Minutes[*]

Senate Committee on Faculty Affairs
Tuesday, September 12, 2000
3:07 – 5:00
Nolte Library

Present: Richard Goldstein (chair), Josef Altholz, Carole Bland, Robert Fahnhorst, Daniel Feeney, John Fossum, Robert Jones, Larry Miller, James Perry, Carol Wells, Lisa Wersal

Regrets: Avner Ben-Ner, Charlene Mason, Cleon Melsa, Dwight Purdy, Wade Savage

Absent: Carol Carrier, George Seltzer, Tom Walsh, Sheila Warness

Guests: Professor Richard McGehee (Health Plan Task Force)

Other: Cathy Gillaspy (Board of Regents' Office)

[In these minutes: committee business (including parking availability, faculty workload, fall semester starting date, faculty salaries, professional development leaves, biweekly payroll and the extra pay period, academic appointments); the changing situation in the University's health coverage options]

1. Review and Status of Issues Pending

Professor Goldstein convened the meeting at 3:08 and started by reviewing the issues before the Committee.

-- The Committee on Finance and Planning is looking at parking COSTS; this Committee will look at the availability of parking to faculty. There will be a subcommittee of one to pursue the issue: Professor Goldstein. Professor Altholz recalled a comment from a colleague, made in the 1960s: "Why do they hire more people than they can park?"

-- The Benefits Subcommittee will take up the question of eliminating the 28-day waiting period for insurance coverage. Professor Feeney said it was also very interested in the issue of the waiting period for the faculty retirement plan.

-- There will be no action on the faculty workload question in CLA until the Committee hears from CLA. Professor Goldstein said he understood that Dean Rosenstone would reconsider the 4-credit module. That would cause a lot of trouble, Professor Altholz said, because the faculty just had to redo their courses for semesters to make them 4 credits. The choice may be, said Professor Goldstein, between redoing the courses or teach three courses. It may also be that CLA will consider allowing faculty to teach one less course per term in alternate years, which would be the ideal solution.

[*] 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.

-- Semester conversion generally is off the list but there is a calendar question. Professor Altholz said that the starting date for Fall Semester does not allow enough time to prepare. Professor Goldstein agreed but pointed out that if the start date allowed two weeks rather than one, in some years academic appointments would have to end exactly at the end of Finals Week of Spring Semester (which people do not like) OR Spring Semester would have to start a week earlier (which people like even less). As for the possibility of starting 10 days in advance, that is problematic because "it messes up payroll," which has to start on a pay period date. This is something that the Committee on Educational Policy should take up, Professor Goldstein suggested.

-- Professor Goldstein asked Professor Miller for a report on where the task force on salaries is. "Nowhere," he said; it has received some data from Institutional Research and Reporting but the task force has not met. What is the group concerned about, Professor Altholz inquired--salaries in general or inequities within the University? Certainly in general, Professor Miller said, and perhaps more, but they need to see the data before deciding. What is extremely important, Professor Goldstein said, is that good data be reported to the faculty.

-- A permanent Professional Development Leave Policy must be developed, Professor Goldstein said. He said he hoped that the University would collect data on what peer institutions are doing. Those data were collected three years ago and a good policy was developed that everyone liked except the deans. It will not be possible to get a policy to the Senate in the Fall, he said in response to a suggestion from Professor Altholz. Any policy must first get through the deans, Professor Altholz said; some changes they want may be acceptable but most probably will not be. Even with extraordinary good will, however, it will not be possible to get a policy in place by the end of the year if it does not go to the Senate in the fall.

-- Professor Goldstein said he would be scheduling meetings with each of the subcommittee chairs to work on their agendas for the year.

-- There is need for a volunteer to work on promotion and tenure issues; Mary Dempsey, who chairs the subcommittee, is not a member of the Committee. There are at least two items requiring attention: there must be follow-up on the post-tenure review process in each department and there is need to consider if Minnesota should send a post-promotion letter, similar to one used at another Big Ten school that Craig Swan provided to the Committee. It will be distributed to the Committee for comment and review.

-- There is a payroll issue. The biweekly payroll system has 26 pay periods per year. For people on A (12-month) appointments, the salary is divided by 26. The problem is that every few years there are 27 pay periods. The question is whether people will be paid for that additional period. Professor Goldstein said he raised this question when the change to the biweekly payroll was made and was told "don't worry about it." He has since talked with people about it. Associate Vice President Pfutzenreuter said that people would probably be paid 26 27ths each pay period because they would all realize they are being paid for the year, not the pay periods. He said the issue would go to Vice President Carrier, but it will likely go to the President.

This also affects 9-month appointees who have elected to be paid over 12 months, Professor Altholz pointed out. It also affects 9-month appointees who work over the summer on grant funds, Professor Goldstein observed, but that is of less concern to the University because it is not University money.

This is a major decision that has to be made in the near future, Professor Goldstein said, because there will be a 27th pay period soon. There is need for a clear answer from the University.

How could the University NOT pay people every two weeks, Professor Wells asked? People come to work every two-week period. Professor Goldstein said he suspected that that year the University would pay people 1/27th of their salary each pay period. He said he is not telling anyone what to do or what they should do but that there needs to be an answer. Mr. Pfutzenreuter is aware of the problem and it does involve real money. There is also the question of what to do for faculty with 14 weeks of pay in the summer, rather than 13; does the University say they do not get paid?

What will the state do? The state has employees on a biweekly payroll. Mr. Fahnhorst agreed to find out.

-- On the matter of academic appointments, Vice Provost Jones reported, the Twin Cities deans have raised questions with Vice President Carrier and she, in turn, is working with Professor Morrison. There has been a draft timeline established for consultation on the new guidelines.

This issue affects the nature of the University, which is why it is of concern, Professor Goldstein noted. It is an economic issue but it goes beyond money. Dr. Jones agreed, and said the deans raised questions about the consultation process with departments and how departments would participate in developing collegiate plans for the use of non-tenure/tenure-track faculty.

Professor Bland said she found something in the new guidelines she had not seen before: that any tenured or tenure-track appointment had to have state funds behind it. Professor Feeney said that positions without state funds could be tenured only with the approval of the Provost [actually also the vice presidents and chancellors]. This was an issue that came before the Senate Committee on Finance and Planning when the School of Public Health had a problem with more soft money and not enough hard money; a number of people did not realize there were tenured positions that were not on hard money. Professor Bland said she did not recall this issue being discussed; it puts at a disadvantage units with few state dollars and puts the Provost in charge of tenure lines in those units.

This is a tricky issue, Professor Goldstein said, and there is sensitivity on both sides. In the past, a number of times there have been tenured positions on soft funds and the funds dried up, at which point money was taken from other parts of the University. This created unhappiness. All units live on soft money, he said; the question is whether it should be used for tenured positions, or about the number of positions that should be on soft money.

This needs to be reviewed, Professor Bland urged. Who should the Committee talk to, Professor Feeney asked? It was agreed that Vice President Carrier and Professors Bales and Morrison should be invited to join the Committee to talk about the issue.

2. Report from the Health Plan Task Force

Professor Goldstein turned now to Professor McGehee, who had requested time (again) to discuss the evolving situation in health insurance. First, however, Professor Goldstein announced that he had been surprised to discover, by doing some arithmetic after recently receiving the "You and Your Benefits" flier from Employee Benefits, that the University spends $7500 per year for family coverage for health care for employees. That, he declared, is A LOT of money for health care and the situation should be improved.

Professor McGehee responded to Professor Goldstein's observation by saying that the consultants had a similar reaction: for what the University is paying, an 81% satisfaction rate is BAD. He noted, however, that the survey-respondents were self-selected and that it was likely that some people who don't care about their health coverage (i.e., are satisfied) did not bother to respond.

Professor McGehee then reviewed once again the results of the employee survey, this time also presenting the views of graduate students and retirees. Among all active employees, the level of satisfaction with the medical benefit is 81% and with the mental health benefit 62%. For faculty, 76% are satisfied with the medical benefit and only 50% with the mental health coverage. For retirees the rates are 71% (medical) and 76% (mental health); for graduate students they were 73% (medical) and 64% (mental health). The University, he pointed out, falls FAR below the mark for satisfaction with mental health benefits.

The priorities when choosing a medical plan varied between active employees, retirees, and graduate students. For active employees, the priorities (in descending order) are premium, primary care provider choice, out-of-pocket costs, and specialist choice. For retirees, the priorities are primary care provider choice, premium, specialist choice, and out-of-pocket costs. For graduate students, the rank-order of priorities in selecting a health plan are out-of-pocket costs, premium, primary care provider choice, and specialist choice. The priorities for additional benefits (out-of-area coverage, prescription drug benefit, non-managed care, and Complementary and Alternative Medicine) also varied with the three groups, and the faculty priorities varied from the larger group of University employees (as reported in the SCFA minutes of August 31, 2000). The survey results can be found on the web at http:\\www.geom.umn.edu/usenate/.

There have been new developments since he reported to the Committee at the end of August, Professor McGehee said. They have been talking with the state about new approaches to the way the University deals with the state on health care matters and the state is open to suggestions. In a meeting with the Department of Employee Relations (DOER) recently, DOER has moved toward accepting the University's position.

There was a question about whether the University can negotiate with the state separately, rather than accept whatever plans come out of the bargaining between the unions and DOER. DOER has indicated there can be. Professor Goldstein inquired if such negotiations would cover ALL non-bargaining-unit employees; Professor McGehee said that was fuzzy. The question is whether a separate risk pool can be set up within the state employee group. If there is a separate risk pool, any modifications to the plan that affects who chooses it would not affect the cost to the state, so DOER says it would be possible.

Another question the University has is whether graduate students can be folded into the plan in a separate risk pool. DOER was also favorable to that idea.

If there is a separate risk pool, to what extent could the University modify the state plans? It could keep the point-of-service option and enrich it in exchange for co-pays and a deductible rather than first-dollar coverage. Currently, for people living in the metro area, the only difference between the State Health Plan (the "State Health Plan Point of Service Plan" ("SHP POS")) and the State Health Plan Select ("Select") is that SHP POS has a mechanism for escaping the HMO gatekeeper whereby subscribers can self-refer to a large network if they are willing to pay deductibles and a copays. One, of course, expects that, with an added benefit, the plan will cost more, and it does. For a given random population, the value of this additional benefit is small, something like 5% of the Select premium. But the State charges substantially more, approximately 30%. The reason is "adverse selection," that is, the people who value the additional benefit tend to be higher utilizers (i.e., older and sicker). Since the State prices the plan according to the actual costs incurred by the plan, the price is far above "market value."

If the University were free to modify the SHP POS option, it could decrease the value of the HMO part (e.g., add office copays for in-network services) to make the plan have the same actuarial value (for a fixed random population) as the Select plan. It could then set the price of the POS plan to be identical to the price of the Select plan.

There are a lot of complicated issues to deal with, and this example may not be something that the University would choose to do, but the point is that the University needs the flexibility to make modifications if there is any chance of addressing the problems. Again, DOER was favorable. Actuaries hired by the state said this option could be accomplished tomorrow.

Could the University offer a competing plan? Could it take the state plan but also offer something better for faculty? DOER had a lot warnings about this possibility but was open to it. Could this include a defined contribution plan, Professor Goldstein asked? That would be a possibility, Professor McGehee said.

All of this is at the talking stage, Professor McGehee pointed out; nothing is nailed down. He recalled, however, that at the last FCC meeting, Professor Morrison said to him that for ten years, every even-numbered year he (Professor McGehee) has been saying that the situation looks good and every odd year he says the situation has fallen apart. Two years ago he reported that the state was moving to a model favorable to the University but answers to the University’s questions were always “no.” Now the answers are an optimistic “maybe” or “yes.” If the details could be worked out (and they are not trivial details), the University may be able to stay with the state. But there is much uncertainty, he concluded, and he would not “go to the bank” with any of this yet.

Professor McGehee also warned that making these changes will open a Pandora’s box. If there are extra options the situation is the same as if the University separates from the state. In either case, the University’s Employee Benefits and Human Resources departments will negotiate with carriers for employee health care benefits. The question is where employee participation in the decision will occur. For unionized employees, that participation comes through the collective bargaining process; where would it come for faculty? That is a big issue.

There is no participation now, Professor Goldstein exclaimed! There is an 800-pound gorilla that looks after employee interests (the unions), Professor McGehee pointed out, which serves the University to the extent that the unions share interests with University employees.

Professor Goldstein asked if employees could still select the state plan. The question, Professor McGehee responded, is whether the University could modify plans offered by the state. It probably could. Mr. Fahnhorst and Vice President Carrier would talk to the state about what benefits would be offered but there would be no check on the process as there is with collective bargaining. Either way, employee participation must be addressed. There is a divergence of interests, Professor McGehee pointed out: the administration wants to keep costs down while employees want as good a benefit as possible. Those interests do not always align. If the University has only the state plan as an option, there is no room for employee participation. If the University can modify the state plan, that is no different from separating from the state.

The same divergence of interests exists when it comes to salaries, Professor Goldstein pointed out; it is in the interest of the University to keep costs down. If the University were to cut to 80% of what union members receive in health care benefits there would be an uproar, he said. If there is parity, there would not be.

A lot of universities are not affiliated with a big organization like the state, Professor McGehee reported. They set up a benefits committee that meets regularly with the administration. That is what now exists at Minnesota, Professor Goldstein said—it is the Health Plan Task Force! “This is not my permanent job,” Professor McGehee retorted with a grin; he said he was just issuing a caution about the process.

There would be a lot of costs to the University, Professor Goldstein speculated. There would, for example, be a need for additional staff in Employee Benefits in order to negotiate with insurance companies, or consultants would have to be hired. At the same time, the University is paying so much now that there would have to savings somewhere.

What are the benefits to separating from the state, Professor Miller inquired? There are issues the state has not dealt with, Professor McGehee explained; they are intransigent on domestic partners coverage and do not have adequate out-of-area coverage for faculty on sabbaticals or for retirees; people in those categories pay an arm and a leg for coverage.

Are the University’s costs too high and would it do better if it separated, Professor Miller then asked? There is no question that the University’s health care benefits are priced above the market, Professor McGehee said because of the way the state plan operates. The benefits offered attract people with higher health care costs. The SHP POS option is priced way above market value (as is HealthPartners non-Classic). The reason is the adverse selection, as explained previously.

It is an interesting question whether HealthPartners Classic is priced above or below market value. HealthPartners indicated that they can give us a better price if we separate, but that must be taken with a large grain of salt. They certainly indicated (as has everyone) that we can bring down the price substantially by modifying the plan. Does this mean that the University is simply passing the costs to the employee or does it mean that an actual savings will occur? Maybe a little of both. It is very difficult to predict, Professor McGehee said.

The costs are higher because there is no co-pay, Professor Goldstein said. Would not the total costs to the University and the employee drop if there were? There is evidence that that would occur, Professor McGehee agreed. The University could probably separate from the state and obtain the current HealthPartners coverage for less than what the state is now paying.

A looming issue is cost, Professor McGehee said. Nationally, all employers are facing costs that are out of control. For the University, health care cost has gone from $50 million to $75 million in two years, a 50% increase that shows no sign of leveling off. The administration finds that unacceptable and says something must be done. Virtually all employers have this view. One result is movement in the direction of defined contribution plans; employers get out of the health care business but help employees purchase coverage with pre-tax dollars.

What do other major employers in the state pay, Professor Goldstein asked? A lot less than the University, Professor McGehee said, but they also buy less and have higher deductibles. There is also higher utilization by University employees, Mr. Fahnhorst added. There would have to be a high co-pay in order to change behavior, he said. There is nothing magic about this: administrative costs of the plans are about 11%; the difference must come from higher claims.

The University pays $7500 per year for family coverage; does it have higher utilization rates than other large employers, Professor Goldstein asked? The state plan as a whole has higher utilization, Professor McGehee said; University employees are comparable in usage with other state employees. The way to bring down the cost is to add co-pays, according to one of the providers.

If there were a defined contribution plan, would that be for everyone or would there be a choice, Professor Altholz asked? The options would be similar to the differences between the civil service and faculty/P&A retirement plans, Professor McGehee said; one is defined benefit (civil service) and the other is defined contribution. There is a lot of confusion about the definition of "defined contribution." If the question is taken verbatim, then the answer is that there would be no choice, at least within employee groups (e.g., the faculty). If the University decides to go with "defined contribution," then the same contribution would be defined for all members of the group.

If the questions, however is "if the University decides to institute a medical savings account (MSA) option, would there be a choice?" then the answer is almost certainly that employees would be offered other options in competition with the MSA option. The defined contribution health plan would include a catastrophic insurance policy plus a medical savings account. The University could put the $7500 (minus the cost of the catastrophic insurance policy) into the medical savings account, Professor Goldstein observed.

If the University shopped around with the $7500, it could buy a "Cadillac," Professor McGehee said. The major objection to the state plan is that managed competition has not achieved the desired result. Sick people move among the plans and the one that gets them all goes out of business. This is the adverse selection problem again. The cheapest plan is so expensive because it is actuarially "rich." It provides "first dollar" coverage at no cost to the single employee. The problem is that it has a restricted network and gatekeepers. The people who value a larger network and self-referrals do not view the plan as "rich." If one gives up first dollar coverage and zero employee contribution to the premium, one can buy a "Cadillac" (now meaning no gatekeepers and a large network) for the same price. The

University will need to deal with that problem. People who are healthy need to pay for people who are sick. The $7500 plan is the one for healthy people, Professor Goldstein pointed out—it is the cheap plan, which healthy people select. There is no question the plans are very expensive, Professor McGehee agreed.

What would be included in a defined contribution plan, Professor Fossum asked? One of the defined contribution providers, Professor McGehee related, had solid numbers but those could be changed as the University established its plans. The basic product is an old-fashioned indemnity plan with a $2000 deductible, an 80-20 co-pay, and perhaps a $5000 (or less) maximum on out-of-pocket costs for a single employee. This kind of policy is inexpensive. If the cost of such a policy were $700 per year and the University put $5000 in a medical savings account, it would still be ahead, Professor Goldstein commented; the present plan is unrealistic.

But individuals out in the market for health care would have no negotiating power, Professor Feeney objected. That is the new part of these plans, Professor McGehee said. They offer a preferred provider network and other contracts as well as the medical savings account. They do all the accounting and make sure all expenses go toward the deductible. Employees who use the preferred provider network get a discount. For employee who are sure they will spend all the money, a flexible spending account can also be set up (this option is what is now available to employees). This option would be much cheaper than what current providers offer. The defined contribution providers also have an incentive to keep costs low because once employees have paid the deductible the provider pays the full costs.

Some people must have a plan similar to that offered by Blue Cross/Blue Shield, Professor Altholz said, because it is the only one that meets their needs. One worries that with a defined contribution plan people will be forced to choose an option that does not meet their needs (such as for out-of-area coverage). The catastrophic coverage could be a Blue plan, Professor McGehee said, and there are other national networks, which would solve the out-of-area coverage problem. People would also have to change providers, Professor Altholz pointed out.

If a defined contribution option is included, Professor Fossum said, the risks would be changed. Older people and women would pay more because they have higher medical bills (women because of child-bearing). Professor McGehee agreed. Would the University offer ONLY a defined contribution plan? That would be dangerous because it rewards young and healthy people, who could accumulate funds in their medical savings account and then use the money when they get older. The losers would be those who have a chronic illness who would have to spend all their money every year. Professor Goldstein said the winners would be those who want wider coverage choice and out-of-area coverage. The advantage of a Blue plan is that people know there is a wide area of coverage; one never knows that for sure with other plans.

When must the Committee do something, Professor Goldstein asked Professor McGehee? Quickly, he replied. The way things are developing, the Health Plan Task Force may recommend that if the state moves as far as it has signalled it is prepared to, that would be the best outcome. The University would keep what it has and be able to experiment with additional options.

A defined contribution plan can be structured however the University wishes, Professor McGehee added. He noted, however, that the pre-tax medical savings accounts (and the ability to accumulate funds over years) have not been given the blessing of the IRS. Something will happen on this front, however, he surmised. He also explained that a defined contribution plan is not synonymous with a medical savings account option--but a medical savings account would make no sense without such a plan. The University now puts in a defined amount of dollars, he explained: it pays the amount equal to the lowest-cost provider. Those funds could be put in a medical savings account instead.

This could go a long way to helping retirees, Professor Goldstein observed. Professor McGehee said that if the medical savings account option were established, and if a middle-aged employee chose it and remained fairly healthy up to retirement, then the accumulated money in the account could be used to purchase health insurance at retirement. He surmised that the medical savings account would not be a particularly useful option for current retirees.

Professor Feeney warned that there would have to be some benchmark established; what if the contribution for retirees were capped at a fixed amount, an amount that would buy a plan no one wanted? If the amount contributed to the medical savings account is too low, this approach nonetheless absolves the employer of any responsibility for health care even if the employee cannot find adequate coverage with the amount provided. That may be acceptable so long as the retirement plan is generous but there will be a crisis if people cannot afford their health care.

The University would not only give employees the money, it would also negotiate the choices, Professor Goldstein said. There was a proposal in the late 1980s, Professor Feeney recalled, for three tiers of coverage: 1) first dollar coverage in a restricted network, (2) modest deductibles and copays in a wider network, and (3) catastrophic coverage in a very wide network. There would still be a need for some benchmark, he insisted, because carrier costs increase. If the low-cost carrier is one that no one wants, there must be negotiations to resolve that problem. Who ensures that a plan is affordable and that there will be sufficient funds in the medical savings accounts in five years, he asked?

Those are the drivers behind the movement to a defined contribution plan, Professor McGehee said, sounding in agreement with Professor Feeney's concerns. If medical costs go up faster than the employer's defined contribution to the plan, then it is the employee who makes up the difference. Under the current system, the University funds the full cost of the cheapest plan, which, up to now, has had first dollar coverage. So the employee is shielded from rising medical costs. The danger, from the perspective of the employer, is the legal exposure from restricting medical access to employees. With a defined contribution plan, if salaries go up 5%, the employer would increase the contribution to the medical savings account by 5% as well--even if medical costs have increased 20%. Managed care is less and less inexpensive so employers seek to control access for employees. This is not something they want to do. There is great danger there, Professor McGehee concluded.

The University and the state are controlling access, not costs, Professor Goldstein said; they should control both. Even the consultants thought so. Something is wrong here. There is a quid pro quo, Professor McGehee pointed out; the University could get control of costs but doing so might mean degrading the quality of coverage. So it could add co-pays or other additional costs to the individual and also increase the amount of choice available to employees. This is not a situation where there are all gains. For what the University is paying, there should be gains, Professor Goldstein responded.

What will be decided this year, Professor Goldstein asked? Not the plan; only whether to stay with the state or to separate, he said. It will behoove the University to get as much written down as possible from the state, Professor McGehee said. This was also the view of Professor Morrison: the

University should have a firm deal before it agrees to stay with the state. So his view, Professor Bland said, is that separation is the default option. Professor McGehee said he thought that was what Professor Morrison believed.

The University would start soliciting bids in January if it leaves the state, Professor McGehee said. It will not be quite so critical to get bids on additional options so quickly if the University does not separate. Much time has been lost, Professor Goldstein said; Professor McGehee disagreed, saying that the University has a changed relationship with the state, for good or ill, and that change has the potential for great opportunities and for problems. Whether the University stays or leaves, the administration will have more flexibility. That is a two-edged sword. What needs more thought is an ongoing presence of consultation on benefits in order to avoid the outcome Professor Feeney is concerned about.

If the University stays with the state, it is possible the state would allow the University to contribute less than the state for employees, Professor McGehee said. Professor Goldstein said he could not imagine that happening. Professor McGehee said that possibility does exist. The risk pool could be defined to be all but the unionized employees and the University could put less in, Professor Altholz observed. That would lead to everyone else joining a union, Professor McGehee responded.

Do the consultants say the University could get more even though it might spend less, Professor Goldstein asked? That depends on what you define by "more," Professor McGehee said. The consultants describe the University's plan as "rich." It is hard to quantify the value, for example, of being able to pick one's own mental health provider. The plan now has no premium (for the low-cost provider), the employee chooses--it is almost free health care. It can't get any better. That is certainly the point of view of a lot of the union members; they should like it because they designed the plan.

Could the University trade in the plan for its $7500 and get something better? That is not clear, Professor McGehee said.

Professor McGehee repeated that the University has accomplished what it set out to do: it has changed its relationship with the state. If the process moves forward, the issues may be resolved. There are a lot of forces at work, however, he pointed out.

Professor Goldstein asked when the University would seek additional options, if it stays with the state. Starting in January, Professor McGehee said. Who would assess the bids submitted in response to a Request for Proposals? Mr. Fahnhorst would have to bring in consultants, Professor McGehee said, and a committee could be used to evaluate them as well.

In order to meet the deadline for making a decision, Professor Bland observed, the University will have to have letters from the state within a month.

Any recommendation will come to this Committee and to the Faculty Consultative Committee, Professor McGehee said, but it is not clear that state will have taken a position enabling the Task Force to make a recommendation to stay or leave. This Committee speaks more for assistant and associate professors, Professor Feeney said, and is more aware of costs because it deals with benefits all the time and considers them retention and recruitment tools as much as salary, so it must review the recommendation. The perspective of entry-level faculty must be included.

That is not an issue for this Committee, Professor McGehee maintained; that is an ongoing question dealt with as specific benefits are being negotiated. The question now is whether to stay with or leave the state.

Professor Goldstein again thanked Professor McGehee for all his efforts on behalf of all University employees.

3. Other Business

Professor Goldstein next reported that Professor Wells has agreed to serve as the SCFA-appointed member of the Grievance Advisory Committee so will step down as the liaison to the AAUP. It was agreed that he should ask Professor Walsh to serve as the new liaison.

Professor Goldstein said that the Committee should take up the long-term care option at a future meeting, and then adjourned this one at 4:50.

-- Gary Engstrand

University of Minnesota