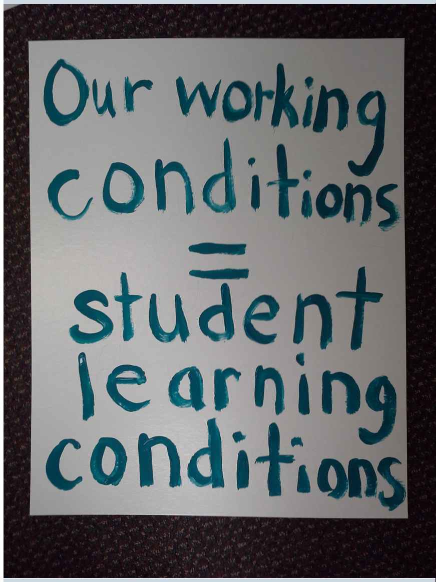
Faculty Welfare Committee/AAUP

Excellence in Education



IN THIS ISSUE:

From the FWC Executive Committee:

The report from the FSC at last Friday's GF meeting was discouraging, sadly familiar, and a rallying cry for Fairfield faculty to demand that our processes and our elected FSC colleagues be respected.

As a reminder, all during last year's contract discussions, the administration essentially did not budge from some draconian terms of compensation that they must have known would not be acceptable, and all the while insisted that if agreement were not reached, then the Board would impose terms of compensation. And the Board did impose terms of compensation, but they were terms that had *never* been proposed by the administration or discussed in the collegial discussions. In other words, the Board unilaterally declared "impasse" and imposed new terms. Faculty are working under those terms of compensation but without an agreed upon Memo of Understanding (no 16-17 MOU was ever approved by a vote of the GF or signed by members of the FSC).

We were heartened when it appeared that the administration and Board planned to get us back to a GF-approved and FSC-signed MOU this year but, after Friday's GF meeting, it's not clear where we're headed. To the FWC EC, the communications from the Board that were shared at Friday's meeting (and copied inside this newsletter; the full memo from the FSC with appendices is at http://www.faculty.fairfield.edu/gfs/GFM/GFM2016-2017/GF16_17.html) are both disingenuous and staggeringly unresponsive to the clear facts and data laid out by the FSC. Our colleagues deserve better.

It's impossible to overstate how grateful we are to the faculty members willing to serve on the FSC. Faculty members elected to the FSC have *always* worked with integrity to find common ground and agreement on terms of compensation that are best for the University as a whole and its core academic mission. When the FSC brings the GF an MOU with a recommendation to approve, it is nearly always approved. If we end up with something that is not FSC-recommended, it will tear at the very fabric of the community. [Continued on page 4]

April 11, 2017

To: FSC

Today, the Chair of the Board, Frank Carroll, requested that the Faculty Salary Committee provide him with a summary of their reasons for maintaining a 20% cost share and why a 25% cost share is not justified.

The Chair requests that the summary be provided to Board Secretary, Mike Tortora, by close of business, Tuesday, April 18th.

Sincerely,

Scott Esposito

Chair, Administration Committee

April 17, 2017

Frank J. Carroll, III

Chair, Board of Trustees

Dear Mr. Carroll:

In response to your request for an explanation of the Faculty Salary Committee's stance on a proposed increase in health care cost share, we offer the following. The argument below is presented in two parts, the first making the case that the administration's numbers offered to support the cost share shift do not in fact justify it, and the second presenting our argument for why the current 80/20% cost share ought to be continued.

Part One: The numbers offered by the administration team do not support the claim that cost share should be changed to 75/25%.

1. Fairfield's recent experience, when viewed over time, does not warrant any increase in cost share. Plan costs have remained relatively stable in recent years, and according to Mercer, "In 2015 and 2016, claim levels were similar to that in 2009-2011." In fact total plan costs are expected to be 3.2% <u>lower</u> in CY 2017 than CY 2016, and premiums have been downwardly adjusted accordingly. See further data and discussion in Appendix A.
2. Mercer has told the Health Care Committee that the proposed shift of an additional 5% of health plan costs to employees will not produce any efficiencies that will reduce the overall cost of the plan.
3. The administration's White Paper on cost share presented to the Faculty Salary Committee focuses on the percentage of cost share relative to various benchmark groups and does not consider the actual dollar amounts contributed by employees. A combined analysis of these two factors shows that Fairfield is already very competitive at a 20% cost share; moving to a 25% cost share would make Fairfield a major outlier. For the full analysis see Appendix B.
4. We also question the relevance of the various benchmark groups used by the administration. In particular the Health Care Committee has repeatedly asked how the schools in the Custom Peer Group were chosen but has not received a reply. See further Appendix C.

Part Two: The FSC firmly believes that we should maintain the 80/20% cost share for the following reasons.

1. In recent years Fairfield has devoted a declining share of its overall budget to instructional compensation (salary + benefits). From FY 2007 to FY 2015, the latest year for which figures are publicly available, instructional compensation has dropped from 25% of the University's total budget to 21%. Adjusted for inflation total instructional compensation in 2015 was over 3.7 million 2015 dollars lower than it had been in 2008. On these figures see further Appendix D.

2. During this period cost share has shifted from 100/0 to 90/10 to 80/20, with the University saving accordingly while take-home salaries were reduced. Further, changes in co-pays have also increased employees' out-of-pocket expenses. Some of the reductions were partially offset by additions to the salary base, but there were also years in which there was 0% increase in salary, and the University's contribution to the retirement plan was reduced from 10% to 9%. For this history see further Appendix E.

3. That we are in a period of budget constraints does not constitute an argument for further targeting instructional compensation. Rather, other sectors that have not been constrained as instructional compensation had been should take their turn.

4. The FSC has already agreed to changes in pharma that Mercer estimates will produce $178,000 in reduced costs in the coming calendar year.

5. The FSC invited the administration to propose changes to the plan to reduce costs without unduly burdening employees. The administration has replied that with the uncertainty concerning the Affordable Care Act this is not the time to make changes in the health care plan – while proposing a 25% increase in the employees' contribution to the plan. On these proposed changes see Appendix F.

6. The proposed shift in cost share is regressive, hitting particularly hard those employees with lower salaries and/or those whose coverage includes dependents. The administration's proposed salary "bumps" soften the blow but do not eliminate it. See further Appendix G.

7. The proposed shift in cost share runs counter to our institutional ethos which <u>for decades</u> has considered a generous health plan to be a part of the social compact the university makes with its employees, and our institutional commitment to social justice.

8. The reduction in the University's health care costs that would result from the proposed shift in cost share is not money saved but money that would be used to fund other priorities. However, providing decent health care to employees at an affordable price should also be one of the university's top priorities.

Sincerely,
Fairfield University Faculty Salary Committee
Robert Epstein, Professor of English
Paul F. Lakeland, Aloysius P. Kelley, S.J Chair in Catholic Studies
Vincent J. Rosivach, Professor of Classical Studies
Paul Baginski, Assistant Professor of Mathematics
Bryan Ripley Crandall, Assistant Professor of Curriculum Design and Instruction

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TO: Faculty Salary Committee
FROM: Frank J. Carroll, Chairman of the Board
DATE: April 19, 2017
RE: Participation Rates for Healthcare

Thank you for your recent response to the Board's question on healthcare.

We note that employee cost shares have remained frozen for some time and believe, given prevailing conditions and forecasted rates of escalation, that any new agreement should include a 25-30% cost share.

We commend each side for working diligently and constructively on the three-year framework currently on the table. We would prefer that an agreement be reached without the involvement of the Board and urge you to do so. However, failing agreement, the Executive Committee of the Board is prepared to act on this impasse on April 27th during their regularly scheduled meeting.

The Faculty Welfare Committee/AAUP at Fairfield University is an ad hoc committee of the General Faculty and an affiliate of the national AAUP. We promote the professional and economic interests, broadly defined, of the Fairfield University Faculty. All our activities are open to all members of the faculty but we are funded entirely by our dues-paying members. To join, contact any member of the Executive Committee.

[From the FWC EC Continued from page 1]

Faculty are looking forward to working with our new President, to build upon our past and strengthen Fairfield for the future. An agreeable three-year contract would allow us to focus on our core educational mission together, without the time-consuming and morale-deadening spring semesters we have come to expect. Board intervention at this point, when there is still progress to be made and over the General Faculty's "vehement objections" would be an unfortunate development.

The way forward is for the administration to work with the FSC to reach agreement on an MOU that the FSC will recommend the GF approve.

These sentiments were forcefully expressed by the faculty with the unanimous approval of the following two motions:

Motion 1. The General Faculty endorse the goal of the Faculty Salary Committee to continue to seek contract terms that provide fair and secure total compensation in the long term.

Motion 2. The General Faculty vehemently object to the threats by members of the Board of Trustees to intervene prematurely in the terms of faculty contracts, and strongly urge the Board not to interfere in the contractually mandated process of collegial discussions.

In the meantime, the FWC Steering Committee is holding an emergency meeting on Monday afternoon 4/24. Details were sent by email.

Following that, all FWC members are invited to an **FWC Meeting on Tuesday 4/25 from 4:00-5:00 in BNW 340.** The agenda will be distributed at the meeting. Only FWC members may attend, but forms to join the FWC will be available at the meeting.

FWC/AAUP Executive Committee: Irene Mulvey, President; Jocelyn Boryczka, Vice-President; Bill Abbott, Secretary; Paul Baginski, Treasurer; At-large members: Maggie Labinski, Anna Lawrence, Stephanie Storms. Immediate Past-President Rona Preli.

Irene Mulvey FWC/AAUP President
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