

Minutes\*

**Senate Committee on Faculty Affairs  
Thursday, October 10, 1991  
3:15 p.m.  
Mallview Room, Campus Club**

Present: Avner Ben-Ner (chair), Mary Dempsey, Ann Fallon, Daniel Feeney, Roger Feldman, Audrey Grosch, Morris Kleiner, Steve Laursen, Diane Mulvihill, Donald Rasmusson, George Seltzer, Bernard Selzler, W. Donald Spring, Gayle Graham Yates

Guests: Ann Bailly (Academic Affairs), Robert Fahnhorst (Employee Benefits), Maurine Venters (Director, Faculty/Academic Staff Advocacy and Grievance Advisory Program)

**CHAIR'S REPORT**

Professor Ben-Ner asked that the agenda be amended slightly before referring to a letter he had received from Vice Presidents Erickson and Infante on fringe benefit rates. He said the Federal audit agency had granted the University a two-year extension on its current practice of treating graduate assistants the same as academic employees for purposes of calculating fringe benefit rates. This will give the University an opportunity to review and make recommendations for benefit rate structures. The Finance and Planning Committee recently discussed the issue, and further, Professor Ben-Ner suggested SCFA will add it to its agenda, if necessary. [A copy of the letter is attached to these minutes.]

Professor Ben-Ner also reported that central administration's reallocation plans will result in approximately 700 fewer University positions. This will be accomplished through retrenchment, retirement, and layoffs. The Senate Consultative Committee, he said, is displeased that the cuts, that will eventually yield \$32 million, were not discussed in sufficient detail to allow faculty governance to offer its opinion. It is Professor Ben-Ner's understanding that additional consultation on the issue will be held to insure faculty input. The \$32 million would be used to provide a five percent salary increase for faculty and staff next year and provide additional funds for supply and expense budgets.

**HEALTH PLANS**

Professor Ben-Ner reported that in response to suggestions made by SCFA and others, the Request for Information (RFI) from various health care providers, first drafted last year, was changed by the Health Plans Task Force. Professor Ben-Ner said that other changes were also made placing University health care facilities at the center of the health plans proposal, thus limiting outside options. Also, health care quality was not addressed.

University employees have expressed concern that the University's health care facilities cannot serve everyone's needs. It is important that, at the very least, the University community ascertain whether the University health care facilities are both financially and medically their desired option.

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A letter to the recipients of the RFI is being prepared by the Task Force consultant, reflecting these concerns.

Professor Spring expressed concern that in spite of the letter, if vendors feel using University facilities is central to any plan, they may hesitate to bid. In addition, he pointed out that one of the major dissatisfactions with the current plan is the lack of choice, and it appeared the University was making the same mistake again.

Professor Seltzer pointed out that one-half of University retirees are in the State Plan and if the University decides to sever itself from that plan, retirees will be greatly affected.

### **OMBUDS COMMITTEE REPORT**

Professor Ben-Ner next turned to the Ombuds Committee Report. He explained that in the spring of 1990 the Senate Consultative Committee (SCC) appointed a committee to review and evaluate various dispute resolution models and to make recommendations for an organizational structure to serve all campuses and all constituencies of the University community. The committee was chaired by Professor Charlotte Striebel, who presented the committee's report to the Senate Consultative Committee on October 3. Because of its impact on faculty, Professor Ben-Ner assumes it was an oversight that the report was not presented to SCFA for its review. The report is scheduled to appear on the October 31 University Senate agenda for discussion.

Professor Ben-Ner then introduced Dr. Maurine Venters, director of the Faculty/Academic Staff Advocacy and Grievance Advisory Program, and Professor Michael Wade, chair of the subcommittee responsible for reviewing that program. The Faculty/Academic Staff Advocacy and Grievance Advisory Program was established by SCFA in 1986 to provide information and assistance to all academic employees regarding internal grievance procedures and, thus, as director of the program, Dr. Venters is very interested in the Ombuds Committee Report. Her primary concern is that the report overlooks the fact that her office is already providing most of the services the Ombuds committee is recommending the new Ombuds Service will perform.

Professor Wade said his subcommittee had not had adequate opportunity to review the Ombuds report and felt it was important that they and SCFA have an opportunity to do so prior to its inclusion on the Senate docket.

Dr. Venters said she was initially a member of the committee; however, does not endorse the report. In fact, her first awareness that a report had been issued was just a week prior to SCC's discussion. For SCFA's reference, Dr. Venters distributed a summary of the activities of her office during the period September 1989 through August 1991 and a letter she had written to Professor Striebel responding to the report.

**At this point, Professor Wade moved that the Faculty Affairs Committee request the Senate Consultative Committee to withdraw the Ombuds report from the October 31, 1991 Senate agenda in order that SCFA be given an opportunity to adequately review and comment on the document prior to Senate discussion.** The motion was approved with one abstention and will be conveyed to

Professor Thomas Scott, Chair, Senate Consultative Committee.

Professor Wade's subcommittee will review the report further and report back to SCFA.

### **PHASED RETIREMENT AND TERMINAL LEAVE POLICY**

Professor Daniel Feeney said the retirement subcommittee received the proposed Phased Retirement and Terminal Leave Policy approximately two weeks ago and, thus, had not had much opportunity to discuss it. Because of the short time-frame, Professor Goldstein asked subcommittee members to review it and send their comments directly to Ann Bailly before October 10 when the Board of Regents was scheduled to discuss the policy. [The Regents will vote on the policy in November.] The Subcommittee did recommend, however, that individuals participating in the phased retirement or terminal leave programs be granted access to 25 percent of the dollars in their basic plan. The current plan precludes this.

When asked why the policies were being revised after only three years, Ms. Mulvihill said the changes were initiated by Employee Benefits to comply with new federal legislation requiring that all benefit programs disregard age when determining eligibility and levels of benefits. In addition, the policies were brought into compliance with Section 415 of the Internal Revenue Code. The section on medical benefits was also changed to allow a person working less than 50 percent time to continue receiving medical coverage; however the subsidy would not continue below the 50 percent level. Not contained in the policy, but something that the University is working on, is making the policies more attractive by allowing individuals to draw on their retirement funds, as the subcommittee recommended. Employee Benefits is pursuing this change, but will need approval by the IRS.

Ms. Bailly pointed out that one of the reasons the Phased Retirement Policy is not as attractive is because faculty working less than 50 percent time must pay their own medical and dental benefits.

When asked how many people are expected to take advantage of the programs, Ms. Bailly said it is very hard to determine, but the number of voluntary retirements will directly affect how many others will receive lay-off notices.

Professor Rasmusson asked whether the terminal leave program ought to be limited to individuals who are at least 52 years of age. Ms. Bailly defended central administration's view that a minimum age is beneficial even though she agrees there are convincing arguments both for and against a minimum age requirement.

Ms. Mulvihill was asked to clarify how the Rule of 75 applies to the Terminal Leave Policy. [The Rule of 75 refers to the combining of an employee's age and complete years of continuous University service (in at least a 75 percent appointment) to reach a total of 75 years or more.] She said the Rule of 75 is under the volunteer retirement program and is only related to the phased retirement or terminal leave programs if someone applies for one of these programs during the volunteer retirement window, which currently is scheduled to end December 1991. The employee would then be eligible for both programs if s/he meets the Rule of 75.

When asked how the phased retirement program and the terminal leave program differ, Ms.

Bailly responded that in the phased retirement program a faculty member continues his/her service while decreasing his/her workload over time. In the terminal leave program, the faculty member no longer performs his/her teaching and research duties.

A final question concerned the potential for abuse of the policies by department heads. An example might be a faculty member who is pressured into taking a leave. Ms. Bailly responded by saying that the programs are voluntary and that approval is necessary on several levels.

At this point, **Professor Rasmusson moved that the Faculty Affairs Committee endorse the Phased Retirement and Terminal Leave Policy document as presented.** The motion was approved with three abstentions.

The meeting was adjourned at 4:45 p.m.

Martha Kvanbeck

University of Minnesota