

President's Memorandum to Faculty and Staff

Office of the President
August 25, 2006

As negotiations between the Ferris Faculty Association and the Ferris State University bargaining teams continue into the weekend, I feel strongly the need to share these thoughts with the Ferris campus community. Both as President and as a member of the University Steering Committee, I am closely involved with these proceedings and have been encouraged by the recent progress achieved. The Board of Trustees and I understand that much work remains to be done and that the key issue concerns compensation, specifically the cost of health insurance and salary increases.

Ferris State University depends on the work of a strong and dedicated faculty. This is central to our mission. As a learning-centered institution, offering students the opportunity to learn and improve their lives is why we are here. We are truly fortunate to have a wonderful faculty, whose work both in and outside the classroom makes a tremendous difference for our students at Ferris. The Board of Trustees and I are committed to providing a compensation package that will attract and retain excellent faculty. Important as those considerations are to us and to the University, as leaders we have an obligation to balance faculty interests with the reduced resources we receive from the state, the financial resources of our students and their families, and the needs of other employee groups.

It has been asserted that the University has reserve funds that could be used to meet the compensation demands of the faculty. During recent years, the University has experienced significant increases in expenses for state-mandated retirement programs, energy, minimum wages and student financial aid. The Administration and the Board would be remiss if through careful management they did not maintain reserves to meet both scheduled expenses and unanticipated costs given the continued pattern of reduced funding from Lansing. Further, these funds are “one-time dollars” – once spent, they do not replenish on an annual basis. Even if it was possible to direct a portion of these funds to compensation, such a move would represent merely a temporary fix that would need to be supported in subsequent years by extraordinary increases in the state appropriation to the University, exorbitant tuition increases paid by students and their families, or additional sacrifices by other employee groups. Because Ferris operates in a state economy that has been racked by the decimation of its manufacturing industries with the resulting attrition of jobs and decline of tax revenues, neither of the first two options is likely. The third option is simply not acceptable if the University is to keep faith with all of its employees.

The problem to solve is how to reach an agreement that improves faculty compensation without jeopardizing the economic health of the University, or the

affordability of a Ferris education. The University team has proposed a change in health insurance coverage that would immediately and significantly increase the University contribution to health care. This would reduce out-of-pocket costs for faculty to an amount similar to those of other employee groups at Ferris. For a faculty member earning \$50,000 this would decrease healthcare premiums by \$3,438 – an amount equivalent to a 6.8% salary increase.

Beyond this, the University has offered an annual increase of 2% for this year followed by 2.5% increases for the next four years. These across the board salary increases would be accompanied by an additional \$300,000 of supplemental market adjustment, adding another .9 % increase to the overall salary proposal. The proposed increases compare very favorably with those awarded to other employee groups on campus as well as with other faculty bargaining groups at Michigan public universities.

I urge both parties to continue to seek common ground so the important work of this faculty and of the University can begin as scheduled on Monday.

Sincerely,

David L. Eisler
President