VIA E-MAIL

July 25, 2014

Commissioner Jim Schowalter
Minnesota Management & Budget
400 Centennial Building
658 Cedar Street
St. Paul, MN 55155

Dear Commissioner Schowalter:

My colleague Jeff Wade, System Director for Labor Relations, served as MnSCU’s Chief Negotiator in collective bargaining for the 2013-2015 Master Agreement with the Minnesota State College Faculty (MSCF). The MnSCU and MSCF bargaining teams reached a tentative contract settlement for the 2013-2015 Agreement on Wednesday, June 4, 2014, and this settlement was approved by MnSCU’s Board of Trustees on July 23, 2014.

I am writing to provide you with information summarizing the tentative agreement between the parties, including information needed for MMB to comply with the posting requirements of Minn. Stat. 43A.18, Subd. 9. A brief description of the proposed wage terms and significant changes in policy is located below. A document providing the essential terms of the financial impact of the settlement is attached. I am also including as an attachment a legislative-marked draft of the Master Agreement that reflects the agreed-upon changes.

**Economics:**

**FY 2014**

- July 1, 2013 – 3% salary schedule increase.
- Insurance benefits as negotiated by MMB with the state’s classified bargaining units.

**FY 2015**

- July 1, 2014 – Faculty who have not reached the top step on the salary schedule will advance one (1) step on the salary schedule.
- January 1, 2015 - 3% salary schedule increase.
- Insurance benefits as negotiated by MMB with the state’s classified bargaining units.

**Initial biennial base:** $792,314,713

**New money in current biennium (without turnover savings):** $40,346,858

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Language:
- Language was added to clarify the office hour responsibilities of online faculty.
- Language was added to clarify how sick leave, bereavement leave and personal leave are used when colleges are closed by a president.
- Language was added to codify the parties practice related to eligibility for health insurance when a faculty member takes advantage of the Early Retirement Incentive.
- Language was added to codify the parties practice related to the transferability of Early Retirement Incentives.
- Language was added that change the method for determining the number of credits a faculty member receives when given an Internship Supervision assignment.
- Article 13 Wages was restructured for clarity.

Please feel free to contact Jeff Wade ((651) 201-1854) or me with any questions about the settlement.

Very Truly Yours

[Signature]

Christopher Dale
Sr. System Director for Labor Relations
651-201-1834
SUMMARY OF FINANCIAL COST

I. Bargaining Unit Composition:

Minnesota State College Instructional Faculty

Approximate No. of Employees:

<table>
<thead>
<tr>
<th>Unit</th>
<th>4,813 FTE</th>
<th>5,238 Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-unit adjuncts</td>
<td>162.3 FTE</td>
<td>1096 Headcount</td>
</tr>
</tbody>
</table>

II. Unit Name:

Minnesota State College Faculty (MSCF)

WITH TURNOVER INCLUDED (Net)

III. Fiscal Summary: All Agency, All Funds

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Biennial Base</th>
<th>Biennial New Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>601,529,865</td>
<td>22,371,005</td>
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<tr>
<td>FICA</td>
<td>45,216,155</td>
<td>1,681,597</td>
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<tr>
<td>Retirement</td>
<td>48,876,593</td>
<td>2,284,219</td>
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<tr>
<td>Insurance</td>
<td>94,261,519</td>
<td>4,274,977</td>
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<tr>
<td>Professional Development</td>
<td>2,430,582</td>
<td>0</td>
</tr>
<tr>
<td>Total:</td>
<td>792,314,713</td>
<td>30,611,798</td>
</tr>
</tbody>
</table>

The estimated cost in new dollars in this biennium is 3.86%

The estimated annualized increase in the base over the term of the agreement is 6.85%