

**THE UNIVERSITY SENATE OF  
MICHIGAN TECHNOLOGICAL UNIVERSITY**

Minutes of Meeting 452  
18 April 2007

**Synopsis:**

The Senate

- (1) heard a presentation on health care costs by Larry Davis.
  - (2) elected Joel Tuoriniemi to the Academic Integrity Committee, William Sproule to the Athletic Council, Paul Charlesworth to the Conflict of Interest Committee, Shari Stockero to the Distance Learning Implementation Committee, Rosalie Kern to the Faculty Review Committee, Pat Gotschalk to the Inquiry Committee, Alan Brokaw to the MTECH Board, Ann Maclean to the Presidential Commission for Women, and Susan Bagley to the Sabbatical Leave Committee.
  - (3) approved Proposal 23-07: To Change Michigan Tech's Policy Regarding the Required Number of Members of Master of Science Committees.
  - (4) learned that Barry Solomon, Madhu Vable, and Paul Nelson (faculty) and Nick Koszykowski (staff) have been elected as At-Large Senators.
  - (5) learned that the two tenure proposals passed by a wide margin and do not require approval of the Board of Control.
  - (6) learned that Proposal 15-07 (Minor in Diversity Studies) and Proposal 21-07 (Minors in Degree Programs to Establish a Residency Requirement) have been approved by the Administration.
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**1. CALL TO ORDER AND ROLL CALL**

President Sloan called the University Senate Meeting 452 to order at 5:45 pm on Wednesday, 18 April 2007, in Room B45 EERC.

Secretary Glime called roll. Absent were At-Large Senators Larry Sutter and representatives from Army/Air Force ROTC, Civil & Environmental Engineering, and Enrollment Management/OSRR. Liaison in attendance was Nick Nanninga (GSC). Academic Services C, Advancement, and Auxiliaries currently have no elected representatives.

**2. RECOGNITION OF VISITORS**

Guests included Calvin White (MSE.), Ingrid Cheney (HR), Larry Davis (SBE), Paul Nelson (SBE), Greg Graman (SBE), Bruce Barna (CM), Marilyn Cooper (HU), and Jackie Huntoon (Graduate Dean).

**3. APPROVAL OF AGENDA**

Clancey MOVED and Waddell seconded the motion to approve the agenda. The motion to approve PASSED on voice vote with no dissent.

**4. PRESENTATION: SAVING FOR RETIREMENT HEALTH CARE – LARRY DAVIS**

Senator Miller introduced Larry Davis (SBE), a certified public accountant. Davis presented the impact of the retiree health care on retirement savings.

Davis summarized that when faculty retire, they will have their TIAA/CREF money + RSVP money (if they meet its requirements) + social security – health care costs. He then showed what needed to be done to have the same standard of living upon retirement, emphasizing that these were conservative draft estimates of costs and inflation. He emphasized caution in relying on these estimates.

By 2014, all MTU subsidy would be phased out. Those retiring post age 65 would be paying \$388 per month for a single person or \$817 per month for two persons.

Senator Bruch asked how this would affect MPSERS members. Davis replied that the presentation would all be irrelevant. Davis presented the funding a person would need to set aside at various retirement ages. If a person were to retire at 65 in 2014 or later, they would pay the equivalent of a Medigap rate; Medicare would pay the rest. Those retiring at 65 in 2014 or later would need \$127 per year if they are now 30. If they are now 55, they would need \$1076 per year, totalling \$14,188, or \$2266 per year, totalling \$29,876, to cover two people. The closer people are to retirement, the more money needs to be put aside per year. Those with a higher income would need to set aside a smaller percentage of their income.

If a person plans to retire at 62 in 2014 or later, and is 55 today, that person would need to set aside \$2669 per year. For retirement at 60, a person aged 53 today would need to set aside \$2928 per year. If nothing is set aside, a 2-person health care policy would reduce an employee's TIAA/CREF savings by \$77,654 and one person by \$36,878.

These scenarios are based on a number of assumptions. All assume the use of the MTU healthcare plan and assume that the health care rate is constant.

Senator Wood asked what this would mean if a person is working at age 66. Cheney (HR) explained that once a person is over 65 and retires, Medicare pays most of the cost. Once a person reaches 65, that person can pick up part A of Medicare, but while working the employer is the primary health care policy provider. If a person is no longer working, Medicare becomes the primary provider.

Cheney pointed out that if a person contributes 4% to TIAA/CREF to save for health insurance, that is pretax. The scenarios presented do not account for taxes. In the 401b and other similar plans, a person can set aside up to \$41,000.

Davis pointed out that if health care increases more than inflation, a person would need to set aside more. Furthermore, people are not required to have the MTU health care plan, and persons with good health may choose another company, reducing the funding for the University health care and raising the cost per person. Persons with a history of health problems are not likely to be able to change plans and would therefore be forced to remain in the MTU plan, most likely costing the University more than the average person. AARP and others offer health insurance.

The cost will probably be higher than estimated. Leaving Tech may increase the risk in trying to get other insurance. Once a person leaves the MTU health care program, that person cannot get back in. The scenario presented assumes there will be no change in the RSVP program.

Barna (CM) pointed out that there are tax ramifications for pre-tax and that the take-out is taxable if it is not deductible. The escalation in health care costs last year for MTU was 2% compared to 3-4% in general health care costs nationwide. MTU has controlled cost well.

Senator Luck asked when health care costs have risen at just the inflation rate. Davis responded probably never.

Waddell asked how health care costs recently compare to inflation. Davis responded that they have been increasing at about 8% or 2 2/3 X the rate of inflation.

Barna pointed out that the former provost had sold the 2+2 plan of contributions to TIAA/CREF with the assumption that MTU would control the health care cost so that it would not increase above the rate of inflation.

Wood asked what other universities have done, but Cheney indicated that we really don't know about most of them.

White (MSE) asked if there is any place to get hard numbers, such as last year's medical costs for MTU. Cheney responded that she has that data. We have been treating the retirees and employees as one pool. Starting in 2008, we can't do that anymore and must separate the retirees. She indicated she could get the data on the retirees.

Barna asked if persons who have indicated they want to retire could reverse that decision now based on the new retirement health care costs. Cheney indicated they could, but those who had already retired could not.

## **5. APPROVAL OF MINUTES FROM MEETING 450**

Jambekar MOVED and Pollins seconded the motion to approve the minutes of meeting 450. The minutes were APPROVED on voice vote with no opposition.

## **6. PRESIDENT'S REPORT**

**Election Results** – President Sloan announced that Barry Solomon, Madhu Vable, and write-in candidate Paul Nelson are the new faculty Senators-at-Large; Nick Koszykowski is the new staff Senator-at-Large. The two tenure amendments passed by large margins. Because they address procedures rather than policy, they will not need Board of Control approval.

**Provost** - The provost is not here tonight because he is downstate for the Academic Officers meeting. One item on that agenda is the approval of the Exercise Science Degree, which can then go to the Board of Control for final approval at their May meeting.

**Approvals** – Proposal 15-07, Minor in Diversity Studies, and Proposal 21-07, Amendment to Proposal 16-97, Minors in Degree Programs to Establish a Residency Requirement, have been approved by the Administration. We're waiting for approval on Proposal 22-07, the Academic and Provisional Calendar. Proposal 24-07 regarding the termination of four associate degree programs in the School of Technology has been withdrawn.

**Searches** - The search for dean of engineering has concluded with the appointment of Tim Schulz, Tech Chair of Electrical and Computer Engineering, as dean, effective 1 July.

All four provost candidates have concluded on-campus interviews. The Provost Search Committee requests comments by next Monday, 23 April. The committee will submit its recommendations to the President on Thursday, 26 April.

**Last meeting** - This will be the last meeting of the year as there is no more pending business for the tentative meeting next Wednesday that we had scheduled just in case. The Senate officers wish to thank all of you for serving this year, with especial thanks to those who are leaving the Senate.

## **7. UNIVERSITY COMMITTEE ELECTIONS**

Joel Touriniemi was elected to the Academic Integrity Committee by acclamation on voice vote with no opposition.

Paul Charlesworth was elected to the Conflict of Interest Committee by acclamation on voice vote with no opposition.

Rosalie Kern was elected to the Faculty Review Committee by acclamation on voice vote with no opposition.

Ann Maclean was elected to the Presidential Commission for Women by acclamation on voice vote with no opposition.

Susan Bagley was elected to the Sabbatical Leave Committee by acclamation on voice vote with no opposition.

Election of the Athletic Council had three nominees and failed to obtain a majority for any candidate on the first ballot. A second vote on the top two vote-getters selected William Sproule.

Election of the Distance Learning Implementation Committee had three nominees and failed to obtain a majority for any candidate on the first ballot. A second vote on the top two vote-getters selected Shari Stockero.

Alan Brokaw was elected to the Michigan Tech Enterprise Corporation Board.

President Sloan announced that one committee member was still needed for the Faculty Distinguished Service Award Committee (faculty), the Inquiry Committee (faculty or professional staff), and the Public Safety Oversight Committee (faculty). She asked if there were any nominees or volunteers for any of these committees, explaining that the first and third of these need not be filled immediately.

Pat Gotschalk stated that she would be willing to serve on the Inquiry Committee. She was elected by acclamation on voice vote with no opposition.

## **8. OLD BUSINESS**

### **a. Voting on Proposal 23-07: To Change Michigan Tech's Policy Regarding the Required Number of Members of Master of Science Committees**

Huntoon (Dean, Grad School) summarized that the proposal was to change the required number of M.S. committee members from four to three. Individual programs/departments would still be able to require a higher number if they desired.

Senator Janners asked if one of these members still had to be an outside member. Huntoon replied that was still required.

Wood inquired what the rationale was. Huntoon responded that it would reduce loads. Senator Yaroch added that it was especially important for small departments where nearly everyone had to be on every committee.

Wood MOVED and Smith seconded the motion to approve Proposal 23-07. The proposal PASSED on voice vote of academic units with no dissent.

**9. ADJOURNMENT**

Bruch MOVED to adjourn the meeting. The meeting adjourned at 6:45 pm.

Respectfully Submitted by Janice M. Glime  
Secretary of the University Senate