

Minutes\*

**Senate Committee on Faculty Affairs  
Thursday, January 9, 1992  
3:15 p.m.  
Mallview Room, Campus Club**

Present: Avner Ben-Ner (chair), Carl Adams, Carol Carrier, Mary Dempsey, Daniel Feeney, Richard Goldstein, Audrey Grosch, Morris Kleiner, Steve Laursen, Diane Mulvihill, George Seltzer, Bernard Selzler, W. Donald Spring, Gayle Graham Yates

Guests: Robert Fahnhorst, Robert Hexter, Richard McGehee, C. Robert Morris

**MINUTES**

The December 5, 1991, Minutes were approved.

**CHAIR'S REPORT**

Two handouts were distributed: 1) table prepared by the Performance Appraisal and Salary Increases Working Group comparing the three compensation options discussed at SCFA's December 5 meeting, and 2) proposed amendment to the Judicial Committee's Statement of Procedural Principles and Rules of Procedure.

**HEALTH PLANS TASK FORCE REPORT**

Professor Ben-Ner said the first item on the agenda was for information and discussion. He noted that members of the Health Plans Task Force and its Site-visit Subcommittee in attendance at the meeting were Robert Hexter, Richard McGehee, Donald Spring, Diane Mulvihill, and himself. In addition, George Seltzer, representing the Retirees Association, is a member of the Site-visit Subcommittee. At this point he turned the discussion over to Diane Mulvihill, Director of the Employee Benefits Department.

Ms. Mulvihill said the Requests for Information (RFI's) were sent out in November. They included questions about quality of care, medical management, numbers and geographic location of networks, financial issues, and more. The RFI's were returned and analyzed by mid-December. Most vendors were then visited by the Task Force's Site-visit Subcommittee. Ms. Mulvihill commended the faculty for their diligent work throughout the two years that the Task Force has been working. She said three additional Task Force meetings are scheduled for January 10, January 17, and January 31. At the January 10 meeting, the Task Force is planning to narrow down the number of vendors and discuss the University's continued involvement with the State Health Plan. The Task Force expects to submit a final recommendation to the Board of Regents for information in February and for action in March.

Ms. Mulvihill was asked which vendors were visited and responded by giving a brief description

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of each, but asking that they not be identified at this time.

Professor Selzler asked how the coordinate campuses would be affected. Ms. Mulvihill said the Site-visit Subcommittee had representation from both the Morris and Crookston campuses, however, that was one area the subcommittee was slightly less than satisfied with because there are not the same opportunities to establish the kinds of networks that there are within the Twin Cities. Professor Spring suggested that location was the problem and not the lack of willingness to participate by vendors in the Crookston and Morris areas. He added that for coordinate campus employees a fee-for-service plan is desirable because it allows employees to seek physicians outside their areas.

Discussion next turned to the options being considered by the Task Force and some of its goals. Ms. Mulvihill said the Task Force was concerned about the ever-rising contributions employees are making, the decreasing number of networks, and lack of control the University has had in bargaining for the State Health Plan. The Task Force will be deciding whether to recommend that the University stay with the State Health Plan or design its own plan. Some considerations for a University-designed plan include a HMO, a choice plan that would be a combination of a network arrangement and an indemnity-type (out-of-network) option, a catastrophic plan, an opt-out option, and possibly a PHP-type of plan. The Task Force is also concerned about announcing a new plan in a timely manner so employees have enough lead-time before the open-enrollment period.

Professor Goldstein questioned whether there was enough evidence to justify the University separating itself from the State Health Plan. He said one of the Task Force's primary reasons for separation appeared to be the decreasing choices in the State Plan; however, he said, any University-designed plan would most likely offer even fewer choices.

Asked whether the driving force behind separating from the State Health Plan was to make "U-Care" (the University Hospital and Clinic) an available option in all plans, Ms. Mulvihill said that while there was strong employee interest in having the University as an option, it was not the driving force. She said that in order to meet the concerns of employees, at least one plan must offer University access.

Professor McGehee said it was his impression that getting the University into the network was of primary importance to the administration. He also clarified that "U-Care" is a private corporation, wholly owned by the Department of Family Practice.

One Task Force member said the concern most often expressed to him by faculty colleagues was the desire for greater choice than is offered by the State Health Plan.

Ms. Mulvihill also discussed with the committee some of the financial aspects of going with a University-designed plan, but asked that that information be kept confidential until final figures are available.

Discussion turned to whether it would be to the University's advantage to be self-governing in its selection of health plans and whether the faculty voice is strong enough to influence health plan choices. Mr. Fahnhorst pointed out that University employees currently have no voice with the Labor Management Committee that governs the State Health Plan. Obviously, he said, a plan administered by the University would allow for greater faculty input than the current system. He added that SCFA and other faculty have in the past been very influential in developing benefit policies and plans.

While committee members agreed that a University-administered plan would allow for greater faculty input, it was pointed out that benefit packages negotiated by unions have traditionally been better than benefit packages negotiated by non-unionized employees and, therefore, the University might be better off staying with the State Health Plan.

Professor McGehee said an important factor to consider is whether employees as a whole at the University have enough influence to ensure that the forces at work at the University that look after the welfare of the employees are at least as good as the forces at work at the State. In addition, he expressed concern about how a University-designed plan would evolve and inquired whether controls would be in place as the University administration negotiates for future contracts with vendors. He asked what role SCFA would play in that respect and if SCFA felt it had enough influence to actually have an effect on the long-term stability of a University-designed plan.

Professor Graham Yates said that in terms of population, the faculty are a minority at the University and, in her opinion, their voice, whether expressed through SCFA or some other committee, is a minority also. Professor Ben-Ner commented that "voice" and "influence" should not be construed as having the same meaning. As an example, he described his attempts to obtain some information about health care outcomes at the University Hospital and other Twin Cities facilities. For two years his requests went unanswered, and finally he was successful in obtaining the relevant information, which turned out to be public, through an academic colleague.

Several committee members agreed with Professor McGehee's assessment about the ability of unions to negotiate better fringe benefits than non-unionized employees. Professors Kleiner and Grosch suggested that pulling away from the State Health Plan would result in lower health care benefits in the long run.

In connection with this, someone noted the importance of differentiating between whether unions are better at getting employers to spend more money on fringe benefits or whether they are better at negotiating contracts that get more for the money that is spent.

At this point Professor Ben-Ner closed discussion and requested that SCFA be given the opportunity to review the Task Force's final recommendation before it is presented to the Board of Regents, even if it necessitates a special meeting.

### **JUDICIAL COMMITTEE**

Professor Ben-Ner next introduced Professor C. Robert Morris, member of the Judicial Committee and its 1990-91 chair. Professor Morris explained that the Tenure Code requires the Judicial Committee to conform to Tenure Regulations, but allows the committee to adopt additional rules with the approval of the Tenure Committee (now a responsibility of the Faculty Affairs Committee). In accordance with this, the Judicial Committee has established its own "Statement of Procedural Principles and Rules of Procedure." Rule 11(c) of the Rules of Procedure, provides that "either party may challenge one member of the Panel peremptorily (i.e. without explanation)." He said the rule is ambiguous in that it does not clarify whether each side may have only one challenge regardless of the number of parties, or in cases where there are two or more parties on a side, do each of them have a peremptory challenge. The Judicial Committee, therefore, was requesting that the Rule be clarified to read: "Each individual

complainant and respondent may challenge one member of the Panel peremptorily (i.e., without explanation). The number of peremptory challenges permitted to each side shall be made equal by permitting additional peremptory challenges by the less numerous side. . . ."

After a brief discussion, the following motion was unanimously approved:

**To ratify the amendment of Rule 11(c) of the Judicial Committee's Statement of Procedural Principles and Rules of Procedure as written.**

### **EARLY RETIREMENT**

Professor Ben-Ner reminded committee members that in November 1991 new policies on phased retirement and terminal leave were approved by SCFA and subsequently adopted by the Board of Regents. He said that since that time and in view of the University's financial pressures, the Consultative Committee had discussed with him the question of re-visiting the issue of early retirement with the idea that the University take a more aggressive approach to encourage larger numbers of faculty to retire, resulting in additional resources for salaries and programs.

Professor Ben-Ner said that on the cost side, the University could lose many experienced faculty, especially toward the mid-1990's, when faculty shortages are expected. On the benefit side, additional resources could be generated for University programs and salaries without the need to lay-off employees or cut other programs.

Ms. Carrier said her office is expecting approximately 50 faculty will be taking advantage of the new terminal leave or phased retirement (including the voluntary retirement) packages. She also said that of the 34 tenured faculty at Waseca who were offered a much richer package, only five had indicated their intention to take advantage of the program and the rest have asked to be relocated within units in the Twin Cities.

Professor Feeney expressed concern about having periodic incentives as the market fluctuates and encouraged the committee to consider a more consistent set of inducements. Ms. Carrier said that while she understands SCFA's concern for consistency, the University needs flexibility to induce movement quickly when the need arises.

The committee requested data on the number of faculty taking advantage of the new policies, including the windowed Rule of 75 program, and the effects that eliminating mandatory retirement have had at other institutions. Professor Kleiner said Dartmouth is conducting a study on effective incentives to early retirement and the effect of the change in the law on faculty retirement and suggested SCFA review those studies.

The meeting was adjourned at 5:00 p.m.

-- Martha Kvanbeck