

SENATE COMMITTEE ON FACULTY AFFAIRS (SCFA)
MINUTES OF MEETING
MAY 6, 2014

[In these minutes: Benefit Changes for 2015, Proposal from SCFA Subcommittee on Faculty Development Leaves, Proposed Changes to Retirement Options, Regents Scholarship Update, Different Types of Faculty Appointments Update]

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate, the Administration or the Board of Regents.]

PRESENT: Joseph Konstan (chair), Christina Bourland, Randy Croce, Arlene Carney, Dann Chapman, Carl Flink, Theodor Litman, Teri Caraway, Frank Kulacki, Monica Luciana, Peh Ng, Lori Rhudy, George Sell, Cathy Wambach, Nicole Victoria

ABSENT: Kathy Brown, Karen Miksch, Sophia Gladding, Scott Lanyon, Daniel Skaar, Samuel Gill, Nicholas Poggioli

OTHERS ATTENDING: Ole Gram, assistant vice provost, Office of the Vice President for Faculty and Academic Affairs

I). Professor Konstan called the meeting to order and welcomed those present.

II). Professor Konstan introduced the first agenda item, a benefits update by Dann Chapman, director, Employee Benefits. Mr. Chapman distributed a handout that highlighted upcoming benefit changes, which included:

- Beginning July 1, 2014, the time period for employees to complete their enrollment as a new hire will change from 60 days to 30 days. This shorter period is consistent with the time periods that are already in place for employees who need to make coverage changes and is more consistent with typical practice. The effective date of coverage for new employees will continue to be the first of the month following the employee's hire date.
- As of July 1, 2014, the medical plan termination dates change from the end of the month in which the pay period ends to the end of the month coincident with, or following the employee's termination of employment.
- Dental plan termination dates change from the end of the pay period in which termination occurs to the end of the month coincident with, or following the employee's termination of employment beginning on July 1, 2014.
- As of December 31, 2014, coverage for sex domestic partners (SSDP) will be eliminated. This change follows the legalization of same sex marriage in Minnesota, and treatment of same sex marriage as any other marriage under federal tax requirements, which was communicated to the University in August 2013.

- HealthPartners Medical Group will be available in Medica Elect/Essential beginning January 1, 2015.
- As of January 1, 2015, the Medica Insights plan will be eliminated.
- The merger of the employee plus spouse/SSDP and the employee plus spouse/SSDP and child/children tiers will be completed as of January 1, 2015. This merger was phased in over a two-year period. Given the employee plus spouse/SSDP tier will no longer exist, employees with this coverage tier will need to re-enroll for coverage beginning January 1, 2015.
- As part of the recent insurance contract renewal negotiations with Minnesota Life, the University was able to negotiate a \$25,000 supplemental life insurance open enrollment in November 2014 with coverage effective January 1, 2015. This means that employees can apply for \$25,000 of additional life insurance coverage without underwriting (guaranteed issue).

Professor Ng asked whether the decision to merge the employee plus spouse/same sex domestic partner (SSDP) and the employee plus spouse/SSDP and child/children tiers was because children are less expensive to cover than adults. No, stated Mr. Chapman, the reason the tiers are being merged is because of the Affordable Care Act (ACA) and the changes the University has had to make to ensure the University does not expose itself to the excise (Cadillac) tax. Beginning in January 2015, the UPlan will have three coverage tiers 1) employee only, 2) employee plus child/children and 3) family.

Professor Konstan thanked Mr. Chapman for the update.

III). Professor Konstan called on Professor Ng to provide information about the proposal drafted by the SCFA Subcommittee on Faculty Development Leaves. Professor Ng reported that a preliminary report was initially discussed at the December 3, 2013 SCFA meeting and has since been revised to include members' feedback from that discussion as well as feedback received from other faculty who are following the issue. Professor Ng highlighted the revised report's recommendations:

- Limit competitive single semester leaves to tenured and tenure track faculty.
- Require faculty who take a leave to file a report that addresses the results of the work they did while on leave. Summary reports are not required under current policy, but this should be considered.
- Reduce the 100% salary rate for single semester sabbatical leaves to 80%, or, alternatively, increase the two semester sabbatical payment to 65% versus 50%. Additionally, eliminate the centrally funded sabbatical supplement program from the Provost's Office, and give individual colleges, units, campuses the option of providing up to an additional 15% of the faculty member's recurring base salary.

Professor Ng turned to Ole Gram, assistant vice provost, Office of the Vice President for Faculty and Academic Affairs, for any additional comments he wanted to add. Dr. Gram stated that an issue for the administration is that while it is clear who has taken a

sabbatical, it is not as obvious who has taken a single semester leave. This is because faculty taking a single semester leave continue to be paid at 100% and not all employees who enter payroll information enter the semester leave code into the system so that this information can be tracked. Much of the sabbatical and single semester leave information is self-reported to the Office of the Vice President for Faculty and Academic Affairs. Comparing the self-reported information and PeopleSoft records indicates that roughly 20% go unreported. However, the real issue has to do with the variability at the collegiate level in terms of how leaves are used and what actually constitutes a leave. The University's sabbatical leave system is unusual compared to other institutions because it has a built in structural subsidy for departments/colleges. Colleges, for example, pay 50% of the faculty members' salary, which means there is a savings of 50% in the college. In order to get a full financial picture, the administration needs to understand how these savings are being used. Are colleges relying on this money to run their business? For colleges with a high sabbatical participation rate, this would have a huge financial impact, but for colleges with a low sabbatical participation rate, the financial impact would be minimal. The Office of the Vice President for Faculty and Academic Affairs is contacting other CIC institutions to get a sense of their sabbatical participation rates. It is also unclear whether colleges and departments replace faculty who are on leave or whether, over the years, they have simply built in to their curriculum that a few faculty will always be gone. Finally, there is the question of what happens during a transitional period when potentially there is pent up demand for sabbaticals. Vice Provost Carney stated that it is important to keep in mind that while there is a University policy for faculty leaves (<http://www.policy.umn.edu/Policies/hr/Leaves/FACLEAVES.html>), there is not uniform implementation of the policy across colleges. She added that while some colleges could be ravaged by big changes in this policy, other colleges would be minimally impacted. Frequently policies have a universal implication; however, not in this case, which adds to the complexity of looking at the financial impact of changing the policy.

Are replacement teaching rates (salary-wise) banded across the University, asked Professor Kulacki? No, stated Vice Provost Carney, these rates even vary within a department. To be clear, stated Professor Konstan, variations from college to college are multi-dimensional.

Professor Konstan then took a few minutes to recap the proposed policy changes put forth by the SCFA Subcommittee on Faculty Development Leaves. In reaching their final recommendations, the committee needs to balance the following:

1. Are the obstacles to taking a sabbatical causing faculty to insufficiently use sabbatical leaves to develop themselves? If so, would the proposed policy changes make it easier for faculty to develop themselves?
2. Any mechanism that involves spending more money will cost units and/or central administration money that will restrict the ability to spend it on something else.

Taking these factors into consideration, Professor Konstan reminded the committee that the goal is to make sure faculty have the wherewithal to take the time to renew and

develop themselves. Vice Provost Carney noted that while the policy only talks about the investment of central funds in sabbatical leaves, each college handle this differently. No college contributes more to the sabbatical of their faculty than the College of Liberal Arts (CLA). CLA contributes twice as much money as they receive and they use large amounts of collegiate funds for sabbatical supplements. Whereas CLA has made a commitment as a college to supplement sabbatical leaves, most other colleges do not. Each college has a different culture, and, depending on whether the faculty leave policy is changed, colleges could have to change some of their investment strategies. Professor Konstan added that such a policy change may require a phase-in period in order to be feasible.

Professor Konstan solicited members' questions before going around the table and asking members to weigh in on this proposal. Professor Wambach asked how the various types of leaves would work in combination with one another and gave a sample scenario. She asked whether the committee should consider putting restrictions on how leaves can be used in combination with one another. Professor Konstan stated that such a policy already exists. Assuming he recalls correctly, he believes that the policy stipulates that a faculty member cannot have more than a total of three years of all kinds of leave in any seven-year period. Vice Provost Carney confirmed that this is the current policy.

Professor Caraway clarified that the original proposal that was brought to the committee back in December had the single semester sabbatical at 100% pay, but now the rate that is being proposed is 80%. Please explain why the percentage of pay was reduced. Professor Ng stated that after talking with administrators, it became clear that there needed to be some degree of co-commitment on the part of faculty to avoid the perception that faculty are able to get a one semester sabbatical at full pay every seven years without having to do anything. Put differently, from an external perspective it looks like vacation when there is no co-commitment on the part of faculty.

Professor Flink noted that a leave at an 80% salary level is similar to a copay structure. Does doing this mean that the committee is no longer interested in making a reporting requirement for faculty who take leave? He agreed that there is the external perception that leaves are vacations but this is because faculty are not submitting clear reports about how they developed themselves on their leave. The 80% salary rate seems punitive if the institution plans to institute reporting requirements on faculty who take a leave. He suggested encouraging the administration to establish a policy that requires clear reporting regardless of whether the compensation rate is 100% or 80%.

Mr. Croce voiced concern about moving away from the 100% compensation rate as well. He noted that giving up 20% of one's pay could be viewed as a hardship for some people. Reducing the leave salary could prohibit some faculty from ever taking a leave.

Professor Konstan asked members for their initial thoughts and feedback on the proposal. Comments included:

- If people are not taking leaves because they cannot afford to do so, more money needs to be put on the table.

- Why should a sabbatical (80%) be treated differently in terms of compensation than a single semester leave (100%)? Politics come into play when it comes to leaves and how they are allocated; the allocation process is not purely merit based.
- Paid sabbatical leaves are important for developing faculty and keeping the University competitive. An accountability mechanism, e.g., reporting requirement, needs to be put in place.
- Do not pay faculty for at least a portion of their leave until they have submitted a report.
- There should be no entitlements for sabbatical leaves or semester leaves.
- In addition to instituting a reporting requirement immediately after a sabbatical is over, implement an additional longer outcome measure that would have the faculty member look back retrospectively one year after the sabbatical is complete.
- If a faculty member does not submit a report, he/she should be taken off the eligibility list for a sabbatical or leave for a specified period of time. All leaves need to incorporate an accountability strategy.
- Eliminate semester leaves except for probationary faculty.
- Eliminate the single semester leave in favor of 100% sabbatical pay.
- Leaves and sabbaticals are important for development purposes but there needs to be reporting requirements.
- Institute a reporting requirement for all leaves.
- In the interest of simplification, offer either a semester leave or sabbatical but not both.
- Offer either a semester leave or sabbatical, which would serve to minimize playing the system by some faculty.
- Require a leave proposal request, require a written report upon completion of the leave and then conduct a longitudinal study a year or so after the faculty member returns and have it tied to a person's annual evaluation.
- There are costs associated with offering competitive leaves, which should include probationary faculty.
- Simplify the leave options and institute a reporting requirement for the purpose of measuring productivity.
- Accountability and reporting are important and being able to keep the leave benefit requires making a case for its value. Currently, not enough is being done to capture the stories about why this benefit has value.
- There is a culture of distrust among faculty when it comes to moving an entitlement into something that could be taken away by a department head or dean at some point in the future.
- The notion of a joint investment on the part of the administration and faculty does not necessarily have to be monetary in nature (100% salary versus 80% salary), but there should be a way to demonstrate a shared investment by both parties, e.g., faculty member teaching an extra course before or after the leave.

- While there are obstacles for faculty when it comes to taking advantage of leaves, faculty need to make a point of taking a leave in order to make advancements in their scholarship.
- It will be important to package/communicate the policy appropriately so that faculty understand the value of this benefit.
- The way the competitive single semester leave is structured makes it more likely that the same people will get those leaves and the people who really need time away to develop themselves into stronger scholars may not be the most competitive people.

Professor Ng thanked members for their feedback. She stated that the subcommittee is gathering a lot of input because they want to be careful not to solve one problem but create another. This is an important policy that has broad implications.

Professor Konstan suggested the committee take time to digest today's discussion and to return to this discussion in the fall. He also suggested possibly setting up a discussion board on this topic to collect additional comments.

IV). Given the faculty retention data being compiled by the Provost's Office has not yet been completed, Professor Konstan postponed this agenda item to a future meeting.

V). Professor Konstan introduced the next agenda item, a continued discussion of proposed retirement options for tenured faculty and continuous appointment P&A employees. He reported being surprised by how many people are under the impression that the draft proposal is already final. Mr. Chapman assured the committee that the draft proposal is in no way, shape or form set in stone and is still in the consultation phase.

Professor Konstan reported hearing from a number of faculty who are concerned about the increase in the minimum appointment during a phased retirement from 25% to 50%. The argument in favor of doing this by the administration was that it is challenging for a department to match the 25% time to an actual workload.

Professor Konstan highlighted the major substantive changes in this draft proposal:

- A phased retirement option that increases the minimum appointment during phased retirement from 25% to 50%.
- A terminal agreement option that provides a range of possible compensation tied to immediate separation.
- A tenure buyout option at a lower compensation range than the terminal agreement while allowing limited continuing employment for those who might need to teach a class or finalize a research project.

Professor Konstan asked to what extent these are retirement options for certain categories of employees or simply options for administrators that give them greater flexibility to deal with faculty who are ready to shift out of their full-time, full-load faculty responsibilities. Mr. Chapman stated that the goal is to provide different retirement

options; all of these options require agreement between the faculty member and the Dean or other appropriate unit leader.

Who brought this proposal to the committee and when will a decision be made about whether the draft policy will be adopted, asked Professor Sell? Professor Konstan stated the Vice President for Human Resources Kathryn Brown brought this to the committee and it needs to go through a number of steps before it is adopted.

Professor Konstan asked Mr. Chapman to comment on the increase in the minimum appointment during phased retirement from 25% to 50%. Mr. Chapman stated that the primary reason for increasing the minimum appointment was because a 25% work effort does not justify the full benefits that come with phased retirement.

Professor Kulacki asked whether any case studies have been done to understand the financial consequences for any of these options to departments. He voiced concern that some of the options could have serious consequences, particularly on small departments. No case studies have been conducted, stated Mr. Chapman, and he is not even sure how Human Resources would get to this data. He added that Human Resources created these alternative options at the request of the deans. None of these options are entitlements.

Professor Luciana stated that since the last meeting she and Professor Flink shared this draft document with the CLA Council of Chairs. Overall, there was broad support for eliminating the 25% phased retirement option. There were a number of concerns, however, about phased retirement in general and the costs to the unit that are not transparent in the proposal. Long phased retirements can be quite costly to the unit even at 50%. Additionally, there were a lot of questions about what was meant by “cost born by the department,” e.g., does this mean the department, unit or college. Mr. Chapman stated that this was simply a matter of verbiage choices and it refers to the fact that the cost will be born by the budget unit. Professor Ng suggested changing the term department to collegiate unit or similar unit.

Professor Flink voiced concern over an earlier comment by Mr. Chapman about all the retirement options not necessarily being viable for all departments depending on how a department is structured. This comment seems to infer that the institution is intentionally creating different layers of class given that not all departments have the same financial resources. Vice Provost Carney noted that currently, for example, a significant number of colleges only allow a three-year phased retirement and not a five-year phased retirement. She added that there is a lot of decanal discretion when it comes to what retirement options are available to different departments now. Professor Flink noted that oftentimes faculty at the end of their careers are viewed as less productive. From a Human Resources perspective, stated Mr. Chapman, the expectation is that all employees should be held accountable for their productivity. Professor Konstan added that there are a number of faculty who are apprehensive about their retirement and the options are a way to help them make the decision to retire.

Professor Sell stated that he views the reduced effort down to only 50% as a lose/lose proposition. The department loses because it costs them more and faculty lose because they get less.

Professor Konstan suggested making the chart of options drafted by OHR more clear e.g., clarify what happens with retirement benefits, what happens with health care costs, does the department or collegiate unit pay for the buyout. Also, there is confusion about the “no required notice of nonrenewal” under the ‘new tenure trade’ option. If a P&A employee is given a continuing appointment, for how long is that appointment guaranteed? Professor Luciana added that the CLA Council of Chairs, generally speaking, found the ‘new tenure trade’ option as inherently undesirable because it viewed it as a threat to the tenure code given no one should have to give up tenure if they are still employed. Mr. Chapman stated that he appreciated the feedback and that this document was meant to be a high-level discussion document only; therefore, the details were intentionally left out.

VI). Professor Konstan reported being contacted by the Professional & Academic Consultative Committee (PACC) about the Regents Scholarship, which is also an issue for this group. He stated that he will be meeting with them to discuss their concerns further and that this will be an agenda item for the fall.

Another agenda item that the committee will be looking at this fall is the diversity of faculty appointment types that exist or are prohibited across the University. He stated that he would be asking the Provost’s Office for as much information as possible about the range of faculty appointment types and other related information to facilitate an informed discussion about this issue.

Professor Konstan thanked members for a good year, and stated that if issues come up over the summer to email him.

Before the meeting adjourned, Mr. Chapman announced that this will be his last meeting as he plans to retire in the fall. Vice Provost Carney noted too that this will be her last meeting as she will be leaving her current position as of June 30, 2014 and returning to the faculty.

Hearing no further business, Professor Konstan adjourned the meeting.

Renee Dempsey
University Senate