MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Ratification of Regent Collective Bargaining Agreements

Date: March 12, 2001

Recommended Actions:

1. Ratify tentative collective bargaining agreements with --
   a. University of Northern Iowa - United Faculty;
   b. Campaign to Organize Graduate Students (COGS) at the University of Iowa;
   c. Service Employees International Union (SEIU) at the University of Iowa Hospitals and Clinics.

2. Authorize the Board Office to report the results of the bargaining process for 2001-03 collective bargaining agreements to the Public Employment Relations Board (PERB) as required by law.

Executive Summary:

The Board of Regents collective bargaining teams have reached tentative agreements (TAs) with all unions representing only Regent employees. The tentative agreement with the University of Northern Iowa-United Faculty was reached Thursday, February 22, 2001. The TA with COGS at the University of Iowa was reached Monday, February 26, 2001. The TA with SEIU and the University of Iowa was reached Wednesday, March 1, 2001. All TAs are within the parameters established by the Board.

The three Regent employee bargaining groups have ratified their TAs: UNI-United Faculty on March 8; COGS on March 4; and SEIU on March 2. The Board is required to make a TA public prior to its ratification vote. This memorandum serves as the public notice.

Upon ratification of the tentative agreements, the Board is to report to the Public Employment Relations Board the settlement it has reached with its unions. The Board Office will complete this reporting requirement.

Background:

1-a. University of Northern Iowa - United Faculty

The TA with United Faculty provides biennial salary components as follows:

Three Salary Components	Fiscal Year 2001-02	Fiscal Year 2002-03
Across-the-board	3.00%	3.00%
Incremental Increase (step)	0.92%	0.92%
Merit*	1.68%	1.68%

*The merit component is awarded at the discretion of the administration.

The three salary components identified in the table above have been in place, in the same relationship to one another, for more than twenty years. As a percent of the total salary increase, the across-the-board component is 53.5%, the incremental increase (which is converted to a flat dollar amount) is 16.5%, and the merit component is 30%. Individual faculty are guaranteed the first two of the three components identified above.

The TA's Minimum Salary Guideline (MSG) has been increased by 3% each year. At five year intervals, the MSG identifies a minimum salary, by rank, which a faculty member must be paid. The University's analysis of the impact of insuring that no faculty member earns less than the salary identified in the MSG is between $4,000 and $10,000 each year.

The TA provides for an increase in the amount of money the University agrees to spend for travel and related professional development expenses for faculty. The amount increases from $285,000 in 2000-01 to $290,000 in 2001-02 and $300,000 in 2002-03.

The TA provides for an increase in the value of summer fellowships for faculty. For 2000-01 there are twenty-six full-time equivalent (FTE) fellowships of not less than $5,000 each. While the number of fellowships remains the same in 2001-03 biennium, the value of each fellowship will increase to not less than $5,200. The TA provides the amount of money that will be spent by the University and permits part-time summer fellowships to be aggregated to achieve the total expenditure.

The economic impact of the MSG, travel and related professional development, and summer fellowships is less than 0.1% of the budgeted salaries for this unit.

The tentative agreement calls for the employer to retain the same relationship between employer and employee contributions to health insurance. The employer pays all of the cost for a faculty member having single coverage and 75% of the cost for faculty having family coverage. Same sex domestic partner coverage will be provided by the University consistent with the Board's decision in June, 2000. The annual maximum coverage for dental insurance was increased from $500 to $600 to be consistent with coverage provided to professional and scientific staff at the University. While the University has not

received information on increased costs for insurance during 2001-03, the University estimates the increase will be approximately 1% of the salary base.

In addition to the economic changes identified above, the tentative agreement provides language changes, as follows:

- For denial of tenure, failure to promote, nonrenewal of a probationary appointment, or termination of a term appointment before its scheduled end, the faculty member has had to prove a violation of contractual rights by "clear and convincing" evidence. Henceforth, a customary standard of "preponderance of evidence" will be required to prove an alleged violation. This is a change which has been requested by the United Faculty for the past twenty years.
- A transfer article providing procedures for a faculty member to be transferred (either voluntarily or involuntarily) from one department to another is a part of the TA. This is a mandatory subject of bargaining that had not previously been addressed.
- The minimum salary for part-time faculty will increase from the current $975 per credit hour to $1050 in 2001-02 and to $1150 in 2002-03.
- A few other language changes make minor alterations in the pattern of administrative interaction between the University and the United Faculty, e.g. some tenure decisions went through departmental, college and university committees before reaching the provost for an institutional decision. The university committee has been eliminated from this progression.

The United Faculty ratified this TA on March 8, 2001.

1-b. The University of Iowa - Campaign to Organize Graduate Students (COGS)

The TA with COGS provides biennial salary components as follows:

Salary Increase	Fiscal Year 2001-02	Fiscal Year 2002-03
Across-the-board	3.00%	3.00%
Incremental Increase (step)	1.00%	1.00%

In the current collective bargaining agreement, COGS members can choose from among four health insurance programs. Two programs are currently quite expensive for both the employer and employee. The TA provides that no new employees will be permitted to enroll in the two expensive programs and a benefit which had made the programs attractive will be included in the two lower cost options. That benefit is substance abuse treatment. The cost of adding this benefit to the two remaining programs has been estimated at 0.25% of the salary base in the first year of the agreement.

The current collective bargaining agreement does not provide for an employer contribution to family dental insurance programs. The TA provides for a contribution of 70% of the cost of family dental in the second year of the agreement. The cost of adding this benefit is estimated to be 0.125% of the salary base.

The TA retains the relationship between employer and employee contributions to health insurance. For employees electing single coverage the employer pays 90% of the premium, and for those electing family coverage the employer pays 70% of the premium. Because of unfavorable experience in the health insurance program the rates are expected to increase in the first year of the agreement by 3.0% of salary and in the second year by 1.5% of salary.

Other minor changes in language of the TA address administrative interactions between the University and the union and do not have economic impact.

The COGS ratified this TA on March 4, 2001.

1-c. University of Iowa Hospitals and Clinics (UIHC) - SEIU

The TA with SEIU provides biennial salary components as follows:

Salary Increases	Fiscal Year 2001-02	Fiscal Year 2002-03
Across-the-board	3.00%	3.00%
Progression Increment* (step)	2.60%	2.60%
Shift Differential**	1.03%	0.38%

*Progression increments become effective July 1 and range from 1.5% for persons with 0-4 years experience to 4% for persons with 15 or more years experience.

**Shift differentials apply to persons working outside the normal workday. Current contract shift differentials range from $0.50 per hour to $1.70 per hour and will increase over the life of the contract so that they range from $1.25 per hour to $2.50 per hour.

The SEIU and UIHC have agreed that there are certain positions covered by the collective bargaining agreement where the salaries are significantly out of line with the market place. Adjustments made to salaries for those positions will cost approximately 1% of the budgeted salaries for this unit. These adjustments will be identified in a Memorandum of Understanding which is not a part of the body of the TA.

The TA provides for new incentive compensation for part-time employees to work beyond their regularly scheduled shifts. If a part-time employee works 16 hours per six week period beyond their regularly scheduled hours, the part-time employee will be paid for subsequent extra hours at a rate of 125% of their budgeted salary.

The costs related to shift differentials and market adjustments were initiated by UIHC to address staffing issues and hopefully to reduce the necessity of assigning staff work beyond their regular schedules.

While the University does not presently know the cost increases it will experience in its health insurance program, the increases are estimated to be 1% of the salary base.

Other minor language change in the TA addresses administrative interactions between the SEIU and UIHC.

The SEIU membership ratified the TA on March 2, 2001.

2. Report Ratification to PERB.

Administrative rules adopted by the PERB require that the Board report ratification of its collective bargaining agreements and the features of the settlements to the PERB. The Board Office will complete this administrative detail when the Board has ratified the tentative agreements.

Ratification of the Board's tentative agreements with United Faculty, COGS, and SEIU is recommended.

Charles Wright

Approved: Frank J. Stork

GD10Mar01-RatifyColBarAgree