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To: Shelly L Armstrong; Archive
Subject: Ferris Faculty Negotiations Underway
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Included below is a press release regarding negotiations between Ferris State University and the Ferris Faculty Association. Negotiations are underway. Further information is available by contacting Shelly Armstrong or Leah Nixon at (231) 591-2065.

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Ferris State University faculty negotiations underway

BIG RAPIDS - The Ferris State University administration announced today that negotiations between the University and the Ferris Faculty Association are underway.

According to University spokesperson Shelly Armstrong, the two parties have exchanged proposals during a series of six meetings between Feb. 15 and April 10 and are now in the process of working through details on a proposed five-year contract. The current three-year faculty contract expires June 30 and covers 450 faculty.

“The FFA’s initial proposal was very disappointing. Despite a long-standing and effective collective bargaining agreement, the faculty representatives have proposed a sweeping rewrite of that document,” Armstrong said.

She also noted that the FFA economic demands are excessive, especially when compared to other recent settlements at Ferris and the economic environment in which the University must operate. Among many other demands, the FFA seeks across-the-board raises of 5 percent a year for each of the next five years, at an additional cost to the University of $8.7 million. The FFA has also sought supplementary salary increases that will further increase University costs by another $3.5 million.

Another major issue in the negotiations is health care. The FFA is seeking to continue MESSA SuperCare 1 health insurance as the only choice available to its members. That coverage presently costs more than $15,100 per year per faculty member, and like other health insurance coverage is projected to increase significantly in the future. The University presently pays more than $9,600 per year toward the cost of this coverage with the faculty member paying the balance of approximately $5,500 per year. The FFA has proposed that the University pick up the full cost of this coverage commencing July 1. The combined impact of this proposal and the FFA salary demands would cost the University in excess of $20 million or the equivalent of a 55 percent increase on the average faculty total compensation of $89,829, which includes salary and benefits.

Armstrong said the University shares the faculty’s concern with the cost of MESSA coverage. “This coverage is simply not affordable for either the faculty member or the University. However, the solution cannot be found by passing the cost of this coverage on to the University. It is not realistic for the FFA to expect the University to increase its contribution to health care by more than $5,500 per year, per faculty member. The University has been forced to increase tuition by 33 percent since fiscal year 2002," Armstrong said. "With tuition already comprising 64 percent of the general fund budget, we cannot ask our students to bear such an extraordinary increase in costs when other responsible alternatives are available."

To assist faculty in averting the extraordinarily high cost of MESSA health insurance, the University has offered the FFA the opportunity to participate in both the Blue Cross/Blue Shield Community Blue Plan and the Priority Health HMO Plan in which other campus groups now participate, including the president, vice presidents and 580 other University staff.

Armstrong observed, "It is no surprise that many faculty have inquired about alternative health plans made available to other campus groups during recent months. The Community Blue and Priority Health programs offer excellent benefits that other members of the University community have embraced and would cost the University and the faculty thousands of dollars less per year than MESSA." The annual employee contribution of $5,556 for MESSA would be reduced to $2,826 if the faculty member who desires family coverage were to select the BCBS Community Blue 1, a savings of $2,720 (49 percent). For a single person, the annual employee contribution for MESSA is also $5,556. If that faculty member selects BCBS Community Blue 1, his/her contribution would be reduced to $713, a savings of $4,843 (87 percent). Substantial savings are also available with the other options.

With the State of Michigan's declining support of postsecondary education and increases in retirement (MPSERS), utilities and other costs, Armstrong said the current financial environment is indeed challenging. "State funding has been stagnant or reduced so that Ferris' state appropriation is more than $6 million lower than it was in FY 2002. Current discussions in Lansing suggest a modest funding increase of less than two percent for FY 2007."

She noted that at the same time, mandated retirement costs have risen steadily with the projected increase in costs for FY 2007 of $1.2 million resulting in an actual cut in the total funds expected from Lansing in the coming year. Utility costs also continued to escalate, by a total of $1.1 million during the past five years with a projected increase of another $800,000 for FY 2007, she said.

Armstrong said to offset state funding reductions, new state mandates and other increased expenses, the University has had to make significant budgetary adjustments to maintain its focus on and support for academic programs.

In spite of the challenges presented by declines in state support and increased competition for its limited resources, Armstrong emphasized that the University is sensitive to the concerns of its faculty and will strive to find responsible solutions to issues raised in the course of negotiations, noting that "in doing so, the enrollment, financial stability and strength of academic programs that the University has achieved during recent years must be preserved. We must find an appropriate balance between the interests of all the University's students, faculty and staff."

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