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September 1, 2009

Samuel Goldman, Ph.D.
Chancellor
Southern Illinois University

Chancellor Goldman,

This letter is a follow up to the Administrative & Professional Council's previous resolution and recommendations to amend the Personnel Policies regarding conversion of Term to Continuing appointments. Based upon thoughtful feedback from Kevin Bame and Kathy Blackwell, minor clarifications have been incorporated into the final recommendation. The Council met August 19th and following considerable discussion, voted to accept the revised proposal. The Council feels strongly that this issue creates a significant disadvantage, unintentionally, for a number of long-term staff. It is with the Council's endorsement, that I ask you to consider the following observations regarding the impact of the current policy.

The existing policy was intended to encourage departmental supervisors to convert term appointed employees to a continuing appointment after three consecutive years of term appointments. The conversion was contingent upon several factors such as a continuing need for the position, satisfactory performance and the availability of recurring funding. Regrettably this policy is not as effective as hoped.

Currently, there is a great deal of ambiguity regarding the definition of "recurring funding" which is generally referred to as grant or contract funding. The proposed policy clarifies the definition of "recurring dollars" that would take into consideration the long-term nature of many campus grants and contracts. Using grant or contract funding as a justification for non-conversion appears to be nullified by the language on the *Notice of Faculty or Administrative/Professional Staff Appointment*, which states:

> **"If the source of funds for this appointment is an external grant or contract, this appointment is contingent on the availability of funds in the external account."**

Current policy directs Human Resources to advise the supervisor and the employee when an A/P employee, under term contract, is approaching the three-year limit. The one-time notification to supervisors has not been effective in changing recurring term appointments for employees, many of which are long-term staff members. The proposed policy would require that the respective Vice Chancellor annually approve term appointments for staff that have been on term appointments for three years or more. This approval would only be necessary when the sole reason for non-conversion is non-recurring funding.

DRAFT

There are numerous examples of staff that have spent their entire career on term appointments. While it is true that the employee has some responsibility to address the matter, there is an inherent reluctance to bring up a change in contract with their supervisor. Some have been told that this is the way it always is and will always remain, implying it is departmental or university policy.

The individual implications of a term-contract employee are the obvious uncertainty of continued employment; the inability to accumulate sick for potential serious health conditions and vacation accrual. The use-it-or-lose-it policy does not work well in reality. An even greater implication for career term-contract employees is the loss of payable benefits and service credit towards retirement. Consider the following illustration:

> Jake Smith holds a term contract for thirty years and retires with his final year's annual salary of $50,000. Smith does not qualify for vacation payout or accumulated sick leave. If Smith were on a continuing contract for the same period, he could have accumulated a maximum of 216 days of sick leave and 56 days of accrued vacation. 180 days of sick leave would qualify Smith for an additional year of service credit; or the equivalent of 2.2% of his final four years of earnings, under the retirement system's general formula. The accrued vacation of 56 days would increase his final four years of earnings by $10,728. This would increase Smith's annuity the first year by $1,824 annually. Assuming Smith draws an annuity for 20 years, he would have lost a benefit worth over $49,012. Because Smith worked the most recent 30 years, he would have accrued 100.77 days of payable sick leave (1984-1997). Smith could have only worked 29 years and used some of his accrued sick leave for a year's worth of service credit, and he would still have 50.39 days of payable sick leave worth $9,623.21. Using the same assumptions, in total Smith would have lost $20,376.21 in payable benefits and an additional $49,012 in annuities and a year of his working life.

I will close with the recognition that the majority of Administrative/Professional staff are not affected in this manner, however for the number of staff affected, it has a significant impact on their future earnings. Thank you for taking the time to consider the complexities of this matter. I make myself available to meet with you or your staff to further discuss the significance of the proposed policies changes.

Regards,

M. Jacob Baggott, MLS
Chair