

THE UNIVERSITY SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Minutes of Meeting 388

30 April 2003

Synopsis: The Senate

1. heard a report on university benefits.
2. approved Proposal 17-03, Amendment to Proposal 16-97, Minors in Degree Programs
3. approved Proposal 18-03, Amendment to Proposal 10-00, Approval of Minors in Degree Programs.
4. approved a motion to rescind Proposal 20-03, Referendum on Confidence in the President.

President Bob Keen called University Senate Meeting 388 to order at 7:02 p.m. on Wednesday, 30 April 2003, in Room B45 EERC.

1. ROLL CALL OF SENATORS

Secretary Craig Waddell called roll. Absent were representatives from Army/Air Force ROTC, the School of Business and Economics, Mathematical Sciences, and Student Affairs and Educational Opportunities. Liaisons in attendance were Karl Haapala (GSC), Phil Ribeiro (USG), and Becky Christianson (Staff Council).

2. RECOGNITION OF VISITORS

Visitors included Kent Wray (Provost), Susan Amato-Henderson (Education), Martha Sloan (Electrical and Computer Engineering), Ryan Olson (*The Daily Mining Gazette*), Jana Jones (*The Michigan Tech Lode*), and Marcia Goodrich (*Tech Topics*).

3. APPROVAL OF AGENDA

Keen presented the agenda and suggested adding a new item 8.A. Amendment to Proposal 20-03, Referendum on Confidence in the President. He asked for other amendments. None were offered. Keen said that if there were no objections, the agenda would be followed as amended. There were no objections. **[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 385

Keen presented the minutes from meeting 385 and asked for corrections or amendments. Senator William Gregg pointed out a typographical error on page 10096. There were no additional corrections. The minutes were declared approved as corrected.

5. PRESIDENT'S REPORT

Keen said that the senate had transmitted to the administration Proposal 12-03, Teaching Effectiveness, Proposal 13-03, BS Program in Software Engineering, and Proposal 14-03, Transfer Credit Evaluation - Undergraduate. **[Appendices B-D]** He said that the senate had not yet received approvals or disapprovals of these proposals.

Keen said that the results of the referendum on Proposal 16-03, Senate Referendum on Reorganization were not part of the official minutes from meeting 385. Keen said that of the 860 ballots distributed, 474 were returned. Of these, 285 (60%) approved Proposal 16-03 and 189 (40%) opposed Proposal 16-03. Hence, Proposal 16-03 has been forwarded to the administration.

Keen asked senators to watch their mail for notices of possible summer meetings for amendments to Senate Proposal 15-02, Procedures for a Financial Crisis and Proposal 16-02, Procedures for Periods of Financial Stress. He said that the list of benefits for people laid off needs to be brought in line with previous proposals. Also, the committee selection done by the senate should be brought in line with other senate proposals.

Keen said that next week, Martha Sloan would replace Jim Pickens on the President's Budget Reduction Advisory Committee (BRAC). Sloan was recently elected to the senate, has previously served on the Senate Finance Committee, and will serve on the Senate Finance Committee next year.

The informal meeting with President Tompkins scheduled for Wednesday, May 7, has been canceled due to a conflict with the BRAC open forum.

Keen said that a proposal for a minor in Municipal Engineering will soon be submitted to the Senate.

6. COMMITTEE REPORTS

Benefit Presentation [Appendix E]

Keen said that this would be a combined report from the Senate Benefits Committee and the required report from Michigan Tech's Benefits Office. He said that Senator Tony Rogers and Assistant Director for Benefits Ingrid Cheney would make the presentation.

Senator Tony Rogers said that the Benefits Liaison Group consists of representation from faculty, staff, and administration. He presented the following list of members of the BLG:

Bruce Barna, Co-Chair of Senate Finance Committee
Jane Berner, Retiree Representative
Ingrid Cheney, Assistant Director, Benefits, Human Resources
Mike Hendricks, Financial Analyst, Accounting Services
Ellen Horsch, Director, Human Resources
Amy Hughes, Internal Auditor
Bob Keen, President of the University Senate
Debbie Lassila, Associate Director, Faculty Personnel, Human Resources
Jim Pickens, Member of Senate Finance Committee
Tony Rogers, Chair of the Senate Benefits Committee

Rogers said that the presentation he and Cheney would deliver was in response to Senate Proposal 22-00, which requires the BLG to report to the senate on patterns and trends in medical and benefits costs [Section 2.b. reads "The administration shall report semiannually to the Senate on patterns and trends in medical and benefit costs and expenses. This report should focus on year-to-date activities in these areas, and also shall offer analysis of those patterns designed to alert employees to possible adjustments in benefits policies so they may make reasonable plans well in advance of any changes."].

Rogers said that he would like to describe a new initiative, the Employee Severance Program (ESP). He said that since the ESP is described on the MTU Web site [<http://www.admin.mtu.edu/hro/forms/esppolicyfinal.pdf>], he would only discuss highlights of the program. He said that the program is available to regular, full-time and part-time faculty and staff. It is not a retirement program but a program to encourage departure of those employees who want to voluntarily sever their relationship with Michigan Tech. ESP benefits are tiered. Eligible employees who are approved for participation in the ESP will receive the following benefits:

Employees with 1 to 10 years of regular full- or part-time service at 75% FTE or greater as of their separation date will receive 1 week base salary for each of those years of service.

Employees with 11 to 20 years of regular full- or part-time service at 75% FTE or greater as of their separation date will receive 10 weeks of base salary plus 2 weeks for each of those years of service over 10 years.

Employees with 21 or more years of regular full- or part-time service at 75% FTE or greater as of their separation date will receive 30 weeks of base salary plus 3 weeks for each of those years of service over 20 years.

ESP payments will be paid in equal amounts over 10 years; so that these benefits will be non-taxable, they will first be applied to health insurance, which is similar to the way Michigan Tech administers its Retirement Supplemental Voluntary Program (RSVP). Participants in the Michigan Public School Employees Retirement System (MPERS) and those with alternative health insurance would receive cash payments, which will be taxable. The current RSVP participants who have not yet formally retired can choose to participate in the ESP, but they cannot participate in both programs. Rogers said that if there is sufficient interest in the ESP, this would take some of the pressure off of the need for layoffs.

Rogers said that in order to apply to participate in the ESP, an eligible employee must follow these application requirements:

Submit a completed ESP application to the Benefits Office by 4 p.m., Friday, May 30, 2003. The effective date of separation must be prior to August 15, 2003.

The Benefits Office will verify eligibility and calculate the benefit amount. Once all applications have been reviewed, they will be forwarded as a group for approval through the appropriate chain of command up through the Vice-President/President.

Each ESP applicant will be notified in writing by Monday, June 16, 2003, of either their acceptance or denial to participate in the ESP. At that time, employees will be required to make an appointment to take place no later than Thursday, June 19, 2003, with the assistant director of benefits to confirm their participation or rescind their application.

An employee has seven (7) calendar days after the employee signs the approved ESP application form to revoke his or her decision to participate in the ESP. After the seven-day revocation period has ended, the employee's election to participate is irrevocable.

ESP participants must resign from their positions, including relinquishing tenure.

Senator Dickie Selfe said that it appeared that unit directors would be making important decisions about which Michigan Tech employees would be allowed to participate in this program. He asked if there was any oversight for these decisions.

Cheney said that these decisions would be made by the vice presidents, deans, chairs, and supervisors.

Rogers said that the BLG would merely serve as a clearinghouse for distributing and collecting applications. He said that there are provisions in the ESP describing the reasons why an application might be rejected.

Cheney said that approved applications would have to make good business sense for Michigan Tech, and the reasons for rejecting an application would have to be specified.

Senator Larry Sutter asked if too many people applied to leave a given unit, how the applications would be prioritized.

Cheney said it might be on a first-come, first-served basis.

Rogers said that the BLG would not be involved in such a deliberation process.

Senator Chris Williams asked if there was an appeal process for denied applications.

Rogers said that there is a standard claims-appeal process for all benefits.

Senator Jim Pickens said that there is little chance that an application would be rejected if it would eliminate the need for a layoff.

Rogers agreed, but said that some critical positions might need to be protected.

Senator Judy Fynewever said that in her small department (Physical Education), if anyone took the ESP, the department could be decimated. She asked if this program discriminated against smaller departments.

Rogers said that in such cases it might be possible to delay participation until a suitable replacement could be found.

Senator Debra Bruch asked for an example of what an ESP participant would be paid each year with 16 years of service and a \$50,000 salary.

Keen said that the participant would not be paid; the money would go into an account for healthcare benefits.

Bruch asked what the payment would be for a person in MPERS.

Pickens said that given Bruch's example, the total payment would be about \$30-31,000, or about \$3,000 per year over ten years.

Rogers said that the ESP could be more lucrative than the RSVP, which is capped at \$50,000; however, the ESP is paid out over 10 years rather than as a lump sum.

Cheney said that she could review the various options with applicants. She said that the ESP was a good plan for people who were close to retirement.

Rogers said that Provost Wray had charged the BLG with examining the cost of fringe benefits with the goal of providing the best possible fringe-benefits package within the available resources. He said that he had examined Michigan Tech's calendar-year accounting records from 1998-2003 and plotted the gross Michigan Tech healthcare expenses and the net Michigan Tech health-care expenses with premiums and Healthcare Audit Reward Program (HARP) claims. The result was about \$2.2 million less than Blue Cross Blue Shield projected and about \$1.4 million less than the 8% average national increase in healthcare costs. Rogers said that Michigan Tech employees and the University Senate deserve the credit for this savings.

Rogers turned the presentation over to Cheney.

Cheney presented a chart showing Michigan Tech's gross healthcare expenses since 1995. She said that Michigan Tech has carried healthcare insurance through Blue Cross Blue Shield since 1999. Every Tuesday, BCBS faxes a statement to Michigan Tech, indicating what the university owes for that week. From 1999 to 2002, Michigan Tech's healthcare payments (for actual medical expenses, not including premiums) to BCBS have gone from \$6.4 million to \$7.07

million; payments for prescriptions have gone from \$1.33 million to \$1.71 million; payments for dental care have gone from \$440,000 to \$590,000; and administrative costs have gone from \$580,000 to \$590,000. Hence, Michigan Tech's total healthcare costs from 1999 to 2002 have gone from \$8.75 million to \$9.93 million.

Cheney said that the Healthcare Audit Reward Program (HARP) was started in 2001. Since that time, 39 people have participated in the program. She said that these participants identified a total of \$74,000 in payments for services not preformed, services not charged to workers compensation when they should have been, services billed twice, and services billed to the wrong person. The HARP paid 35% of this amount (\$9,000) to the employees who reported these errors.

Rogers said that the intent of the program was not to save a lot of money but to cause people to examine their medical expenses more critically.

Cheney's next two charts showed how many Michigan Tech employees had taken the Premium, the Standard, and the Deductible Healthcare Plans. She said that during the current year, over 70% of Michigan Tech employees have enrolled in the Premium Plan. Employees paid over \$400,000 in healthcare premiums this year. Cheney said that employees who opt out of Michigan Tech's healthcare plans receive \$150 per month.

Cheney's next chart showed participation in the Retirement Supplemental Voluntary Program (RSVP). This program currently has 33 participants. She said that two employees had opted to take the Employee Severance Program (ESP).

Senator Cindy Selfe asked if the ESP had just been announced today.

Cheney said that it had been and that she had already received four applications. Cheney read a new provision in the RSVP: "If an employee is scheduled for an involuntary layoff and is eligible to retire under the RSVP but has not given the required 356-day notice, that employee would be eligible to participate in the RSVP."

Cheney said that after accumulating and reviewing three years of Michigan Tech's healthcare costs and demographics, the BLG, with the approval of the administration, has set the 2003 premium rates based on Michigan Tech's own healthcare cost experience and demographics. Consequently, the BLG will not be using the rates established by the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), which are used by Blue Cross Blue Shield. Cheney said that because Medicare provides the primary coverage for retirees who are 65 or older, these retirees pay only 78% of the full premium rate. Employees who retire before age 65 pay the full employee premium.

Senator Don Beck said that Michigan Tech employees must pay for healthcare benefits even for retirees who don't pay any premiums [because they retired under the 1983-84 retirement plan], but that as more people retire under the current plan, this should have a damping effect on increases in premiums.

Senator Jim Pickens said that the premium was based on a per-retiree rate. He said that although some retirees don't pay premiums, this does not affect the premiums of retirees who do pay premiums. The premiums are based on what it costs to insure each family. Michigan Tech covers the full healthcare premiums of those retirees who do not pay any premiums. The people who pay higher premiums are just paying their own insurance; they are not subsidizing other people.

Rogers agreed.

Cheney said that a total of 189 retirees were currently participating in Michigan Tech's healthcare plan; this is up from about 100 participants 14 years ago. Cheney said that she expects this number to increase by another 10-20 with the RSVP and ESP.

Cheney called for questions. There were none. She thanked the BLG. She said that the group had met almost every day in March.

Keen said that Michigan Tech's benefits program had been written up in the *Chronicle of Higher Education*.

Keen thanked Cheney and Rogers for their presentations.

7. UNFINISHED BUSINESS

A. Proposal 17-03, Amendment to Proposal 16-97, Minors in Degree Programs [See minutes, page 10230, for a copy of this proposal.]

Keen said that this proposal came from the Senate Curricular Policy Committee and had been mailed to the senate on April 21. He asked if there were any objections to considering that mailing adequate notice to allow a vote on the proposal during the current senate meeting. There were no objections. Keen called for a motion to approve Proposal 17-03.

Senator Debra Bruch MOVED and Senator Cindy Selfe seconded the motion to approve Proposal 17-03.

Senator Bill Gregg, chair of the Curricular Policy Committee, said that he had discussed Proposal 17-03 at the previous senate meeting and, hence, would only provide a quick review. He said that this proposal changed the minor policy such that (1) students cannot take a minor with the exact same title as their major; (2) pass/fail courses can be applied to minors; (3) independent study and research courses will be allowed as appropriate; (4) the purpose of minors is clarified by indicating that they may be designed for students majoring within the initiating academic unit, for majors in other academic units, or both.

Gregg said that minors must include at least 6 credit hours of 3000-level or higher courses that are not required for a student's major degree except as free electives. Elective courses that have been selected by a student from a prepared list or by required consultation with a major advisor in a baccalaureate program are not free electives. He proposed this as a clarifying amendment to Proposal 17-03.

Gregg MOVED and Senator Lee Oberto seconded the motion to add the following after the second sentence in the second paragraph: "Elective courses that have been selected by a student from a prepared list or by required consultation with a major advisor in a Baccalaureate program are not free electives."

Keen called for discussion of the motion to amend.

Waddell asked if Gregg had solicited feedback from the advisors of current minors as to how this amendment might affect their minors.

Gregg said that the amendment would not affect any existing minor.

Waddell said that he believed that it might affect the minor in journalism.

Gregg said that he didn't think that it would because courses could be double listed. He said that the amendment simply prohibited a department from imbedding a minor within one of its bachelor's programs.

There was no further discussion.

The motion to amend PASSED on a voice vote with dissent.

Keen ruled the amendment as editorial. There were no objections. He called for further discussion of the main motion. There was none.

The motion to approve Proposal 17-03 PASSED on a voice vote with dissent.

B. Proposal 18-03, Amendment to Proposal 10-00, Approval of Minors in Degree Programs [See minutes, page 10235, for a copy of this proposal.]

Keen called for a motion to approve Proposal 18-03.

Senator C. Selfe MOVED and Senator Debra Bruch seconded the motion to approve Proposal 18-03.

Keen called for discussion of Proposal 18-03. There was none.

The motion to approve Proposal 18-03 PASSED on a voice vote with no dissent.

8. NEW BUSINESS

A. Amendment to Proposal 20-03, Referendum on Confidence in the President

Keen asked for a motion from the senators who requested that this amendment be included on the agenda.

Senator Dave Hand MOVED and Senator Mike Roggemann seconded the motion to rescind Proposal 20-03.

Keen opened the floor for discussion.

Gregg said that he had surveyed the faculty in Geological Sciences and found only two people in favor of conducting a referendum on confidence in the university president. He said that this might be because the Department of Geological Sciences has recently had bad experience with a vote of confidence in the department's leadership. He said that he believed that it was not wise to rip the rug out from under your general while he's in the middle of negotiating strategy over a dangerous situation.

Hand said that he had also polled his department (Civil and Environmental Engineering) on this question and that was why he proposed this amendment. He said that in his department, 25 were opposed to conducting the referendum and only one was in support.

Senator Chris Williams said that about 10 years ago, President Tompkins requested of the University Senate more frequent evaluations of his performance, perhaps every 6-12 months rather than every four years. She said that the senate should be more proactive in communicating problems to the president.

Senator Steve Seidel said that he had also polled his constituents (Computer Science) and found that the majority were not in favor of conducting this referendum.

Senator Don Beck said that he had previously suggested during a senate meeting with President Tompkins that the president have a yearly forum during which he would respond to questions and concerns from faculty and staff, but nothing has come of this suggestion.

Keen said that this had devolved into the president's semi-annual meetings with the senate. He said that President Tompkins had told him that he was not opposed to meeting in a larger forum.

Senator Stan LaMuth (Information Technology) said he had polled his constituents and none of them favored conducting this referendum.

Keen called for further discussion. There was none.

Beck requested that voting be by secret ballot.

Senator Jacek Borysow asked if the amendment would have to be taken up as an emergency measure to be voted on at this meeting.

Keen said that it would. He called for a vote on taking up Proposal 20-03 as an emergency procedure.

The senate voted 23 to 8 to consider Proposal 20-03 as an emergency measure.

Keen asked for further discussion of Proposal 20-03.

Borysow said that a vote of confidence could strengthen the president's hand in financial negotiations with the state legislature if the majority expressed confidence in the president.

Senator Mike Roggemann said that the timing for such a referendum is poor. He also said that the university should be more proactive in evaluating the president and in working with the BOC on the issues facing Michigan Tech.

Keen called for further discussion. There was none.

Proposal 20-03 PASSED on a secret ballot, 21 to 10.

B. Discussion of Summer Meetings

Keen proposed summer meetings of the senate beginning at 4:30 on the following dates: May 21, June 18, July 23, and August 20. The senate approved this schedule.

C. Proposal 19-03, Changing Principal Investigators on Funded Research Projects [Appendix F]

The senate agreed to delay discussion of Proposal 19-03 until a subsequent meeting.

9. ADJOURNMENT

Bruch MOVED and C. Selfe seconded the motion to adjourn. The meeting adjourned at 8:05 p.m.

Respectfully submitted by Craig Waddell
Secretary of the University Senate