

Minutes of the University Senate
November 10, 2003

The University Senate met in regular session at 3:00 pm, November 10, 2003, in the Auditorium of the W. T. Young Library.

Members absent were: Matt Bacon, Ernest Bailey*, Wendy Baldwin*, Michael Bardo*, Suketu Bhavsar, Stan Brunn, Patricia Burkhart*, Frank Butler, Ben Carr, Michael Cavagnero, James Cibulka, Alfred Cohen, Kate Davis*, Elizabeth Debski*, Jody Deem*, Philip DeSimone, David Durant*, Walter Ferrier*, Lisa Gaetke*, Tony Gentry, Philip Greasley, Don Gross*, Bob Grossman*, Steven Haist, Rachel Hardy, Victor Hazard, Allison Hensley*, Kay Hoffman, James Holmes, Chester Jennings*, J. David Johnson, James Kerley, Richard King*, Robert Kovarik, Phil Kraemer, Thomas Lester, Leola McClure, Katherine McCormick*, Terry Mobley, David Mohney, Sue Nokes*, Jacqueline Noonan*, Peter Perry, Martha Purdue*, Kenneth Roberts, Jeanmarie Rouhier-Willoughby*, Sandy Schomaker, Anne Sharpe, Jason Shaw, Robert Shay, Scott Smith, Veleashia Smith, Devanathan Sudharshan, Misty Swetnam, Patricia Terrell, Lee Todd, Tate Tsang, Allan Vestal, Brian Wade*, Retia Walker, Rachel Watts*, Carolyn Williams*, Eugene Williams, Emery Wilson, Don Witt, Thomas Zentall.

*Excused Absences.

Chairperson Jeff Dembo called the meeting to order at 3:00.

1. [Approval of the Minutes:](#)

The Chair asked if there were any corrections needed. Albisetti noted an error in the date. Ms. Scott will correct it. Otherwise the minutes were **approved** as written.

2. [Announcements:](#)

The Chair reminded the Senate of the upcoming campus-wide all-faculty forums and encouraged all Senators to attend.

The Chair noted the upcoming Board and Senates' Holiday Reception and said the Senate will co-partner with the Staff Senate to host the event this year. The Chair welcomed Chair Brothers from the Staff Senate and introduced her to the Senate.

Tagavi announced the second round ballots for the Senate Council elections will be distributed very soon. He showed the Senators a sample ballot and introduced the 6 semi-finalists.

3. [Faculty Trustee Report](#)

The Chair begged the indulgence of the Senate to rearrange the agenda and yielded the floor to Jones. Jones gave a brief presentation on the history of faculty governance and its relationship to shared governance at the University and discussed how current events could be framed within the context of this history. Jones made special note of the importance of faculty governance in the reorganization of educational units (including multi-disciplinary research centers), revision of the Governing Regulations and the overall relationship of the faculty to the Board of Trustees. Jones

gave credit to the Provost for being helpful and fair in the recent iterations of GR revisions and expressed his appreciation. Jones thanked Albisetti for his recent gift of \$50,000 to assist student scholarships, which was accepted by the Board at its September meeting.

4. Procedures for Discontinuation of Programs:

The Chair announced the item and provided some history. Chard said this item had been produced by a special committee because no guidelines previously existed and it seemed as if guidelines would soon be needed in light of the University's financial situation. She said the procedures would provide structure for the administration. Chard noted input received from the administration during its review of the document and said many of their recommendations had been incorporated into the finished piece. The Chair asked Chard to comment on the portion of the document pertaining to centers and institutes. Chard noted the current ambiguity surrounding how to define an educational unit and suggested an addendum to these procedures might be added after the Academic Organization and Structure Committee has a chance to define that term.

The Chair said the Senate Council has already approved this item so a motion was already on the floor for discussion or a vote. Tagavi noted the absence of wording that should read "This proposal will be sent to the Rules Committee to be codified as a Senate Rule". The Chair confirmed these procedures would indeed be forwarded to the Rules Committee if the item is passed. The Chair asked for discussion on the floor. There was none. The motion **passed** without dissent.

5. College of Pharmacy Proposal:

The Chair asked the Senators if they were willing to waive the ten-day rule in order to hear this item. He said the implication of not discussing hearing the item at this meeting would mean it would not be heard by the Board at its December meeting. The Chair added the Senate Council had voted in favor of forwarding this item with a positive recommendation given the amount of support it had received from all parties involved within the college.

Chard provided the additional information that the item had not come to the Senate further because of the care taken by the college in the completion of the Senate's routing sheet, which was an item the Senate decided to require late in the Spring semester. She said she hoped to use the college's routing sheet as an example for future cases or reorganization since it was exceptionally well done.

Blandford **moved** to waive the ten day rule and Gesund **seconded** the motion, which **passed** without dissent. Heidi Anderson, a representative from the College of Pharmacy, said she would be happy to respond to questions about the proposal. The Chair extended his compliments to the college on a thorough proposal and expressed his appreciation for the true consensus in the college community.

There was no further discussion. The motion **passed** without dissent.

6. Retiree Health Benefits Task Force Report:

The Chair introduced Joey Payne, Tom Samuel and Dick Siemer, all of whom were present to address this issue. The Chair outlined the path the task force's recommendation will follow and

yielded the floor to Siemer.

Siemer presented some history on the item and said a conclusion or final decision had yet to be reached, that the purpose of the discussion was to glean advice and counseling from the Senate, and noted not changing this benefit at this time may have adverse affects on other budgetary areas at the University. Siemer introduced Samuel and yielded the floor.

Samuel offered a brief presentation and explained the need for the change both in terms of changes in GASB's policy and in terms of rising health care costs. Samuel said the hope of the task force was to continue offering the benefit but to alter it in such a way as to keep it affordable so the University could continue to offer it in the future. Samuel presented the Senate with some graphs and figures to outline the various proposals in question. He then opened the floor for questions.

Arthur asked what data contributed to the projections show in the presentation. Samuel replied the data and projections were compiled by the consulting firm, Mercer. Tagavi asked when HR Policy 90.1.3 became a policy and whether the University considered retiree health benefits a liability. T. Lynn Williamson replied it had been changed around 1990. Henry Clay Owen said there was no legal commitment to retirees by the University to continue offering this benefit, but if the benefit were to be continued the cost would be included as an accounting liability on the books of the University. He added those benefits would have an increased impact on future budgets. Peffer questioned the use of the word liability, and Samuel agreed that projection or budget item would both be more accurate terms to use.

Gesund asked if the task force had considered the honor of the University and its commitment to its employees when producing its report. He expressed concern of how such a breach of faith between employer and employee might hamper future recruiting efforts for both faculty and staff.

Samuel replied the task force had come to the Senate, in an honorable way, to solicit these comments. He said the task force's intention was to consider their charge in the fairest possible manor and still be able to continue offering the benefit in the future.

Johnson asked if the dollar figures in the presentation were nominal or real. Samuel said those were today's dollars. Johnson expressed concern that projections made past eight to ten years may or may not be reliable and asked if the impact of early retirement had been considered. Samuel said the impact was minimal, and Payne noted discontinuing the practice of early retirement would not make the liability for those retirees go away.

Goldman presented a variety of points regarding possible lost savings to the University if the proposal of the task force were adopted. He said faculty would be less likely to retire so the pool of insured would become older. He supposed faculty salaries would be tied up in older professors and would prevent the hire of young blood, which would not help the University achieve its rise to prominence. He mentioned payroll tax and more costly medical procedures as being two reasons to get faculty to retire on time rather than staying later to avoid beginning to use their retiree health benefits.

Samuel said the data and projections used had drawn from private employers and acknowledged that faculty may be different. He said he hoped Mercer had considered that in making their projections. He said this is a valid point which the administration should consider.

Steiner noted the difference in pay between industry and education and suggested a comparison be done with the institutions benchmarks rather than using industry projections. He also expressed concern for the staff members of the University, who he feared were not as financially secure as faculty and in many cases couldn't afford the to purchase the insurance offered by the University for their families, let alone plan for the eventuality of expended benefits during their retirement. He said the staff work here for the benefits since they could make more in the private sector and speculated that many faculty and staff would leave for more attractive positions if the proposal were to move forward. He also made mention of the disparity in faculty salaries between the University and its benchmarks, noted the benchmarks were not capping this benefit, and asked why the University should pursue this plan at this time.

Samuel said the cap to benefits was several years out before the expenditure of the benefit would be realized. He cited the need for change in the health industry at the federal level. He suggested that a lack of change to the benefit at this time might mean new employees would not have the opportunity to utilize the benefit at all. Samuel added many of the benchmarks don't contribute to this benefit at all while others are part of their state's retirement system. He noted the University will make this move prior to its benchmarks.

Siemer interrupted the discussion for a moment to note comments should not be directed to Samuel as an individual and said he felt certain Samuel was no less honorable for having done the job he was asked to do. He expressed support for the expertise Samuel brought to the task force.

Yanarella spoke as the Chair of the Senate's Ad Hoc Committee on Improving Faculty Salaries and expressed the need for a total compensation package that will make the University more competitive with the benchmarks which hold higher public university rankings. He expressed concern that a decrease in benefit offerings would represent a step in the wrong direction. He cited meager salary increases, salary compression and inversion and a lack of salary equity as some of the issues in need of correction. Yanarella worried the administration might seem hypocritical if the faculty who had the responsibility of propelling the University toward new levels of excellence and achievement did not receive the support it had earned during its years of loyal service.

Cibull suggested further discussion with the benchmarks was in order, and added there seemed to be no imperative to deciding this issue immediately. He hoped the University would not become number one in benefit rollback.

Samuel said the task force had been given a charge to recommend the changes now. He said the thinking of the task force was that a quick resolution would be more beneficial, so it had worked to be affirmative rather than reactionary. Samuel added his concern for employees on the lower end of the pay spectrum and said he had made a motion during a task force meeting to make some changes for those employees because they would be most affected by the suggestions. He noted additional changes may come from the state legislature and other sources at any time that may prove a threat to the existence of this or other benefits.

Cibull said ethical concerns for the lower paid staff members should have been addressed before the report was brought forward.

The Chair interrupted the conversation for a moment to thank Siemer for his earlier remarks about the importance of collegiality in a discussion such as this.

Albisetti noted the plan will cost more in the future and asked if people would be encouraged to retire early. Siemer replied there is no short-term benefit to the University, but more of a long-term solution to the University's finances. He presumed an initial bump in retirement numbers may occur, but said this did not represent a revised retirement policy.

Govindarajulu asked what plans were in effect to try to control the University's health care costs. Samuel said the University has been successful in controlling its current benefits through the self-insured system. He said the University had no control over what transpires with Medicare.

Braun asked how many low paid staff members sat on the task for and why Samuel's motion to make allowances for low paid staff was voted down. Samuel replied the real concern on the task force was for existing retirees and for those who were closest to retirement since they have less time to prepare for change. Those employees further from retirement had more time to save. Braun asked if means testing had been employed.

Payne replied by saying people who have not already retired have time to earn more money, people who are already retired have no earning opportunities, and said current employees would know going into retirement they needed to save more.

Samuel expressed his concern for those employees who were both low paid and close to retirement, saying they were most disadvantaged, and citing his concern for them as his motivation in making his motion.

Braun reiterated his questions about the use of means testing and the number of lower paid staff members on the task force. Samuel said means testing had not been utilized, but added the task force could consider doing so. He deferred to Brothers for the remainder of the question.

Brothers said she was on the task force, and that its two biggest concerns had been how the proposal would affect the lowest paid employees and those closest to retirement since those two groups have the least opportunity to change their savings plans. She said the proposal will probably hurt staff but said they would at least have a chance to make decisions now about their future savings.

The Chair asked if there were opinions or positions that had not yet been broached. Garvey asked why the task force had put forth scenario D in which the growth remains flat when the University's budget would continue to grow over time. She also asked if the task force had considered trying to slow the growth over time rather than flattening it completely.

Samuel replied there was no clear way to draw a line that didn't leave some group out and that no guidelines exist on how to do such a thing in a fair way.

Peffer asked what percentage of the University's budget the projection figures represented. Samuel said the consultants were reluctant to let the task force use the projection in question since projections beyond ten years are difficult to predict. He added he didn't know what the University's budget projections might be for this time period.

Siemer said the University's budget would grow between six and ten percent every year, while the costs in retiree health benefits were projected to grow in double-digit figures annually.

Johnson suggested somebody from the consulting group should have been included in this meeting to answer some of the questions about the projection.

Tagavi asked if there was a conflict of interest in the way the University negotiated with itself to use its own healthcare system while also trying to determine what to charge its retirees. Samuel said he was not aware of a conflict of interest and said the alternative was to change to an insured plan but warned against doing so because the amount spent on pharmaceuticals in such plans is disproportionately high.

Gesund proposed a **motion** that the University Senate rejects the report of the Retiree Health Benefits Task Force. Hahn **seconded** the proposed motion. Jeng offered a friendly amendment to say instead the University Senate does not endorse the report of the Retiree Health Benefits Task Force. Brief discussion followed as to whether or not to include rationale for the proposed motion within the motion. Goldman suggested allowing the Senate Council to add rationale to the proposed motion later, which would then be voted upon at the subsequent Senate meeting. The Senators concurred with the suggestion.

The question was called and the two-thirds vote need to stop debate was obtained. A straw vote was taken. The proposed motion **passed**. Four votes were cast in opposition and there were three abstentions. The motion will be sent to the Senate Council for the formation of rationale and the item will appear as an action item on the December agenda.

There being no further business, the meeting adjourned at 4:40.

Respectfully submitted by [Jeffrey Dembo](#)
Chair, Senate Council

Prepared by [Rebecca Scott](#) on November 14, 2003.