Minutes[*]

Senate Committee on Faculty Affairs
Tuesday, May 14, 2013
3:00 – 5:00
238A Morrill Hall

Present: Scott Lanyon (chair), William Beeman, Ben Bornsztein, Kathryn Brown, Arlene Carney, Dann Chapman, Randy Croce, Frank Kulacki, Rishabh Mishra, Benjamin Munson, Joe Ritter, George Sell, James Wojtaszek

Absent: Jennifer Fillo, Carl Flink, Sophia Gladding, Joseph Konstan, Amy Lee, Theodor Litman, Karen Miksch

Guests: Vice Provost Gerald Rinehart (Office of Student Affairs), Becky Hall, Administrative Director, CLA/CDES/CEHD Career Center, Sara Nagel Newburg, Director, Career and Internship Services office in St. Paul, and Mark Sorenson Wagner, Director, CSE Career Center; Professor Dan Feeney (chair, Retirement Benefits Subcommittee)

[In these minutes: (1) changes to the UPlan; (2) faculty involvement in career placement; (3) revised policy on academic appointments with teaching function; (4) Retirement Subcommittee annual report]

1. Changes to the UPlan

Professor Lanyon convened the meeting at 3:00 and asked if Committee members had any questions or comments about the implications of the proposed changes to the UPlan following review of the minutes of the Senate Committee on Finance and Planning when the proposed changes were discussed extensively. He also asked Vice President Brown if there were any more developments. From the discussion at Finance and Planning, the goal was clear: how to deal with the "Cadillac tax" of the Affordable Care Act and how to mitigate the effect of the $1.9 million cost transfer to University employees.

Vice President Brown began by noting that there are no dollars in savings to be had; what will happen is shifting costs that are coming but have not yet arrived rather the accumulation of money in any University account. What they are looking to do, as Professor Lanyon said, is mitigate the effect of the cost shifting. The Administrative Working Group, which has responsibility for health plans, has been looking at a number of alternatives and has been talking with Professor Morrison, but they have no proposal ready at present.

Professor Sell noted that the cost shift equals about 1% of the total cost of the UPlan. Professor Kulacki said it was less than 1% and asked Vice President Brown if they have obtained any sense of the community whether 1% higher copays will hurt the members of the community. 1% is not a lot of money.

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[*] These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.

Mr. Chapman said that they are following the normal consultation path. They are working closely with the Benefits Advisory Committee, which has representatives from every employee group, and are doing additional consultation, such as with Finance and Planning last week and with this Committee and the Faculty Consultative Committee this week. Professor Kulacki reiterated his view that Professor Sell is correct and that 1% is a very small amount but suggested consultation of groups by age, rank, and so on to receive accurate feedback.

Mr. Chapman said that that is part of the ongoing discussion. The Benefits Advisory Committee and others over the years have kept in mind that for higher-paid employees, the proposed changes are not significant, but they cause considerable concern among lower-paid employees, especially if they are in single-income households. They are considering a need-based premium relief program, as has been used in the past, or at some other way to mitigate the impact on lower-paid employees. Vice President Brown observed as well that the increased copays and the proposed deductible do not kick in for an employee who does not use medical services.

The increase could also motivate wellness activities, Professor Kulacki said. He endorsed the idea of a sliding scale based on income, although it involves a lot of math. Mr. Chapman assured the Committee it would be manageable.

Professor Ritter commented that if one gets sick, and is in a lower-income category, a few additional dollars per paycheck will matter less that increased copays time after time. He said he did not know what the out-of-pocket maximum would be. It is the same, Mr. Chapman said; that is where the Affordable Care Act puts its weight. It is impossible to avoid the Cadillac tax without increasing the out-of-pocket exposure—that is how the law was constructed. The University is stuck with it, so they are trying to limit the size of the hit for people who must use the plan a lot. Professor Ritter said that they should merge the low-income earner with the high user because that is the group of people who will have the biggest problem. Mr. Chapman said the University is not permitted to discriminate based on health status, so it cannot pass more dollars to those who have health problems. They can make changes within the plan to try to ameliorate the effects of the changes for people in that category, but it cannot do so outside the plan (e.g., by providing low-income, high-user employees additional money).

Mr. Croce expressed concern that the higher copays could discourage people from using health care; would it be possible to give lower-paid employees a larger salary increase the next time around? They do look at user data, Mr. Chapman said. He said that copays and deductibles tend to go up on a one-time basis; they don't change very much from year to year. But if the additional cost of copays are added to base salaries, those inflate over time, creating a much greater cost for the University.

Professor Ritter said that as an economist, he would respond to Mr. Croce's suggestion by observing that giving people more income will not change their decisions on the margin (e.g., about use of health care).

Professor Lanyon asked Mr. Chapman what they know from other institutions about when copays discourage the use of health care. Mr. Chapman said that is an excellent question to which he has never received an answer. It does seem, however, that the University has not reached that point thus far; never has a cost increase led to reduced use of health care. That is also a reason why the University has not moved to a high-deductible health plan, like some employers, because there are data that suggest people do defer needed care when they have a high-deductible plan.

Professor Kulacki asked what the next steps are. Vice President Brown said they will continue to evaluate ways to mitigate the impact of the changes and there will probably be broad communication in the fall. They are also bringing the issues to the Faculty Consultative Committee, and they can return for further discussion as options are developed.

Professor Kulacki asked, apropos of faculty recruitment, if the University's proposed changes would be widely variant from changes its peers might adopt. They would not, both Mr. Chapman and Vice President Brown assured the Committee; all of its peer institutions face the same challenges. Vice President Brown said they are monitoring the responses of public and private employers and agreed that what the University does should not be significantly different from what they do.

Professor Munson asked if there is a precedent for a need-based premium-relief program. There is, Mr. Chapman said; the University had one a few years ago that was focused on household income. People provided tax forms; if they were low-income, they were provided additional funding to help cover the cost of being moved to the family tier (when the University changed from two tiers to four). The program worked very well; there were not a large number of people who applied, but some did and were provided support for 18 months in order that their income could grow to adjust to the new cost. That is the point of the program: They do not want to see people in effect receive wage or salary cuts for a year because increases in health-care costs exceed their salary increase.

Professor Wojtaszek asked if prescriptions are part of the proposal. They are, Mr. Chapman said, and included in the medical plan. Technically a separate plan, they are treated as part of the medical coverage. The only change in the prescription plan is an increase in the copay for tier 3 non-formulary drugs, from $60 to $75. It would save people a great deal of money if they change to generic drugs. The change in the past has led to increased use of generic drugs (from about 45% to about 70%), a singular success of the UPlan—it has saved about $60 million in the last few years. Many have moved to lower-cost drugs, but they have retained an appeals process for people who must use formulary drugs. But the plan is about at the limit of what can be expected in the use of generic drugs, so there won't be the same cost-saving gains in the future. What is a concern is the higher-priced specialty drugs that are coming onto the market.

Professor Lanyon thanked Vice President Brown and Mr. Chapman for their comments.

<u>2. Faculty Involvement in Career Placement</u>

Professor Lanyon welcomed Vice Provost Rinehart, to bring an issue for the Committee's consideration. Vice Provost Rinehart introduced three of his colleagues, Becky Hall, Administrative Director for the CLA/CDES/CEHD Career Center, Sara Nagel Newburg, Director for the Career and Internship Services office in St. Paul, and Mark Sorenson-Wagner, Director of the CSE Career Center.

Vice Provost Rinehart said they wished to raise a sensitive issue and receive the Committee's advice on an issue that he had previously reviewed with Vice Provost McMaster (Undergraduate Education)and Vice Provost Henning (Graduate Education) regarding complications that can occur when faculty respond to requests from employers checking references for student or seeking information regarding their "top students." Vice Provost Carney had suggested that the draft message to instructional faculty and staff (from which the quotation below was taken) be brought to the Committee for review, since it strikes at the core of how some faculty perceive their relationship with students, Mr. Rinehart commented.

The draft memo read as follows (between the * * *):

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We wanted to take a moment to inform you of some ethical and legal issues related to working with employers seeking to hire our students. While maintaining effective relationships with members of the external employment community is consistent with the University's desire to be an accessible and helpful partner, the University of Minnesota is also committed to sustaining a fair, open, and accessible employment marketplace for students.

For example, responding to an employer's request for names of individual students with particular skills sets or characteristics may make you (and the University) vulnerable to charges of violation of Federal guideline and regulations such as FERPA or EEO.

Also, when you are asked to provide written or oral references for students, it is advisable to ask them to either complete the consent form that can be found on the General Counsel's website http://www.ogc.umn.edu/download/studentref.html) or, when applicable, complete the portion of the reference form indicating they have given you permission to speak about them with prospective employers.

A full discussion of the issues associated with the employment process for students can be found at the website of the National Association of Colleges and Employers (NACE) here. We encourage you to become familiar with these guidelines. Below are a few recommendations from NACE to keep in mind related to employment assistance for students:

- If employers make you aware of specific job or internship openings they are trying to fill, refer them to the University's job posting and resume referral site, GoldPASS [**Edge** for CSOM], to ensure these opportunities are made available to all students. This is important to honoring our EEO commitments as an institution.
- It is generally recommended that you do not agree to serve as a reference for a student unless you can provide a positive assessment of their qualifications.

For assistance in determining how to respond to a particular employer's request, please contact the career center for students in your particular college or unit. A list of all career contacts is available at http://www.career.umn.edu/offices.htm. For most Academic Health Center graduate or professional programs, please instead refer to: http://www.career.umn.edu/ahcss.html

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The troubling issue arises with faculty who want to respond to employers with whom they have a relationship that they want to maintain, Mr. Rinehart explained. An employer might ask a faculty member to refer his or her "top five students." A faculty member should not do that. One problem is that most referrals (about 70%) are white males. While they don't want to be stupidly politically correct, they do want to help faculty and staff avoid legal and equal-opportunity problems. There are some faculty members who because of their regular response to such inquiries could be considered employment agencies and subject to the legal and ethical requirements pertinent to such enterprises. They want the faculty and staff to be able to provide referrals for students, but they want to be sure they are done well and appropriately.

Professor Beeman said he regularly receives queries along the line "we might create an internship, if you have interested students, we might consider them." The company doesn't want to create a formal job. Sara Newberg said that puts a faculty member in a precarious position (and they may not know it); one must make sure the opportunity is provided to all students—this is a land-grant university—and the faculty member may say that he or she is not be the best one to talk to and refer the person to the career center; companies may think it's hard to use, but it is not, and GoldPASS is easy. Ms. Newberg tells companies that there could be many students interested—and the faculty member may think a student is interested who turns out not to be. And then, Professor Beeman observed, the business world says "this is the problem in working with universities."

Mr. Sorenson-Wagner added that businesses might say that they don't have these problems at Wisconsin or Stanford—but his office has confirmed that most schools do the same thing the University of Minnesota does. It could be that some companies are trying to get around the rules; there can also be a disconnect between what the faculty member and the company believe would be the best student for a position or internship. They try to navigate so that companies get the people they need.

There are companies that build relationships with the University over the long term, which almost always pays off for them, Professor Beeman said. Ms. Newberg said these companies often deal with career services, and ask for opportunities to interact with students. Career offices across campus host sessions, for example, which help students figure out how to secure internships and help companies structure internships so they are good effective learning experiences.

Professor Munson said he thought the draft memo was very good but pointed out that there are many faculty members who will not know the meaning of EEO and FERPA and said they need to be explained. The memo might also explain that if a faculty member refers the "top five" students, that indicates their performance level, which can be a violation of FERPA, and if 70% of referrals are white males, they are not helping companies diversify.

Professor Lanyon said he has heard many good reasons to use GoldPASS; some, however, may not use it because of their relationship with a company. Is there a system to identify top students in a class? Ms. Newberg said one can screen on GPA for the top students in a class, although she would be uncomfortable doing so, and evaluating by GPA may not lead to referring individuals who meet the employer needs. Mr. Sorenson-Wager added that doing so may eliminate students who are very strong; as noted before, there could be a difference in the faculty and company view of what a "top" student is.

Professor Kulacki said that if one knows two students, one of whom would fit and one would not, one must be honest about the skill sets that each has. The faculty member must be able to make recommendations based on skill sets. If a student has applied for a position and asked for a reference, that is different, Professor Lanyon said. Professor Kulacki said he did not know if GoldPASS and companies can move quickly; this is a problem in engineering. The critical element is student consent, Mr. Rinehart said.

Professor Beeman asked how successful they are in getting students registered with career centers. Many do not know they exist. And the resources for students are not distributed evenly, Mr. Rinehart added; the Carlson School and Science and Engineering put more money into their career centers than other colleges. Ms. Hall said that there are about 38,000 students registered with GoldPASS, and students are required to register with it as freshmen. Through the new first year class in CLA, all students in CLA are now exposed to it. As for internships, they want to be sure it is a high-quality experience, and working with the career center helps protect the interests of students and ensures that the employer gets the right match.

Professor Ritter said it is important for faculty members to know that they need a student's consent to be a reference. In his experience, students are surprised there is a form they must sign and many faculty members do not know about it because it has not been widely promoted. If they want people to serve as a reference, they must be sure people know the details about doing so. Ms. Hall asked if it would be helpful if the General Counsel circulated the form on an annual basis. Professor Lanyon said that it could be provided to students when they are looking to apply for jobs—that would be the fastest way to spread it. Professor Ritter agreed and said the burden should be on the students; when students ask for a reference, they should have the form all filled out.

There is a distinction between a company contacting a faculty member and a student applying for a job, Mr. Mishra said; does the form cover both? It does not, Ms. Hall said, it is only for the instance when students are applying for a job. Mr. Rinehart said, however, that it could serve both purposes. Professor Beeman said he was ignorant of the form; most requests to him are electronic, some are calls. If a student gave his name as a reference, and he had assented, would he be in trouble? Mr. Rinehart thought not but suggested he check with the General Counsel's office. What is the utility of the form if he assented to being a reference, Professor Beeman asked? In the worst case, the student could deny having asked him, Mr. Rinehart said; the form would protect the faculty member. So they do not want the student to sue the University because of a bad reference, Professor Beeman commented, and it would the student's word against the faculty member. Professor Ritter said he believes that FERPA requires written consent and just allowing a student to list one as a reference is not good enough. And that should be made clear on the form as well.

Committee members discussed the necessity of the form. Mr. Rinehart said that a recommendation is not "invalid" if the form hasn't been signed, and the faculty member need not sign the form because it is for the protection of the faculty member. It is covering the bases in case something goes wrong, Mr. Rinehart said, and documents that the faculty member has permission to give out information about the student. And a student could say that he or she grants permission only to write to certain institutions and not others, Vice Provost Carney pointed out. In general, they tell students to ask for references, Newberg said, and that is the point when a faculty member should ask for the form. Dr. Carney said there is more detailed information on the faculty onestop.

Professor Beeman said that one can receive phone requests that emphasize the need to know strengths and weaknesses, which he may not want to give. Mr. Rinehart said that if the student has given permission, the faculty can say what they need to, but point of the second bullet in the memo is that if someone doesn't have much positive to say about a student, it is probably best not to agree to serve as a reference. But one can identify both strengths and weaknesses when serving as a reference.

Professor Lanyon thanked Mr. Rinehart and his colleagues for bringing the issue to the Committee.

3. Revised Policy on Academic Appointments with Teaching Function

Professor Lanyon turned to Professor Munson to provide an update from the ad hoc subcommittee revising the policy on Academic Appointments with Teaching Function (also known as the policy on college personnel plans).

Professor Munson said that they had received a difficult charge and had to make sense out of something that evolved beyond what they originally started working on, which was to make recommendations about non-regular faculty who have teaching appointments. He and Ms. Wilhelmson in the Office of Human Resources met recently to consider the issue; the problem is that there is no infrastructure to monitor compliance with the policy (which provides that a college must obtain approval for an exception if the percentage of non-regular faculty exceeds 25% of the number of regular faculty). There is no clarity about whether the policy will be overseen by an administrative office nor is there any philosophical document about the role of the faculty in the University.

The task for them to finish is to develop recommendations on who makes college personnel plans, who approves them, and with what parameters, Professor Munson said.

Vice Provost Carney said that the plans are developed at the college level. The percentages of faculty members in various categories has changed over time in some units (e.g., the Academic Health Center) and they have discussed whether there should be different percentages allowed for different colleges. As for compliance, the policy provides that the provost's office is responsible.

Professor Munson said there is a perception that the University has an increasing percentage of non-regular faculty in teaching positions, and the reason is that the number of regular faculty has remained stable while the number of non-regular faculty has increased. The knee-jerk reaction is that the University is eroding the ranks of the regular faculty; is that true or has the University grown on the back of faculty programs that appreciate non-regular faculty (e.g., architecture, music)? Dr. Carney noted also that as the number of externally-funded grants increase, and faculty must certify efforts on those grants, they do not teach as much and units must hire people—P&A staff or contract faculty—to teach. Grant funding is increasing, and when faculty members take sabbaticals or leaves, it is necessary to use contract faculty. None of the other parts of faculty jobs are addressed in the existing policy.

Professor Munson reported that where he and Ms. Wilhelmson came down is that the document needs to be a philosophical statement, with the onus on the colleges to each come up with a plan. It does not seem reasonable to have a single standard from which colleges must seek variances. There should principles and procedures but not a mandate, he said.

Professor Kulacki suggested adding language about units changing over time and the dynamic nature of a teaching and research institution.

Professor Bornsztein said it is usually beneficial for a reader to start with definitions; are there definitions of regular and non-regular faculty? There are, Dr. Carney said, in the Regents' policy *Faculty Tenure.* Professor Munson commented that the institution needs to find better terms than "regular" and "non-regular."

Is there also a long-term plan to allow year-to-year variations, Professor Wojtaszek asked? They need to discuss that, Dr. Carney said. She added that if the Committee asks for annual reports, that will require considerable work for one person to review; it would be better to ask for three-year plans and stagger the reviews.

Professor Lanyon said that the starting point is that 25% or fewer of the instructional staff should be non-regular. There is nothing magic about that number and it may not be accomplishing good things, so it might be better to ask colleges what the best number would be. Professor Munson said that some believe that disciplines are eroded by expansion of the number of non-regular faculty while others see it as a reflection of units not getting the faculty they need. He would state the point positively: the University has diverse instructional needs and it must provide for them with appropriate protections. This is not a matter of protecting the tenured faculty. Dr. Carney surmised that the Committee on Academic Freedom and Tenure would take the position that the institution does need to protect tenured faculty—and that the University is different because the number of tenured and tenure-track faculty is stable; the growth has occurred in the non-regular faculty ranks. Other institutions are actually shrinking the number of tenured and tenure-track faculty.

Mr. Croce said that there are P&A instructors who, 20 years ago, would have received tenure. There is a difference in security and academic freedom between those who have tenure and those, like him, on annual appointments. He said he would not want to see a decrease in the number of people with tenure and academic freedom. Professor Munson agreed with Mr. Croce but said they could not address the question of whether tenured faculty are eroding across the University; it is more at the disciplinary level, not the college. Or programs need to use professionals to train students, companies need to be represented in teaching. Departments need the flexibility to hire such people. And frequently people in the arts do not want a regular faculty position, Professor Beeman added. But they need the protection of academic freedom, Dr. Carney said, which is the concern that the Committee on Academic Freedom and Tenure has expressed.

Professor Munson said it was difficult to develop a policy with two streams of appointments because situations are so different across the disciplines. He said there is no magic number. Professor Lanyon agreed and said that a policy may not work for all—but the original ideas need to be captured, the erosion of tenured and tenure-track faculty and the erosion of tenured and tenure-track faculty members in the classroom. A related question is that of difference in workloads across colleges, Dr. Carney said; in CLA the expectation is that faculty will teach four courses per year, while in Science and Engineering it is two courses per year with a presumption that faculty members have grants that require time from them. That adds to the formulation, and why college plans should have workloads.

Professor Ritter said he agreed that any document should be positive, but said it must try to prevent presenting the image that because this is a research university, it hires cheap adjuncts to teach while the tenured and tenure-track faculty are in their labs or elsewhere doing research. What is also different about Minnesota is that the non-regular faculty (and P&A instructors) are typically full time and receive health and faculty retirement benefits, unlike at many institutions. Professor Ritter said that that is not always the case and that he was previously in a position where he did not receive benefits; units can make such appointments. The institution should set standards so department to not use that approach to save money and generate student-credit hours. Professor Munson said he did not disagree but if a dean were at this meeting, and faced a credit-hour crisis (i.e., not generating sufficient tuition revenue), the University should not set the standard so high that a college could not dig its way out of a crisis (such as by bringing in an increased number of non-regular faculty to teach courses). Professor Ritter said he is not saying use of non-regular faculty is unacceptable, but that the University should not drift toward hiring large numbers of people to teach for $4,000 per class.

Dr. Carney pointed out that the college personnel plans, under the existing policy, do not include data on the number of people hired to teach one course.

Professor Bornsztein asked who the best judge is of what the proportion of regular and non-regular faculty in a college should be. The proportion will vary by college and department, Professor Lanyon said. Dr. Carney said there is such diversity across colleges in cultures that a single rule is problematic, but there should be a rationale in each unit. There should be a University philosophy about what instruction should be, but this is a decentralized institution and units operate differently.

Professor Lanyon said it might be helpful to learn if in the programs the faculty view differs from that of the administration. He surmised that in some, the faculty would say that relying on a greater number of non-regular faculty was the right thing to do but that in others the faculty would say the unit is going the wrong way in doing that. That is why one must look at each college and department, Dr. Carney said; sometimes they believe that what they are doing is acceptable but that what other units are doing is not. Professor Lanyon said he would feel better about things if the faculty said they found acceptable the percentage of non-regular faculty in their unit. The faculty do not have those data.

There is a real difference between regular and non-regular faculty, Professor Beeman maintained, as there is between institutionalized non-regular faculty versus contingent faculty hired on an annual basis to fill slots created by faculty members on leave. And it is much easier to hire graduate students to do the teaching than it is to go outside the University, although that may vary by department and college. He agreed that the University is admirable in comparison with other campuses that are awash in contingent faculty. Dr. Carney said that the University does hire one-course faculty but that she would not want to see departments make that the majority of their appointments.

<u>4. Retirement Subcommittee Annual Report</u>

Professor Lanyon next welcomed Professor Feeney to present the annual report from the Retirement Benefits Subcommittee.

Professor Feeney touched on several matters.

-- The big-picture item before the Subcommittee, which started about two years ago, is whether the retirement plan will undergo restructuring. The issue has to do with usage; they hear many complaints that the plan is so complicated. It has many options, but for middle-level participation it is overwhelming. They have target funds, then an array of funds one step up in the basic (401a) Plan, and then open choice from among the vendors in the Optional 403b and 457 Plans. What is now becoming more popular is structured brokerage accounts; they do include commissions but one can by any fund one wants (through the Faculty Retirement Plan). Professor Feeney said that once PeopleSoft is upgraded, there will be a consultant retained to the look at the Plan. The Subcommittee is proceeding as usual but there could be changes coming to the 401a Plan. (Some changes may also be coming because of changes in federal regulations.)

-- Given the foregoing, they are continuing with plans with respect to adding an international bond fund. An assessment was performed regarding the advantage of a managed small-cap fund (in addition to the index funds already available), but the analysis failed to yield convincing data to add such a fund.

-- The University has had target funds for about four years as the default funds; these funds are structured to be on a "glide path" to a projected retirement date for the employee and change the mix as the person gets older. They have been debating target fund options from among vendors who offer then and believe the fund the University has is the best it can have and the most cost-effective.

-- They have done an analysis of contributions and withdrawals for active and inactive (e.g., people on leave) accounts and for retirees. They know that there is a great deal of money in the Faculty Retirement Plan in Securian and they are looking at what is going in, what is staying, and what is being withdrawn. They have no words of wisdom but have noted that the General Account plays a big role in many individuals' accounts. They meet with Securian once per year, and the University's Asset Management people meet with them four times per year, so Securian is tracked very closely—not because they are worried about it but because of the amount of money invested through Securian. They are comfortable with its performance.

-- Securian is trying to improve its planning software for those who are in the retirement plans. The University can't buy expensive planning software for its faculty, the University cannot provide financial advice, and Securian can provide only a little advice. However, there is software on the Securian faculty retirement website that lets one try out various scenarios that can inform one how well he or she is doing (or not). This is very beneficial for faculty members in their 30s to their 50s and allows them to look at their rate of return.

-- Securian is providing an upgrade performance and analysis information on funds, for those with the expertise to understand it. Securian just provided this improvement, and at no cost to the University.

-- They are still discussing the Roth IRA, which cannot be in the current 401a Faculty Retirement Plan. PeopleSoft cannot handle the Roth in its current version, but if in the future it is able to do so, the question of how to track funds in and out can be dicey. They receive very few calls for a Roth IRA option every year but its utilization (not availability) is limited across the institutional retirement industry. In the future, it may be wise to set up a Roth IRA within the Basic Retirement Plan, but they have to look at the cost to non-participants.

Professor Beeman asked why the University cannot provide financial advice. TIAA provides advice (although the University made the right decision to withdraw from TIAA). Professor Feeney said the University does not want the liability that could come with providing financial advice. TIAA took a superficial advice approach that worked for some, but it had other problems that made the University's decision to cease further participation in the retirement plans. They look for alternatives and try to provide tools that people can use (on a non-log-in part of the web). Why could the University not contract with a provider, Professor Beeman asked? Professor Feeney said the Subcommittee has a representative from the General Counsel's office and the OGC does not like the idea of the University taking that kind of risk.

Professor Lanyon thanked Professor Feeney for his report and adjourned the meeting at 4:55.

-- Gary Engstrand

University of Minnesota