

Minutes*

Senate Committee on Faculty Affairs
Thursday, August 31, 2000
11:30 – 1:00
Room 300 Morrill Hall

Present: Richard Goldstein (chair), Josef Altholz, Carole Bland, Carol Carrier, Robert Fahnhorst, Daniel Feeney, John Fossum, Robert Jones, Cleon Melsa, Marcia Pankake, James Perry, Dwight Purdy, George Seltzer, Carol Wells

Regrets: Avner Ben-Ner, Charlene Mason, Larry Miller, Wade Savage

Absent: Tom Walsh, Sheila Warness

Guests: Richard McGehee; Kent Bales

[In these minutes: issues before the committee for the year; report on health care matters; academic appointments]

1. Committee Business

Professor Goldstein convened the meeting at 11:45 and began by noting that Nicole Boldt, who has served as staff to the Committee for the past year, is leaving the Senate office for a position in the Carlson school. He wished her well while expressing regret at her departure and welcomed the author of these minutes as the new staff member working with the Committee.

He drew the attention of Committee members to the revised meeting schedule and noted that meetings would start at 3:07.

Among the important issues that will be taken up this year include:

- the professional development leave policy
- parking availability for junior faculty
- post-tenure review (whether departments have plans in place)
- faculty workload in CLA
- a joint subcommittee on faculty salaries (with the Committee on Finance and Planning; the members will be Professors Charles Campbell and Larry Miller)

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- health benefits (in addition to the question of separating from the state, the waiting period and the cost for retirees)
- faculty development issues

2. Report from the Health Plan Task Force

Professor Goldstein welcomed Professor Richard McGehee, chair of the Health Plan Task Force (hereinafter HPTF) to provide an update.

Professor McGehee distributed a handout, noted that this is the beginning of the third year of work for the HPTF, and recalled that last January they hired consultants to help them with their work. They have recently been analyzing the data gathered by the consultants.

One of the big questions has been whether the experience data for the University of Minnesota employees would differ from that of the state as a whole: are University employees more expensive? The HPTF faced two problems in trying to find an answer: first, they could not obtain state data and the data for the University were not as good as might be wished, and second, they had nothing to compare the data with (e.g., state employees) and could only make educated guesses. Given those caveats, however, it APPEARS that the University MAY be roughly 2% more expensive--but with the assumptions made in evaluating the data, that conclusion falls within an error margin of plus or minus 5%. After three tries at evaluating the data, Professor McGehee said, the best guess is that there is essentially no difference in cost.

The results of the recent survey of University employees about health care will be released next week. Overall, 81% of University employees were satisfied or very satisfied with their health care coverage. That number makes it sound like the HPTF should go out of business, Professor McGehee commented, except that the consultants say the benchmark is 80% satisfaction to be considered acceptable. The University results meet that benchmark, but with what the University is paying and with first-dollar coverage, the result should be a higher satisfaction rating--or the University should be paying less.

There was, however, significant dissatisfaction with the mental health benefit, Professor McGehee reported (of those who had an opinion about it).

The survey results for University employees as a whole indicated that the factors that affect plan choice are (in order): 1. premium level, 2. primary care physician choice, and 3. out-of-pocket expenses. The results are not the same when only faculty responses are considered; the factors are: 1. primary care physician choice, 2. specialist choice, and 3. premium level. Faculty are more concerned with choice than with the premium level. (Because of errors in the data base, the opinions of other groups of employees--civil service, bargaining unit, P&A--cannot be separated from the group as a whole.)

One big surprise came in the priority respondents had for additional benefits. There was a tie for first: improved out-of-area coverage and Complementary and Alternative Medicine. Third was a non-managed care option and fourth was "other" (the major response in this category, although not a significant sample, was a request for "no change at all"; another was for domestic partner coverage).

When the faculty priorities for additional benefits were identified separately from the entire group, they were out-of-area coverage, a non-managed care option, "other," and an improved mental health benefit. Complementary and Alternative Medicine were "not on the radar screen" for faculty.

There were two surprises in the survey results, Professor McGehee told the Committee. First, that 58% of employees have paid for non-covered medical expenses (and this does not include copayments). This was a surprise given the first-dollar coverage that is provided; Committee members pointed out that people must still pay for glasses, laser surgery, hearing aids, and so on. The second surprise was the priority non-faculty placed on Complementary and Alternative Medicine.

The HPTF sent out a Request for Information to potential health plan providers, Professor McGehee reported. There is a lot of interest in the University's business (there was a fear that if the University separated from the state, no one would want the business; that is proving not to be true). For example, HealthPartners sent an aggressive proposal with great prices and with enthusiasm for the idea of the University separating. These kinds of proposals must be taken with a grain of salt, Professor McGehee observed, because prices can be good the first year or two and then escalate afterwards. He told the Committee of other providers that have also expressed interest, including Allina, BHCAG, and Blue Cross-Blue Shield.

There is also a new movement in health care which is a defined contribution plan rather than a defined benefit plan. This is a movement in early stages but employers appear to be going in that direction. Each employee is provided a major medical (catastrophic) insurance policy and also given a certain amount of money (or a percentage of salary, or some formulaic amount) and then goes shopping to buy the desired health coverage; the funds are put in an account and can be accumulated. The obvious advantage to the employer is that costs are predictable. This is a practice that is gaining momentum; the University received a very attractive proposal from one of the providers. This alternative is far cheaper than the managed care or other options.

Professor Seltzer inquired if the proposals include retirees. Professor McGehee said they do not, only active employees and early retirees. Professor Seltzer observed that retirees pay 100% of their plan costs--and are at the stage in life when they get sick with illnesses they have never heard of. This is not only a matter of prescription drugs, he pointed out. There needs to be continuity of care for retirees, Professor Altholz added.

Professor McGehee said that this new player (defined contribution plan) in health care could not handle all of the University's business; there is also a question of how it would affect the risk pool. The University would have to be careful; there is a good chance that all the healthy people would pick the defined contribution plan--the cheapest option--and that the other health care providers would have those employees with higher medical costs. One way to avoid the problem, Professor Goldstein said, would be for the University to put into the health care savings account an amount that would bring the cost for employees to the same level as the other care providers so that its payment for employees for the lowest-cost provider would not make the defined contribution plan easily the most attractive. Professor McGehee agreed that the risk adjustment issue would have to be addressed: there would have to be a formula to adjust the payments to providers who attract the sicker people.

How would this affect young families with children, Professor Melsa inquired? If they chose the defined contribution option, they would take the risk, Professor McGehee replied. He said that it would be foolish for the institution to offer only that one option.

Professor McGehee then told the Committee that the state has reacted to what the University has been doing. There is a new commissioner and assistant commissioner at the Department of Employee Relations (DOER) who are willing to talk to the University about a new approach to working with it. They are willing to change the way the University talks to DOER about health benefits, although how so is yet undefined. Ideally that means bypassing the collective bargaining process altogether and talking directly about modifications to the health plans that might be available only to University employees. This is an ongoing process and it is an open question where it might come out.

Everything must be decided by the end of the year, Professor Goldstein pointed out. He asked about bringing the consultants to speak with SCFA; Professor McGehee said he would arrange it.

Professor McGehee warned that one big question that must be dealt with soon is the process: there has been no definition of how University employees talk to the employer if the University leaves the state. What ongoing process will be established to obtain employee views on health care benefits?

Professor Goldstein thanked Professor McGehee for his work and for the report to the Committee.

3. Academic Appointments

Professor Goldstein now asked Professor Bales, who had just joined the meeting, to advise the Committee on his reaction to the draft document on academic appointments that had been distributed by Executive Vice President Bruininks' office.

Professor Bales reviewed briefly the history of the evaluation of academic appointments: a joint subcommittee (of the Faculty Consultative Committee, Committee on Educational Policy, and Committee on Faculty Affairs) was appointed and began work about three years ago to develop a report. In the summer of 1999 a working group of faculty, deans, and middle administrators was appointed to try to revise and find alternatives to the joint committee recommendations (a conference committee of sorts). The working group report and the joint committee report then went to a group composed of Professor Fred Morrison, Vice President Carol Carrier, and Vice Provost Robert Jones to develop a set of guidelines. The report (guidelines on academic appointments) from that latest group is what was distributed by Dr. Bruininks' office. FCC discussed the report at its retreat in Morris on August 29-30.

Professor Bales distributed a copy of the guidelines with his comments inserted in the text.

He told the Committee that it seems the guidelines concern the management of teaching appointments; the goal seems to have been creating as neutral a document as possible on how to make such appointments. What is needed, he said, is regular checking of non-regular appointments by the Tenure Subcommittee and by this Committee, including compliance with the plans that the guidelines call on departments to develop. In addition to aggregate reporting there needs to be as well detailed breakdowns of non-tenure-track appointments by department so as truly to judge compliance with

requirement that colleges and departments have and implement plans, with department plans approved by the dean, on hiring non-tenure-track faculty (in what categories and specifying how many may be used).

The guidelines are silent concerning what the University policy will be on the use of non-tenure-track faculty, Professor Bales said. The number and kind of appointments of such kind are left to local option (that is, they are set primarily at the college level). The guidelines express no concern about increases in the number of non-tenure-track faculty and say only that there should be an appropriate complement of regular teaching faculty. It would be nice, Professor Bales commented, if someone would define--not by quota--what the University's position is on the use of non-tenure-track faculty. The joint committee agreed long ago that there could be no single template for the entire University, for in some units it makes sense to have non-University professionals teaching (e.g., Architecture). But it should be possible to supplement these guidelines with a general and strong statement by the Senate about halting the erosion of the tenured and tenure-track faculty and rebuilding the regular faculty. Although hiring decisions are to be local, the University still needs to be concerned when units endanger the public reputation of the University in their search for flexibility by losing sight of the scholar-teacher model as the standard and usual guide.

Professor Goldstein reported that FCC had considered this issue for some time at its retreat and noted that there was not enough time to deal with it today. He promised it would be on the agenda for the next meeting.

Professor Bland inquired if there were any language about courtesy appointments. Professor Bales said there is but that he was puzzled how they would work. This is an issue that must be addressed, Professor Bland said. Right now everyone knows what "full professor" means vis-à-vis peer institutions. That understanding will be lost if the title is awarded indiscriminately. Overall, this report makes the situation WORSE on the primary Senate concern that was the impetus for this report, which was the increased use of non-tenured and non-tenure-track faculty for faculty work and the decreased proportion of tenured/tenure-track faculty doing faculty work. She said she wished the process had never started.

Professor Bland asked if this report will come to the Senate for a vote before being put into effect. The matter may bypass this Committee, Professor Goldstein commented; it may be that FCC and the administration deal with it. How the guidelines will be acted upon is not clear, Vice President Carrier said; there will be broad consultation during September and they will have to see how things stand once that is completed.

4. Committee Business, Again

Professor Goldstein then asked the subcommittee chairs to review the issues before their groups.

Professor Fossum reported that the benefits subcommittee will continue to monitor the use of faculty development leaves with Vice Provost Jones and Vice President Carrier. A major charge will be to draft a new policy; the subcommittee will also continue to pursue tuition remission for children of employees, will evaluate benefits availability, and also deal with a variety of other issues (such as frequent flier miles).

Professor Feeney reported that the retirement subcommittee will, in addition to monitoring investment performance, will tackle retiree health care, differential P&A/faculty participation in benefits, the two-year waiting period for assistant professors (a waiting period which may not apply to some P&A staff, depending on their salary, so there could be new tenure-track faculty without benefits working alongside new P&A staff who do). He added that the tuition benefit is a BIG DEAL to a lot of people; in the case of one search in his college, the first question from a candidate was whether or not the University offered tuition benefits. This is one that could make or break deals that departments are trying to close. The health of Minnesota Mutual will also be watched, since it will be solely responsible for insuring the funds directly under their control. The subcommittee will also meet with other vendors as well.

Professor Bland reported that the Faculty Development Task Force is focusing on increasing research at the University; it is a joint task force with the administration. It has been identifying outcomes to measure research at the University (and if they can be measured); they are also looking at comparison universities. After reviewing this information they will identify strategies to facilitate outcomes and a set of recommendations to increase research.

Professor Goldstein reiterated that he and Professor Speaks would work with Professors Campbell and Miller on the faculty salary issue and said he hopes that a different perspective will be provided.

Professor Goldstein thanked everyone for coming and adjourned the meeting at 12:55.

-- Gary Engstrand

University of Minnesota