

Minutes*

Senate Committee on Finance and Planning

Tuesday, November 7, 2000

2:15 – 4:00

The Morrill Room

Morrill Hall

Present: Charles Speaks (chair), Jean Bauer, Stanley Bonnema, Charles Campbell, David Chapman, Daniel Feeney, Stephen Gudeman, Eric Kruse, Elo Charity Oju, Richard Pfitzenreuter, Jane Phillips, Rose Samuel, Cory Stingl, Susan Carlson Weinberg

Regrets: Leanne Baylor, Wendell Johnson, Joseph Konstan, Michael Korth, Michael Volna

Absent: Terry Roe, J. Peter Zetterberg

Guests: Interim Vice President Robert Jones; Julie Tonneson (Office of Budget and Finance)

[In these minutes: Coffman Union; graduate assistant funding issues; a year with 27 pay periods; balances]

1. Coffman Union Update

Professor Speaks convened the meeting at 2:15. The Committee discussed how it wished to structure its agenda for the next few months, prior to the arrival of Vice President Jones.

Professor Speaks welcomed Vice President Jones; at the request of Vice Presidents Jones and Kruse, the Committee held a discussion without minutes about the renovation of Coffman Union. It was agreed that Dr. Jones would return to the Committee when he had more information.

2. Graduate Assistant Issues

Professor Speaks next told his colleagues that he would like to have a sense of the Committee's views on a proposition concerning graduate assistants. Recalling the previous meeting and the discussion with Vice President Maziar, he noted that the threshold for the tuition benefit for graduate assistants is a 25% appointment, although departments or PIs that appoint GAs at less than 25% time still pay the fringe benefit charge for the time they are appointed--even though the STUDENT does not receive the tuition benefit. Those departments or PIs are thus subsidizing other GAs. His experience, he said, is that there a number of instances when it is advisable to appoint GAs at less than 25% time. He agreed with the concern that the option of not charging the employer could lead to the undesirable effect of providing an incentive to appoint GAs at some small amount under 25% time. The alternative is to provide the tuition benefit for appointments at 12.5% time (5 hours per week). Professor Speaks distributed copies of a draft statement on this matter.

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Professor Bauer asked if it would be possible to obtain information on the number of students who would be affected by the change. Professor Speaks said he did not have the data but surmised that the number appointed at less than 25% time was not insignificant. When the Committee considered a resolution on this matter in February, 1999, Vice President Maziar said the change would require a restructuring of the fringe benefit rates (the resolution was withdrawn because of the cease and desist order in place while GAs voted on collective bargaining). If there were only a small number of such appointments, Professor Speaks pointed out, there would have been little effect on the fringe benefit rate.

It was agreed the Committee would take up the matter at its next meeting.

3. 27 Pay Periods

Professor Speaks next welcomed Julie Tonneson to discuss the biweekly payroll. Mr. Pfutzenreuter began by telling the Committee the issue is on the agenda because there is confusion and rumor about the number of pay periods in an upcoming year; Ms. Tonneson worked with the Office of Human Resources on the question and will explain it.

Ms. Tonneson said that there has been rumor that there will be 27 pay periods in 2001-2002. She asked that the pay period schedule be run for the next 10 years and the number of pay periods counted. There will be 27 pay period END DATES in 2001-2002, which is not relevant to department salary expenses because everyone is paid 10 days after the pay period end date. What is relevant is the PAY DATE, and there will be 27 PAY DATES in 2009-2010; the first pay date will be July 1, 2009 and the last one will be June 30, 2010.

For people on B appointments (9 months) who are paid over the 9 months there will be no change. For those on 12-month appointments, or those who are paid over 12 months, there will be an impact.

There is one calendar year, 2008, that will have 27 pay dates, but that is also not relevant to the University because the fiscal year is July 1 to June 30.

There is no policy on what to do about 27 pay dates. That will be part of the budget plan for 2009-2010. There has been no decision about how to treat 27 pay dates, Mr. Pfutzenreuter affirmed.

There are income tax and social security deduction implications depending on whether one is paid 26 times or 27 times, Professor Gudeman pointed out. Ms. Tonneson agreed, and observed that over a three-year period, salaries would average out because they would be higher one year and lower the other two. Hourly employees would have another 80 hours of pay, Mr. Pfutzenreuter said, so there would be an impact.

Professor Speaks said he was amazed at the amount of attention this issue has been paid over the last few weeks. Professor Campbell said he could not understand what the issue is; people are paid a salary for a year's work.

Professor Speaks thanked Ms. Tonneson for the information and concluded that this is not a high priority item for the Committee. Mr. Pfutzenreuter suggested it be put on the Committee's workplan for 10 years.

4. Balances

The Committee next held an hour-long discussion without minutes of balances.

Professor Speaks thanked Mr. Pfutzenreuter for the presentation and discussion and adjourned the meeting at 3:45.

-- Gary Engstrand

University of Minnesota