



Michigan Tech

Office of the Chief Financial Officer and Senior Vice President for Administration

906-487-1060

Memorandum

TO: Rick Koubek, President

FROM: Sue Kerry, Chief Financial Officer and Senior Vice President for Administration

DATE: September 30, 2019

RE: University Senate Proposal 39-19

At its meeting on March 27, 2019, the University Senate approved Proposal 39-19, "Proposal to Constitute a Representative University Benefits Planning Committee".

It is my recommendation that this proposal be denied in its current form. I concur with some of the objectives of the proposal. Having recently attended my first Benefits Liaison Group (BLG) meeting, I am a newcomer to the dynamics of how benefit changes are enacted on campus. It is my intent to respond with a counter proposal over the next month as I gain a richer understanding of the work of this committee.

**senate proposal not approved*

I X concur ^{*} ~~XX~~ do not concur


Richard Koubek, President

2/30/19
Date



Michigan Tech

University Senate

DATE: March 28, 2019
TO: Richard Koubek, President
FROM: Michael Mullins
University Senate President
SUBJECT: Proposal 39-19
COPIES: Jacqueline E. Huntoon, Provost & Senior VP for Academic Affairs

At its meeting on March 27, 2019, the University Senate approved Proposal 39-19, “Proposal to Constitute a Representative University Benefits Planning Committee”. The Senate looks forward to approval of this proposal by the administration. Please keep me informed about the decision of the administration on this proposal and feel free to contact me if you have any questions.

The University Senate of Michigan Technological University

Proposal 39-19

(Voting Units: Full Senate)

Proposal to Constitute a Representative University Benefits Planning Committee

I. Introduction

Currently the Benefits Liaison Group (BLG) serves as the advisory committee on benefits related issues at Michigan Tech. Nominally, this working group provides “shared governance as a sounding board” in reviewing and evaluating current benefits and developing cost effective recommendations in light of competing resource needs at the University ([Benefits Liaison Group, Michigan Tech](#)). The BLG reports directly to the Associate Vice President for Administration and is required to provide an annual update on the activities and recommendations of the group to the University community. The BLG is currently comprised of 11 members, 2 elected by the University Senate, 1 elected by University Staff, with the remaining 8 appointed either by the University Administration (currently including two faculty members) or who are representatives of the University Administration.

In practice, the BLG in its capacity as a ‘sounding board,’ is frequently charged with making recommendations on the restructuring of benefits (almost exclusively health care related benefits) in anticipation of projected shortfalls related to annual increases in benefit costs. These recommendations are in response to University Administration driven initiatives and rarely represent strategic planning on the part of the BLG. This overall approach has led to a pattern of diminishing benefits and disproportionate cost shifting on to employees ([History of Total Compensation at Michigan Tech, 2008-2017, University Senate Fringe Benefits Committee](#)). The current structure is not representative of shared governance, and despite the charge to disseminate information annually, often does so retroactively (i.e. after decisions have been finalized) and the work of the group is not transparent to the University community.

II. Rationale for Constituting a New University Benefits Planning Committee

In response to the lack of shared governance, transparency, and long-term planning on part of the existing BLG, a new planning committee will be constituted with coordination by the University Senate and University Administration, and with the approval of the University Board of Trustees. This new, representative committee will be charged with reviewing and proactively strategizing

with regard to short-, medium-, and long-term benefits planning, including but not exclusive to health care, retirement, wellness, employee tuition, childcare, and leave related benefits.

The committee would be comprised of equal representation from faculty, represented and non-represented staff, and administration, as well as representation for retired employees. A hypothetical committee composition might include three members from each of faculty, represented and non-represented staff, administration, and one retiree representative, for a total of 13 members. These representatives would be elected for a two-year term from within each of the individual constituencies, or in the case the retiree representative, voted on by the committee from a list of volunteers.

The committee would work closely with the University Human Resources Office for access to expertise, data, and other resources in coordinating benefits planning. The committee would meet regularly throughout the year to discuss and evaluate the current benefits package, to identify, research, and propose strategies to improve the benefits package, and would actively solicit recommendations and feedback from the University community. The committee will communicate the results of these activities at regular intervals with the University community electronically and in person.

The primary goals of the committee would include:

- proactive planning related to University benefits;
- to give voice to the University community by actively soliciting concerns, recommendations, and feedback on benefits and benefits planning;
- to promote and insure shared governance and transparency in benefits related decision making;
- to facilitate communication between the University community and the University Human Resources Office; and
- to increase and ensure access to benefits related data and information for all constituents of the University community.

III. Proposal

It is proposed that the University Senate recommend the creation of a University Benefits Planning Committee charged with reviewing, evaluating, and recommending strategies for the long-term planning of benefits at Michigan Tech. This committee will be comprised of elected individuals from across the various University constituencies. The committee will operate under the principles of shared governance and transparency in all its activities, with the purpose of promoting a benefits structure that promotes a healthy University community that is competitive in attracting and retaining high quality faculty and staff.