

16. ACADEMIC APPOINTMENTS
Discussion and Action by the Faculty Senate (30 minutes)

COMMENT:

In light of suggestions from the Senate Committee on Educational Policy and the Senate Committee on Faculty Affairs, the "Principles Regarding Instructional Personnel" have been modified since the preparation of the Senate docket. Both the committees have endorsed the statement as revised.

Draft of November 10, 2000

PRINCIPLES REGARDING INSTRUCTIONAL PERSONNEL

In order to provide a sound program of instruction for its students at all levels, undergraduate, graduate and professional, the University must rely on its regular faculty to take principal responsibility for developing and teaching courses carrying degree credit. Academic staff and adjunct faculty support this mission of the University through their important contributions in the fields of their special qualifications.

The tenured and tenure-track professors are the regular faculty of the University. They participate in all three missions of the University: teaching, research, and service. The core instruction in every discipline should be provided primarily by these members of the faculty. This is especially true in courses in the major and at the graduate level. These faculty have responsibility for recommending the establishment of courses of study and have teaching duties at all levels. These responsibilities for instruction may be shared with visiting and temporary faculty. In circumstances in which the Regents Policy on Faculty Tenure precludes regular appointments, contract faculty may also share in this responsibility. All faculty members must be carefully selected and reviewed by a process that includes peer review.

Other instructional personnel make a valuable contribution to the University, but have more specialized functions. Most of them participate primarily in the teaching mission of the University. Members of the academic professional staff (lecturers and teaching specialists) provide instruction in some multi-sectioned courses, especially at the introductory level, and in skills courses. Adjunct faculty from inside and outside the University and members of the University's non-instructional administrative staff teach in the specialized fields in which they have professional expertise. Graduate assistants provide instruction to other students while obtaining experience for their own future careers. These groups complement, but do not supplant, the regular faculty, who retain primary responsibility at all levels for the instructional programs and their academic standards.

The Regents Policy on Faculty Tenure describes the appropriate use of non-faculty instructional personnel. The Senate urges the Executive Vice President and Provost to issue administrative instructions further detailing these expectations. The administrative policy should be reviewed thoroughly in five years.

The Senate also urges the University to make provision for appropriate employment conditions, including appropriate notice periods and full health and retirement benefits, for individuals who are in the academic professional category.

Additional amendment for Item 10 "University Senate Bylaws Amendment: Senate Committee on Equity, Access, and Diversity" of the November 16, 2000 Senate/Assembly Agenda

UNIVERSITY SENATE RULES AMENDMENT

Ex Officio Representation

[Note: if the Senate approves the establishment of the Equity, Access, and Diversity Committee, the following Rules amendment will be considered to have been approved and will be inserted in the Senate Rules.]

MOTION:

To amend the University Senate Rules, Article III, Section 2, as follows (new language is underlined; language to be deleted is ~~struck out~~):

ARTICLE III. RULES FOR COMMITTEES OF THE SENATE

...

2. Ex Officio members of Senate Committees

Ex officio members shall be appointed from each of the offices listed below and are non-voting positions unless otherwise noted.

...

~~Equal Employment Opportunity for Women~~ Equity, Access, and Diversity -Office of the Executive Vice President and Provost (two representatives, including one from the Office of Equal Opportunity and Affirmative Action)

...

**SARA EVANS, Chair
SPECIAL TASK FORCE**

Executive Summary

Background

The University of Minnesota purchases health insurance for its employees by participating in the *State Employee Group Insurance Program* (SEGIP). The Minnesota *Department of Employee Relations* (DOER) negotiates plan design, premium, and plan changes through collective bargaining.

The University of Minnesota Health Plan Task Force was created in the Fall of 1997 as a faculty initiative in response to the loss of a plan with an enrollment of 30% of the University employees. The original goal of the task force was to study why there was such instability in the health plans available to University employees and to explore ways to improve the University's health benefits program.

The task force analyzed the University experience data, conducted focus groups and an employee survey, and tested the marketplace with a Request for Information. In addition, representatives of the University administration and the task force have met intensively with representatives of DOER to forge a new relationship between the University and DOER.

Findings

- Although the SEGIP managed competition model historically has produced good medical care at affordable prices, it has not produced a stable and diverse set of options for employees. Furthermore, in recent years the costs have skyrocketed to the point where the continued increases will be difficult for the University to sustain.
- The employee survey showed an acceptable level of overall satisfaction among the active employees as a whole. However, there is room for improvement, particularly for retirees, graduate students, and faculty. The issues of greatest concern are mental health, out-of-area coverage, complementary and alternative medicine, physician choice, and, of course, cost.
- The University employees constitute a risk pool no worse than SEGIP as a whole. The recent University experience is slightly better than that of SEGIP.
- The University has a sufficient number of employees to be buffered against yearly fluctuations in medical care utilization and to command the attention of the market, even if some employee groups are not included. The market will respond to an opportunity to bid for the University's business and offers some interesting alternatives not available through SEGIP.
- The University must bargain health benefits with the organized bargaining units. Any changes in the way the University purchases health insurance must be bargained with the unions. AFSCME and the Teamsters will probably bargain aggressively to remain with the current SEGIP program.
- The employee groups not organized into unions currently have no voice in the design of their health benefits.
- The University retirees form a group with unique issues. Some of the issues for retirees under age 65 could be resolved under the umbrella covering active employees, but the issues for retirees over age 65 must be addressed separately if the University leaves SEGIP.

Recommendations

1. The University should establish a standing Benefits Advisory Committee to monitor the benefits packages available to employees and to advise the University administration. The committee membership should include representatives of all affected groups.
2. The University administration should continue the recently initiated negotiations with the State Department of Employee Relations (DOER) to acquire a management flexibility that has not been available through the State up to now. The flexibility should include:
 - Direct negotiations between the University and DOER.
 - The ability to modify plan design and employer contribution strategy of the State plans.
 - The ability to offer additional plans and benefits.
 - The ability to determine eligibility.
 - The option to have a separate risk pool.

As a contingency plan, the University administration should continue to pursue an employee benefits purchasing program separate from that of the State.

3. The University should maintain a diverse and stable set of health and dental plans, as well as group policies for long term care, to meet the needs of its diverse set of employees, retirees, and graduate assistants.
 - *Diverse* plans should include the option to better cover alternative medicine and non-network expenses.
 - *Stable* plans require flexible management of employer contributions to direct more funding to plans that attract poor risk.
4. The University should offer to domestic partners the same benefits available to married employees.

[Previous Page](#)

[Contents](#)

[Next Page](#)

UNIVERSITY OF MINNESOTA

BENEFITS ADVISORY COMMITTEE

MISSION AND SCOPE

The Benefits Advisory Committee (BAC) is an advisory committee created to provide input to the University administration, through the Office of the Vice President of Human Resources, on benefit offerings to non-represented employee groups (excluding the Faculty Retirement Plan, the Optional Retirement Plan, MSRS, faculty group disability, and faculty group life insurance).

AUTHORITY

The BAC will act in an advisory capacity within the assigned scope. Committee recommendations will not be binding on the administration, but the expectation is that the views of the committee will have an important influence on policies and procedures related to matters within the mission and scope of the BAC. Administrators remain responsible to and accountable to the President of the University. The members of the committee should report to and seek the views of the employee group that nominated them.

SPECIFIC CHARGES

The BAC shall:

1. periodically recommend changes to existing programs, or new programs, to address:
 - a. any changes in laws and regulations;
 - b. the need to coordinate with other insurance pools;
 - c. the needs of faculty, P & A and civil service staffs; and
 - d. competitive conditions; institutional priorities and constraints.
2. regularly review the financial status of benefits programs and recommend measures for maintaining fiscal balance of the fringe benefits;
3. provide guidance to the University Office of Human Resources on relevant administrative and procedural matters and on communications of ideas and suggestions

concerning coverage, eligibility, claims, procedures, bidding, administration, and other aspects of employee issues concerning benefits within the scope and mission of the BAC;

4. monitor benefit plans to ensure they are of high quality and in stable financial condition;
5. review the effects of policies on University benefit costs and on faculty and staff enrollment patterns.
6. serve as the advisory group to the Vice President of Human Resources to prepare RFI and RFP, to review and evaluate responses, and to recommend providers and benefit features of benefit plans to the Vice President of Human Resources and central administration; and
7. select from among the BAC membership persons to represent University employees on the Joint Labor Management Committee for the State Employee Group Insurance Plan (SEGIP).

MEMBERSHIP

Membership of the BAC will consist of the following members:

1. *Voting Members*: The voting membership of the BAC shall be composed of: four (4) faculty, four (4) P & A, four (4) civil service, and two (2) retirees. Graduate assistants shall have four (4) voting members if they should receive benefits through the group plan of voting members of the BAC. (Graduate assistants shall have voting rights only on issues affecting benefits that they receive.)

2. *Non-voting Members*: Non-voting members of the BAC shall include two (2) individuals from each collective bargaining unit and two (2) representatives for the Council of Graduate Students (COGS) as long as graduate assistants are insured in a plan separate from that of voting members of the BAC.

3. *Ex Officio Members (Non-voting)*: Ex officio members of the committee shall include the Vice President of Human Resources (or designee), the Director of Employee Benefits (or designee) and other appropriate staff from said office.

Restricted Session and Executive Session: Voting members of the BAC may call restricted sessions and/or executive sessions.

A *restricted session* of the BAC shall consist of the voting and non-voting members of the BAC. An *Executive Session* of the BAC shall consist of the voting members of the BAC.

SELECTION OF VOTING MEMBERS

1. *Selection of Members.* The advisory committee for each employee group which is not represented by a bargaining unit shall present a slate of at least seven (7) candidates to serve as members of the BAC. Nominations must include individuals from the coordinate campuses. Each group shall select its slate of candidates according to the rules and procedures of that group. Preferred candidates should have interest or special knowledge in insurance and benefits programs, maturity of judgment, and analytical skills.

In order to assure balanced representation from all groups concerned, including the coordinate campuses, the chairperson (or the acting chairperson) of the BAC shall meet with the chairpersons of each voting group to select members from the lists of candidates each group has submitted.

2. *Terms.* Members will be appointed for defined terms, on a staggered basis, with three (3) years the eventual norm. Each unit may determine whether a member may be eligible to serve more than one term. Terms will run from July 1 through June 30.

3. *Selection of Chairperson* On or before August 31 of each year, the BAC shall select a Chairperson.

SUBCOMMITTEES

When appropriate, the work of the BAC may proceed through subcommittees, whose membership may include, but need not be limited to, members of the BAC. The role of the subcommittees will be to review specific benefit areas, especially subjects involving particularly complex issues, and to develop recommendations and options for consideration by the full BAC. If issues arise that fall outside the purview of the subcommittees, then the chair may appoint a special ad hoc committee or address the issues involved through a committee of the whole.

STAFFING

The Office of the Vice President for Human Resources will be responsible for staffing the BAC in the areas of committee appointments, agenda development, project planning, and meeting arrangements. The Office of Human Resources will provide technical staffing, and draw upon expertise from Financial Systems, Purchasing and the Office of the General Counsel when appropriate.

Recommendations

1. Benefits Advisory Committee

The University should establish a standing Benefits Advisory Committee to monitor the benefits packages available to employees and to advise the University administration. The committee membership should include representatives of all affected groups.

Whether the University separates from SEGIP or establishes a new relationship with DOER, it is imperative that the unrepresented employee groups have a formal mechanism for advising the University administration on matters involving health benefits. The task force recommends the establishment of a Benefits Advisory Committee to play this role.

This committee should be put into place immediately so that it can continue the work begun by the task force to forge a new relationship between the University and DOER. How that relationship develops during the first few months of 2001 will be critical to the future of health benefits at the University.

The task force envisions that the scope of the Benefits Advisory committee will extend beyond health care to some other benefits, but will not include retirement pensions.

The voting members of the committee should be chosen by the Civil Service Committee, the Academic Staff Advisory Committee, and the Faculty Senate, the existing governance bodies representing Civil Service Employees, P & A employees, and Faculty. Each of the coordinate campuses, the retired employees, and the graduate students should all be represented on the committee. The unions representing bargaining groups should hold non-voting seats on the committee.

A proposed charter for the Benefits Advisory Committee is attached as an appendix to this report.

Recommendations

2. New Relationship with the State

The University administration should continue the recently initiated negotiations with the State Department of Employee Relations (DOER) to acquire a management flexibility that has not been available through the State up to now. The flexibility should include:

- **Direct negotiations between the University and DOER.**
- **The ability to modify plan design and employer contribution strategy of the State plans.**
- **The ability to offer additional plans and benefits.**
- **The ability to determine eligibility.**
- **The option to have a separate risk pool.**

As a contingency plan, the University administration should continue to pursue an employee benefits purchasing program separate from that of the State.

As described above, the current arrangement between the University and the State is that the University employees are offered the result of the program that emerges from the collective bargaining process at the State.

The University has requested, and the State has granted, a new arrangement whereby the University can negotiate directly with DOER to produce a benefits package for University employees different from that which emerges from collective bargaining at the State. The negotiable items include the ability to modify plan design and employer contribution strategy of the State plans, the ability to offer additional plans and benefits, and the ability to determine eligibility. Furthermore, if the University's proposed modifications are different enough to have an adverse impact on the remaining SEGIP employees, DOER will allow the University to have its own risk pool.

The task force feels that this arrangement will give the University the management capability to provide its employees with a more diverse and stable set of health plans.

However, exactly how this arrangement will develop and what this arrangement is capable of producing remain a matter of some concern to the task force.

In particular, DOER must receive legislative approval for all contracts it enters into. In theory, this process is cumbersome and time-consuming, with the possibility of substantial delays and back-tracking. In practice, however, DOER generally receives automatic approval of the results of its negotiations.

There is one notable known exception to DOER's ability to receive automatic legislative approval: the issue of whether the University can offer dependent health coverage to domestic partners. DOER has shown considerable reluctance to champion this issue with the legislature. Recently, Governor Ventura has directed DOER to study the impact of offering dependent coverage to domestic partners, and DOER is planning to request legislative clarification. However, it is clear from DOER's handling of this issue that fear of disapproval from the legislature can severely restrict its ability to negotiate with the University.

The task force feels that it is premature to assume that the University will be able to negotiate a satisfactory arrangement with DOER. The task force therefore recommends that the University continue to pursue separation strategy in parallel with the negotiations. The situation will probably clarify in the spring of 2001. At that point, a decision to separate would most likely be a separation scheduled for 2003.

Recommendations

3. Diverse and Stable Health Plans

The University should maintain a diverse and stable set of health and dental plans, as well as group policies for long term care, to meet the needs of its diverse set of employees, retirees, and graduate assistants.

- *Diverse* plans should include the option to better cover alternative medicine and non-network expenses.
- *Stable* plans require flexible management of employer contributions to direct more funding to plans that attract poor risk.

During the recent past, the SEGIP plans have moved steadily toward a common benefit set for all the plans. They all have a primary care physician acting as a gatekeeper, with access to specialists only through referral from the primary care physician. They all have uniform coverage and uniform out-of-pocket expenses. The one exception is the State Health Plan, which is essentially identical to the State Health Plan Select with the addition of a point-of-service benefit allowing self-referral to out-of-network doctors with associated deductibles and copayments.

The task force feels that, while this common benefit set well serves a large number of University employees, many needs are going unmet. The current mental health benefit is clearly insufficient for a substantial number of University employees, while there is a large demand for better out-of-area and out-of-network coverage as well as better access to alternative medicine.

One possible solution is to simply improve these benefits across the board in all the health plans. The costs associated with this solution probably make it unachievable in the near future. A more achievable goal is to offer a diverse set of plans, with different benefit sets and coverages, so that employees can pick a plan which best suits their particular needs.

The main problem with offering a diverse set of plans is adverse selection. The managed competition model used by SEGIP does not have any risk adjustment. Therefore, as we have seen, the model is inherently unstable -- if a particular plan offers benefits attractive to high risk individuals, then the premium spirals ever upward until the plan is withdrawn.

There are successful models for risk adjustment, whereby the premium for a particular plan is adjusted according to the risk pool it attracts. Risk adjustment has the effect of leveling out the premiums to reflect the actuarial value of the different benefits rather than the actual experience of the employees choosing the plan.

The task force recommends that, whether the University continues with SEGIP or separates, some form of risk adjustment be introduced with the goal of not allowing adverse selection to drive out otherwise viable plans.

Recommendations

4. Domestic Partners

The University should offer to domestic partners the same benefits available to married employees.

The Regents policy on Equal Opportunity states: "The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation." The task force interprets this policy to imply that University employees with domestic partners should be offered the same benefits available to married employees.

The current SEGIP program does not allow for domestic partners. Despite repeated requests from the University, DOER has steadfastly refused to offer benefits to domestic partners, citing concerns that the State legislature would overturn their contracts if they were to include domestic partners as dependents.

The University has a program in place whereby registered domestic partners receive a cash benefit equal to the University's contribution to dependent coverage, but such a benefit falls far short of that offered to married employees, especially for older partners.

Some progress is developing at the State. Governor Ventura recently officially requested that the State Department of Employee Relations study the impact of offering benefits to domestic partners. DOER is planning to request a clarification from the legislature. How these events will play out is uncertain, but there is some chance that the State will offer benefits to domestic partners in 2002.

The task force is unwilling to take the position that this single issue is sufficient to warrant the University's separating from SEGIP. However, the task force believes that how the State resolves the domestic partner issue in 2002 should play a central role in the University's decision of whether to separate in 2003.

Item 7 "Student Legislative Coalition; 2000-01 Legislative Agenda" of the November 16, 2000 Student Senate Agenda

**STUDENT LEGISLATIVE COALITION
2000-01 LEGISLATIVE AGENDA**

The Student Legislative Coalition (SLC) supports the University's budget request but does not support the raise of our tuition which will happen if the legislature does not fully support the proposed budget. SLC would like to align ourselves to be educated and fully aware of the University initiative while being responsive to the main issue of students, price.

As a two part plan, SLC supports the money to be spent by the University to provide a foundation and investment for the future while keeping the affordability for students a priority. This is in consideration with our mission which is to advocate for affordable, accessible, and quality education. This agenda supports all three of these issues.

**PERCY CHABY, President
STUDENT LEGISLATIVE COALITION**