

THE SENATE OF MICHIGAN TECHNOLOGICAL
UNIVERSITY

Minutes of Meeting 266
11 December 1996

Synopsis: The Senate

- (1) decided not to participate in the Provost's survey on the budget.
- (2) agreed to send their own survey on fringe benefit issues.
- (3) agreed to notify constituents that a Senate survey would be distributed after the first of the year.

1. CALL TO ORDER AND ROLL CALL

President Bornhorst called the special Senate Meeting 266 to order at 7:37 p.m. on Wednesday, 11 December 1996, in Room B45 of the Electrical Energy Resources Center.

Secretary Glime called roll. Absent were at-large senator David Reed, and representatives from Chemical Engineering, School of Technology, Army/Air Force ROTC, Physical Education, KRC, and Finance and Advancement. Liaison in attendance was Ted Soldan (Staff Council).

The President stated that he had called the meeting at his own discretion because he felt it would be more palatable to meet all in one night instead of having a separate meeting.

2. RECOGNITION OF VISITORS

Guests included Fred Dobney (Provost), Marcia Goodrich (Tech Topics), Les Leifer (Chemistry), Beth Flynn (Humanities), Freydoon Arbabi (Civil & Environmental Engineering), Andrew Londo (GSC), Darrell Smith (Met and Mat Eng), Allan Johnson (Mining Engineering), Duane Thayer (Met and Mat Eng), Glenn Ekdahl (Wadsworth Hall), Richard Heckel (Met and Mat Eng) and Peggy Heckel.

3. APPROVAL OF AGENDA

Vichich MOVED and Mroz seconded the motion to approve the agenda. The motion to approve PASSED on voice vote with no dissent. [Appendix A. NOTE: Only official Senate and Library archival copies of the minutes will contain a full complement of the appendices.]

4. DISCUSSION OF SURVEY ON TIAA/CREF

RETIREE HEALTH CARE BENEFITS AND BUDGET PRIORITIES

President Bornhorst reported that Provost Dobney told the Board of Control that he would survey the faculty relative to budget issues. The Board of Control delayed action on the health care benefits and the Administration moved forward in preparing a survey to be sent before Christmas. The Officers requested that the Senate be permitted to co-sponsor the survey, if they so chose, and the Provost agreed. A memo was sent to all Senators on 3 December to call a special meeting to discuss the survey. On 5 December, the officers met with the Provost to prepare a draft. The Provost will send that survey whether the Senate joins or not.

Bornhorst expressed that he felt uneasy about calling for a motion from the floor since he had already asked the Provost to provide the Senate this opportunity. He stated that the Senate should move forward with two conditions stipulated: 1) the officers would have the authority to co-prepare the survey with the provost, based on the discussion tonight; 2) the officers would have the authority to withdraw Senate sponsorship if no acceptable compromise on the draft could be reached.

The Senate Assistant distributed the Provost/Officer's draft to the Senators.

President Bornhorst stated that two things need to be accomplished: 1) We need to decide if we want to participate and co-sponsor the survey; 2) If we participate, what suggested changes do we want.

After permitting 5 minutes for Senators to read the draft survey, Bornhorst stated that the intention is to follow Senate standard balloting procedures.

Senator Arici asked if the Senate makes major changes and the Provost does not agree, will he go alone and the Senate alone? Bornhorst responded that it would be up to the Senate.

Senator Williams stated that he prefers to ask the opinion of his constituents on what kind of survey they want before making this decision.

Senator Gale added that we need to go to the total salary amount - that we need more information before we can make budget recommendations and decisions.

Senator Leifer stated that when he received the notice of the special meeting, his reaction was that he internally went up in flames. None of the officers were ever on the Fringe Benefits Committee and have no knowledge of the financial issues (three times zero is zero) and the Provost is numerically challenged. The Fringe Benefits Committee should be the ones to discuss this survey with the Provost.

Senator Walck stated that she wanted to know what kind of survey it would be before she could decide to send it.

Provost Dobney stated that he had told the Board that he would survey the faculty and staff on budget priorities. The TIAA/CREF health care plan is not a vested benefit and will not secure benefits. He has been unable to agree with the Fringe Benefits Committee, so he is unwilling to work with them. Therefore, if the Senate does not agree to the plan outlined by President Bornhorst, he will do the survey alone. He will ask the Ombudsman to collect the survey and will insure anonymity.

President Bornhorst reiterated that the question is whether the Senate wants to participate.

Leifer asked if this is an irrevocable document. Bornhorst responded that it was not.

Senator Gilles stated that we should not look at the pre-funding issue in isolation, and that the survey should not be just regarding the salary/benefits pool. The administration always asks what we are willing to give up to get new benefits. Gilles stated he is willing to give up the over expenditures in the Meese Center. Everybody has a different agenda - MPSERS people won't give 1% to TIAA/CREF benefits. Therefore, we are pitting groups against each other. In 1995, the Board questioned prefunding; the issue is now changed. We never discussed the 2+2 plan, etc.

Bornhorst corrected him, that the 2+2 plan had been approved by the Senate and is still on the Provost's desk.

Dobney stated that the decision affects all through the university budget process. Therefore, he will report the numbers to the Board by group. He doesn't expect the MPSERS people to vote for TIAA/CREF increases. But we will find out how faculty and staff feel about these issues.

Senator Beck stated that this has never been in his committee [Finance], so these are his comments: 1) his name should not be on the survey ballot; 2) at least \$2.x million should be in a trust for those already retired; 3) the documents describing the conditions of benefits need to be changed. For example, item 4.1 in the benefits allows the President to change the benefits on an individual basis for any reason; that needs to be cleared up.

Senator Mroz stated that Dobney must report to the Board. If the question is how to take care of retirees, shouldn't we [TIAA/CREF participants] get in the same pool as the rest who are cared for [i.e. get the same benefits as those in MPSERS]?

Senator Arbabi suggested that the questions on prefunding and on other matters of faculty benefits and salary should be decoupled. The Fringe Benefits Committee had looked at the cost of the two plans in the long run and thought that the pay-as-you-go plan would cost more. Dobney responded that if we use a pay-as-you-go plan, that \$500,000 we are now spending to fund the retiree health care plan would be available for the 2+2 plan.

Senator Seely stated that he had gone to the Board meeting and is convinced that nothing will move the Board to secure the plan. Dobney had stated in that meeting that the plan should not have to face a review every six months. Board Lawyer Vercruysse immediately took the podium and responded that nothing should be construed in any way as a permanent benefit. "The plan" proposed by Dobney has wording to permit a more long-term security [putting it into the base budget]. He asked Dobney if he is getting some sense from the Board that they would try to continue the retiree health care benefits. Dobney responded that many members of the Board have looked carefully and challenge keeping the benefits; they argue that we can't afford them. Three members of the board who will continue on the Board after January are opposed to keeping those benefits. He has been trying to find a way to afford the benefits and guarantee their continuation by budgeting them in the base budget. He has been pushing the concept that if someone retires and the expectation of these benefits is in place, that person should be entitled to continuation of the benefit. The Board has not been persuaded. Dobney differs with the Fringe Benefits Committee in how to make this continuation happen.

Senator Sandberg stated that if the money is put in the TIAA/CREF retirement fund, it is guaranteed [e.g. the 2+2 plan]. Senator Gale suggested that if it is put into a Prudential or similar fund, then the Board can't touch the money, if the Board is willing to do that.

Senator Sloan stated that the Provost is committed to make a survey, and she has no problem with that. The question is whether we should participate. However, there are problems with the timing of the meeting, the way the meeting was called, and the Provost's statement that he can't work with the Committee. This is not a model of how to work on an item of mutual interest. It would compromise the normal way we work to proceed.

Bornhorst thanked Senator Sloan for bringing us back to the main topic of the debate. He commented that the timing resulted because the Provost wanted the results before Christmas. He took Sloan's statement as an objection to his ruling that we should participate.

Williams again stated that he would like to poll his constituents on the nature of the ballot. Gale argued that the Senators were chosen by their constituents and should be able to make decisions.

Arbabi asked if we must agree to this draft. Bornhorst responded, "no."

Arbabi then presented an alternate ballot designed by the Fringe Benefits Committee. It emphasized the fringe benefits first, then the other budget items, stressing that these should be two separate issues.

Provost Dobney stated that the survey is not about whether or not to have the health care benefits. But the budget issues related to funding them cannot be divorced from the rest of the budget.

Senator Gilles stated that there should be room for compromise. Otherwise we get what the Provost has

presented. There are 12 retirees under 65. This is a nickel and dime issue compared to the travel budgets for administrators, etc. The quality of the faculty is what brings the students here.

Senator Whitt asked if Dobney and Arbabi could get together and come up with something acceptable. Senator Gale responded that we need to decide first if we want to co-sponsor the survey.

Senator Walck asked who decides whether to continue if we decide to co-sponsor and then can't agree on the content. Bornhorst responded that it would be the officers.

Several people objected to voting on whether to conduct a survey before seeing the survey form. The Provost responded that it would be the one distributed unless he agreed otherwise.

The Senate over-ruled the President's decision to co-sponsor the survey by 12 yes [to support] to 19 no by a secret ballot vote of the full Senate. Therefore, we will not participate in the Provost's survey.

Senator Seely stated that President Bornhorst had asked the Board to delay action until the Senate determined its position. He had inquired in his department and the input was underwhelming. A number of constituents were willing to go opposite to the proposal due to ways certain individuals presented issues. There needs to be a more cooperative tone. He would like to see a survey that represents all views.

Bornhorst responded that the Board had asked what the Senate would do if they waited and he had told them the Senate wanted time to provide its input.

Senator Arbabi accepted blame for some of the things Seely had mentioned. He had sent the letter to the Board in the interest of time, and he felt they were partially wrong in doing this. He is definitely willing to cooperate. He would like some of the officers and others to draft the survey.

Leifer stated that Bornhorst and Seely were being paranoid. The plan has been well-established over the course of time. The level payment plan was unanimously endorsed by the Provost's Task Force. However, it has been maligned on several grounds. The Fringe Benefits Committee has the document; let's vote on it now.

Bornhorst responded that the Fringe Benefits Committee could make a draft survey form and get comments back in time for the Senate to approve the survey so it can be completed before the Board meeting on 24 January.

Seely stated that dueling surveys don't serve much purpose. The Senate should therefore give its recommendations. If there are two surveys, the Board will probably choose neither.

Senator Vichich stated that we should try to take a stance of fairness and equity. He thinks that members of TIAA/CREF are short-changed.

Leifer stated that if we vote that we don't want a questionnaire, we should discuss and decide. If we get 800 responses to a questionnaire and Dobney gets 56, then that tells the Board something. If the [health care] plan fails, Dobney will be at another university as President. His plan will work a few years.

Bornhorst raised the question if we put a survey out do you think the Senate also should vote on the issue or is the survey our opinion. Leifer responded that we are the representatives of our constituents. Arbabi added that the Board might not pay attention. Beck suggested we should survey all Senators and put it as an emergency proposal.

Arici suggested that the survey should come from the President of the Senate through the Senate Assistant. The Fringe Benefits Committee and Officers should draft it. Gilles countered that the Fringe Benefits Committee

had put a lot of effort into this; they are trying to do the job we want done. The Board feels that the only reasonable way to offer the benefits is to prefund them. Flynn (Fringe Benefits Committee member) added that the Board initially mandated prefunding.

Walck stated that the faculty and staff are being surveyed to death. An E-mail questionnaire will not get all the information we need. We need to educate people. However, the survey will be more credible with the Board than a statement by the Senate. It will take some time. The Provost's survey will go out soon. We should tell people that the Senate will also survey them after the first of the year.

Vichich suggested that the President select members from the Fringe Benefits Committee, the Finance Committee, and the Elections Committee to work on the initial draft.

Mroz stated that if people receive two surveys, they will expect that something is going to happen. The Senate needs to work to get something done and to act responsibly.

Whitt stated that the Provost ruled out compromise. Flynn asked what the Senate had in mind, a clearer survey? Walck agreed.

Senator Santeford stated that other things are more fundamental. For example, Wausau forces us to stay in Houghton when we retire if we are to obtain our benefits. Beck responded that we can go to Mayo if our doctor recommends it; we have to pay more or be referred by a Wausau plan doctor. Goodrich (Tech Topics) added that if we leave the area, we still have the same benefits as before the Wausau plan.

Leifer stated that he agrees with educating people. However, it is difficult to educate without putting in a bias. The majority of the Fringe Benefits Committee are in favor of prefunding. Their committee came up with numbers that could be provided. For example, the present retirees average about 3/year. This would cost \$1440/couple/year. To be concerned over \$4320 is absurd.

Bornhorst reminded the Senate that he needed the authority to send the E-mail message to announce that the survey may come.

Gilles MOVED and Nesbitt seconded the motion to grant President Bornhorst the authority to send an E-mail message to the faculty and staff announcing that the survey may occur.

Moore stated that if the surveys are dueling, no one will have credibility. We should know what kind of argument we want to make.

Bornhorst stated that Leifer made a good point, that we need to try to keep the bias out when we prepare the survey. The motion to grant the President authority to send the E-mail announcement of the upcoming survey PASSED on voice vote with dissent.

He suggested that we will use the survey presented by Arbabi as the document for discussion. No one objected. The Senate office will serve as coordinator for comments on the message and the survey form.

The meeting adjourned at 9:03 p.m.

Respectfully Submitted by Janice M. Glime
Secretary of the Senate