

# AAUP

# NEWS



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## CFO Simpson briefs Faculty Senate on budget process; says next year's process will be more participatory

Cincinnati State's Chief Fiscal Officer, Sandra Simpson, has met twice in Spring Term with the Faculty Senate to provide information about the process of establishing the College operating budget for Fiscal Year 2006, which begins July 1, 2005.

The AAUP contract states in Article VI (C) (c) that the administration will meet with the Faculty Senate at least three times during the annual budget-development process.

According to the contract, these meetings are to give the Senate opportunities to provide input concerning enrollment projections, tuition, new initiatives, faculty and academic administrative personnel needs, facilities usage, capital equipment needs, and to allow the Senate to discuss the entire budget before it is presented to the Board of Trustees.

Ms. Simpson, along with Accounting Director Bill Quatrone, met with the Senate on April 20. At this meeting, Ms. Simpson said the budget-building process would be the same as the process used a year ago: the President's Executive Team would establish initial assumptions about projected

revenue and expenses; then division and department budget managers would receive their FY2006 budgets, which would be essentially the same as the FY 2005 budgets.

Ms. Simpson's April meeting with the Senate preceded the Board of Trustees April meeting, where the Board members approved a 6 percent increase in tuition, effective in Summer Term.

Ms. Simpson met with the Senate again on May 18 to provide what she called "a little bit more" about the budget process. She said that budgets had been distributed to managers (as reported in the College email *Daily News* on May 6).

Ms. Simpson also told the Senate that during the next two weeks, the President's Executive Team would be meeting with budget managers to discuss projected needs for each area and to discuss any possible reallocation of budget items.

In addition to the tuition increase, the key budget assumptions for FY2006 include:

- projected 4 percent increase in enrollment.

- projected 3.25 percent salary increase for full-time employees not represented by unions.
- no change in compensation for adjunct instructors or student employees.
- projected 18 percent increase in health care costs.
- projected 28 percent increase in utility costs, including rate increases plus the costs of operating the ATLC.
- no changes in other operating costs.

Ms. Simpson told the Senate that the Executive Team was continuing to discuss possible FY2006 increases in student fees associated with the Midwest Culinary Institute and possibly other high-cost programs.

Much of the discussion during both of Ms. Simpson's meetings with the Senate concerned process changes Ms. Simpson hopes will take effect starting in summer.

Ms. Simpson told the Senate that the new College Strategic Plan includes establishing a Budget Advisory Team, which

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# Letters



## To the Editor:

The most important issue in upcoming contract negotiations will be salary. What will be the amount of increase in faculty salaries, and how will this increase be distributed?

Historically, the union has negotiated across-the-board increases of 4 to 4 1/2 percent. This method of increase is most beneficial for the most highly paid members of our unit (usually former administrators or those with the most longevity) and least beneficial for those with the lowest salaries (more recent hires).

Across-the-board percentage increases hurt those with lower salaries in two ways. First, the dollar amounts by which their salaries are increased are lower, thereby increasing the differential between them and those more highly paid.

For example, before the current contract took effect, salaries for the lowest-paid and highest-paid instructors were \$38,924 and \$106,649. Three years later, these same two people are being paid \$43,784 and \$119,291. Their increases were \$4,860 and \$12,648.

Across-the-board percentage increases have a second and even more harmful effect on those who are on the low end of the salary distribution. This system insures that instructors hired at or near the minimum salary level will stay close to the minimums for their first eight years (until the first post-tenure salary "bump") and never rise much above the minimums for the rest of their careers at Cincinnati State.

For example, a person with a master's hired at the end of the last contract for the minimum salary of \$41,011 would today be earning \$46,131--which is the current entry-level salary for those with a master's.

The 2 percent bumps awarded for achieving tenure and for reaching the eight-year service period are not sufficient to appreciably raise this person's salary much above the entry-level minimums.

Across-the-board percentage raises are great for people with high salaries. Unlike in other educational institutions where the rate of growth in salaries decreases as your salary goes up, here there is no such moderating effect.

As a result, at Cincinnati State we have a group of people who make considerably more than their peers at other institutions.

The way this group got in such a good position is that they came into the system at a high salary. Some are former administrators who essentially retained their administrative salaries after returning to faculty status, others were on high steps of the salary schedule in effect in pre-AAUP contract days, and a third group was offered a high starting salary.

The AAUP should be concerned by the fact that the group most favored by the across-the-board percentage raises found in all of the previous contracts is getting smaller, and is already smaller than the disadvantaged group, which is growing.

Twenty-two percent of our faculty earn more than \$75,000

annually. The average annual salary for this group is \$85K.

Thirty-five percent of our bargaining unit has annual salaries of \$55K or less. These people are all in the group severely disadvantaged by across-the-board pay increases.

Only one person hired in the last ten years started at a salary high enough to be advantaged by the across-the-board percentage raise system.

The problem here is not that we have some faculty making twice as much as other faculty in the same disciplines. That's common in academia.

The problem is that, because of our system of percentage increases, when our newer faculty eventually complete 20 or so years of service, they will not be making twice as much as new hires at that time.

The new contract must provide a way for faculty at the low end of salary distribution to increase their salaries at a faster rate than those at the high end.

One simple way to do this would be to have all faculty receive the same dollar amount of increase. At present the average faculty member earns \$63,296. A 4 1/2 percent increase for this person would be \$2,848. This lump sum amount could be given to all faculty members.

For a person earning the current minimum of \$46,131 for a new hire with a master's, this lump sum would be a 6.2 percent increase. For someone earning \$85K, it would be a 3.3 percent increase.

This approach could also be modified by setting rates of increase at different levels based on current salary. For example, increases might be set at 8 percent for a person earning

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\$50K and 2 percent for someone earning \$100K.

For too long, the AAUP and administrations have negotiated a system of pay increases that has widened the gap between the lowest and highest paid in our bargaining unit.

What we have ended up with is a system full of inequities with no opportunities for continuing faculty to rise much above what is paid to new hires.

This system needs to be fixed in the next contract.

Tom Grogan,  
Sciences/Developmental  
Education

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she hopes might be formed in July or August.

Ms. Simpson told the Senate in April that the process for determining the membership of the Budget Advisory Team is still being discussed, but that the AAUP contract language concerning the faculty role in governance will be considered as the Team is formed.

At the May meeting with the Senate, Ms. Simpson said she hoped the Budget Advisory Team would take a significant role in assessing requests for new budget items, and in helping to set budget priorities.

Ms. Simpson told the Senate that during FY2006, she would like to implement a formal budget revision process, with the Budget Advisory Team involved in reviewing requests for budget changes throughout

the year.

Ms. Simpson also said that because the new Strategic Planning process calls for continuous review of all initiatives, she expected the Budget Review Team to have ongoing responsibilities for helping to analyze and assess College income and expenditure data.

Ms. Simpson is scheduled to meet with the Senate again on June 8 for a final update prior to presenting the budget to the Board at its June 28 meeting.

The Senate also is inviting Academic Vice President Posey to meet with the Senate to discuss the academic budgets, including clarifying whether requests for new or replacement faculty positions are being considered during this year's budget process.

## Letters



### To the Editor:

In my Introduction to Psychology classes, I emphasize the importance of knowing psychological terms and using them correctly. Knowing these basics allows students to think like psychologists and to excel in later courses. For example, my students need to distinguish *classical* from *operant* conditioning and the *authoritarian* from the *authoritative* parent. Correct usage is crucial and gets everyone "on the same page."

Obviously, this emphasis on correct terminology is critical in all areas of higher education.

Recently, the administration distributed its explanation of the Fiscal Year 2006 Budget process.

One would be well advised to examine the terminology.

This budget document uses words like *process*, which Webster defines as "gradual changes that lead to a particular result," and *assumptions*, which means "a taking upon oneself."

The budget process documents instruct our administrators to *discuss* and *agree*, words meaning "to argue or consider carefully by presenting the *various* sides," and "to settle by *common* consent."

But, where is the faculty in this process? Admittedly, the budget document says the Faculty Senate will receive an *update* on a few occasions. As a member of the Senate, I've even attended these updates.

The clear connotation--and my experience in the update meetings--is that faculty members are being "left behind."

The word *faculty*, parenthetically, is defined as "the members of a *profession*."

This professional would appreciate having a genuine voice in this administration's budget process!

Another document, our faculty contract, also employs specific terms that are worth looking at closely.

For example, Article VI (C) uses key words in stating, "...the Faculty has a *direct* and *compelling* interest in College issues...." Here *direct* means "effected by the action of the *people* or the electorate and not

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by representatives" and *compelling* refers to a need "to drive or urge with *force*."

In addition, the word *priorities*, used in the contractual phrase, "priorities in the deployment of financial resources" means "taking precedence *logically* or in importance."

The meaning of the contract language is that faculty can, and should, assist in forming a rational response to our College budget concerns.

Another important term in Article VI (C) is *recommendations*, which clearly means "to cause or receive *favorable* attention."

As a member of the Senate who has experienced more than one year's worth of budget *updates*, it's easy to question whether recommendations made by Faculty have ever received anything close to "favorable" attention from the administration.

Finally, the word *participate* (also used in contract Article VI (C)) means "to *share*." That's something we all learned in kindergarten, right?

The bottom line is that faculty have been and continue to be willing and able to participate and make meaningful, useful recommendations concerning College budget priorities. Our

expertise in many budget and finance-related fields, as well as our "in the trenches" experience, gives us a unique perspective on the financial stresses and opportunities facing this institution.

Is it too late for faculty to become real participants in the FY2006 budget process?

And will the promising opportunities that our Chief Fiscal Officer has described to the Senate become realities?

Like many other faculty members, I will be watching carefully to find out what the new budget terminology really means.

Ron Craig, Humanities

## AAUP Chapter Meeting



Tuesday, May 24 • 3:00 p.m. • ATLC Point Room

Agenda: Getting Ready for Contract Negotiations

Stay for the pizza party at 4:00 p.m.

Attend the Board of Trustees meeting at 5:30 p.m.

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