Economics:

FY 2014:
- Merit Pool of 2.5% of base salaries.
- Health and Dental Insurance changes as established by MMB for State Managers.

FY 2015
- Merit Pool of 2.5% of base salaries.
- Health and Dental Insurance changes as established by MMB for State Managers.

Non-Compensation Major Language Changes:

- Chancellor’s Contract (Section 1.03). Require Board approval for an employment contract with the Chancellor.

- Health Reimbursement Account (Section 1.13, Subd. 10). Increase the amount from $600 to $800 per year, matching the IFO’s annual contribution rate.

- Vacation Leave (Section 1.06). Clarify leave transfer for temporary administrative appointments.

- Unpaid Leave (Section 1.07). Authorize unpaid leave of absence from current administrative position for up to one year to facilitate acceptance of new administrative position in the system.

- Severance (Section 1.08). Recalibrate severance formula to avoid excessive severance payments.

- Expense Reimbursement (Section 1.10). Restructure for clarity and add new student loan reimbursement stipend ($2,500 per year) as a recruitment/retention benefit (similar to Minnesota Nurses Association contract language).

- Relocation Expenses (Section 1.11, Subds. 1 & 2). Allow relocation expenses for individuals re-employed after a break in service of one year or more.

- Tuition Waiver (Section 1.12). Allow Chancellor or VC-HR to elect provision from MAPE supplemental agreement to apply to system office administrators (institution type election procedure). No substantive enhancement in the benefit.

- Salary Administration (Section 1.13). Provide for salaries of athletic directors or assistant athletic directors with head coaching responsibilities for Division I sports.
SUMMARY OF FINANCIAL COST

I. Bargaining Unit Composition:

Minnesota State College and University System Administrators

Approximate No. of Employees:

547 FTE  
554 Headcount

II. Unit Name:

Minnesota State College and University System Administrators

NO TURNOVER INCLUDED (Gross)

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>136,235,550</td>
<td>5,089,400</td>
</tr>
<tr>
<td>FICA &amp; Retirement</td>
<td>19,548,582</td>
<td>754,210</td>
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<tr>
<td>Insurance</td>
<td>18,100,093</td>
<td>915,200</td>
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<tr>
<td>Professional Development</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>173,884,225</strong></td>
<td><strong>6,758,810</strong></td>
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</tbody>
</table>

The estimated cost in new dollars in this biennium is 3.89%

The estimated annualized increase in the base over the term of the agreement is 5.52%

WITH TURNOVER INCLUDED (Net)

III. Fiscal Summary: All Agency, All Funds

<table>
<thead>
<tr>
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<th>Biennial New Money</th>
</tr>
</thead>
<tbody>
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<td>Salaries</td>
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<td>4,495,344</td>
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<tr>
<td>FICA &amp; Retirement</td>
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<td>Insurance</td>
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<tr>
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<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>173,884,225</strong></td>
<td><strong>6,083,672</strong></td>
</tr>
</tbody>
</table>

The estimated cost in new dollars in this biennium is 3.50%

The estimated annualized increase in the base over the term of the agreement is 5.00%

August 2014