

Minutes*

SENATE FACULTY AFFAIRS COMMITTEE
Tuesday, December 14, 1993
3:15 - 5:30 p.m.
300 Morrill Hall

- Present: Carl Adams (chair), Carole Bland, Rose Brewer, Daniel Canafax, Carol Carrier, Mary Dempsey, Daniel Feeney, Judith Gaston, Audrey Grosch, Morris Kleiner, Dianne Mulvihill, Phuong Phan, George Seltzer, W. Donald Spring, Yang Wang
- Regrets: Ann Erickson, Roger Feldman, Richard McGehee, Michael Sadowsky, Bernard Selzler, James Stone
- Absent: Roger Paschke
- Guests: Burton Paulu (Professor Emeritus, Mass Communications), Jeanne Lupton (Professor Emeritus and former Associate V.P. for Student Affairs), Albert Nier (Regents Professor Emeritus, Physics), Phillip Raup (Professor Emeritus, Agriculture and Applied Economics), Eva Keuls (Professor, Classical and Near Eastern Studies), Andrew MacLeish (Professor, English), Mark Brenner (Associate Dean, Graduate School)

1. Chair's Report

The chair opened the discussion on U2000 and future planning directions. One person speculated that the President believes he has enough support to continue in the direction he has headed toward, yet senses the concerns of the faculty, especially in those areas associated with "University College," and implementation of the plan. Another committee member questioned whether policy was being developed by the faculty, or if the administration was simply presenting policies to the faculty for approval. Professor Adams said he understands the faculty would like the consultation to be more extensive and the administration to respond in a timely manner to their suggestions. It was noted that the resolution passed at the Faculty Senate Meeting on December 2, 1993, included language requesting the administration to submit for action through the governance structure, major matters of implementation or action prior to their submission to the Board of Regents. Does the President know how to fulfill his plans under U2000, asked one person? The chair stated that the lack of specificity can be overcome if there is a confidence in the planning process. Unfortunately, there appears to be a lack of trust among the faculty. The committee discussed the role SCFA should now take in U2000, and agreed proactive suggestions to the administration would be appropriate. The communication, however, should be routed through the Faculty Consultative Committee. Professor Adams said the action and interaction between units is a critical characteristic of the planning process. Facilitating understanding overall may be more important than making any specific decision. Committee members interested in helping to draft the message should contact Professor Adams.

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

2. Minutes

The November 18, 1993, minutes were approved.

3. Retirement Income Issues

Dr. George Seltzer introduced four retired faculty to present some benefit concerns of retirees. The purpose of their presentation was to provide background information on the economic status of retirees, not a proposal for action. Dr. Burton Paulu led the presentation on behalf of the Retirees Association. Before October 1, 1963, he said, the retirement plan was extremely inadequate. Those retirees who entered into University employment before that date are suffering financially. Beginning January 1, 1990, a point system was implemented which gave retirees or surviving spouses covered by the early plan about \$800 extra per year. The most recent supplement became effective July 1, 1993, benefiting only about 95 people who were involved in the Faculty Retirement Plan prior to 1963 (as mentioned above).

Using 1992 figures, Dr. Paulu said academic employees who retired between 1962 and 1979 have incomes ranging from about \$15,000 to \$23,000 per year, and those retiring between 1980 and 1992 receive from \$25,000 to \$54,000 per year. Seven of the other Big Ten Universities pay for all or part of retirees' health insurance (as well as for spouses). The University of Minnesota does not provide this benefit. Between 1976 and 1991, U of M academic salaries increased over 100%, while retirees in the pre-1963 group only received an average pension increase of \$1,400. The Board of Regents have acknowledged that the pre-1963 faculty have been treated poorly and should be helped if possible. Dr. Paulu concluded by saying the retirees would like to see a good retirement plan that is adequate, and a flexible plan which is adaptable with supplements if needed. The University's current treatment of retirees is an embarrassment to itself. The University has done a noteworthy job on supporting issues such as gay partner benefits, child care, women's issues, etc. Nevertheless, the retirees would like to know why so little money has been invested into improving the living standards of retired faculty who spent most of their working years at the University.

Dr. Jeanne Lupton provided additional details on the health care issue. She stated that few know that the University provides no support for health care to retirees. There are State programs available to be purchased for \$1200 to \$2200 per year, not including the co-payments. Considering these expenses and medication, \$4000+ per year for medical expenses is not unusual. For those pre-1963 retirees with a total income of \$20,000, the remainder for living expenses ranges from \$15,000 to \$16,000.

One person noted that faculty employed prior to 1963 received very little retirement benefit in comparison to the accruing benefit available as a result of service following October 1, 1963. Therefore, many retired faculty are not receiving fair compensation for their pre-1963 service. What are some solutions, asked a SCFA member? One of the retired faculty restated that the purpose for their presentation was informational. Funds are needed for those most severely effected by the inadequate former retirement system, he said.

The chair summarized the presentation stating that justice and equity need to be addressed with the retirees. It appears, he said, solution to this matter would not concern a great deal of money and obviously would decline over time. Dr. Paulu stated that he and his associates have requested a meeting with President Hasselmo and some of the vice presidents. The chair recommended that they bring some

dollar figures to present at that meeting. It was also recommended that the point system be built upon. The chair offered the committee's support and services, if needed. Dr. Paulu expressed appreciation to the SCFA and said he would keep the committee informed of developments.

4. Mandatory Retirement

Professor Adams provided some background information regarding the current controversy on mandatory retirement. Federal law, he said, requires the uncapping of mandatory faculty retirement as of January 1, 1994, and the University's Board of Regents has abolished its policy effective that date. In April of 1990, the Faculty Senate approved a motion recommending the administration discontinue mandatory retirement as of July 1, 1991. However, that advice was not heeded. Information collected from other Big Ten universities shows that most uncapped mandatory retirement earlier than the January 1, 1994, deadline. The current controversy concerns the application of the policy; whether the University intended the effective date to be June 30, 1993, as indicated in some correspondence, or December 31, 1993. Those affected understood the uncapping to be effective June 30, 1993 and the University contends it is December 31, 1993. The controversy is still unresolved. Several SCFA members were surprised by the way in which information was disseminated, that the administration chose to wait until the last possible moment to remove the policy, and by the method in which the administration has chosen to handle the entire situation.

Dr. Eva Keuls and Dr. Andrew MacLeish represented the faculty members caught in the middle of the controversy. Professor Keuls described her understanding of the developments within this case. In November 1991, a published document from the University Administration stated that mandatory retirement would be abolished following June 30, 1993. The Employee Benefits Department notified faculty reaching the age of 70 in the second half of 1993 that they would not fall under mandatory retirement. On March 18, 1993, a vice president mentioned at a Faculty Consultative Committee meeting that those reaching the age of 70 between June 30, and December 31, 1993, would fall under mandatory retirement and that they had been informed. The affected faculty however, did not receive notification of the above mentioned change until April 28, 1993. Reactions to this change were not possible until the Fall 1993 quarter because the academic year was almost over. According to Dr. Keuls, the University has breached a legal precept termed "detrimental reliance." Five faculty have actively worked against the implementation of this policy and the removal of their tenure as of December 31, 1993. Professor Keuls senses that an agreement will be reached between the University and the involved faculty members. Ten others involved had various reasons for not taking legal action.

One committee member asked if the ten faculty who did not file a complaint will be effected by the negotiations with the others. Professor Keuls said that she did not know. There appears to be two main issues said one person: 1) dealing with the specifics of those faculty interested in remaining active, 2) the style in which the administration has handled this matter.

Associate Vice President Carrier said inaccurate information about the effective date was circulated within the University and the administration is striving to resolve the matter to everyone's satisfaction.

One person expressed concern about the removal of tenure without due process. Discussion continued among the group defining the issues and determining how the Committee should respond.

The following motion was then approved by the committee:

Based on the information available, the SCFA strongly recommends that the Administration not implement the involuntary termination on December 31, 1993, as is currently being planned, of those faculty affected under the old Mandatory Retirement Policy.

The issue of the University's handling of the matter will be addressed at a future SCFA meeting.

5. Conflict of Interest Policy

Dr. Mark Brenner then joined the meeting to continue the discussion of the Conflict of Interest Policy. Revisions are in the final stage, he said, and it is the expectation that a final draft will be presented to the Faculty Senate on February 17. The Faculty Consultative Committee will review the document on January 20, and then again on February 3.

Dr. Brenner described the approval process for disclosure of category II-A cases which involve those receiving royalties under University contracts. In those situations the department head makes recommendations of action to the dean who either determines to handle the issue internally or to send it on for full review by a Conflict Review Committee. Category II-B are areas where there is potential for conflict of interest. Again, the department head makes a recommendation to the dean, who then automatically sends the case on to the Conflict Review Committee. The committee's decision returns to the dean who reports the action to the vice president (of their corresponding academic cluster) for final approval. These committees should include faculty who subsequently become experienced in review.

Associate Dean Brenner said the term "External Professional Interests" in the policy sometimes can include faculty members who are involved with health providers or national boards which do not involve financial interests. Therefore, the definition is going to be deleted. Dr. Brenner said he would welcome ideas on how to address this term within the document.

It was agreed that SCFA would give a final review to the document at its January 6, 1993, meeting.

The meeting was adjourned at 5:30 p.m.

-Kevin Gormley

University of Minnesota