

## STAFF COUNCIL BUDGET PRESENTATION 2006-2007

### PROPOSAL #1

**Staff Council requests merit and base rate increase adjustments be approved for Support Staff in the maximum amount sufficient due to current economic conditions.**

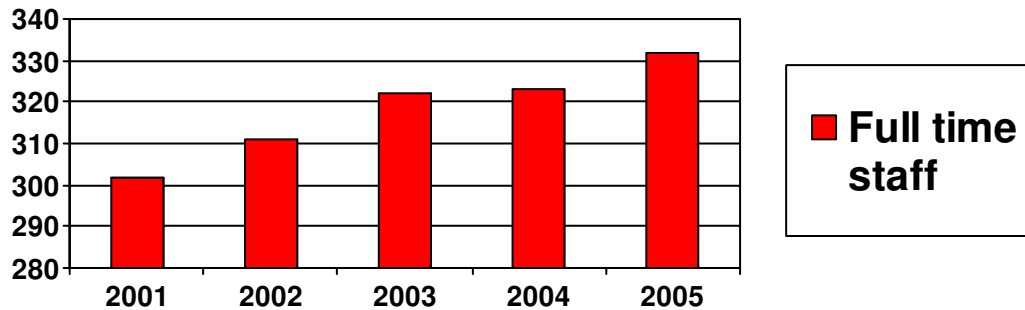
Reasons to provide an increase:

- Increased costs of standard living expenses and trends over time
  - Higher energy prices
  - Slow income growth
- Increased cost of health insurance premiums

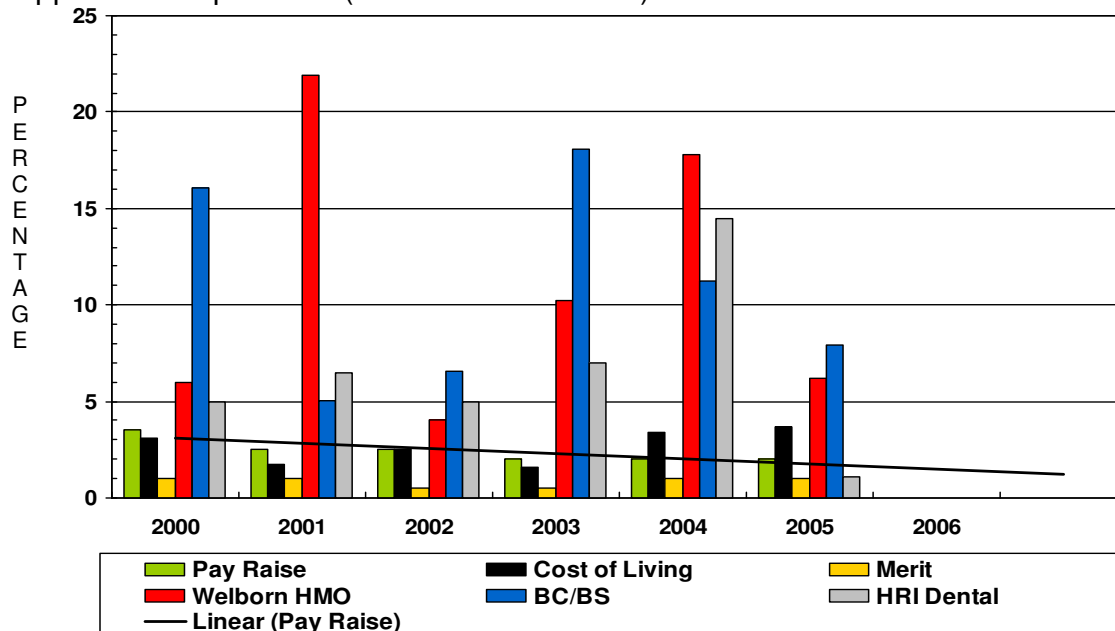
Benefit to USI:

- To retain seasoned employees
- To increase employee motivation for involvement and enhance job satisfaction
- To remain competitive with employers within the area

Support for Proposal #1 (Support staff growth rates)



Support for Proposal #1 (Economic increases)



Costs:

- Staff Council would like to propose that the Budget Committee consider providing a 3% increase across the board with a 1% merit increase for support staff.
  - The total gross wages for benefits eligible support staff, for Fiscal Year 05/06 is approximately \$7,816,725.00.
  - Costs of a 4% increase are as follows:

3% across the board	\$234,502.00
1% merit increase	<u>78,167.00</u>
- Total fiscal impact approximately                      \$312,669.00

**PROPOSAL #2**

**Staff Council requests an increase in shift differential wages for all third shift employees.**

Reasoning:

- Currently, all second and third shift employees receive a \$0.25 per hour shift differential while working the hours between 2:00 p.m. and 6:00 a.m. Of the third shift employees, there are 33 who work the majority of their hours between midnight and 6:00 a.m.

Benefit to USI:

- Increase effective campus security by visibility of third shift employees
- Improve employment and increase retention of third shift employees

Support for Proposal #2:

The Indiana universities who responded to inquiry noted the following wage scale:

- Ball State University:
  - Second shift (2:00 p.m. – 10:00 p.m.) \$0.18 per hour
  - Third shift (10:00 p.m. – 5:00 a.m.) \$0.30 per hour
- IUPUI: Depends upon grade code, ranges from \$0.50 to \$2.00 per hour.
- Purdue University: Flat rate of \$0.45 per hour

## Costs:

Staff Council would like to propose to the Budget Committee an increase in the third shift differential wage, from \$0.25 to either \$0.30 or \$0.35. For 33 current third shift employees, the fiscal impact would be as follows:

- A \$0.05 increase would cost \$3,217.50 per year.  
(Figured at 1,950 hours X 0.05 per hour X 33 employees)
- A \$0.10 increase would cost \$6,435.00 per year.  
(Figured at 1,950 hours X 0.10 per hour X 33 employees)

## **PROPOSAL #3**

**Staff Council re-submits the recommendation that the present support staff retirement program include an official severance pay plan. This plan would be based on years of service to the University, not on unused sick leave.**

Reasoning for severance pay plan for support staff:

- Currently, unused sick pay is the only instrument to reward Support Staff upon official retirement from the University. This payout is computed at 50% of a maximum 90 days unused accumulated sick pay, a maximum of 45 days.
- Employees with no unused sick leave are not given a payout benefit for years of service to the University.

Benefit to USI:

- Corresponding provisions of USI retirement plans with administration and faculty promotes a value of unity among all University personnel.
- Implementing a Support Staff Severance Pay Plan of 1% of an employee's final year's base earnings for each year of service, to a maximum of 25% for 25 or more years of service, would provide an incentive for employees to continue employment in order to qualify upon their official retirement.

Support for Proposal #3:

- Based on thirty-three (33) official support staff employee retirements from August 1996 to January 2006 (a 9.5 year period), the average annual ending wage rate was \$11.97 per hour, or a yearly average of \$23,340.32, with an average length of service of 16.83 years.
- For the 33 retirees, the actual cost of a Support Staff Severance Pay Plan, based only upon 1% of an employee's ending wage at official retirement, multiplied by the length of service (limited to 25 years), the total cost is \$132,362.54, or an average of \$13,932.89 per year for the period August 1996 to January 2006.

- Under the proposed plan, retiring employees would have received severance payments ranging from \$1,665.30 to \$10,249.20, depending upon the years of service to the University.
- The total actual cost of paying out sick time for the 33 retirees, at one half of unused sick leave (a maximum of 45 days), was \$45,696.43, or an average of \$4,810.15 per year for the period August 1996 to January 2006.

**In the interim of a Severance Pay Plan, Staff Council proposes to amend the unused sick leave policy by authorizing an increase of the current 45 day maximum payout of an employee's accumulated sick pay to 65 days.**

- The Staff Council interim proposal to increase the maximum sick time payout to 65 days (still maintaining the 50% rule) would have resulted in a total expenditure for the 9.5 year period of \$59,248.50, or an expenditure of \$6,236.68 per year.
- Since August 1996, only three (3) retirees qualified for payouts beyond the 45-day maximum limit, totaling an additional \$6,763.26.

**PROPOSAL #4**

**Staff Council would like to re-submit a request offering short term disability insurance. Employees covered under the present long-term disability policy have no insurance coverage during the first six months of disability.**

Benefit to USI:

A survey completed by the Benefits Review Committee indicated that the employees were most interested in vision insurance, and secondly in short-term disability insurance.

- Vision insurance is now offered to employees as of January 1, 2006

Staff Council would like to propose short term disability insurance be reviewed during the next budget year.

- Research of available affordable insurance has been conducted by Human Resources. Cost to the university is limited to administration and payroll deduction implementation procedures.
- There is no cost to the University to contribute or share in the purchase of any additional disability insurance. The only cost is to the employee who will pay the full cost for the short-term disability insurance premium.

ATTACHMENT:

Support for Proposal #1

