



UNIVERSITY OF MINNESOTA

University Senate Consultative Committee
411 Borlaug Hall
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FACULTY CONSULTATIVE COMMITTEE MEETING
AND
DISCUSSION WITH THE PRESIDENT

October 3, 1985
300 Morrill Hall
10:15 - 12:00

AGENDA

- 10:15 1. Minutes of September 5 and 12. (Minutes of 12th enclosed).
2. Report of the Chair:
- Dinner meeting with the Regents *Ann's*
 - Solicit assessment of retreat
 - Process to identify legislative liaison.
- 10:30 3. Discussion with the President. We will take up the following items jointly with President Keller, although not necessarily in this order:
- A. Blue Cross/Blue Shield health insurance coverage changes;
 - B. Search Committee for Academic Vice President and Provost. (n.b. This is also on the SCC agenda);
 - C. Nature of FCC involvement at Regents' meetings;
 - D. Forum on Commitment to Focus to precede November 14 Senate meeting.



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MINUTES

APPROVED 10/17/85

FACULTY CONSULTATIVE COMMITTEE MEETING
AND
DISCUSSION WITH THE PRESIDENT

October 3, 1985
300 Morrill Hall
10:15 - 11:50 a.m.

Members present: Ellen Berscheid, David Hamilton, Joseph Latterell, Cleon Melsa, Jack Merwin, Paul Murphy, Irwin Rubenstein, Frank Sorauf, Deon Stuthman (Chr.).

Guests: President Keller, Arthur Geffen, Vice President Lilly, Delores Lutz (Daily), Vice President Murthy, Marsha Riebe, Maureen Smith.

Professor Stuthman announced that the Senate Consultative Committee meeting would begin at noon, 15 minutes ahead of schedule, and that the agenda for that meeting would be inverted because of President Keller's availability only until about 12:45.

1. The minutes of September 5 were approved with the corrections which had been distributed earlier, and the minutes of September 12 were approved with one name correction.

2. Report of the Chair.

A. President Keller, as president of the Board of Regents, will attend the November 7 FCC-Regents dinner meeting. On October 17 FCC will consider the agenda it would like to propose to the Regents.

B. Assessment of the Senate & Assembly leadership retreat. The SCC will soon send an evaluation form to all participants and the chair will appreciate FCC members' comments and suggestions. Comments so far indicate that this type of event should probably be continued.

Professor Sorauf spoke to the value of getting committed to paper the well-organized history of University governance which Professor W. Donald Spring carries in his head. He also recommended that committee chairs receive as a guide an informal introduction to the Senate and its business. Professor Merwin reminded members that the Watson Committee report contains much of the rationale for the present faculty governance structure.

C. Identifying a faculty legislative liaison. Professor Stuthman

observed that Professor Phil Shively's service had been outstanding; it stands as a fine model for his successors. His term is up and he is eager to be replaced. The FCC accepted Professor Stuthman's proposal to create an FCC nominating subcommittee consisting of Professors Rubenstein (Chair), Goldstein, Merwin, and Sorauf. There were asked to try to have four or five names to propose to FCC on October 17.

D. Future FCC meetings and the agenda-setting process. Given the long list of continuing business items, the two upcoming FCC meetings will probably require the full four hours allotted to them in the meeting schedule. Deon Stuthman, Irwin Rubenstein, and Meredith Poppele meet nine days ahead of each meeting date to develop the agenda. For the SCC's meetings and discussions with the president, Tim Pratt and Roy St. Laurent (SSCC chr. and vice chr.) join in the agenda-setting. Professors Stuthman and Rubenstein meet with the president on the day preceding each date in this second set. FCC members are encouraged to submit agenda items ahead of these various dates.

3. Reduction in outpatient mental health coverage for faculty and staff subscribers to Blue Cross-Blue Shield.

There was an informal exchange of information and views on this problem prior to the arrival of President Keller. Professor Stuthman identified three different concerns which arise from this recent change in the state-negotiated contract: (1) the loss of benefits, (2) awareness of the minimal opportunity for University input into the negotiations, and (3) the short notice to those affected.

Professor Arthur Geffen reported as background information that negotiations had begun in July among Council 6 of AFSME, Blue Cross-Blue Shield, and the Minnesota Department of Employee Relations. For 18 years, he told FCC, the University has tacitly accepted whatever state level negotiators agreed to.

Professor Merwin called attention to the fact that faculty receive part of their fringe benefits by virtue of being University of Minnesota faculty, and part of their fringe benefits, including health insurance, by virtue of being state employees.

DISCUSSION WITH THE PRESIDENT

President Keller, Vice Presidents Lilly and Murthy, and Marsha Riebe joined the meeting at 10:45.

3. Continuation of Blue Cross-Blue Shield coverage change.

President Keller gave a brief history of the University's participation in a state health insurance plan. Prior to 1965, he told FCC, the University had no state health coverage. The University then entered into negotiations with the legislature enabling the University to acquire state funding for health insurance coverage. The coverage initially agreed to has become part

of the base appropriation; the University pays any unrelated increases.

The state enters into negotiations with AFSME since it is the largest union of state employees, then goes to the insurance carrier, and then presents its package to the University for the University's acceptance or rejection. We need to consider, the president said, whether we are satisfied with that arrangement or whether we might want to enter into separate negotiations with an insurance carrier. To do so might be somewhat more expensive. The University has 16,000 of the state's 48,000 employees. The University's employees are concentrated in the Twin Cities where health costs are higher than in the rest of the state; other state employees are scattered throughout the state.

The questions arising from this recent change in benefits, including that of whether the University should help to make up the difference in coverage, should be broadly discussed in the University community, the president said.

Regarding the long-term questions, the president said he had asked Mr. William Thomas and Mr. Harold Bernard to bring a report within a month to the central officers on what change the University might make. The University could seek representation in the present model of negotiations; however, although it might become involved in the negotiations, it could not control them and would have to accept the outcome. The most extreme University decision would be to become part of a completely separate plan.

Professor Berscheid asked if there is any evidence other state employees are unhappy with this change in coverage. President Keller commented that about the same proportion of all state employees and of University employees (between 6% and 7%) make use of the mental health coverage. Then he noted that the negotiators had been engaged in trade-offs and had seen themselves as buying something. The gains include a much larger fraction of prescription drugs provided, free eye exams, and physical exams.

The short term problem in the University community, as the president described it, is that a lot of people are caught without time to plan to meet their mental health care needs in any significant way. Based upon last year's figure of 404 contractors making claims on the mental health coverage, the administration estimates that complementary compensation for one year would cost roughly \$713,000. The University must decide whether it wants to cover this or any part of it, and if so, from where the money ought to be taken. As an illustration, he said that if the University decided to cover half the costs, the sum would equal between .1% and .2% of next year's faculty salary increase.

In reply to Professor Sorauf's inquiry as to whether other services had been negotiated out in this last round, Professor Geffen volunteered that home care coverage had been reduced.

Professor Stuthman identified the Faculty Affairs Committee and the Finance Committee as the Senate structure bodies to which the question is most relevant. Vice President Murthy reported that SCFA has the question on its October 18 agenda. Professor Stuthman suggested the Senate Finance Committee might be able to meet jointly with SCFA at that time to address the question.

President Keller said the administration was prepared to receive recommendations from those two committees and make a decision regarding the short-term problem of aiding those who have lost needed benefits.

Professor Sorauf inquired whether there is any structural reason for the short term notice of change in benefits. Vice President Lilly said the negotiations had ended in August and the University's administration had had a week in which to accept or reject the contract. He indicated he did not like that situation and that he believed the University should have more participation in the policy-making. He added that because the insurance industry has become so volatile there is no way to get much lead time with respect to new contracts. Premiums change substantially overnight; casualty insurance has multiplied by 2.5. He also noted that many HMO's offer mental health coverage but do not allow the patients the Blue Cross-Blue Shield advantage of being able to choose their own therapists.

Professor Keller reported that University attorneys have given the opinion that the negotiators acted legally. The contracts contain many particulars which there is no legal obligation to continue into a new contract period.

Vice President Murthy cautioned that the administration's cost estimates for a year are not precise; various things could affect them, including the possibility that users might choose to expedite treatment under a temporary University subsidy.

President Keller asked what related matters central administration should be addressing. Professors Berscheid and Stuthman remarked that Employee Benefits could be more helpful in providing information to faculty and staff when new contracts are distributed for signatures. Since the contracts are difficult to read, users would appreciate a clear delineation, in graphics which call attention to the changes, of all additions and deletions in coverage.

Professor Geffen pointed out that if contracts are for two years and the University helps for the first year only, people would be left on their own for the second year.

Professor Geffen reported that at least one unionized group of state employees--the MEA-affiliated faculty of the state universities-- is also upset because its union is not represented in the negotiations.

4. Search Committee for position of Academic Vice President and Provost.

President Keller reported that he had received more than one key refusal to his requests to serve on the committee. He hoped to know the entire committee membership within a day. He said that to achieve the necessary balance he might have to add one or two faculty members not on the list submitted by the FCC, but that he believed FCC would find the committee would reflect the balance it sought.

5. Nature of FCC involvement at Regents' meetings: NEW POLICY.

The president reported that he had recently discussed with Professors Stuthman and Rubenstein the matter of faculty representation at certain Regents' committee meetings. While the FCC dinner meetings with the Regents are of value, by design they do not deal with current issues. His suggestion is that FCC designate a faculty speaker, who would not necessarily be an FCC member, for any agenda item before the Staff and Student Affairs Committee on which FCC would like faculty speaking privileges. The proposal is agreeable to the Chairman of the Board of Regents. While the privilege would pertain to one committee on a standing basis, it could apply on an ad hoc basis to the Regents' other committees. If FCC members decide they should designate a speaker for one or more of the published agenda items, the committee would provide the name in advance to the Regents' office.

Professor Rubenstein recommended that FCC inform the chairs of those committees which are now receiving the Regents' short docket (Educational Policy, Faculty Affairs, Social Concerns) of the arrangement.

Professor Sorauf urged FCC to retain the initiative for each of the presentations.

Professor Murphy asked that the policy be recorded in writing for future reference. Professor Merwin recommended the policy be reported to the Faculty Senate.

The Regents' October meeting will be held in Grand Rapids. There did not appear to be an item on which the FCC would find it important to have a speaker.

5. Forum on Commitment to Focus to precede the November 14 Senate meeting.

There appeared to be a consensus of opinion within FCC that the forum should be open to the entire University community, and so should be announced generally. In addition, the Consultative Committee will especially encourage senators to attend.

6. Other items.

There being time remaining in the reserved hour, the president invited questions. Professor Berscheid inquired whether President Keller would establish the child care committee which an ad hoc group has requested. The president acknowledged that he had been asked to do so but said he believed the governance system should be involved from the outset, and so would recommend that SCC appoint the committee.

President Keller inquired whether there was yet any visible improvement in services at the libraries, and Professor Murphy reported one sign of improvement--two workers instead of one at the reference desk. Vice President Murthy noted that the libraries had lost a total of 40 employees over the last 10 years, which the University is now beginning to make up.

Misinformation on salary increases. President Keller noted that erroneous figures had been printed recently in at least two places, a City Pages article and a letter to the Daily, stating that central administrators had received 15% salary increases from last year to this year while faculty were receiving an average of 4.5%. Administrators received the same average increase as faculty, the president reported.

The meeting adjourned at 11:50 a.m.

Meredith Poppele,
Recorder



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September 27, 1985

President Kenneth H. Keller
202 Morrill Hall

Dear Ken:

Here are the agendas for the October 3 FCC and SCC meetings including items from our discussions with you. If I've put any item in a spot different from what you intended, let me know--we can amend the agenda.

Irwin and I found our Tuesday session with you and Rick very valuable. It bodes well for good communication and hence good governance that you are willing to make these exchanges regular events, preceding each of the Faculty Consultative's and the Senate Consultative's meetings with you. Thanks for these opportunities.

Cordially,

Deon D. Stuthman, Chair,
Faculty and Senate Consultative
Committees

DDS:mbp

pc: Rick Heydinger
Irwin Rubenstein