

Minutes\*

**Senate Committee on Faculty Affairs  
Tuesday, February 15, 2005  
2:15 – 4:00  
238A Morrill Hall**

Present: Morris Kleiner (chair), F. R. P. Akehurst, Carol Carrier, Dann Chapman, A. Saari Csallany, Jesse Daniels, Janet Ericksen, John Fossum, Patricia Frazier, Richard Goldstein, Darwin Hendel, Robert Jones, Theodor Litman, Steven McLoon, Kelly Risbey, Kathleen Sellew

Absent: Matthew Bribitzer-Stull, Elizabeth Hjelman, Wade Savage, Oriol Valls, Larry Wallace, Timothy Wiedmann, Aks Zaheer

Guests: Vice Provost Craig Swan (Office of the Provost); Jackie Singer (Director of Retirement Programs)

[In these minutes: (1) Faculty Retirement Plan waiting period; (2) faculty involvement in setting salaries; (3) teaching loads across colleges; (4) draft policy on evaluation of instruction; (5) comparisons of retirement data, Minnesota and Wisconsin]

**1. Faculty Retirement Plan Waiting Period**

Professor Kleiner convened the meeting at 2:30 and took up first a draft resolution for the Faculty Senate concerning the waiting period for the Faculty Retirement Plan. The draft read as follows:

The Faculty Senate again requests that the administration immediately eliminate the waiting period for all faculty and P&A staff who would otherwise qualify for the Faculty Retirement Plan.

COMMENT:

The Faculty Senate in May, 2002, approved a resolution requesting the administration to eliminate the waiting period for the Faculty Retirement Plan. (The resolution is below.) Since then, the administration has permitted colleges to decide whether to waive the waiting period for faculty (who have been in a retirement plan at another organization before coming to the University) and has made no changes in the waiting period for new P&A staff (a number of whom are contract faculty).

The Faculty Senate again requests the administration to eliminate entirely the waiting period.

[Here is the resolution from May, 2002:]

---

\* 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 represents the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

New tenure track assistant professors must be employed for two years before they can join the Faculty Retirement Plan. The funds that would be contributed to the retirement plan have been given to their colleges by Central Administration. Currently, however, the funds in the colleges are used for "other" purposes. In contrast, P&A staff whose salary exceeds \$55,000 join the Faculty Retirement Plan at time of hire. It also should be noted that no other Big Ten University has a waiting period for new faculty.

If new tenure track faculty received their retirement benefits for the first two years of their employment at the University, an analysis indicates their retirement income could be as much as 17% higher than under the present plan.

Because of compounding, the first two years of retirement contributions play a very significant role in the retirement benefits of a faculty member. A simple analysis, using reasonably conservative and historical values for salary increases and growth of retirement funds from investment gains, shows the importance of these contributions. Thus, providing the first two years retirement benefits would result in an increase of 13-17% in a faculty member's retirement plan after a thirty-year career. Our retirement program, which many of us boast about as being among the very best in the nation, is drastically reduced by this loss.

If there is a need for taking money from individuals' retirement accounts, then the colleges would be better served taking money from the last years of a faculty member's service, rather than the first two years. Thus, because of "the power of compounding," the first two years of retirement investment provides more in the final retirement balance to an individual than the last eight to ten years of retirement contributions in a thirty-year career and the last twelve to thirteen years over a 40-year career.

Not being able to provide retirement benefits for starting tenure track faculty has resulted in some programs placing new hires in P&A status, where they can start their retirement program immediately, and then moving them over to faculty status after a few years. This procedure, in our view, is not the way to handle the issue. Rather, since the retirement funds are already available in the colleges and in many cases in departments, we believe the University should immediately grant retirement benefits to all starting tenure-track faculty.

The Senate Committee on Faculty Affairs had asked the administration to drop this two-year waiting period for new faculty. Unfortunately this has not, as yet, been approved. SCFA believes the waiting period puts the University at a disadvantage in recruiting. It also believes the difference between faculty and P&A appointments in terms of initiation of retirement plans is unfair and ill-advised.

SCFA recommends to the Faculty Senate that it ask the administration and the deans to reconsider their position on this issue. In view of the importance of the first two years of contributions to the retirement plan, the Committee once again urges that the waiting period for Faculty Retirement Plan be eliminated for new tenure-track faculty.

Adopted unanimously May 14, 2002.

Professor Kleiner recalled that Professors Fossum and Goldstein had been instrumental in developing the resolution adopted in 2002. The Committee discussed this issue last semester, and in recent conversations with Professor Marshak, chair of the Faculty Consultative Committee, and Council of Academic Professionals and Administrators (CAPA) representatives, it was suggested the Committee again bring the issue to the attention of the administration. Repetition is good in the classroom and in University administration, he commented.

P&A staff who meet certain salary requirements qualify for participation in the Faculty Retirement Plan immediately, Professor Kleiner observed; new faculty coming in at the same salary must wait for two years. That is one reason to again seek a change in the policy.

The administration hears resolutions but it does not necessarily listen, Professor Goldstein commented. Certain colleges and departments will waive the waiting period if the person had been in a retirement plan before coming to the University. This is a very limited exception and the largest college does not offer the waivers.

In addition to equity issues, Professor Fossum pointed out, if the University were a private sector organization its practice would be illegal. The University always emphasizes compensation—while it may lag in pay, it does not lag in benefits. If the waiting period is to be waived in some cases, it should include everyone. It is time for all units to waive the waiting period.

When one loses the first two years of contributions to the retirement plan, one loses a tremendous amount, Professor Goldstein said. This is a question of equity and the University really should make the change. He said it was his understanding that when the Faculty Senate adopted the resolution in 2002, the Provost at the time (Dr. Bruininks) supported it, but it ran into opposition from the deans. The funds are already in payroll when a hire is made, Professor Kleiner said, and the deans have the money.

Professor McLoon asked why this issue arose again. Professor Kleiner explained that in a meeting with CAPA, there had been discussion of the loss of dollars because of the waiting period and the differences between faculty and P&A eligibility for immediate participation. Professor Marshak thought it was time to reiterate support for eliminating the waiting period.

Professor McLoon suggested making compelling statements at the beginning of the resolution. The Committee agreed to review a revised resolution, to be distributed by email following the meeting.

Professor Goldstein said that there is no self-interest among Committee members in advancing this issue—Committee members will receive no increased benefits as a result of the University changing its policy. It is what is fair and right, speaks to competitive issues, and means the Committee is looking after the interests of the least powerful faculty, assistant professors who are unable to speak for themselves. He said he believed the central administration was not opposed to the change; the money has been given to the deans. The administration needs to tell the deans to eliminate the waiting period. Some department heads say that new faculty do not ask about the retirement plan. He said he is still upset that he lost two years' contributions; faculty will be bitter about this as they realize what they lost. It will have an effect on long-term morale, Professor Kleiner agreed.

The Committee voted unanimously in favor of the resolution.

## **2. Faculty Involvement in Setting Salaries**

Professor Kleiner reported next that he had asked Vice President Carrier to provide information to the Committee on the extent to which colleges and departments were adhering to the Faculty Senate policy concerning the participation of faculty in setting salaries.

[<http://www.fpd.finop.umn.edu/groups/senate/documents/policy/faccomp.html> -- third underlined item in the policy] When he was last on this Committee, a number of years ago, he had a hand in getting the policy passed; it would be useful to know how it is being implemented.

The 1993 policy speaks to the way compensation is administered, Dr. Carrier said. She asked the deans' offices what they do with respect to complying with the policy requiring faculty involvement in salary-setting. She distributed a handout outlining the responses from each of the colleges. The participation, she said, has taken many forms. (The handout is appended to these minutes.)

Once faculty views about salaries have been made known, is there any faculty involvement in what the chair or dean decides, Professor Kleiner asked? There is one department where the faculty decisions are followed without exceptions (except perhaps in the case of market pressure) and the decisions are by faculty vote. In other cases, the faculty vote that the chair or dean should make the decisions. There is significant variation. But is information provided to faculty on how their input was used in the salary determination process? One can imagine a department having many meetings and discussions, after which the chair or dean ignores them—but the faculty do not know what decisions were made. Dr. Carrier said she could not answer that question.

Is there any feedback to faculty about how their involvement was used, Professor Kleiner asked? There is probably a little bit of everything, Dr. Carrier said. Her department, for example, voted to give the authority to the chair and established public criteria for setting salaries, rather than having all faculty have access to all the information. If the procedures are public, the faculty can check to see if they were followed. Does anything happen beyond the decision to give the authority to the chair or dean, Professor Kleiner asked? Faculty are different in the amount of time they want to spend on this. Some departments prefer to use a small committee, Dr. Carrier agreed. But there is no way to protect against a unit that does not follow the policy. One could spend a lot of time creating detailed procedures and still not have a fair and open system.

Different departments and colleges have different cultures, Professor Goldstein observed. When he was chair, he collected a lot of data; he didn't have an algorithm but used a lot of information. He assumes that is what salary committees do as well, and in the end there is a certain amount of subjectivity involved. If people are not happy with the process or results, they should complain.

This is not a system that is capable of making fine distinctions, Professor Fossum said, because the output cannot be measured finely. It can make gross distinctions, not fine ones. In the salary study this Committee did a few years ago, it is clear there is not a year-to-year relationship between performance and salary. The amount of money available for salaries does not lend itself to more than allowing someone to receive a big increase one year and then acceptable increases for another several years, then one waits for another larger increase. There was not a lot of difference among colleges in this regard. Faculty are in a market-driven occupation and performance is recognized by the market; if there is a big event in a career, there is a retention case. There is a difference in transparency and custom

among departments, but no matter how transparent, and even if there is a formula used to set salaries, in the end the unit will have to make fine distinctions.

Professor McLoon said that the University of California system is a failure. The pay that faculty receive looks nothing like the grand tables they have.

Does the Committee wish to do something with this issue, Professor Kleiner asked? It is important that faculty know how salaries are set in their unit, Professor Goldstein said. The Committee could stress that. Professor Kleiner said he would be interested to learn if what the deans' offices submitted is what the faculty perceive. Dr. Carrier agreed to a suggestion that the chart be shared, identified as what was reported to her office in January, 2005.

Professor McLoon said that what bothered him a lot more than how departments divide up the money is how they choose to leverage income. Some departments do not use outside funds as a mortgage payment on salaries but some will use the money to buy more faculty. There are effects from this practice: it alters the amount available to faculty and some departments take research money to hire more faculty, mortgage a grant, and obligate the University to pay the faculty member even if the grant funds go away. There are inequities across the University because of this. Professor Kleiner said that this is a separate issue but that the Committee should take it up.

One faculty member noted the provision in the policy that departments must have as part of their salary policy a meeting with faculty members once per year. Does that happen? In this department there is no meeting; the faculty member just receives a letter. Dr. Carrier said they hear that the meetings do take place. Other Committee members indicated they had such meetings.

### **3. Teaching Loads Across Colleges**

Professor Kleiner next welcomed Vice Provost Craig Swan to discuss teaching loads across colleges. Dr. Swan began by saying that he does not have a lot of data about teaching loads across colleges but he does have a viewpoint. It was suggested it would nonetheless be useful to talk about the topic.

Colleges are supposed to have workload policies, Dr. Swan observed. The policy in CLA was worked out in "spirited discussions" with the dean. Teaching, research, and service varies so much across colleges and departments that he would be hesitant to put much faith in a single campus-wide policy or simple statistics. Situations are radically different (e.g., the Medical School and the arts). One might start by looking at college-specific policies, he suggested; he said he did not know what concern drove the inquiry made to him.

The question goes back to the time of the change from quarters to semesters, Professor Kleiner said. It was supposed to be done in a way that was workload-neutral. One question is whether there is pressure from the central administration to increase teaching. There are also equity concerns about what is expected in departments.

Leaving aside the quarter-semester change, Dr. Swan said, there has not been pressure from central administration. From time to time and college to college, there has been concern about broad aggregate measures, such as relate to number of students or degrees, but the discussions he is aware of

have not typically involved individual faculty teaching loads. He said he could not say anything about internal departmental equity; it could be that some faculty carry larger graduate student advising loads. He said he believed those decisions were best made locally. He said that from where he sits, he would not want to be involved in decisions because there would always be the temptation to use simple numbers and not recognize the complexity of the faculty job.

Dr. Carrier recalled that the Committee met last year with associate deans from several colleges to discuss workload policies—the policies were very different because they had a different mix of activities.

Is there a central administrative workload policy, Professor Kleiner inquired? Colleges have workload policies, Dr. Swan said. There is no overarching campus-wide teaching workload policy other than that there need to be policies within each college. There is a policy on WHO teaches, which Vice President Carrier reports to this Committee and to Educational Policy on each year, he said, and units must justify any departures from the norm.

Can the Committee receive data on the percentage of classes taught by full-time, tenured and tenure-track faculty, Professor Kleiner asked? Dr. Swan said that information would be provided. It can be looked at in a range of ways. Professor Csallany said that the numbers will vary with the discipline; those with labs, such as chemistry and biology, are very different from those that teach primarily through lectures. That is the argument for college-specific policies, Dr. Swan said. And even colleges need to recognize the range of departments they may have.

Professor Kleiner thanked Dr. Swan for joining the meeting. He invited him to stay for the discussion of the next agenda item, since Dr. Swan is an ex officio member of the Senate Committee on Educational Policy.

#### **4. Draft Policy on Evaluation of Instruction**

Professor Kleiner turned next to draft policy on the evaluation of instruction. He distributed copies of data on the response rates for evaluation forms in classes.

Dr. Swan said he had some concern that response rates could be biased up because they sometimes receive estimated student numbers in a class rather than the actual data; in a few cases they have received more evaluations than enrollment. His position vis-à-vis the draft policy language requiring a 60% response rate before the results can be used in personnel decisions is that setting an arbitrary number is not wise as there are likely to be cases right below any cutoff; units need to look at the response rate when they review the data. This Committee had talked about 50%, 60%, and samples, Professor Kleiner said; the position of the Senate Committee on Educational Policy (SCEP) now is that all of the data should be reported, including response rates.

For departments that use the data in personnel decisions, the 60% figure was a bright line, below which they could not use the data, Professor Akehurst said. The proposed language from SCEP assumes that departments will be able to figure out if they should use the data by examining the response rates. Some departments are not sophisticated about things like standard error and response rates. There should be additional language about what departments should use or some departments will ignore low response rates.

Professor Hendel said he supported adding response rates to the information provided to those making personnel decisions and agreed that there is a problem with a cut-off at 60%. It is appropriate to have a statement that response rates below 60% should be used with extreme caution. In other parts of the policy there is language that calls for departments to be given guidance on the use of the data, Dr. Swan observed. There is still a need to be careful about a 60% figure—the difference between 59% and 61% is not great; there is a need to convey the concept of standard error in simple language. The Committee should also be careful about what it is in Senate policy; the guidance should not be (but it could be provided as an addendum to the policy, not part of it).

Professor McLoon inquired what the status of the provisions is. Professor Kleiner noted that the Committee had approved the 60% figure at its last meeting. What did it wish now? Dr. Swan noted that this is an iterative process; the new language reported today represented the SCEP view two weeks ago, something that could change when SCEP meets tomorrow. He said he hoped the two Committees would converge in their views. SCEP is interested in an efficient way to evaluate instruction, Professor Kleiner said, while this Committee is interested in developing a fair way to do so. Professor McLoon said it is his view that the data are only useful to show trends; a response rate of 20% can show them. He said he did not care if the response rate were 60% as long as the response rates accompanied the data. It is fair to insist on provision of all the data.

Professor Goldstein said that situations vary across departments. They should look at response rates and results, especially when comparing the same class. Even lower levels of data provide information. But if the response rate is 8%, and everyone else who taught the class had a response rate of 7%, that raises other questions. Response rates can vary by class size, Dr. Swan observed; 12% in a class of 8 students is one response; 12% in an intro Psychology class might provide useful information.

Professor McLoon moved that the Committee approve removing a specific number and require that response rate data be provided with the evaluation results—and including, Professor Fossum added, the number of students in the class. Ms. Risbey recalled that there was a concern about providing both the written comments and the evaluation data, a concern that there would be too much information for departments. If the departments do not receive the written comments, they will rely on the numbers they receive and all will be treated equally.

All but one member of the Committee voted in favor of the motion.

Professor Kleiner said the other issue before the Committee was the disposition of the written comments on the evaluation forms; the present draft provides that they will go only to the instructor. Professor Ericksen said there was an outcry on the Morris campus about this provision; the promotion and tenure committees receive the written comments and the system has worked well for them. In one instance, the response rate was low but the written comments revealed a subtle racism in the course. The written comments are crucial to having the full story, she said, and the policy should leave the decision about written comments up to the colleges.

The faculty could share the comments if they wished, Professor Kleiner said. Professor Csallany said she believed the written comments should remain with the instructor.

Professor Fossum recalled that the catalyst for the whole process of revisiting course evaluations was a concern among women faculty about the transmission of ad hominem written comments to individuals other than the instructor. They could be embarrassing if shared with the chair or students, Professor Kleiner added; one or two comments could be unrepresentative of a class but nonetheless do great damage. Professor Akehurst said the comments should remain in the hands of the instructor.

That position is resoundingly opposed at the Morris campus, Professor Ericksen repeated. The faculty at Morris can request that comments be screened by someone else, to remove the ad hominem items. The promotion and tenure committee members can then read them but they remain confidential. One of her colleagues asked if the [Twin Cities] would "wreck a system that works for us to fix their own problem?" Professor McLoon said that if the comments go only to the faculty member, it is meaningless to say the faculty has the discretion to release them if he or she can edit them first.

One problem with comments is that there is no opportunity for the faculty member to respond, Professor Litman said. Once a reputation has been harmed by an issue raised in a comment, it is very difficult for the faculty member to repair the damage, Professor Kleiner agreed. Professor Ericksen said that the faculty member reads the comments and may submit commentary to the promotion and tenure committee about any comments.

Professor Fossum said that if the Committee favors introducing an across-the-board policy, Morris will have a problem. If the Committee instead favors the Morris position, that outcome will overlook the problem that led to the review in the first place. He said he did not know how to handle offensive comments; people react differently to them, and some are bothered by cruel comments. There is also a difference across units in how the comments are handled (in his college, for example, only the instructor receives the written comments, but the results of course evaluations are also widely distributed). This also gets to the workload issue: there are differences across units and the degree to which the comments are available could be valuable in some. After listening to Professor Ericksen, he said that perhaps the policy should allow units to use what works—but if so, there must be something built in to protect individuals who receive them and guidelines so that some comments are not transmitted and are not available even to promotion and tenure committees.

Professor Csallany insisted again that the comments should go only to the instructor, who could share them with the department if he or she wished. Some of the comments could be more damaging than positive statistics; one or two comments could be very damaging. She said she knew of one case where one comment on a form did a great deal of damage despite 15 years of a good teaching record. One's position on this issue might vary with the size of the unit, Professor Ericksen said; they are a small campus with a great deal of concern about teaching.

Professor Frazier wondered if it would not be possible to do more to rein in students who write offensive comments. Is there a policy or can there be training on civil conduct and educational standards about what is appropriate?

Professor Hendel said he had spoken with Julie Sweitzer, Director of the Equal Opportunity and Affirmative Action office about new language on the forms asking that students refrain from certain kinds of comments. He repeated Professor Fossum's point: the Committee must remember why this discussion is occurring, which is because of concerns expressed by several women faculty members. The concern is not only that the comments are hurtful but also because once they are in the system, the comments can do

damage and hurt careers and counteract empirical data about teaching. He said that he was also concerned about how the system improves teaching on a campus; open-ended comments could convey a problem that the numbers do not. He said, however, that the student evaluation form should not be a policing mechanism because there are a number of other avenues to express different concerns.

The fact that the comments are anonymous leads people to say things they should not, Professor Goldstein said, and he has seen this happen even in scientific bodies. There is a real problem with anonymous comments. Even if there is one negative comment in the midst of 100 positive comments, the one negative comment can destroy someone. In the data, one bad number is a factor in the average. He said he did not favor sharing the written comments beyond the instructor. Professor Ericksen inquired if Professor Goldstein was saying that a promotion and tenure committee could not distinguish between one negative and 20 positive comments. Professor Goldstein said that psychologically one negative comment will stand out.

Professor Akehurst said that sometimes one can prevent problems before they happen; in other cases, there are processes to mend damage (e.g., grievance policies). If a faculty member is hurt by comments, what recourse is there? With an anonymous comment, one cannot bring a grievance against the person who wrote it and put them on the witness stand. The Committee must be careful not to craft legislation in which people have no recourse. He said that in this case the Committee has foreseen the problem and that if it goes forward, there is danger—and there is danger if the faculty member is allowed to edit the comments. He said he did not see a way out of the impasse.

Professor Goldstein said that as an instructor, he finds the comments valuable; he said he does not favor doing away with them altogether.

What does the Committee wish to tell SCEP, Professor Kleiner asked?

Professor Hendel said this is an issue on which there must be Senate policy. He said he understood the differences that may exist on the Morris and perhaps Crookston campus, but he said there should be a uniform policy that applies to all. The University has one policy concerning promotion and tenure; to let this policy vary across campuses could be problematic. Professor McLoon, however, said there are differences and the policy should leave the option up to each unit—without defining "unit." The Morris campus says it has a system that works; is it right that this Committee takes it apart? Is the Committee prepared to tell Morris it must change? Professor Csallany said she felt very strongly that it must do so.

Professor Hendel moved that the Committee support the existing language in the draft policy (providing that written comments go only to the instructor). Professor Ericksen said that to make a decision on promotion and tenure based on data from four questions with a 1-7 scale seems almost random. There is often peer review as well, Professor Goldstein said; the evaluations are what Morris does instead of peer review, Professor Ericksen said. The policy will require peer review, Professor Kleiner pointed out. If the comments go only to the instructor, and the faculty decide whether to pass them along, that should be made known to students, Ms. Risbey said. The policy does so.

The Committee voted 7-3 (with three abstentions) in favor of Professor Hendel's motion.

The Committee then voted 5-4 (with three abstentions) in favor of policy language that would let each campus decide on the disposition of written comments. The campus assemblies on each campus would vote on a policy.

## **5. Retirement/Health Care Data for Minnesota and Wisconsin**

Professor Kleiner now turned to Ms. Singer to lead a discussion of post-retirement health care and related data for the University of Minnesota and University of Wisconsin. He recalled that the Committee had inquired about the potential impact of differential retirement benefits on retirement age at Minnesota and Wisconsin. Ms. Singer gathered information to try to learn if the different plans affect faculty behavior.

Ms. Singer reported that she talked with her peer at the University of Wisconsin at length and gathered data on the two institutions.

The mean retirement age at UW (01-02) was 63; at UM (03-04) was 66. The mean age of the faculty at UW was 49; at Minnesota it was 50. UW had 75 retirements in 01-02, or 3.4% of the tenured/tenure-track faculty; UM had 80, or 2.8% of tenured/tenure-track faculty. UW ranges between 60 and 70+ retirements per year; UM runs between 50 and 80. In both cases, the numbers are fairly stable.

The difference in percentage in retirements (3.4 versus 2.8) is significant, Professor Goldstein said. And the cumulative effect is large, Professor Kleiner added.

As for age distribution of the two faculty, 47% are over age 50 at UW, compared with 50% at Minnesota, Ms. Singer reported.

Ms. Singer outlined the differences between benefits.

### 1. Sick leave:

University of Wisconsin

22 days at hire plus a 12-day accrual annually. Accumulated if unused and tracked centrally on a monthly basis. Unused balances are converted to pay health care premiums at retirement, but are lost if the faculty member terminates before retirement.

University of Minnesota

2 weeks informal, 3 months formal (inclusive of 2 weeks informal), not accumulated nor tracked centrally.

### 2. Short-Term Disability:

University of Minnesota

Up to 60% of pay (to \$5,000 monthly) for up to 26 weeks. Faculty-paid on an after-tax basis

University of Wisconsin

None

### 3. Long-Term Disability:

University of Minnesota

Up to 67% of pay (to \$6,000 monthly), University-paid. May be brought to \$10,000 monthly at faculty expense. Additional benefits are available based on service

University of Wisconsin

75% of pay (to \$4,000 monthly). Faculty-paid for the first year. University-paid after 1 year of service

Professor McLoon asked if the University of Minnesota's short-term disability coverage is optional. It is, Ms. Singer said, because the sick leave policy covers short-term disability.

The general provisions fore retirement and sick leave at Wisconsin are these:

- At retirement, unused sick leave banks are converted to "credits," which are used to help pay health insurance premiums.
- Additional credits are available to those who have 15 or more years of service at retirement, subject to certain maximums.
- Faculty may retire as early as age 55.

Ms. Singer reviewed additional details of the Wisconsin sick leave program, including the cash value of the balances that accrue. She noted that the University of Wisconsin "pre-funds these accounts with a contribution of 1.9% of payroll annually. 1.9% of the 2004 Faculty Retirement Plan compensation base [at Minnesota, for both faculty and P&A staff] is approximately \$8.7 million." Using average calculations, for someone at Wisconsin who selected the standard health care plan, the balance from the accumulated sick leave would pay for 19 years of single coverage or 11 years of family coverage. For someone who opted for the lowest-cost plan, the single coverage would last for 21 years and family coverage for 14.

In terms of retirement benefits, at Wisconsin the benefit is the greater of a formula benefit or a money purchase benefit. The formula, which tends to be higher for those with long service, uses years of service and monthly earnings (and is close to the Minnesota State Retirement System benefit); the money purchase benefit "assumes annual contribution of 9.4% of compensation, plus credited interest, times a factor based on age and annuity start date." Legislation changes this provision periodically; individuals can take the cash out at retirement. In general, the replacement ratio at Minnesota is 60%; at Wisconsin it is about 56%.

In summary, Ms. Singer offered these observations.

- The faculty populations at UW Madison and the U of M are very similar in terms of age distribution and retirement patterns.
- UW Madison sick leave conversion program has at least two potential drawbacks from an employee's point of view:
  - More highly paid individuals benefit more than those at lower salary levels; and
  - The structure may force individuals to switch from paying nothing for health care to paying full cost in mid-retirement

Sometimes, she said, the "bank" runs out and an individual can go from paying nothing for health care to paying the full cost, which can be a shock to the retiree. Instead at Minnesota, Professor McLoon commented, the shock is to the retiree on the first day of retirement. It might be better, Ms. Singer agreed, to offset a proportion of the costs.

Professor Goldstein asked if there are comparable benefits for retirees at Michigan or Ohio State. Michigan is said to have a generous health care plan for retirees. They subsidize it 95%, Ms. Singer said, both pre- and post-Medicare. Michigan State funds 100% of the low-cost plan for retirees. Illinois covers some post-retirement health care costs, depending on years of service; for employees, it is 100% after 20 years of service, but nothing for family coverage.

Professor McLoon said he continues to believe the University has a real problem and is seeing the start of it with the different retirement ages at Minnesota and Wisconsin. This will get worse as health care costs increase. The faculty will get grayer, Professor Kleiner concurred. The cost of health care is the biggest concern of faculty approaching retirement, Professor Goldstein said. When one brings up the Michigan plan with the administration, they note the \$400 million unfunded liability that Michigan faces. Because of that kind of liability, any organization looking at funding for post-retirement health care, private or public, tends to do it as a defined benefit.

Professor Kleiner said the Committee would return to this issue in the future and adjourned the meeting at 4:20.

-- Gary Engstrand

University of Minnesota

\* \* \*

College of Architecture and Landscape Architecture

Regular faculty in each department developed performance criteria and a process by which a committee in each department reviews the performance of the faculty in that department. The committee provides the department head with its recommendations. The department head consults with dean on salaries considering recommendations, equity issues and market.

College of Biological Sciences

Biochemistry, Molecular Biology, and Biophysics Department: Faculty committee reviews performance and salary levels of all departmental faculty; comments on performance as well as recommended merit increases are forwarded to the department head for final salary decisions.

#### College of Education and Human Development

In three departments, the chair is advised by a faculty committee in making merit salary recommendations. In the other three departments, the chair determines the merit salary recommendation after reviewing accomplishment forms and other materials. Here there is no direct faculty input into salary recommendation. All department chairs meet with dean to recommend merit salary allocations. Dean makes final decision.

#### College of Human Ecology

General discussion regarding compensation is held with the CHE Executive Committee (associate deans and school/department heads), the CHE Policy and Planning committee (faculty advisory committee) and Professional and Academic Staff Advisory Committee (P&A advisory committee). Supervisors, department/school heads review individual faculty performance documents using the Faculty Performance Accomplishments Report (FPAR), provide written evaluative comments, rate performance using collegiate standards and consult with the deans to determine final merit increases. Requests for extraordinary merit and retention dollars for select faculty are presented to the dean for review and approval.

#### College of Liberal Arts

Each academic unit in the college has guidelines defining its process for faculty merit review. Generally, the faculty are involved in setting up the guidelines and criteria in their respective units. The dean's office sends spreadsheets to each unit listing the faculty members in the unit. Each academic unit follows its own process of reviewing Faculty Accomplishment Records and making recommendations for salary. The associate deans and the dean who make the final decisions review unit recommendations.

#### College of Natural Resources

Faculty within departments are not involved in setting specific salaries except by request in a general consultative way. Department heads look at equity within their departments, college and University; their budgets; and the market for particular disciplines and consult with the dean's office on the proposed salaries.

#### College of Agricultural, Food, and Environmental Sciences

Faculty participate in setting the process and the criteria used in salary setting. Some departments have committees, while others don't. The dean does not have to approve the process. The department head makes salary recommendations to the dean. Food, Science and Nutrition department: Voting members or the faculty establish procedures for recommending annual salary adjustments. If delegated to the department head, the head consults with faculty members, administrators and others as to their view of an individual's performance.

#### Carlson School of Management

The chair and all tenured faculty within a department review the Faculty Activity Report (FAR) and give a rating on teaching, research, service, and if applicable administration. The rating along with the FAR is reviewed at the department chair level who has the authority to adjust scores for consistency across department. A spreadsheet is created listing all faculty in the school and their adjusted weighted average score. The individual merit increase is calculated based on their score as a part of the total available dollars to be distributed. Some departments have a senior faculty compensation committee with whom the chair consults. In July 2004, faculty were involved in determining market adjustment amounts.

### Hubert H. Humphrey Institute

#### Institute of Technology

Salary recommendations based upon departmental performance measures are made by the department head to the dean. Final approval is granted by the dean.

#### Law School

All faculty report directly to the dean. Salary is the dean's decision based on performance, equity and market issues.

#### College of Pharmacy

Each department has a faculty review committee who review each faculty member's contribution for the year; merit increases based on committees' and department heads' recommendation.

#### College of Veterinary Medicine

Within each department there is a faculty-driven merit review process in place (i.e., faculty merit review committees established). Generally, committees evaluate faculty performance based on criteria in mission areas. Recommendations made to department chair. Merit increases based on committee and chair recommendations.

#### Medical School

Performance criteria centered around teaching, research and service, developed by departmental faculty committees. The division head discusses performance with each faculty member. The division head then discusses faculty with the department head.

#### School of Dentistry

Individual faculty contributions reviewed with the department chair, after which departmental faculty as a group discuss each other to determine merit.

#### School of Nursing

Faculty merit review document is reviewed and scored by committee of peers. Dean reviews input and consults with division heads and the academic associate dean. Dean makes final decision.

#### School of Public Health

Negotiated between the division head and the faculty member with approval by dean.

#### School of Medicine, Duluth

Performance according to established criteria is reported on by the faculty member on annual plan and report. The Faculty member meets with the department head who in turn, reviews faculty performance with the school dean as well as with the dean for research and dean for education prior to salary recommendation implementations.

#### University of Minnesota, Crookston

Faculty have input into performance criteria. Each faculty member completes an accomplishment form which is discussed with the unit head. The unit head meets with the Vice Chancellor for Academic

Affairs from which recommendations are formulated. The Vice Chancellor for Academic Affairs discusses recommendations with the Chancellor and the two concur on final decisions.

University of Minnesota, Duluth

The faculty through its bargaining agent, University Education Association, negotiates salary increases and principles of distribution with the University. A portion of the salary increase is allocated to faculty on across the board principles and a portion is allocated as merit. With respect to merit salary increases for individual faculty the department head makes a recommendation to the dean based on performance criteria established by departmental faculty. Final merit salary increase recommendations are made by the dean.

University of Minnesota, Morris

Each faculty member reports to the division chair regarding accomplishments for the reporting period. The division chair distributes salary increases according to the rules provided by the Chancellor's leadership team. The division chair meets with the Vice Chancellor for Academic Affairs from which final recommendations are formulated. The Vice Chancellor for Academic Affairs discusses recommendations with the Chancellor and the two concur on final Decisions.