

Appendix A to December 9, 2002 AFC Meeting Minutes



ASSOCIATE VICE PRESIDENT FOR PLANNING & BUDGET
Whitehurst 408, Extension 5971

MEMORANDUM

Dean & Director
Division of Agriculture

MAY 08 1990

To: Dr. Joseph Alexander
Dr. Charles Browning ✓
Dr. Norman Durham
Dr. Smith Holt
Dr. Edward Johnson
Dr. Kenneth King
Dr. Patricia Knaub
Dr. Karl Reid
Dr. Robert Sandmeyer

From: Chris A. Jackson

Date: May 7, 1990

Subject: Faculty Conversion to 9- and 11-Month Options - Revisions

Since our earlier correspondence to you late last week, a few problems and questions have arisen that cause us to pause in the process and reevaluate earlier decisions. Some of these problems have been resolved, while others have not.

The first major change is in the standard employment date for 10-month faculty members. Rather than change the dates for a 10-month option to August 1 - May 31 and upset the pay schedules of faculty who wish to remain on the 10-months, the 10-month option pay dates will remain as they are now, September 1 - June 30. This change was made at the request of Dr. John Thornton, Chairman of Faculty Council, and college offices.

The second change is to establish two pay dates for 9-month employees. One for new faculty joining the University for the first time and the second for continuing faculty. This change was made at the request of the college research directors. According to this group many federal contracts have July 1 as their starting date. Two months' summer funding could be more easily accommodated if the 9-month option had a beginning date of September 1 rather than August 15. To insure proper insurance coverage for new faculty from the first date of their appointment and payroll records, August 15 - May 15 will be used for their first year only.

Coinciding with these two changes is a revision to reappointment/promotion dates as noted in Question #14 of the attached Questions and Answers. This change was made by the Office of the Vice President for Academic Affairs and Research to limit the confusion regarding reappointment/promotion and pay dates.

The major question awaiting an answer is whether the University will be able to pay faculty members who have selected the 9-month option one-tenth (1/10) for summer teaching and E & G supported summer research and one-ninth (1/9) for summer externally


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supported research. While this question has implied budget and "paper-processing" problems, we are more interested in the "legality" of this question in the eyes of OSU's federal auditor for sponsored contracts and grants. Contract has been made with the University's federal auditors and we expect an answer early next week. You will be notified as soon as a decision has been reached.

In light of these changes we have issued a revised Questions and Answers. Two copies are provided, one noting the changes for your reference and a "clean" copy. One new question has been added as well, question #24. These copies are forwarded to you for your information. How you wish to communicate this information to your faculty is in your capable hands.

Dr. John Thornton will be sending a letter to all faculty in your college this week. A copy of this letter is attached. Please note that his letter gives faculty until May 21, 1990 to make a final decision and file the appropriate card with your office. Dr. Thornton wanted to extend the deadline given by the Deans to provide additional time for faculty decisions. (Since the FY91 budget is unknown at this time and the Budget Development System (BDS) will be available for use much longer than originally anticipated, I believe that this new deadline is acceptable from a BDS point of view; however, this delay may cause you some problems within your college.) If you have any questions, please do not hesitate to contact me.

In closing, I wish to express my "Thank You!" to you and your staffs for working with the Offices of the Vice President for Academic Affairs and Research, Personnel Services and Planning and Budget to implement the 9- and 11-month options in a timely manner. We are very cognizant of the time constraints placed upon you and, as noted before, stand ready to assist you in this process as you deem necessary. Thank you.



Chris A. Jackson
Associate Vice President
for Planning and Budget

CAJ:c
Enclosure

c: Dr. Patrick Dorr
Dr. Russell Wright
Dr. John Thornton
Dr. Cindy Ross
Ann Carlson
Allan Shryock
College Fiscal Officers

The attached summary was designed as a handout for continuing faculty only; therefore, this attachment presents 9-month information for continuing faculty only. It does not present information for the initial year's payroll period for new faculty on the 9-month option.



Oklahoma State University

STILLWATER, OKLAHOMA 74078

THE FACULTY COUNCIL

May 7, 1990

MEMORANDUM

TO: OSU Faculty

FROM: John Thornton, Chair *John Thornton*

SUBJECT: Changes in Appointment and Pay Periods

Recently many of you have received information, via your dean's office, regarding an opportunity to change your appointment and pay period. Several have indicated to me that they found some of the information confusing and a number feel that more time is needed before they can make a wise, informed decision on this matter. Furthermore, in response to concerns raised by faculty, some features of the program have been modified and as a consequence some of the information you have received may not be current. Through the following set of questions and answers I hope to provide you with up-to-date and accurate information upon which you can make a decision.

1. WHAT IS THE PURPOSE OF THE CONVERSION PLAN?

The rationale for the proposal and some illustrative examples were given in the Faculty Council minutes of November 14, 1989. Some changes were made in the proposed plan at the February 13, 1990 Faculty Council meeting and are reflected in the minutes of that meeting. Fundamentally, the Faculty Council recommended that the faculty be given an opportunity to convert their 10 month appointments to 9 months and their 12 month appointments to 11 months, so that those who might be able to secure outside grants and contracts during the summer period could receive the increased salary which is possible under such reduced appointments. This increase is possible primarily due to the fact that the time during the summer when a faculty member would be free to work on an outside grant or contract would be increased by one month. This additional month of salary would, of course, come at the expense of giving up the annual leave or vacation period. Furthermore, it was believed that the increased monthly salary rate associated with the conversion would provide additional salary enhancement during the summer period for those with outside funding.

2. ARE ALL FACULTY REQUIRED TO CONVERT TO THE NEW PLAN?

No. The Faculty Council and administration have agreed that continuing faculty should be given the choice of converting to the new plan or remaining on the old one. New faculty will, however, generally be required to enter under the new plan.



3. ARE THE STARTING AND ENDING DATES OF ALL FACULTY GOING TO BE ADJUSTED AS PART OF THE CONVERSION PLAN?

No. This feature has been modified since the information was sent to you by the deans. To eliminate disruption to those who wish to remain on the old plan and those who already have outside support arranged for this August, the following standard employment periods will apply.

Appointment Option

9 months
10 months
11 months
12 months

Employment Period

September 1 to May 31
September 1 to June 30
July 1 to May 31
July 1 to June 30

For newly hired 9 month faculty on a continuing appointment, the first year employment dates may be August 15 to May 14 for their first year only.

4. IF I AM EMPLOYED DURING THE SUMMER, WHAT WILL MY MONTHLY SUMMER SALARY RATE BE?

For the summer of 1990, the policies governing summer employment and pay will be the same as in previous years. That is, those currently on 10 month appointments will be eligible to work 2 additional months during the summer at a monthly rate of 1/10 their total academic year salary, regardless of whether they elect to convert to 9 months or remain on 10 months. Those currently on 12 month appointments will not be eligible to receive any additional employment at the university during the summer of 1990, even if they convert to 11 months.

For the summer of 1991 and beyond, new policies governing summer employment by the University will be adopted; details of these policies have yet to be determined.

5. IF I WILL BE ON A 9, 10, OR 11 MONTH APPOINTMENT, CAN I ARRANGE TO HAVE MY PAY FOR THAT APPOINTMENT PERIOD DISTRIBUTED EQUALLY OVER 12 MONTHS?

Yes.

6. WHAT IS THE DEADLINE FOR RETURNING THE SIGN-UP CARD INDICATING MY PREFERENCES ON THESE MATTERS?

May 21, 1990. If you feel you need additional time to make a choice, the fiscal officers in some colleges may be willing to give you an extension of this deadline.

7. IF I AM NOT SURE IF I WANT TO CONVERT TO A REDUCED EMPLOYMENT PERIOD, CAN I DELAY MY DECISION UNTIL NEXT YEAR?

Yes. As long as you stay on the 10 or 12 month plan, you will be given an opportunity each spring to convert to the reduced plan. You should, however, return your sign up card indicating you wish to remain with your current appointment and

payment period. If you convert to the reduced plan, that conversion is irrevocable for three years. Please note that you are not able to obtain any salary benefits from the conversion until the summer following the summer you elect to convert.

8. WHAT FACTORS SHOULD I CONSIDER IN MAKING THE CHOICE ON MY EMPLOYMENT/PAYMENT PLAN?

- A. The value you place on accruing annual leave. Such leave may be taken, with the approval of the unit administrator, during spring and fall break, between semesters, and in May as well as during the customary vacation month of June. Annual leave is accrued on 10 and 12 month appointments plans but not on the 9 or 11 month plans. Before signing up for the 9 or 11 month plans you might wish to ask your unit administrator what arrangements, if any, he/she would be willing to make for you to take some time off during your appointment period.
- B. The probability that you will be able to secure summer employment. If you are rather certain that you will not be able to secure or do not wish to try to secure summer employment, you may wish to give very careful consideration to having your academic year pay distributed equally over twelve months. Conversely, if you can secure summer employment through outside grants or contracts, the 9 and 11 month options provide you with an opportunity to increase your annual income. If you do select the 9 or 11 month option, you may still want to elect to take that compensation over 12 months to insure that you have a regular income throughout the year, even when summer employment does not materialize.
- C. For those of you who are good financial managers, you will also want to remember that the 9 and 11 month options allow you to get your pay at an accelerated pace.

9. IF I HAVE ALREADY TURNED IN MY SIGN-UP CARD AND ON THE BASIS OF NEW INFORMATION WISH TO CHANGE MY CHOICES, CAN I DO SO?

Yes. Ask your dean's office to destroy your old card and issue you a new one. Fill it out and return it by the May 21 deadline.

COPY WITH REVISIONS NOTED

Questions with revised answers are noted by an asterick (*) next to the question number.

OKLAHOMA STATE UNIVERSITY NINE- AND ELEVEN-MONTH FACULTY OPTIONS

Questions and Answers

The following is a list of common questions and answers compiled by the Offices of the Vice President for Academic Affairs and Research, Planning and Budget and Personnel Services regarding the nine- and eleven-month faculty options approved by the University's Board of Regents on Friday, April 13, 1990.

A subcommittee of the Dean's Council has been formed to review and provide recommendations regarding the conditions, circumstances, etc. under which an extra month of compensation may be granted. These recommendations to the Vice President for Academic Affairs and Research are expected later this summer.

ACADEMIC QUESTIONS

1. WHO IS ELIGIBLE TO CONVERT TO THE 9- OR 11-MONTH OPTIONS?

The election to convert from 10- or 12-month options to 9- and 11-month options respectively is only available to OSU employees with faculty titles whose primary function is not administrative in nature. The availability of the 11-month option for academic administrators will be given further consideration with a decision made by April 30, 1991. The conversion option is not limited to tenured or tenure-track faculty; rather, the group includes lecturers, research and teaching associates and employees with adjunct and visiting faculty titles. Specific questions regarding specific employees with split faculty/administrative appointments should be directed to the appropriate college dean's office.

2. WHEN IS THE CONVERSION OPTION AVAILABLE?

The conversion option is available July 1, 1990. The effective date of the conversion is tied to the beginning date of the 1990-91 standard academic year option for each faculty member.

3. WHAT ARE THE STANDARD EMPLOYMENT DATES FOR BUDGETARY PURPOSES?

| | | | |
|--|-------------|---|---------|
| Nine-Month (New Faculty - 1st Yr Only) | August 15 | - | May 14* |
| Nine-Month (Continuing Faculty) | September 1 | - | May 31 |
| Ten-Month | September 1 | - | June 30 |
| Eleven-Month | July 1 | - | May 31 |
| Twelve-Month | July 1 | - | June 30 |

*May's payroll check is received at the end of the month.

4. IS THE DECISION TO CONVERT MANDATORY OR VOLUNTARY?

For faculty currently employed by OSU, the decision is voluntary.

5. WHAT OPTIONS ARE AVAILABLE TO CURRENT 10- AND 12-MONTH FACULTY?

Ten-month faculty may a) remain on 10-months or b) convert to 9-months. Twelve-month faculty may a) remain on 12-months or b) convert to 11-months. These are the only options available at the present time.

6. IF I AM ON A 10-MONTH OR 12-MONTH OPTION AND I ELECT TO REMAIN ON THIS OPTION, MUST I MAKE AN IRREVOCABLE DECISION IN THREE YEARS?

No. Your option "time clock" will not begin until you elect a 9- or 11-month option.

7. IF I ELECT 9- OR 11-MONTHS, MAY I REVERSE MY DECISION LATER?

Yes. Each faculty member who converts to 9- or 11-months will have the option to reverse the decision after three years. The decision to continue on 9- or 11-months or revert to 10- or 12-months will be only a one-time opportunity. The decision at that time will be final and the faculty member will not be able to change again.

8. WHAT OPTIONS ARE AVAILABLE TO NEW FACULTY EMPLOYED BY OSU?

New faculty will be hired only under the 9- or 11-month options. (Colleges may honor offers to new faculty that have been extended already.)

* 9. WILL I EARN ANNUAL LEAVE UNDER EACH OF THE OPTIONS?

The answer depends upon the option you choose. Annual leave is earned under only the 10- and 12-month options since the 10th or 12th month, respectively, is considered to be the "vacation" month. No annual leave is earned under 9- and 11-month options.

* 10. ARE FACULTY MEMBERS ON 9-AND 11-MONTH OPTIONS EXPECTED TO BE WORKING DURING THE PERIODS OF TIME WHEN CLASS IS NOT IN SESSION BUT THE UNIVERSITY IS OPEN?

Yes. Such faculty accrue no annual leave time. Similarly, those faculty choosing to remain on 10- or 12-month options are expected to be at work during these times unless they are on approved annual leave which is part of their total 22-day accrual. The Faculty Council's Recommendation for Change in Faculty Appointment Periods states,

Although the faculty member should generally be "on-the-job" during the appointment period, it is recognized that the timing of actual work is a function of the faculty members particular work assignment. Therefore, when a faculty member (on a nine-month appointment) could be absent would be worked out with his/her unit administrator.

* 11. IF I CHOOSE AN 11-MONTH OPTION BUT MY UNIVERSITY RESPONSIBILITIES REQUIRE THAT I PROVIDE SOME SERVICE DURING EVERY MONTH OF THE YEAR, HOW SHOULD WORK LOAD BE SCHEDULED?

The University is aware some departments have responsibilities requiring service during every month of the year and to have all faculty unavailable during the month of June is not feasible. (A primary example is the Library.) The dean may use his/her discretion to provide flexible working schedules to accommodate the conditions of the new 11-month option and programming/work requirements of the unit. (Please note the Faculty Council's comment in Question #10 above.

12. IF 9- OR 11-MONTH FACULTY MUST BE ABSENT FOR PERSONAL REASONS, MAY OTHER ARRANGEMENTS BE MADE TO "MAKE UP" THIS TIME?

Yes. This time should be mutually agreeable time arrived at by the department head and the faculty. A work period agreement may extend slightly beyond a payroll ending date for these reasons.

13. WILL I EARN SICK LEAVE UNDER EACH OF THE OPTIONS?

Yes. The Faculty Council will be proposing a sick leave policy for all faculty.

* 14. DOES MY ELECTION TO CONVERT MY APPOINTMENT TO A 9- OR 11-MONTH OPTION AFFECT MY REAPPOINTMENT/PROMOTION DATE?

For those faculty on 10- and 12-month options, the reappointment/promotion dates will remain the same, September 1 - June 30 and July 1 - June 30 respectively. Ten-month faculty who teach during the summer session will work the months of June and July, but will continue to be paid the months of July and August.

New faculty on 9-month option will have a starting date of August 15 and an ending date of mid-May of the appropriate year for their first year only. (The May date will vary a few days by year.) For second and each subsequent years, 9-month faculty appointment dates will be September 1 - May 31. Example: A new Assistant Professor on the 9-month option -- Appointment begins August 15, 1990 through May 31, 1994. Nine-month faculty teaching summer school will work the months of June and July and be paid the months of July and August.

Faculty on the 11-month option will have a starting date of July 1 and an ending date of May 31 of the appropriate year. Example: A new assistant professor on the 11-month option -- Appointment begins July 1, 1990 through May 31, 1994.

* 15. DOES THE DEAN HAVE THE AUTHORITY TO APPROVE THE FACULTY MEMBER'S PROFESSIONAL ACTIVITIES DURING THE PERIOD OF NO UNIVERSITY SALARY SUPPORT (FOR FACULTY ON 9- OR 11-MONTH OPTIONS ONLY)?

Yes. Should the faculty member's proposed activities constitute a conflict of interest, the dean has the obligation to deny approval of those activities. Please refer to OSU Policies and Procedures' "Guidelines to Govern Overload Assignments, Outside Professional Activities, and Other Outside Activities of Faculty Members," Section 2-0111.7, for further information.

- * 16. BEFORE THE DECISION WAS MADE TO ALLOW 9- AND 10-MONTH OPTIONS, I MADE ARRANGEMENTS TO RECEIVE 2-MONTHS' SUMMER RESEARCH SALARY SUPPORT THIS SUMMER. WILL I BE ABLE TO RECEIVE THIS SUPPORT AS I HAD PLANNED THIS SUMMER?

The summer of 1990 is a one-time transitional period. If you were on a 10-month option and wish to convert to a 9-month one, you may receive two-months' summer support as you previously planned between July 1 and August 31, 1990.

If you are on a 10-month option and will remain on a 10-month option in 1990-91, you may receive two month's summer support as you previously planned between July 1 and August 31, 1990.

All summer salary support will be paid during the summer of 1990 based on 1/10 of your 10-month salary.

PAYROLL QUESTIONS

17. WHAT PAYROLL OPTIONS ARE AVAILABLE TO ME TO RECEIVE MY SALARY?

All faculty members on 9-, 10-, or 11-month options may elect to have their salary paid to them over a) the option period or b) twelve (12) months. Current faculty members must make their annual payroll election prior to July 1 of each fiscal year. Each college office has the form to complete this payroll choice.

New faculty employees will also have the option to have their salary paid over a) the option period or b) twelve (12) months if they complete Payroll Signup prior to the beginning date of their option period and if they are employed by OSU for the full option period. Faculty hired after the beginning dates of the various options must be paid over their option period only for the first year.

18. I PARTICIPATE IN OSU'S FLEXIBLE BENEFITS PROGRAM. IF I CONVERT MY OPTION, WILL MY FLEXIBLE BENEFITS DEDUCTION BE AFFECTED?

During enrollment, you specify the total amount and the number of pay periods. At the time of re-enrollment for 1991, you would make the appropriate adjustment. Since the basic 9-month option is paid over 10-months (partial payments in the first and last months), the flexible benefits deductions will be the same for both the 9- and 10-month contracts (10 payments). Since 11-month option results in 11 pay checks, an adjustment would need to be made during the enrollment process. There is no adjustment required for faculty remaining on the 12-month option.

Faculty currently on a 10-month option who enrolled in Flexible Benefit for 1990 may have anticipated only 10 paychecks. With the change in option periods, an additional check, not previously anticipated, may be received for August. If such is the case, faculty so affected may elect to not have one month's contributions taken (during the month of December). Eligible faculty will be notified of this option in the fall.

19. WILL THE DECISION TO CONVERT TO A 9- OR 11-MONTH OPTION AFFECT MY FEDERAL AND STATE WITHHOLDING?

The actual contract amount you receive with a 9- or 11-month option will be the same as you receive with a 10- or 12-month option; only paid differently. The 11-month option is paid over fewer periods (eleven months instead of twelve), while the 9-month option is paid over ten periods with a partial payment in the first and tenth month. Since your monthly pay is greater in order to receive the same gross pay in a shorter time period, your federal and state income tax withholding will generally increase. Income tax withholding is dependent upon an individual's selection of withholding exemptions, flexible benefits, TIAA/CREF, and other reductions and deductions, etc.

For 9-month options, this increase is partially offset by the partial payments in August and May, which, between the two partial months, may have less income tax withheld than a normal 10-month payment. Income tax withholding is dependent upon an individual's selection of withholding exemptions, flexible benefits, TIAA/CREF, and other reductions and deductions, etc.

In either case, the amount of withholding does not affect your total tax liability.

20. IF I DECIDE TO RETIRE OR RESIGN FROM THE UNIVERSITY PRIOR TO THE ENDING DATE OF MY OPTION AND I HAVE ELECTED TO BE PAID OVER TWELVE MONTHS, HOW WILL I RECEIVE MY FINAL PAYCHECK?

If Payroll is notified of your resignation prior to the Employment Action cutoff date for your final month of employment, any deferred salary you have will be paid to you as part of your final paycheck. If the amount of the deferred salary is large and would create a significant tax impact, Payroll will adjust the amount of the income tax withholding so your final paycheck will not have an inordinate amount of income tax withheld. If Payroll does not receive notification of your resignation by the cutoff date, any deferred salary will be paid the following month.

In order for retirees to make an orderly transition from the University payroll to OTR and TIAA/CREF distributions and to satisfy the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) requirements, Payroll will generally try to extend the final pay date when possible.

21. HOW WILL MY ELECTION TO A 9- OR 11-MONTH OPTION AFFECT MY DEPENDENT MEDICAL INSURANCE COVERAGE?

As is the current practice, you are required to pay for all dependent medical insurance coverage. In those months that you receive a paycheck, the amount of the dependent coverages will be deducted. In the months you do not receive a paycheck, you will be billed through the Bursar's Office for the dependent medical insurance coverage. Since a 9-month appointment is paid over 10 months (partial payments in the first and last months), there will generally be no difference in how the dependent medical insurance premium is collected.

22. WHAT EFFECT WILL THE 9- OR 10-MONTH OPTION HAVE ON MY INSURANCE PREMIUMS AND RETIREMENT CONTRIBUTIONS?

Since your gross pay will not change under the 9- or 10-month options, the amount of your retirement contribution will not change. Since the 9-month appointment is paid over 10 months (partial payments in the first and last months), insurance premiums will be deducted the same over both appointment periods.

The conversion from 10 to 9 month options is to be "benefit neutral". This means that your OSU benefits (life insurance, retirement contributions, etc.) will be the same under either option.

- ~~23. IF I TEACH SUMMER SESSION OR IF I AM ON STATE E & G RESEARCH OR EXTENSION FUNDS IN THE SUMMER OF 1991, WILL I BE PAID \$0.00 FOR JUNE AND DOUBLE FOR AUGUST?~~

No. This question is irrelevant when continuing 9- and 10-month faculty begin their respective options on September 1.

- * 24. AM I COVERED BY WORKERS COMPENSATION EVEN IF I AM NOT RECEIVING A PAYCHECK DURING THE SUMMER MONTHS FROM OSU?

Yes. If faculty members are injured during the summer months while performing university service within the scope of their employment but not receiving a university paycheck, they are covered by workers compensation.

Payroll Examples for 1990-91 and succeeding years are attached for 9-, 10-, 11- and 12-month options for your reference. Please note the time periods when no pay check will be generated for various options.