not yet determined the budget implications for this appropriation for each college and university.

Pursuant to Minn. Stat. Section 43A.06, Subd. 1 (a) and (b), the Commissioner of Minnesota Management and Budget has completed negotiations for Fiscal Year 2014 and Fiscal Year 2015 labor contracts with the exclusive representatives representing most of the classified employees who work for the MnSCU system (e.g., the clerical and office unit, bargaining unit 206, represented by AFSCME Council 5). These contracts do not contain provisions explicitly authorizing the payment of compensation for the purposes described in the appropriation. As a result, no such compensation has been paid or authorized by the Board of Trustees of the Minnesota State Colleges and Universities.

Pursuant to Minn. Stat. Section 43A.06, Subd. 1 (c) the Board of Trustees of the Minnesota State Colleges and Universities is the authorized collective bargaining agent with respect to the following employee groups: the state university instructional unit (unit 209, represented by the Inter Faculty Organization); the state college instructional unit (unit 210, represented by the Minnesota State College Faculty); and the state university administrative unit (unit 211, represented by the Minnesota State University Administrative and Service Faculty). Negotiations for the collective bargaining agreements covering Fiscal Years 2014 and 2015 are currently underway with these employee groups.

Pursuant to Minn. Stat. Section 179A.20, Subd. 6, the terms and conditions established in the collective bargaining agreement covering units 209, 210 and 211 for Fiscal Years 2012 and 2013 remain in effect. The terms and conditions do not contain provisions explicitly authorizing the payment of compensation for the purposes described in the appropriation. As a result, at this point in time, no such compensation has been paid or authorized by the Board of Trustees of the Minnesota State Colleges and Universities.

B. Detailed Report of Expenditures

The Minnesota State Colleges and Universities response to the specific mandated report items are set forth following each item as listed below in *italics*:

- (1) the aggregate number of positions retained systemwide, and by individual campus;

No expenditure of the \$17,000,000 appropriation for the purpose of retaining talented faculty and staff has been made. As a result, no positions have been retained or lost through the use of the appropriation.

- (2) the criteria used to determine whether a position qualified for retention funds from this appropriation;

No expenditure of the \$17,000,000 appropriation for the purpose of retaining talented faculty and staff has been made. No eligibility criteria have been established for receipt of any payment of these funds.

- (3) the allocation of this appropriation among employment categories including, but not limited to, central administrative staff, executive administration on individual campuses, directors or chairs of individual programs and departments, faculty, academic support and student services staff, auxiliary services, and other employment categories as appropriate, and the average compensation increase for positions within each category;

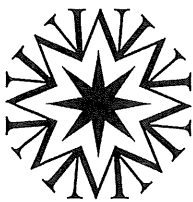
No expenditure of the \$17,000,000 appropriation for the purpose of retaining talented faculty and staff has been made. No allocation of the funds among employment categories has been made.

- (4) an itemized accounting of this appropriation's allocation by individual employment position, including each position's job title, the full compensation and benefit structure for that position before and after this appropriation is allocated, the percent increase in compensation and benefits for that position as a result of this appropriation, and data comparing the compensation and benefit structure offered with similar positions at peer institutions; and

No expenditure of the \$17,000,000 appropriation for the purpose of retaining talented faculty and staff has been made. No payment of the appropriation funds to individual employees had been made.

- (5) the number of talented faculty and staff positions targeted for retention that were not able to be retained, and the reasons those positions were not retained.

No expenditure of the \$17,000,000 appropriation for the purpose of retaining talented faculty and staff has been made. As a result, no positions have been retained or lost through use of the appropriation.



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