

MEETING OF THE STUDENT SENATE

THURSDAY, FEBRUARY 22, 2001

11:30 A.M. - 1:30 PM

65 Law Building--Twin Cities Campus
305 Selvig Hall--Crookston Campus
Kirby Student Center Garden Room--Duluth Campus
Behmler Hall Conference Room--Morris Campus

This is a meeting of the Student Senate. There are 50 voting members of the Student Senate. A simple majority must be present for a quorum. Most actions require only a simple majority for approval. Actions requiring special majorities for approval are noted under each of those items.

1. ANNOUNCEMENTS

2 minutes

2. MINUTES FOR OCTOBER 19, 2000 and NOVEMBER 16, 2000

Action (2 minutes)

MOTION:

To approve the Student Senate minutes, which are available on the Web at the following URLs. A simple majority is required for approval.

http://www1.umn.edu/usenate/stu_senate/001019stu.html

http://www1.umn.edu/usenate/stu_senate/001116stu.html

ROBERTA HUMPHREYS, Clerk
UNIVERSITY SENATE/TWIN CITIES CAMPUS ASSEMBLY

3. ADMINISTRATIVE RESPONSES TO STUDENT SENATE ACTIONS

Information

Health Plan Task Force Recommendations

Approved by the: Student Senate November 16, 2000
Administration January 19, 2001*
Board of Regents - no action required

*Central Administration has accepted the recommendations of the Health Plan Task Force and has charged a joint faculty/administration task force to carefully review and implement or modify, as appropriate, the recommendations of the Task Force.

2000-01 Student Legislative Coalition Legislative Agenda

Approved by the: Student Senate November 16, 2000
Administration - no action required
Board of Regents - no action required

4. AMENDMENTS TO THE UNIVERSITY SENATE/

**TWIN CITIES CAMPUS ASSEMBLY
CONSTITUTION, BYLAWS, AND RULES
Information**

Items 10 through 13 from the University Senate agenda are presented here for information and will be presented at the University Senate meeting for action.

**5. STUDENT SENATE CHAIR REPORT
5 minutes**

**6. STUDENT SENATE CONSULTATIVE COMMITTEE CHAIR REPORT
5 minutes**

**7. CAMPUS REPORTS
5 minutes**

**8. STUDENT SERVICE FEES TASK FORCE UPDATE
5 minutes**

**9. STUDENT LEGISLATIVE COALITION UPDATE
5 minutes**

**10. CLASSROOM ADVISORY SUBCOMMITTEE
Resolution on Classroom Upgrades
Action (5 minutes)**

RESOLUTION ON CLASSROOM UPGRADES

Whereas centrally scheduled classrooms are an institutional priority,

Whereas the Twin Cities General Purpose Classroom Technology Upgrade Plan is a comprehensive multi-year plan that addresses critically needed teaching and learning requirements in classrooms,

Whereas implementation of this plan, to date, has made a significant difference in meeting the needs of faculty and the expectations of students,

Whereas this plan must be accelerated to provide a strong classroom environment that will put University of Minnesota teaching and learning at a level required in a premier university, therefore,

Be it resolved that to do this, priority must be given to increased and recurring funding for the Plan.

COMMENTS:

This resolution was approved by the Classroom Advisory Subcommittee and is being presented to other campus groups for their endorsement.

**11. STUDENT SENATE CONSULTATIVE COMMITTEE
Amendments to the Regents Policy on Student Employment at the University
Action (5 minutes)**

STUDENT EMPLOYMENT AT THE UNIVERSITY

...

Section II. Student Employment Committees.

...

Subd. 2. Powers and Duties.

(a) Review, conduct public hearings on, and present recommendations to the regents, president, vice presidents, chancellors, vice chancellors, and the Student Senate Consultative Committee with respect to the rules which govern student employment on each respective campus.

...

(c) Make investigations concerning the administration of student employment either at the request of the regents, the president, vice presidents, chancellors, vice chancellors, the Student Senate Consultative Committee, or the person designated to be responsible for student employment or on its own initiative.

(d) Perform such other duties as may be assigned to it by the regents, president, vice presidents, chancellors, vice chancellors, or the Student Senate Consultative Committee.

...

COMMENT:

Currently the Student Employment Committees are autonomous from student governance. This amendment corrects this problem by ensuring that the Student Senate is more involved with employment of students.

**JASON REED, Chair
STUDENT SENATE CONSULTATIVE COMMITTEE**

**12. BUDGET DISCUSSION WITH RICHARD PFUTZENREUTER
Discussion (20 minutes)**

13. OLD BUSINESS

14. NEW BUSINESS

15. ADJOURNMENT

Health Plan Issues

For the University of
Minnesota

Issues for the University

- Coverage and Eligibility Issues
 - ◆ From employee surveys and Task Force report
- Rising Costs
 - ◆ Estimated 18%-20% cost increase

Guiding Principles

- Cost (to the University and to you)
- Coverage
 - ◆ Mental Health Coverage
 - ◆ Out-of Area Coverage
 - ◆ Out-of Network Coverage
 - ◆ Complementary and Alternative Medicine
- Eligibility
 - ◆ Domestic partners

Other factors

- Continuity of providers
- Stay with State SEGIP, if possible

Strategy

- Create 2 working groups
 - ◆ Employee-based Interim Committee
 - ◆ Administrative-based Working Group
- Continue to work with State DOER
- Ask for alternative bids through RFP

RFP issued

- Does not exclude continuing with state
- Gives us options and prices
- Decision points

RFP asks for 4 plans

- A. Limited HMO
- B. Traditional HMO
- C. Point-of-Service
- D. New Plan

Plan A

- HMO with limited clinics
- Small co-pay (\$5)
- Probably no employee premium

Plan B

- HMO with broader list of providers
- Broader mental health
- Possible out-of-area coverage
- Moderate co-pay (\$10)
- Hospital co-pays (\$75 outpatient, \$200 inpatient)
- Low or no employee premium

Plan C

- POS with broader list of providers, including mental health
- Possible out-of-area coverage
- Out-of-network with deductible/coinsurance
- Higher co-pay (\$15) and hospital co-pays
- Higher premium

Plan D

- New plan
- Major medical insurance (\$1,000 deductible)
- Tax-free medical expense account (\$500)
- Possibly no premium

All Plans

- Domestic partners eligible
- Wellness care at no cost
- Emergency care (\$50 deductible) worldwide
- Urgent care worldwide (with co-pay)
- Seek to address C.A.M. issues

Pharmacy benefits

- Under Plans A, B, and C
 - ◆ Deductibles (\$10/\$20/\$35)
 - ◆ Pharmacy caps (possibly \$500)
- Under Plan D, part of Major Medical

Next steps

- March-April (RFP response)
- May
 - ◆ Legislative budget
 - ◆ Final decision on plans
- June-July--Collective bargaining
- October-November--open enrollment
- January 2002--new plans begin

January 12, 2001

President Mark Yudof
The University of Minnesota
202 Morrill Hall

Dear President Yudof:

You will receive a declaration on faculty salaries that was adopted unanimously by the membership of our two committees, the Senate Committee on Faculty Affairs and the Senate Committee on Finance and Planning, and then forwarded to the Faculty Consultative Committee. This letter is intended to amplify the concerns expressed in that declaration.

At our recent joint meeting of Faculty Affairs and Finance and Planning there were a number of statements made by faculty reflecting their frustration and disappointment. The frustration arises because they are losing valued colleagues to other institutions, institutions that often are not yet peers of Minnesota (but that might become peers if they continue to attract the best of our faculty). This occurs when we cannot match offers or when we cannot recruit the best faculty to the University. The disappointment comes because we realize the long-term impact these losses will have on the quality of our departments, our University, and our collective ability to help the State maintain and improve its economic, social, and cultural quality of life. None of us wants to work at a mediocre university, but the trend is ominous.

We have concluded that our alarm about the lack of competitive faculty salaries must be conveyed as forcibly to the University administration and to the Regents as to the Governor and Legislature. Those of us with long memories observe that the University's position on faculty salaries changes with the solstices: in the autumn and into December we are constantly assured that faculty salaries are the number one priority in the legislative request and in the University's budget-setting process. In the spring and into June, as the final budget is set, we discover that they are not and that other demands and needs take precedence. We have seen this pattern occur regularly over many years.

We believe the priorities in the University's biennial request were misplaced: the additional 4% in faculty salary increases required to begin to restore those salaries to competitiveness should have been in that part of the request that is labeled "strengthening the foundation." A strong faculty is not only a foundation of a university, it is **the** foundation. Placement of the incremental 4% in the "investing in the future" category, the second tier, almost ensures that the University will not receive the money, given the attitude of the Governor and the Legislature's current views on State funding and the pressure they face to provide tax rebates and reductions. The public statements about the importance of faculty salaries do not align with the public document that is the University's biennial request.

We have assembled some data on the subject of faculty salaries.

- According to numbers provided by Mr. Pfitzenreuter's and Dr. Zetterberg's offices, the faculty salaries of the University total \$289 million. The University's total budget is \$1.34 billion. Faculty salaries are thus about 21.6% of the total budget.
- State support for faculty salaries totals \$192 million, or 31.3% of the University's state support (O&M and State Specials) of \$614 million. Each 1% increase in state-supported faculty salaries requires \$1.92 million; if fringe benefits are 31% of salary (or approximately \$600,000 for each 1%), the total increase required for each 1% of salary is \$2.52 million (0.4% of the total University State-supported budget). We should point out that the 31% figure is high because health care costs are fixed, not a percentage of salary.

A more realistic percentage for increased fringe benefits costs would be about 18%. We have, in this letter, used the more conservative 31%.

- A 7% increase in state-supported faculty salaries and fringe benefits requires about \$17.6 million in recurring funds (7 x \$2.52 million). In the words of one of our colleagues, this is just “noise” in a \$614 million budget.

Over the past 15 years, the University has articulated the goal of being among the top five public research universities in the country in terms of faculty salaries. At other times the goal has been to bring salaries to the mean of the top 30 research universities or to the mean of the top 15 public universities. Those goals are not the same.

As an illustration, we considered these numbers. The mean salary of (full) professors at the University of Minnesota (1999-00) was \$89,500, 25th among the top 30 research universities. The mean salary of professors at the top 30 research universities was \$103,400, and the mean salary of professors at the top 15 public research universities was \$93,900.

We do not take a firm position on which of those should be the University's goal. We do believe, however, that the University should adopt one of these standards and then take determined action to achieve it. If the University does not intend to become one of the top five public research universities, it should declare what it is seeking to accomplish. Setting and achieving any one of those goals would put the University in a better competitive position than it is now.

It is our view that if the funds for necessary faculty salary increases (that is, at least 7% each year) are not provided through the legislative appropriation, the administration should find other means for delivering the same total faculty salary increases. This might include obtaining funding from sources such as the University Foundation, an assessment against non-sponsored budgets of the University (but not disproportionately on academic units), or from other places you deem appropriate. It is within your discretion to seek additional funding from other sources, but however you choose to find the funds, we believe they must be found. If faculty salaries truly are the number one priority of the University, then the administration must be able to find creative ways to secure the necessary funding.

We urge you, in the strongest possible terms, to take all steps necessary to begin to restore faculty salaries to competitiveness. We hope you also believe that our legacy is not only in bricks, bytes, and mortar, but more importantly in the intellectual quality, reputation, and performance of the institution. You know, of course, as well as we do that our standing on those measures is driven by the quality of the faculty.

Cordially,

Charles Speaks, Chair
Senate Committee on Finance and Planning

Richard Goldstein, Chair
Senate Committee on Faculty Affairs

cc: Professor Fred Morrison, Chair
Faculty Consultative Committee
The Senate Committee on Faculty Affairs
The Senate Committee on Finance and Planning

January 19, 2001

Professor Charles Speaks
Chair, Senate Committee on Finance & Planning

Professor Richard Goldstein
Chair, Senate Committee on Faculty Affairs

Dear Professor Speaks and Professor Goldstein:

As you know I have continually voiced support for increased faculty compensation — privately, publicly, in writing, and in public speech. Clearly we need to do more and I share your frustration with our inability to obtain additional funds from the state to meet this important need. Your recent correspondence, however, has left me frustrated not only with our inability to obtain these funds from the Governor and the Legislature but also with what appears to be a misunderstanding by some faculty of my position on this important matter. Let me explain my position again.

The University's faculty salaries are not yet nationally competitive. Faculty salaries on the Twin Cities campus still remain in the lowest tier of the top 30 research universities. For 1999-00 the average Twin Cities faculty salary was \$75,200 compared to a mean salary for the top 30 research universities of \$86,500. The deviation from the mean was \$11,300 or approximately 15%.

The University's priority objective over the next four years is to increase salaries for Twin Cities campus faculty at a rate above the level of inflation, and to move faculty salaries in line with the mean of the top 30 research universities. This priority is a central element in the \$221.5 million dollar biennial budget request to the State of Minnesota.

The requested funding for competitive faculty compensation has been calculated using the Twin Cities faculty salary base and increasing it by four percent (above the average 3% salary increase for all University employees) for both years of the 2002-2003 biennium (\$32.3 million) and five percent (above the average 3% salary increase for all University employees) for both years of the 2004-2005 biennium (\$43.0 million). University decisions on the use of this funding will be made on the basis of market and merit criteria. This plan may also be used to increase salaries on coordinate campuses to offset competitive pressures. Decisions regarding this funding will be respectful of the collective bargaining process as applicable on a campus basis.

The University's high national standing, its ability to successfully compete for sponsored research funds, and its ability to transfer new ideas to the broader community are directly linked to the creativity embodied in its faculty. As I have stated on numerous occasions, institutions with competitive compensation policies can increase the quality of their teaching and research programs by recruiting and retaining the most highly talented and productive people. My support for increased faculty compensation is clear.

As I stated earlier, there are several parts of your letter that trouble me. For example, I need to clarify several of your numbers. You cite a cost of approximately \$17.6 million in recurring funds for a 7% compensation increase in FY2002. Your projected costs are low. The cost of a 7% increase for FY2002 will total \$25.9 million not the \$17.6 million you have identified. It would appear that you have neglected to include in your figures the projected fringe benefit cost increases that will be realized prior to the financial impact of any additional incremental increase in overall faculty salaries. For FY2002 this increase alone will add roughly \$8.0 million in recurring costs. These costs cannot be ignored. Similarly, the cost for an additional 7% increase in FY2003 over FY2002 amounts to an additional \$26.2 million. Added together a 7% increase in each of the next two years will total approximately \$78.2 million (\$25.9 million in FY2002 which recurs in FY2003 and an additional 7% in FY2003 at a cost of \$26.2 million for a total of \$78.0 million). Even by excluding the rising cost of fringe benefits necessary just to fund current benefit levels the biennial cost of 7% salary increases will total \$55.6 million. Your suggestion that the additional cost to provide a 7% increase is just "noise" in the overall budget is demonstrably untrue. Moreover, you ignore the fact that a huge proportion of our budget is devoted to fixed costs for existing programs, buildings, and personnel.

I also take issue with your comment that "public statements about the importance of faculty salaries do not align with the public document that is the University's biennial request." I do not think it helpful to blame the advocates for the University's budget request. I have stated to all who will listen the importance of increased faculty compensation. My public and private statements in support of increased funding of faculty salaries are aligned exactly with statements contained in our biennial budget request. I encourage you to carefully read the University's biennial budget document. This document can be accessed through the University of Minnesota home page.

I wholeheartedly disagree with your premise that placing our request for competitive faculty compensation within the "Investing in the Future" component of the budget was an incorrect strategy. My review of past efforts to secure additional funding for faculty compensation has uncovered no silver bullet that would solve our problem. Year after year, presidents over the last decade have listed faculty compensation first in an integrated budget, and year after year the Legislature has declined to provide competitive salaries. The approach you implicitly advocate has not worked, and I thought it time for a change in strategy. In an effort to reshuffle the cards, and with the active consultation of the Faculty Consultative Committee, we fashioned the two-tier approach to show

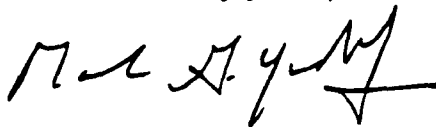
that faculty compensation, among other things, is critical to the economic health of the state. Thus, I do not concur with your statement that faculty salaries are in the "second tier" of the overall request. The budget proposals outlined in the "Investing in the Future" are critical to the long-term economic health and well being of the State of Minnesota. Although the Governor may or may not adequately fund the University when he releases his biennial budget recommendations, Senator Cohen, Senator Kelley and other legislative and community leaders have already responded positively to our "Investing in the Future" strategy. My discussions with these senators and other state leaders indicate to me that competitive faculty compensation will be included in the legislation they are developing for introduction during the 2001 legislative session.

Another reason for pursuing this strategy was to highlight the critical importance of faculty compensation to the long-term quality of the University and its potential contribution to Minnesota's future. Through this approach we succeeded in convincing many state leaders that the compensation of our faculty is directly related to the quality and productivity of our academic programs. This argument was subsequently endorsed by a distinguished group of Minnesota citizens that was appointed by me, following the Economic Summit, to address the long-term needs of Minnesota's economy and the quality of life in our communities. I felt it was essential to enlist the broader Minnesota leadership in supporting the request to upgrade faculty compensation.

The need for additional state support for faculty compensation is a critical component of our biennial budget submittal to the State of Minnesota. In my judgment we have made progress in recent years to increase awareness and understanding on the part of state policymakers regarding this critical need. Despite this increased awareness, it has been very difficult to get state policymakers to appropriate sufficient funds to support our goals in this area. Therefore, I ask for your continued support of our biennial budget proposal. The task ahead is a difficult one and it is vitally important that we unite behind the request. This is a great University with the potential to accomplish many things. The quality of our faculty, the enthusiasm of our students, the service of our employees, and the support of our alumni have made this a great institution and it is those elements that will carry the message to the policymakers in St. Paul.

With best wishes, I am

Sincerely yours,



Mark G. Yudof
President

MGY:cn

c: Fred Morrison, Chairman, Faculty Consultative Committee