

THE UNIVERSITY SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Minutes of Meeting 368

10 April 2002

Synopsis: The Senate

- (1) elected Susan Amato-Henderson to the Conflict of Interest Committee.
 - (2) heard a report from the Benefits Liaison Group on a proposed Retirement Supplemental Voluntary Plan.
 - (3) approved Proposals 21-02, Academic Renewal; 18-01, Search Procedure for University; and 19-01, Search Procedure for College Deans.
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1. CALL TO ORDER AND ROLL CALL

President Bob Keen called University Senate Meeting 368 to order at 5:35 p.m. on Wednesday, 10 April 2002, in Room B45 EERC.

Secretary Craig Waddell called roll. Absent were At-large Senator Lee Oberto and representatives from Chemistry, Electrical and Computer Engineering, Fine Arts, Mining and Materials Processing Engineering, Physics, Library, Keweenaw Research Center, and Student Affairs and Educational Opportunity. Liaisons in attendance were Becky Christianson (Staff Council), Karl Haapala (GSC), and Matt Saylor (USG).

2. RECOGNITION OF VISITORS

Visitors included Kent Wray (Provost), Marty Janners (Vice Provost for Student Affairs), Ellen Horsch (Human Resources), Ingrid Cheney (Human Resources), and Marcia Goodrich (*Tech Topics*).

3. APPROVAL OF AGENDA

Keen presented the agenda, noted that item 6.B should be titled Benefits Liaison Group, and asked for additional amendments. There were none. There were no objections to the agenda as amended. [Appendix A. NOTE: Only official senate and library archival copies of the minutes will contain a full complement of appendices.]

4. APPROVAL OF MINUTES FROM MEETING 367

Keen presented the minutes from meeting 367 and asked for corrections. There were none. The minutes were declared approved as presented.

5. PRESIDENT'S REPORT

Keen reported that the senate had forwarded Proposal 20-02, Amendments to Proposal 10-98, Emeritus/Emerita Professor Policy to Provost Wray and President Tompkins for approval. [Appendix B]

Keen said that the senate had received administrative approval of Proposal 13-02, Enterprise Minor. [Appendix C]

The senate has received a memo from the provost indicating his support for the College of Engineering Research Scholars Program. [Appendix D]

Shortly after the March 15 Board of Control meeting, there was an error in the *Daily Mining Gazette*, indicating that Michigan Tech had a 10,000-student enrollment goal. That is a long-term goal that has

been expressed by President Tompkins. This goal was not mentioned during the March 15 BOC meeting or in the BOC retreat. The figure that Provost Wray is working toward is 7,000 students.

Keen reported that the following proposals will be sent to senators this week for discussion at the April 24 senate meeting: Proposal 17-01, Search Procedure for University President, which will include two lines of amendments to the proposal that was passed by the senate last spring; Proposal 22-02, Policy on Consensual Relationships, which will have one minor clarification as a result of a conference with the president and the vice presidents; and Proposal 16-02, Procedures for Periods of Financial Stress, with minor amendments.

The Tenure and Promotion Task Force is continuing with its work. Professor Tom Snyder had a two-hour deliberation with the university attorney on the latest draft of the Tenure, Promotion, and Reappointment Policy and has incorporated corrections. The amended policy is currently under review by the Tenure and Promotion Task Force.

Undergraduate Student Government is considering a resolution on support for Governors Engler's educational appropriation's bill. The senate, in cooperation with the USG, may review and consider a sense of the senate on this resolution.

Keen reported that the following individuals have agreed to be candidates for the at-large senator seats: Ibrahim Miskioglu (ME-EM), Tony Rogers (Chemical Engineering), Cindy Selfe (Humanities), and Kelly Strong (Civil and Environmental Engineering). Ballots will be circulated to the senate's constituents on Monday.

A policy on the progress of graduate and undergraduate degree proposals is being prepared by the Curricular Policy Committee and may appear in the senate this year.

The senate will meet informally with President Tompkins on Thursday, May 2, from 3-5 p.m. in Ballroom B of the Memorial Union Building.

Keen called for questions on the president's report.

Senator Carl Vilmann asked if there was a time frame for reaching the 7,000-student enrollment goal. Keen said that he didn't believe that there was. He said that there was a mandate to increase enrollment in graduate and undersubscribed undergraduate programs.

Vilmann asked why the 7,000 figure was being used instead of the 10,000 figure if there was no time frame for reaching the enrollment goal.

Keen said that 10,000 students is a long-term goal; 7,000 students is the goal for the next three to four years.

6. COMMITTEE BUSINESS/REPORTS

A. Elections Committee

Keen said that the Conflict of Interest Committee consists of three members elected by the senate. The term of Madhu Vable expired on 31 August 2001. The remaining members of the committee are George Dewey and Joe Heyman.

Nominees to replace Vable are Susan Amato-Henderson (Education) and Vernon Dorweiler (School of Business and Economics). Keen opened the floor for additional nominations. There were none. There were no objections to closing the nominations. Amato-Henderson was elected to a three-year term.

B. Benefits Liaison Group [Appendix E]

Keen introduced Senator Tony Rogers, the chair of the Senate's Fringe Benefits Committee, to report on the work of the Benefits Liaison Group.

Rogers said that the BLG had developed a new Retirement Supplemental Voluntary Plan (RSVP). This plan is supplemental in the sense that it doesn't contravene or contradict any of the established Board of Control policies on retiree benefits. It adds what the BLG hopes will be an ongoing, voluntary retirement plan for which all Michigan Tech employees will be eligible.

On October 18, 2001, Provost Wray charged the BLG with developing an early retirement plan for Michigan Tech. The BLG then met with the deans and directors and established some questions that should be addressed in developing such a plan:

1. What should be the goal of the retirement plan? Should it be an incentive plan that encourages people to retire? Should it be an early retirement plan? Should it be a phase-out plan? Or should it be all of the above?
2. Is the goal to provide the wherewithal for the various units to meet their 5% budget reductions? Or is it to downsize or rightsize the faculty and staff?
3. Where will the money come from? Will it come from the departments or from central accounting? Will it reduce costs? What positions will be eliminated? What will it cost to replace faculty, including the costs of recruiting? In some cases, the salary differential may not be large.
4. Should this be an ongoing plan? Or a program with a closed window?
5. Who will be eligible for this plan? Just faculty, or both faculty and staff? Should there be a program for both employees in MPSERS and employees in TIAA-CREF?
6. Do we want to recommend changes in the Board of Control's Retiree Healthcare Plan?

Rogers then presented the plan to the senate. He emphasized that this plan is not an early retirement plan. Anyone who retires under this plan is eligible for retirement in any event. However, the plan does include certain incentives that may encourage employees to retire earlier than they would otherwise. This will be a standardized, ongoing plan: it applies to all Michigan Tech employees and can be selected on an ongoing basis. However, the university reserves the right to alter, eliminate, or revise this plan.

The plan allows for budget planning for departments and retirement planning for employees. One of the biggest disincentives to retirement is uncertainty. This plan attempts to reduce uncertainty. The plan will include all non-union, regular, full-time employees, either in the TIAA-CREF or MPSERS retirement programs. The RSVP will also be proposed to the bargaining units.

To be eligible to participate in the RSVP, an employee must meet one of the following requirements: (1) age plus full-time years of service (at 75% plus effort) at the university equals 80 or more; or (2) age 65 or older and ten or more years of full-time service (at 75% plus effort) at the university. These are standard criteria for retirement at Michigan Tech.

RSVP also allows the departments to plan their budgets by requiring a 365-day advance notice of intent to retire. (Prior to June 28, 2002, the advance notice requirement is waived; this allows 2002 retirees to enroll in the plan as long as they notify both their departments and the Benefits Office by June 28.)

The RSVP offers 3 options:

1. The Monetary Retirement Option

Payment equivalent to 50% of base salary with a cap of \$50,000. To avoid taxation, for TIAA-CREF employees, this payment will first be applied to healthcare benefits. If the employee has other healthcare options (such as MPSERS AARP, or TRI-CARE) and can document this, the monetary payment will be paid in a lump sum on the first pay period following the retirement date. The BLG considered spacing

payments of this sum, but the IRS would still tax it in the same way. The Monetary Retirement Option requires that employees notify their department of their intent to retire.

2. Phased Retirement Option

If someone is not quite ready to retire, this provides him or her with the option of phasing out over three years, during which time the employee will work at least 50% time and receive:

- TechSelect standard or deductible health care plan -- premium plan can be purchased at the current premium rate.
- Life insurance and long-term disability based on percent of salary earned.
- Vacation and sick leave will be accrued based on the percent of time worked.
- Retirement contribution will be based on the percent of salary earned.
- Employee education benefits -- must be at 75% FTE.
- Tuition Reduction Incentive Program (TRIP) -- must be at 75% FTE.

Unlike the Monetary Retirement Option, the Phased Retirement Option requires not only notification but also mutual agreement between the employee and the department.

3. Combined Monetary/Phased Retirement Option

In the two-year phase-out option, the employee works at least 50% time and receives 1/3 of the monetary payment. In the one-year phase-out option, the employee works at least 50% time and receives 2/3 of the monetary payment. Benefits received are:

- TechSelect standard or deductible health care plan - premium plan can be purchased at the current premium rate.
- Life insurance and long-term disability based on percentage of salary earned.
- Vacation and sick leave will be accrued based on the percentage of time worked.
- Retirement contribution will be based on the percentage of salary earned.
- Employee education benefits - must be at 75% FTE.
- Tuition Reduction Incentive Program (TRIP) - must be at 75% FTE.

Like the Phased Retirement Option, the Combined Monetary/Phased Retirement Option requires not only notification but also mutual agreement between the employee and the department.

An employee can elect only one of the retirement options and cannot move from one option to another. After completing the RSVP application process, an employee has seven calendar days to revoke his or her decision to participate. After that time, the decision to participate is irrevocable unless the employee or his or her spouse or dependent has a serious health condition, in which case, there will be an appeal process. The RSVP also establishes the possibility of Michigan Tech hiring Michigan Tech retirees; however, retirees would have revoked tenure and would have to compete for employment with any other applicants.

The cost of the program will be covered by the employee's department. The provost has made a general commitment that if a department vacates a line by a person retiring, there will not be an automatic

recapture of that salary line. There may also be a revolving fund for departments that have to make immediate pay-outs (e.g., for the Monetary Retirement Option).

Rogers asked if there were any questions.

Senator Don Beck said that one of the uncertainties in the RSVP is retiree health costs. Medigap for two people and 100% premium is currently \$6,000. Health costs are growing faster than inflation. Beck said that if retirees' health costs are being spread across just the retirees, and some retirees have no premium costs, the people who have premium costs are bearing more than they would if everyone was paying. Hence, a pay-out of up to \$50,000 has to be considered in terms of the premium costs for retirement healthcare. This issue has to be publicly discussed so that retirees and potential retirees know what's happening and what's going to happen in the future.

Rogers said that he agreed. The BLG has scheduled an April 23 meeting with a consulting group to review the process by which retiree premiums are calculated. If healthcare premiums remained constant, the \$50,000 pay-out would last for up to seven years. But healthcare premiums are not remaining constant.

Senator Kelly Strong asked if it would be up to the retiree and the unit head to determine what constitutes 50% FTE.

Rogers said that during the phase out, an employee can be excused from various department duties, including committee work; that is negotiable.

Senator Dick Prince asked if the 365-day notification applied to all three of the plans.

Rogers said that it did. However, with the Monetary Retirement Option there is a six-month ramp-down period during which the monetary option is reduced by 10% per month for a maximum of six months. Hence, an employee could provide less than 365 days notice if he or she was willing to accept a monetary penalty.

Senator Dana Johnson asked Rogers to clarify the 50% FTE requirement for benefits in the Phased Retirement Option.

Rogers said that all of the plans require that employees work 50% FTE to qualify for most benefits and 75% FTE to qualify for some benefits, such as educational benefits. What constitutes 50% or 75% FTE is negotiated between the employee and the department head. Since this plan remains within established Board of Control Policy, it should not require BOC approval.

Marcia Goodrich asked how a unit would adjust its workload if a supervisor retired early and went on 50% FTE.

Rogers said that this unit would have to appeal to the provost's office.

Ellen Horsch said that a 365-day notice is required and there is a cap of a one-time, \$50,000 pay-out; after that, the retiree's full salary would return to the unit.

Provost Wray said that the Phased Retirement Option and the Combined Monetary/Phased Retirement Option require mutual agreement between the employee and the department.

Keen said that the senate would further consider this issue after receiving additional feedback. This is a report from the BLG; it is not a proposal. When the plans are approved by the administration, the senate will issue a sense of the senate, supporting or not supporting the plans. Another possibility would be for the plans to be submitted as a proposal, which the senate would vote on. This would be presented as a recommendation to the administration, since it falls on the senate's B-list.

Beck asked if retirees would be taxed on money applied to their medical benefits.

Rogers said that they would not be.

Strong asked what other universities are using a three-year phase-out.

Rogers said that Carnegie-Mellon has a three-year phase-out.

Strong said that the university should be careful to avoid creating a permanent adjunct pool. He said that for faculty, 50% FTE would probably mean teaching two classes or taking one semester off. Hence, the department would have to negotiate with the provost to hire an adjunct, instructor, or lecturer with the other 50%, which, over time, could become problematic.

Keen said that in such a situation, the department chair could refuse to accept a phase out.

Senator Chris Williams asked if an employee would have an option to appeal if his or her department head did not accept a request for a Phased Retirement or Combined Monetary/Phased Retirement Options.

Keen said that this was not in the plan.

Ingrid Cheney said that the Monetary Retirement Option was always available and did not require departmental approval.

Rogers said that the BLG had not considered the question of whether an employee could appeal the decision of a unit head on the Phased Retirement or Combined Monetary/Phased Retirement Options.

Ellen Horsch said that the chair of the department will know what he or she needs for the department. Hence, the intent was that the Phased Retirement and Combined Monetary/Phased Retirement Options would have to be mutually agreed upon. The Monetary Retirement Option is the fallback.

Senator Bill Gregg asked if the negotiations between employees and department heads should be completed before the start of the seven calendar days during which the employee may revoke his or her decision to participate.

Rogers said that it should be.

Strong asked if this agreement should be negotiated a year before the option is taken.

Rogers said that it should be.

Barna said that he had served on the BLG as part of this plan evolved and that as originally proposed, the departments would retain the salaries of retirees and use them to rehire. However, when the plan was described at today's Academic Forum, it was mentioned that the university is still under position control; hence, the positions may be recaptured by the provost's office, and part of the money may be applied to budget reductions. Barna asked if the provost's office would capture liability for these positions.

Provost Wray said that he was not aware of the situation that Barna described until Senator Jim Pickens pointed it out to him this afternoon. Hence, his response in the afternoon was just a reaction to what he had heard. He promised Pickens that he would take under advisement the earlier document Barna had been shown him.

Barna said that his understanding of the earlier discussion was that the departments would retain savings that would result from the phase-out.

Wray said that that was what Pickens had told him.

7. NEW BUSINESS

A. Proposal 21-02, Academic Renewal [Appendix F]

Senator Bill Yarroch, chair of the Instructional Policy Committee, said that the proposal came to the Instructional Policy Committee by way of the Office of Student Affairs. The proposal is not a recruitment or retention policy. Only students who have withdrawn from the university can receive academic renewal. The proposal provides an opportunity to give some students--possibly as few as one or two per year--a chance to have their GPA reset to zero. A student could ask to have academic terms forgiven: all of the old grades would still be recorded, but the GPA for those terms would be reset to zero. To qualify for this program, a student must be away from the university for five years or more.

Keen called for a motion to approve Proposal 21-02.

Gregg MOVED and Pletka seconded the motion to approve Proposal 21-02.

Keen called for discussion.

Johnson said that the policy should also consider the length of time the students had initially been enrolled at Michigan Tech and asked if the time that students were required to be away from the university might be reduced from five years to two years.

Senator Judy Fynewever said that a five-year minimum-absence requirement was too long and that students she had polled believed that a three-year minimum-absence requirement would be more appropriate.

Vilmann asked why students must have a GPA below 2.0 to qualify for Academic Renewal.

Vice Provost Martha Janners said that the proposal is in addition to the university's current dismissal and reinstatement policies. Under existing policies, if a student leaves, he or she can return after one semester and repeat courses and get new grades. The university's repeat rule allows students to repeat a course in which they have an F and have the new grade applied to their GPA. The Academic Renewal proposal applies primarily to returning adult students, not to continuously enrolled students--to students who have a bad academic record and who are returning to Michigan Tech after many years in absence and may have a completely new career direction. The policy allows such students to regain good academic standing without having to repeat all of their old courses.

Gregg asked if there would be a problem with resetting all of the old grades to R instead of listing them as RF, RD, and so on.

Janners said that since some employers, graduate schools, and professional societies demand a record of the original grades, the university cannot expunge the grade data. However, there is more flexibility as to what is printed on the transcripts.

Pickens said that since grades of C-D or better count toward graduation, it would be inappropriate to expunge them.

Gregg asked if in this case, students wouldn't be better off going to another university.

Janners said that many choose that option.

Barna asked if returning students could use D grades toward graduation.

Yarroch said that students applying for academic renewal would be treated almost like transfer students and, hence, could transfer in grades of C-D or better.

Barna asked what the time limit was for applying old courses toward graduation.

Keen said that there is a time limit on courses applied to graduate degrees, but there is no time limit on courses applied to undergraduate degrees.

There was no further discussion. The motion to approve Proposal 21-02 PASSED on a voice vote with dissent.

B. Proposal 18-01, Search Procedure for University Administrators [Appendix G]

Keen said that the proposal originated last year in a Search Procedure Task Force, which he chaired. The task force presented three proposals that were approved by the senate: a proposal for university administrators, a proposal for college deans, and a proposal for university presidents. Proposal 18-01 was not approved by the administration. After a series of negotiations with the provost and the president, the senate has been presented with proposed amendments.

The president and provost would like one more at-large representative to be selected, so that the total number of representatives would move to 15. Section 2.7, "Dean Representative," formerly included the directors of research institutes. The proposal is to drop the directors of research institutes and select only a dean. Section 6.1 indicates that the initiator or the Board of Control will select a search firm or consultants. The BOC can do whatever it wishes in any particular search; however, selecting a search firm or consultants should be the option of the president operating for university administrators. Section 8.2 is amended to indicate that the letters for semifinalist candidates will be available not only to faculty and professional staff, but also to any staff and students. Sections 9 and 10 are amended to clarify what the senate originally intended.

Keen called for a motion to approve Proposal 18-01 as amended.

Johnson MOVED and Long seconded the motion to approve Proposal 18-01 as amended.

Keen called for discussion.

Barna said that the initiator seemed to be the president and asked why "Initiator and/or the Board of Control" had been crossed out in section 6.1 and replaced with "President."

Keen said that the provost could be the initiator if designated by the president, and that this change had been made primarily to eliminate "the Board of Control." Provost Wray asked Keen to clarify the intent of Sections 9-2-9.5.

Keen said that the intent of these sections is for the committee to develop a list of acceptable candidates. The committee interviews semifinalists, who are selected only after all of the on-campus interviews have been completed. The committee, in closed session, then develops a list of the three most acceptable candidates from the list of semifinalists. Under Section 9.3, the initiator (either the president or the provost) will also develop a list of acceptable candidates. Then the committee and the initiator will meet and compare their lists and will agree on mutually acceptable candidates. If the initiator and the committee cannot agree, the search will be reopened. If the committee and the initiator do agree, then the committee and the initiator decide on the finalists list. At that point, the president or the provost takes the finalist's list and begins to negotiate salary and other terms of employment.

There was no further discussion. The motion to approve Proposal 18-01 PASSED on a voice vote with no dissent.

C. Proposal 19-01, Search Procedure for College Deans [Appendix H]

Keen said that the administration proposed amending the proposal to include selection of three rather than two candidates. The other changes are comparable to those in 18-01.

Long MOVED and MacLennan seconded the motion to approve Proposal 19-01 as amended.

There was no discussion. The motion to approve Proposal 19-01 PASSED on a voice vote with no dissent.

D. Proposal 23-02, Task Force on Career Opportunities for Professional Staff [Appendix I]

Senator Pam Long said that early in the year the new Professional Staff Policy Committee contacted various professional staff senators to solicit their concerns. One of the concerns was lack of opportunities for professional staff development. The PSPC learned about a report released by the College of Engineering in 1998 and found that it addressed many of the same concerns that were raised by the professional staff. Hence, the PSPC called for a task force that could examine how to improve the lot of the professional staff, such as how the current classification-compensation system might be adjusted.

Keen said that the proposal is to establish a task force to consider these issues, not to have the senate do this. The senate will vote on this at its next meeting.

8. ADJOURNMENT

Pollins MOVED and MacLennan seconded the motion to adjourn. The meeting adjourned at 6:45 p.m.

Respectfully submitted by Craig Waddell
Secretary of the University Senate