The Financial Implications of the Current Bargaining Positions

To provide context, here are the financial implications of the University's current proposal:

- The five-year cost of the University's current offer to the FFA will require an additional outlay of salary and healthcare contributions totaling over $28 million.

- Salary increases of 2.25%, in years one, two and three, and 2.50%, in years four and five will require a cumulative investment of nearly $16 million over the five years.

- Health contribution increases will require a five-year outlay of $4.3 million. Under this proposal, the University's contributions to healthcare increase in year one to reach the state's hard cap maximum. These would be the increased benefits to employees insured under the FFA's insurance plan:

    - Family coverage (54.2% of those covered) - $1,170 increase per member paid by the University
    - Dual coverage (23.2% of those covered) - $1,159 increase per member paid by the University
    - Single coverage (22.5% of those covered) - $423 increase per member paid by the University

- Promotion/Merit/Equity will require a five-year outlay of $3.3 million, which equates to a .53% additional salary increase each year.

- Social security and retirement payments for these increased salary amounts will require $4.6 million.

- Under this plan the current average faculty salary of $92,010 would increase to $103,341 under the University's proposal for the across-the-board increase alone, not including the opportunity for promotion/merit/equity adjustments, which continue.

Additionally, under our current proposal:

- The University is willing to increase ancillary medical benefits by up to 3% each year (dental, vision, etc.).

- The University is willing to increase overload pay in year four of the contract to $90 and in year five to $95. Accepting this change increases the overload rate by 11.8% over the final two years of this offer.

- The University is willing to agree to change the benefit plan year to Jan. 1. The change will require significant administrative effort to effect, doubling the annual employee open enrollment activity.

The financial implications of the FFA's current proposal:

- The FFA's proposal includes a 2.75% across-the-board salary increase per year, plus the .76% for Supplemental Market Adjustments, plus an additional .5% for annual promotion and merit adjustments.

- These items are equivalent of a 4% increase annually for three years.

Additional information is available in the document entitled "Contract Proposal Facts and Figures."

Allegation

"Whereas, President Eisler, in addition to his salary, has continued to accept more than $100,000 in salary bonuses and benefits and more than $103,000 in overtime pay, while dishonestly claiming that wage increases and health benefits requested by the faculty in the current negotiations would burden the university and raise student tuition and financial debt."

The Facts

- Despite considerable efforts by many people, enrollment has and is declining.

- This is best and most unequivocally documented in the tuition revenue the University receives.

    - In 2017-18, the University received $153,104,277 in tuition revenue.
    - The preliminary 2018-19 budget was based on projected tuition revenue of $152,681,989.
    - Based on fall receipts the tuition revenue for the final 2018-19 budget has been reduced to $150,866,748.
    - After a 3.8% increase in tuition, this is a decline in tuition revenue for 2018-19 of $2,207,529 from last year.

- Significant reductions in the university budget have already been made. For this year reductions of $7,289,683 from last year's budget. Over the past three years, $15,861,092 has been cut from the budget. Last year, 49 positions were eliminated at the university.

- There are two main sources of revenue for the University's educational efforts, tuition and state support. Tuition increases are capped by the state. This year we raised tuition to the capped limit, and with this year's enrollment results, tuition revenue is down. This year's state support increase to higher education was 2%.

- The University's current proposal will require reductions to implement. The FFA's proposal will require one and/or two actions –
    - Raise tuition beyond the state mandated cap, passing this burden on to students through higher tuition. This the university will not do as it will result in sanctions and financial penalties from the State (no increase in state support for the year) and remove the university from capital outlay consideration.
    - Budget reductions beyond what is already needed based on fall enrollment.

- The Board of Trustees has addressed the President's compensation in their Open Letter to the FSU Community.