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American Association of University Professors-Wright State University

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The Right Flier

The Newsletter of AAUP-WSU

Volume 14, Number 5
2013-2014

Editors: Marty Kich and Linda Farmer

The Administration's Initial Financial Proposals Add Up to a Pay Cut for All Faculty

Prepared by Rudy Fichtenbaum, AAUP-WSU's Chief Negotiator

The back drop for our negotiations was laid out at the budget workshop – the administration's annual presentation to the Board of Trustees of the upcoming fiscal year's budget – where the administration proposed increasing wages and salaries at the University by \$3.1 million (about 1.9%) and cutting benefits by \$3.1 million, despite admitting that health care costs had not gone up. For every dollar increase in wages and salaries the University has to pay \$0.14 to STRS or OPERS. So a \$3.1 million increase in salaries and wages means spending another \$434,000 on benefits. To cut benefits by a net of \$3.1 million, the University actually has to cut all other benefits (mostly health care spending) by \$3.5 million. The budget proposed by the administration is aimed principally at making \$8 million in "strategic investments."

- \$1 million in unspecified strategic investments
- \$1.25 million for "student success initiatives"
- \$2.7 million for technology
- \$1 million for capital needs
- \$2 million for "marketing/branding"

Here is what the American Marketing Association says about branding: The American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers.

So we are going to spend \$2 million a year to develop a method of distinguishing our University from other universities. How about **Wright State where the people who teach our students come last!**

In addition, the budget calls for:

- \$8 million subsidy for intercollegiate athletics (about 1/3 goes to athletic scholarships); last year intercollegiate athletics ran a \$0.75 million deficit beyond the subsidy given to it by the University).
- \$1.3 million subsidy to the Nutter Center
- \$3.2 million subsidy to the Student Union

The basic outline of the administration's proposal on compensation is as follows:

Salary:

- 1) Raises 1.5% plus \$600 for assistant professors in 2014-15, 2% plus \$600 for assistant professors in 2015-16 and 2.5% plus \$600 for assistant professors in 2016-17.
- 2) They agreed to call movement from Instructor to Lecturer a promotion with a 7.5% raise retroactive to last year.

Health Care:

- 1) HMO with 0 deductible, maximum out of pocket \$500 individual/\$1,000 and no coinsurance, \$250 copay for hospital and \$15 copay to for primary care/specialist, \$35 urgent care copay and \$75 copay for ER becomes:

PPO 90/10 with \$250 individual/\$750 family deductible, 10% coinsurance, maximum out of pocket \$1,500 individual/\$4000 family, \$20 copay to for primary care and \$30 specialist, \$45 copay urgent care and \$200 copay ER.

- 2) PPO with 0 deductible, 10% coinsurance, maximum out of pocket \$1,250 individual/\$2,500 family \$20 copay for primary care/specialist, \$35 urgent care copay and \$75 copay for ER becomes:

PPO 80/20 with \$500 individual/\$1,500 family deductible, 20% coinsurance, maximum out of pocket \$3,000 individual/\$8,000 family, \$30 copay to for primary care and \$40 specialist, \$45 copay urgent care and \$200 copay ER.

- 3) HDHP stays the same but University contributions to HSA go down each year so that by 2017 Employee only will receive \$1,000 and family \$2,000.

- 4) Unbundling premiums for dental and vision with the hope that many will opt out of these plans which will save the University money.

What does this mean:

Remember:

- 1) STRS and alternative retirement contributions will increase 1% in 2014 to 12%, 1% in 2015 to 13%, and 1% in 2016 to 14% so your take home pay will go down by 3% over the next three years.
- 2) A conservative estimate of inflation is 1.5% per year: 4.5% inflation over three years.

We estimate the cost of the changes in health care as being equivalent to -0.78% pay cut in 2014-15, -1.52% cut in pay in 2015-16 and -1.82% cut in pay in 2016-17. In other words, before the STRS

(ARP) and inflation, the health care changes wipe out almost all of the administration's proposed raises. Add in the changes in STRS and inflation and we are looking at a cut in real pay of -1.8% in 2014-15, -2% in 2015-16 and -1.8% in 2016-17. These numbers do not include the reduction in subsidy for the HSA accounts for people with the HDHP plan.

3) In our last contract the administration initially proposed a 1 year contract, just before the vote on SB 5. If we had lost the vote on SB 5 that would have meant we would be without a union. We took this proposal for what it was an attempt to break our union. Eventually we negotiated a 3 year contract but because we had no real leverage due to SB 5 we had to settle for what amounts to a nominal 1% raise over three years. We also received a 1% raise to cover the first 1% increase in STRS and each individual received raises to exactly cover the increases in health care premiums and parking. So with inflation running at about 1.5% a year we took a 3.5% cut in real pay. Of course that was coming off of a pretty good contract in which we got 3%, 5% and 5%. But the last contract has basically wiped out the gains we made earlier; and, the administration's proposal, particularly the draconian change in health care, threatens to push our compensation down toward the bottom in the state.

The administration has the money to give us competitive raises and not gut our health care coverage, but they have the wrong priorities.

So What Can You Do?

1. Join AAUP, and if you are a member, try to convince non-members to join. Being a member doesn't cost a dime extra to those who are paying fair share, but membership translates into strength at the bargaining table.

Bargaining is not ultimately just about how good our arguments are at the table. It is about our political power. Power starts with membership. Membership matters to the administration and it will matter to a fact-finder or arbitrator if we need to go that route to try to settle the contract. Also, only members are allowed to vote on whether to ratify negotiated contracts.

Membership among NTE faculty still lags membership among TET faculty. Given the workload provisions and the job security that we gained in the initial contract for those with continuing contracts, unprecedented for NTE faculty anywhere, we should have much higher membership among NTE faculty.

2. Volunteer to become a departmental liaison. It won't involve much commitment of your time or energy, and it will contribute to our efforts in a major way.

Each departmental liaison will follow up in person with his or her colleagues to insure that they have received and understood communications from our chapter leadership. It will also involve encouraging those colleagues to participate in events that are important to the chapter or should be of interest to chapter members.

Ideally, each department liaison should be responsible for following up with no more than 10-15 people. So, in larger departments, there should be two or more liaisons.

If you are interested in helping in this way, please e-mail Marty Kich at martinkich@gmail.com. If you are part of a large department, please indicate the 10-15 colleagues whom you are willing to cover.