

New AAUP contract

- Negotiations were for health care and compensation only
 - Other terms were negotiated last year
- Health care preliminary work began in March
- Negotiations commenced on both topics in July
- Mediation was (again) required and we reached agreement the last day before fact finding was to commence
- Negotiation team: Elizabeth Kennedy, Cheryl Elman, Kevin Kreider, John Reeves, Sandy McNair (our lawyer) & Mike Cheung (chief negotiator)

Compensation raise provisions

- 2011
 - 2.5% merit (0.5% “fixed” and 2.0% via merit guidelines)
 - 2.0% market (assoc profs, profs, profs w/ special title)
 - ½ by formula and ½ by dept committee
 - 0.5% strategic priorities w/ \$5K cap for a given faculty member
- 2012
 - 3.0% merit (1.0% “fixed” and 2.0% via merit guidelines)
 - 2.0% market (assoc profs, profs, profs w/ special title)
 - 0.5% strategic priorities w/ \$5K cap for a given faculty member
- 2013
 - Subject to reopened negotiation on this topic only

“Triggers”

- Raises depend on UA income not decreasing
- Base is FY 2010 (\$285MM)
 - 2-3.99% decrease >> 25% decrease in raises
 - 4-5.99% decrease >> 50% decrease in raises
 - 6-7.99% decrease >> 75% decrease in raises
 - 8% decrease or greater>> no raises
- Audited financial statement used
 - Raises will be delayed to Oct/Nov

Compensation other provisions

- Promotion raises increased substantially
- Summer rates increased
- Stipends for grant awards being phased out
- Release time for dissertation and thesis committee service ended and balance “bought out”
 - \$500,000 total to affected faculty base salaries proportional to the “point” totals
- University gained increased freedom to increase faculty salaries outside of the contract provisions and to provide retirement incentives on a case by case basis
 - Consultation with AAUP is required

Health care

- Self-insured PPO model (Summa TPA)
 - 2 plans (“high” gold; “low” blue)
 - Income progressive costs to employee for high plan
 - Largest impact is on Kaiser HMO patients
 - “Working Spouse” provision
 - Cannot cover spouse on UA plan if their employer provides health care benefits and pays at least 50% of the cost
- Prescription drug plan now managed (Envision)
 - Step therapy for some drugs
 - Four drug tiers with increasing costs