



UNIVERSITY OF MINNESOTA  
TWIN CITIES

All University Senate Consultative Committee

383 Ford Hall  
Minneapolis, Minnesota 55455

Telephone (612)373-3226

MINUTES  
FACULTY CONSULTATIVE COMMITTEE  
March 5, 1981

The meeting of the Faculty Consultative Committee was convened by Marcia Eaton, Chair, at 11:05 a.m. Other members present were Robert Brasted, Douglas Pratt, Paul Quie, Vera Schletzer, Donald Spring, and Russ Hobbie (at noon). Guests were Peter Robinson, Carol Pazandak and Kenneth Keller.

1. Faculty representation from Crookston. Anticipating the Senate and Regential approval this spring of the new Senate constitution which would provide for continuous faculty and student representation from Crookston, the FCC directed Marcia Eaton to write Provost Sahlstrom, with a copy to Cleon Melsa, inviting the Crookston faculty to hold their election as soon as possible and to send the elected representative to SCC meetings as a non-voting participant until the new constitution takes effect.

2. Legislative liaison.

A. Appropriations picture. Peter Robinson reported that while legislative committees are meeting and questioning the University closely, the appropriation process is stalled until April 15 when final fiscal projections for the current fiscal year are due. Legislators will not begin to vote appropriations until they know (1) how much money the state can expect to have without a tax increase, and (2) whether they will raise taxes. Legislators have said at the district caucuses in faculty homes that the University will not be able to have the things it wants unless the legislature raises taxes, and that the faculty will have to help cultivate the climate for making a tax increase acceptable.

University hearings in the House are almost completed and Senate hearings will start March 9. Prof. Robinson sees difficulties for the request for an increase in appropriations for faculty retention and attraction; those funds may have to come out of whatever salary increase is granted. He anticipates that the Supply, Expense and Equipment request will have to be defended once again. He observed that no one has yet questioned the library increase request.

Asked if the administration has been doing a good job, Prof. Robinson commended particularly the excellent quick thinking and organizational capacity of Vice President Kegler, and the effectiveness and impressiveness of President Magrath and Vice Presidents Keller and Bohen. Some presentations have been weak or ill done, from which he sees the University as a whole suffering, since they give the impression that the University as a body does not know what its parts are doing.

B. The squeaky wheel. Professor Robinson is initiating a letter-writing campaign from faculty to legislators, in response to legislators' remarks that, "the faculty can't be that badly off because we haven't heard from them." He is seeking 1000 letters from the faculty, pyramiding out from the FCC, departmental contacts, the consultative committees of the St. Paul campus colleges, and the people who attend his open meeting on the Minneapolis campus this afternoon. Letter writers will receive a copy of the University's budget request sheet and a list of legislators and their addresses. Writers are to avoid using University letterhead; are to keep their letters short, preferably one-page; to pick out five or six items to stress; and to send their letter to their own senator and representative, making 17 copies, at their own expense, for the members of the budget committees. While he agreed the 17 copies might convey a carefully orchestrated effort, his assessment is that the faculty messages need to reach all those legislators.

Once redistricting is completed, he said, he will recommend the SCC ask President Magrath and Vice President Kegler to compile a list of faculty members by legislative district.

3. Bush Foundation assistance for faculty development. Vice President Keller sketched the history of the current proposal. Former Vice President Koffler tried to match the Bush Foundation interest in educational development with the University's need to help facilitate faculty sabbaticals. However, the proposal within Bush became skewed toward instructional development, and Bush did not feel persuaded that faculty supported the University's plan. Bush asked the University to re-do its proposal, but the resulting proposal does not meet University needs. Vice President Keller met three weeks ago with Mr. Dorman of the Bush Foundation to explain the University's priorities in the area. He pressed the point that a good reason for good students to come to the University rather than go elsewhere is the opportunity to become involved with research and to work closely on a project. The University hence needs support to provide time off for a sabbatical period of research which would develop the faculty member as a researcher or scholar who could then enrich undergraduate education in such ways as developing a new honors program.

Dr. Keller recommends that the University fund the balance of a sabbatical salary up to 80%. The number of people currently taking sabbaticals in any one year is fewer than 100, and less than 20% of those eligible. The Bush money would enable almost 50% more people to take sabbaticals. Foundation money would help especially in those colleges where it is harder to obtain supplemental money. It was suggested in the FCC meeting that the plan permit a person to receive an augmentation of fuller than 30% if he/she can demonstrate having seriously sought funding elsewhere and not gotten it. There was discussion of how to strike a balance between spreading the support around as much as possible and still making sure each grant is sufficient to enable a person to take the leave.

In advance of submitting the proposal to the Bush Foundation, Dr. Keller is asking faculty groups if they regard it as appropriate and will endorse it. He said he would distribute copies of the proposal. He would like the SCC to meet with the Bush management and consultants when they come for a site visit, and help persuade them of the value of this grant for undergraduate education. Professor Spring foresees the possibility of these grants building faculty morale tremendously.

Professor Spring asked whether, if Bush does not make this grant, it would be possible to use the same kind of rationale to transfer funds from Educational Development Programs (EDP) for this purpose. Dr. Keller said that would be a possibility. He added that a small group of Education faculty are developing an alternative proposal on delivery systems for education.

4. Vice Chairperson for the Senate and the Assembly. Professor Eaton reminded the FCC that the Senate will elect its vice chair for the coming year on April 16 and the Assembly will do the same on April 30. Professor Spring pointed out that under the new constitution this person, while remaining ex-officio to the SCC, will have a vote there. There was no action taken on a nomination from the FCC.

Dr. Keller asked why the Computer Committee was eliminated under the new constitution and by-laws. Professor Spring said that committee has not met for three years and the joint subcommittee on reorganization saw no reason to think the committee would address problems in the future any more than in the recent past, so they erased it. They charged SCEP with establishing a subcommittee for computer services. If a need for a full committee emerges, it can be constituted in the future.

5. Telephone survey on collective bargaining. It was pointed out that legislators are asking if the University administration is behind the current phone survey to gather faculty views on collective bargaining. Dr. Keller emphasized that the University has nothing to do with the survey.

The UMEA has challenged between 150 and 200 names of the University's registration list of faculty eligible to vote in a collective bargaining election, and has given the administration a four-page questionnaire about the duties and time-allocation of these persons. The administration is in no position to provide the answers. Dr. Keller asked the FCC's opinion as to whether the administration should send the questions to the challenged faculty. There was speculation that current UMEA tactics serve to delay further progress toward the election until everyone sees what the legislature provides in the way of faculty salary increases.

6. Library data from the Chronicle. The implications on the published chart look alarming for Minnesota, which ranks 14th by overall size but added fewer volumes than every other institution down to 22nd place. Prof. Robinson explained that the acquisitions column in the chart refers to acquisitions less discards, or net acquisitions; furthermore, not all the figures in the chart coincide with the figures in the book they are supposed to have come from. Some other irregularities are known, such as Wisconsin adding a whole library they had never counted before. Professor Robinson will be meeting with University Librarian Eldred Smith to discuss the meaning of the figures.

Professor Hobbie pointed out that the U. of M. spends more on salaries than the four schools immediately above it, and less on materials than the five schools immediately below it. Dr. Pazandak asked if the definition of 'librarian' varies from one University to another, and Prof. Robinson replied that it does. Dr. Keller added that it is noteworthy that Minnesota's library lending is unusually high through cooperation with other libraries.

The meeting adjourned at 12:40 p.m.



UNIVERSITY OF MINNESOTA

Office of the Vice President  
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200 Morrill Hall  
100 Church Street S.E.  
Minneapolis, Minnesota 55455

FCC

February 13, 1981

TO: Professor Marcia Eaton, Chair, SCC

FROM: Nils Hasselmo *NH, H.*

As you know, we have held rather extensive discussions about a change to unisex retirement tables in recent months. At my meeting with your committee some weeks ago, I presented the position as it was at that time. At that point I indicated that we would probably go to the Board of Regents with a proposal for a change in time for the February Regents' meeting. Just as we were about to do that, we received information about a recent regulation issued by the New York State Insurance Commission. (You may have seen a description of this regulation in the current issue of The Chronicle of Higher Education). The Commission now prohibits the TIAA-CREF from adopting unisex tables. Since this probably will introduce some further complexities into an already complex situation, we have decided not to take the proposed change to the Board of Regents at this time. Instead we are making every effort to get clarification of the implications of developments on the national scene, in the expectation that we will go to the Board of Regents as soon as we feel confident that our approach will hold up.

Since in the minutes of my meeting with your committee some reference was made to the possibility that the change would have to be financed from faculty salary moneys, I would also like to take this opportunity to tell you that the current approach does not involve funding from faculty salary moneys. To the extent that additional funding would be required, it would come from the extension of the period over which a currently budgeted liability for retirement benefits would be covered. The University is obligated to pay off this liability by the early twenty-first century. According to the existing schedule, the liability would be paid off about fifteen years ahead of time. The possible extension of the period involves only three to five years.

If you are interested in the full complexities of this payment scheme, I will be glad to provide you with additional information. (The main point I want to make is simply that we are not at this time thinking at all in terms of drawing on faculty salary moneys to cover changes in the retirement system.)

pw

cc: C. Peter Magrath



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FCC  
Office of the Vice President  
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February 17, 1981

TO: C. Peter Magrath  
University Vice Presidents  
Betty Robinett  
Joel Tierney  
Marcia Eaton  
Connie Sullivan

FROM: Nils Hasselmo

Enclosed, for your information, is an update on  
the unisex retirement question.

pw

Encl.

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA  
COLLEGE RETIREMENT EQUITIES FUND



730 THIRD AVENUE, NEW YORK, N. Y. 10017

TOM EDWARDS  
Chairman

(212) 490-9000

February 9, 1981

To Presidents, Business and Personnel Officers:

Re: A New Turn of Events in the Unisex Controversy

As you know, the Equal Employment Opportunity Commission contends that pension and Tax-Deferred Annuity plans are, and will continue to be, in violation of the Equal Pay Act and Title VII of the Civil Rights Act of 1964 wherever traditional, sex-distinct mortality tables are used to determine benefit amounts. And for reasons reported to you in November, we are seeking state insurance department approvals of an EEOC-approved merged-gender table that could be used for future premium payments to TIAA and CREF annuity contracts.

This effort has taken a new turn, caused by the emergence of a basic conflict between federal and state authorities over how individual rights and equities are to be protected under law. In California a newly effective statute results in prohibiting the use of merged-gender mortality tables for individual annuity and life insurance contracts issued in that state after January 1, 1981. And in New York, after previously indicating acceptance of a merged-gender table for future premiums to TIAA and CREF individual annuities, the New York State Insurance Department rejected this approach on January 27 as being inconsistent with the requirements of New York insurance law.

This means we will not be adopting a merged-gender table for individually owned annuity contracts at this time, which leaves TIAA-CREF pension and TDA plans "as is" for now. However, we are preparing a new product for use by any institution that elects to change its plans to a merged-gender approach for future premiums. A new master group form of annuity, now authorized under New York insurance laws, appears well suited to this purpose. We will be submitting our "unisex" version of it to the New York Insurance Department for approval as soon as possible. More about this later.

Although it's one more in a long line of hurdles, this federal/state conflict may actually help to spur progress toward a final resolution. The courts must come to grips now with an issue that has to be resolved eventually: this basic difference between government authorities -- one sector seeking to enforce its views of individual rights under civil rights laws, and the other seeking to protect individual equities under state insurance laws. But whether the California and New York actions will spur progress or not, they clearly offer further evidence that the verdict is still out; that as yet there is no final decision on which employers and insurers can rely.

This development does not mean, however, that we can step aside and watch the government authorities slug it out by themselves. The issue is still being litigated in several different federal courts, both by private parties and by the EEOC. TIAA-CREF is actively involved in all of these cases, and will continue to be. The main issue is still the matter of retroactivity -- whether periodic benefits resulting from past premiums are to be "equalized," and if so how. The EEOC position is that dividends on past accumulations should be shifted among participants in order to unisex benefits that were earned and paid for in prior years (a use of dividends also inconsistent with New York law). We continue to oppose this position as well as any position that would impose financial liability on participating institutions.

There remains a question of whether the EEOC will go forward with its threatened, redundant charge against each of our 3,400 participating institutions, as well as TIAA-CREF, on essentially the same legal issue already being contested in the courts. Such a charge would bring nothing new to the basic issue now before the courts. Indeed, the commencement of such action could set back the ongoing strenuous efforts to reach a decision on the issue. And it would clearly increase the financial and other burdens of each institution while prolonging the period of conflicting opinions by state and federal authorities. We are quite hopeful that the EEOC has reconsidered its need for such an extreme measure and will proceed to seek an early resolution of the entire matter through judicial actions already under way.


Meanwhile there continues to be interest among some college administrators and Washington education associations in shifting pension and TDA plans to a merged-gender basis for future premiums as soon as possible. As previously mentioned, we are preparing a master group annuity, an umbrella form of multi-employer contract in which any eligible institution could participate upon deciding to adopt a unisex pension or TDA plan for future premiums.

The new plan would use a TIAA-CREF merged-gender mortality table for determining benefit amounts, so that equal premiums paid for similarly situated men and women in the future would provide equal periodic benefits under all income options. But in other important respects the provisions of the plan and the group annuity certificates issued to individual participants would be identical to the provisions in TIAA and CREF individual annuity contracts, including full and immediate vesting, full funding, and portability of the same certificate among institutions that enter the master group plan.

For institutions that do not want to change their pension or TDA plan under present conditions, we will continue with sex-distinct individual TIAA and CREF annuities while seeking a final court resolution of the unisex issue. Also, these individual annuity contracts will continue to be available for people who want to purchase benefits on their own, apart from their institution's pension or TDA plan.

We will keep you informed of further developments on these various fronts, including further details of the proposed master group annuity.

Sincerely,



Chairman



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March 6, 1981

Stanley D. Sahlstrom, Provost  
University of Minnesota Technical College  
Crookston, Minnesota 56716

"Dear Provost Sahlstrom:

At its meeting yesterday the Faculty Consultative Committee discussed ways in which representation from Crookston can be accomplished quickly and "legally." Although the new constitution will not be finally approved until voted on by the Senate in April and approved (I hope) by the Regents in May, we see no reason that your campus should not hold its election to fill the position on FCC right away. The elected representative could then begin attending our meetings immediately with the understanding that he or she could not vote until the constitution is officially in effect.

We therefore request that your campus arrange for an election as soon as possible.

Very sincerely,

Marcia M. Eaton, Chairman,  
Senate Consultative Committee

MME:mbp

cc: Cleon, Melsa