

**Comparison of EMU's Best and Final Offer Presented
September 5, 2006 at 9:45 pm to
AAUP's Counter-Proposal Presented September 5, 2006 at 10:00 pm**

EMU's Economic Proposal

Compensation:

EMU's proposed compensation package, including base salary, additional earnings and benefits, is highly competitive—a necessary effort in attracting and retaining outstanding faculty. The reality is that balancing EMU's operating revenue and expenses equation has become much more challenging during the past several years leading to the compensation package outlined below.

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Salary increase	3.0%	3.0%	3.0%	3.0%	3.0%
TIAA-CREF contribution	10.00%	10.25%	10.50%	10.75%	11.00%
CE overload pay per credit hour	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300

Healthcare Program Design:

EMU offered the AAUP the choice of four medical and prescription drug programs as shown below. Three options (Traditional, Care Choices HMO, and BCBS PPO Option 2) were virtually unchanged from current levels with the exception of prescription drug coverage. The fourth option (BCBS PPO Option 1) was introduced as a new option for faculty with no premium.

The proposed prescription drug co-pay designs were altered from current \$10 generic/\$20 brand name to \$10 generic/\$20 brand name formulary/\$30 brand name formulary. Proposed prescription drug coverage for BCBS Traditional plan was altered from current deductible/90% reimbursement of retail to \$10 generic/\$20 brand name formulary/\$30 brand name formulary. Proposed prescription drug coverage for the Care Choices HMO was altered from current \$10 co-pay to \$15 generic/\$25 brand name.

Premium Contributions:

The premium contributions for single, two-person or family coverage under the four plan options are as follows:

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
BCBS PPO Option 1 annual premium	\$0	\$0	\$0	\$0	\$0
BCBS PPO Option 2 premium	\$73 mo. or \$875 yr.	\$80 mo. or \$954 yr.	\$87 mo. or \$1,049 yr.	\$96 mo. or \$1,154 yr.	\$106 mo. or \$1,269 yr.
BCBS Traditional premium*	\$100 mo. or \$1,200 yr.	\$109 mo. or \$1,308 yr.	\$120 mo. or \$1,439 yr.	\$132 mo. or \$1,583 yr.	\$145 mo. or \$1,741 yr.
Care Choices HMO premium*	\$100 mo. or \$1,200 yr.	\$109 mo. or \$1,308 yr.	\$120 mo. or \$1,439 yr.	\$132 mo. or \$1,583 yr.	\$145 mo. or \$1,741 yr.

*Faculty who choose to move during a Fall Open Enrollment period to the BCBS PPO Option 1 or 2 from the BCBS Traditional or Care Choices HMO, and who have not previously had \$1,000 added to their base for converting to a BCBS PPO plan, will have \$1,000 added to their base salary.

Faculty utilizing the University's flexible spending account will incur no administrative fee cost and no cost to the debit card benefit.

Healthcare Analysis:

The proposed medical and prescription drug benefit programs are consistent with mainstream employers, both public and private, in Michigan. The total medical and prescription drug benefit programs are very rich, competitive packages and include a new premium-free, lower cost option for faculty.

Retirement Benefits:

The University proposed a voluntary phased retirement plan that allows faculty who are either 55 years of age with at least 15 years of full-time service to EMU or at least 60 years of age with at least 10 years of service to EMU, to reduce their teaching load to one-half time for up to two years. Contribution to retirement plans will continue based on actual earnings with the full fringe benefit package provided as for other full-time faculty. Supplemental costs for retirees in the HMO was also increased to \$120 per month and Medicare Part D included. The University also proposed to increase its TIAA-CREF contributions by .25% each year from 2007-2008 through 2010-2011, from 10% to 11%.

EMU's Noneconomic Proposals

EMU has expanded the scope and membership of the Academic Affairs Educational Environment and Facilities Planning Committee on which the faculty will have six of the twelve seats.

EMU proposes a process to create joint appointments that confer status in more than one department or college to facilitate interdisciplinary programming. Faculty on joint appointments will be considered full-time in more than one academic unit.

EMU proposes to make the Graduate Council a formal faculty input body to the Dean of Graduate Studies.

AAUP's Economic Proposal

	2006-07	2007-08	2008-09
<i>Compensation:</i>			
Salary increase	\$250 + 4%	\$150 + 3.75%	\$125 + 4%
Salary differential pool			.5%
TIAA-CREF contribution	10.50%	11.0%	11.0%
CE overload pay per credit hour	\$1,500	\$2,000	10% of base salary
<i>Healthcare costs:</i>			
BCBS PPO Option 1 monthly/annual premium	\$0	\$0	\$0
BCBS PPO Option 2 premium	\$20.83 mo. or \$250 yr.	\$33.33 mo. Or \$400 yr.	\$43.75 mo. or \$525 yr.
BCBS Traditional premium	\$83.33 mo. or \$1,000 yr.	\$91.67 mo. or \$1,100 yr.	\$100.83 mo. or \$1,210 yr.
Care Choices HMO premium	\$83.33 mo. or \$1,000 yr.	\$109 mo. or \$1,308 yr.	\$119.92 mo. or \$1,439 yr.

Prescription Drug Plan:

For Care Choices HMO, AAUP proposes to increase the drug co-pay to \$15/\$25 starting in 2007. The BCBS Traditional prescription drug co-pay is proposed to change to \$10/\$20 co-pay in 2007 and 2008 and to \$10/\$20/\$30 in 2009. In the current BCBS PPO increase doctor co-pay to \$15 starting in 2007 and the prescription drug co-pay to \$10/\$20/\$30 in 2009.

Other economic proposals include:

- the amount of promotion increment increases every year
- increases in substitution pay to \$100 per contact hour
- increase in full-year sabbatical compensation to 2/3 of base salary