Approved 7-2-0
EC #16
1-19-10

UNIVERSITY FACUTY SENATE

EXECUTIVE COMMITTEE
January 12, 2010
HMSU 227

Present: S. Lamb, A. Anderson, C. Lunce, C. Hoffman, C. MacDonald, J. Fine, R. Guell
Absent: V. Sheets, D. Richards
Ex officio: President D. Bradley, Provost J. Maynard
Guests: K. Bolinger, J. Buffington, H.R Gummadi

I. Administration Report

President D. Bradley:

a. Trying to keep everyone up-to-date/informed regarding budget and staff group issues.
b. Faculty performance evaluations and feedback to faculty.
c. Imposed a 15% tax on FY2009 carry forward dollars with a few exceptions.

Provost J. Maynard:

a. Enrollment for spring 2010 is up by 4% from previous year including new graduate students, transfer students, and returning students.

II. Chair report:

Colleagues;

I would like to begin my report by commenting on the shared governance process associated with the recent budgetary crises. As you know, the state has very recently informed the institution that they are going to be reducing the funds that they are supplying to our operating budget by about 10 million dollars within the next two years. The President must inform the Board at its next meeting as to how that is going to be achieved.

It is fortunate that before this present crisis was thrust upon us, that the President had asked the various Vice Presidents to begin a process of reallocation of some 10 million dollars over a 5 year period in order to raise funding that would be devoted to the strategic plan as well as supply funding to keep our salaries competitive. He also forecast the possibility that the state would be in a financial bind and that funding to academic institutions would be in jeopardy. This foresight has allowed the institution some headway in identifying potential sources for these domains. The case has been well made that a very high percentage of our yearly expenses is tied to salaries. It is also the case that in previous years the institution has had to reduce its non-personnel budget to the bone.

The President is striving for maximum input from the officers of various Shared Governance units as to where these cuts are coming from. On the morning of January 5th, the Vice President of Business and Finance, Diann McKee; the Vice President of Student Affairs, Tom Ramey; and the Vice President of Enrollment, Marketing and Communication, John Beacon presented to the

President, the Provost and the three faculty senate officers, and the chair of support Staff, the domains and the positions that they felt could be sacrificed without cutting to the core of their missions. Comparisons of the value of potential sacrifices within units were made as well as comparisons of values of the potential sacrifices between Vice Presidential Units. The criterion that was used as the measuring stick was always the criticality of the position or domain to the mission of the institution.

The officers were allowed unlimited input, as were all Vice Presidents. It was an open and fair process. Faculty officers brought specific domains to the table themselves that received a most through discussion. No domain was sacrosanct.

On the morning of January 7th, the Provost presented to the same group an overview of the specifics that Academic Affairs was considering. Again the group went through the same process. Understand that the instructional budget is not on the table. While there are bound to be reallocation of instructional resources, this domain will not experience cuts in the long run. It is hoped that the retirement incentive package will allow Academic Affairs to achieve the necessary reallocation that is needed in a viable institution.

On the afternoon of January 7th, the Provost and the President met informally with the entire Executive Committee to discuss the process and to receive input from this group. The chair of FEBC, Kevin Bolinger, was also present and served in the same capacity.

The officers of the Faculty Senate will be meeting with the President and Vice President in the same capacity for at least three more extensive meetings.

On another issue, I have received many comments from individuals dissatisfied with the process used to bring salaries up to a 80% of the median of peer institution. The source of the dissatisfaction was from three sources:

1) Those individuals who have to meet the rigorous expectations of an external Accreditation body were very disturbed that the peer group used to establish their median salary did not consist of institutions that had the same expectations.

2) Secondly, there existed the criticism that the categories used were much too broad and did not reflect reality.

3) Third, there was much criticism as to why the associates' and fulls' target salaries were determined by first multiplying the median of the relevant peer group by .90 and the assistants were not. As you are aware, the target salary was determined by multiplying the peer median salary by .80. But before this was done for the associates and fulls, their peer median salary was adjusted downward by multiplying by .9. The end result of this is that the only associates or fulls that would get an adjustment would be those whose salary was less than 72% of their peer median, versus 80% for the assistants. This process seems to build in greater compression at this institution than that which exists elsewhere. I hope this does not continue in the future.

I would appreciate the President or Provost addressing this issue.

III. 15 Minute Open Discussion

a. Is the 15% tax already imposed? President – yes it is presently imposed. The tax goes back to the amounts existing in the accounts on July 1, 2009. He informed deans this morning that this is a one- time effort and not meant to be an annual event, unless the governor gives us another round of cuts. B. Guell-This "tax" is the most well-thought-out sweep in ISU history because it does not create perverse incentives to spend money.

b. C. Hoffman-Regarding president's recent Cyberwire – the faculty are feeling better, but there are many concerns related to EAP and support staff. If positions are eliminated, will you try to find a place for these people elsewhere in the University? President: it depends on how well we come through this process. There are multiple people on campus with same job descriptions, and we can all be assured that this is a difficult process, but we will make every effort to accommodate them trying to come up with alternate solutions, but it will take time.

c. After necessary cuts: Internal candidates will be applying for those positions that have been frozen but will be opened – will seniority count in this process? President: It will not count 100%, but will be important in the hiring process. The present hiring freeze relates to external candidates.

d. Target salary adjustments It is the case that 80% of the peer median was used as the beginning target salary for the assistants. But it was also the case that for the associates and the fulls, that the peer median salary was first adjusted by .9, and then multiplied by .80 to get to the beginning target salary. President—the thought process behind this was apparently that it was necessary to keep the assistant salaries competitive. Also, when I presented this concept earlier, I heard no objection. S. Lamb—I hope that when we go for the next round of target salary adjustments, that we use the same multiplier for all groups rather than penalize associates and fulls.

e. B. Guell-A discrepancy exists with Assistant Professors who are about to be tenured and their Associate Professor colleagues who have just been tenured. The Provost was aware of these special situations. President – the Provost has been given funds to rectify these special situations.

IV. **Approval of the Minutes** of December 15, 2009. (C. Hoffman/C. Lunce 8-0-0).

V. SAC motion re eligibility for Hines Medal.
J. Buffington invited to table for discussion. (R. Guell/C. MacDonald) 8-0-0)

a. J. Buffington stated that his committee had discussed three issues regarding Hines Award
   1) 124 hours vs. a lesser number
   2) whether or not to limit award winners to highest GPAs;
   3) how recipients are to be selected

b. Many semesters there exist quite a multitude of individuals eligible. However, because of plus/minus grades (e.g. A-), fewer people can get 4.0. An A- average, for example, would produce a lower GPA. Provost agreed – minus grades will affect this award. He noted that the award is under funded. The Foundation helped us out for a couple of years. S. Lamb – this is still a prestigious award regardless of the availability of funds.

**The following is the specific motion brought forward by SAC**:

**"A student must have completed 94 residency credit hours at ISU in order to be included for consideration of the Hines award"**

On the issue of modifying the Hines Award so that it stands out, it was the consensus of the committee that the Hines already received sufficient attention at graduation ceremonies. However, a motion was made "**that the individual colleges call attention to the Hines winners at the their individual awards banquet**"

**MOTION APPROVED** (C. Hoffman/C. Lunce 8-0-0. The motion will go to Senate on January 21.

VI. FEBC motion concerning Retirement Incentive Package. The specific motion from FEBC had to be modified since the President had changed the final date at which one could retire and receive this incentive package. That change occurred after FEBC had already completed its work. However, K. Bollinger altered the FEBC motion so that it incorporated the new retirement date and notified all the FEBC members. None of them objected to his modifications. K. Bollinger was invited to the table to present the proposal. That modified proposal follows.
FEBC Jan 5th, 2010

1. Open the early retirement option to anyone with a minimum of 10 years of service who will reach the age of 55 by the date of retirement providing their age plus years of service is equal to or greater than 72 on December 31, 2012. Retirement must be effective by June 30, 2011.

   **Rationale: By eliminating the previous categories we should expand the number of potential employees that can take advantage of the program and perhaps produce higher cost savings in the short term through higher levels of employee reduction.** Passed FEBC with a vote of 3-2-1

2. Provide a progressive severance tier to incentivize early retirements such that qualifying individuals who:

   a. Declare retirement by April 1, 2010 and whose date of retirement occurs on or before June 30, 2010 receive 150% of base pay as severance

   b. Declare retirement by April 1, 2010 and whose date of retirement occurs on or before Dec 31, 2010 receive 125% of base pay as severance

   c. Declare retirement by April 1, 2010 and whose date of retirement occurs on or before June 30, 2011 receive 100% of base pay as severance

   **Rationale: This may accelerate the retirement of qualified employees and produce more immediate cost savings necessary to meet the budget cuts currently demanded. Though the initial payout is higher I don't believe it is higher than the fringe costs associated with the employee beyond base pay when we take into account retirement contributions, matching tax contributions, health care etc.** <u>Passed FEBC with a vote of 5-1-0</u>

2. Faculty who have 20 years of service prior to the December 31, 2012 program deadline and *who are at least 50 and not yet 60* on the deadline date will remain on the current 70% minimum severance package *(70% to a maximum of 80%)* provided they do not take the retirement incentive offered during this program.

   **Rationale: This is a potentially small group which is impacted the greatest in the short run by this program. Younger faculty with fewer years have the reasonable expectation that other incentive packages may be offered in the future, whereas a 51 year old professor with 20 years of service does not qualify for the program and may not reasonably expect to be offered anything better in the near future.** <u>Passed FEBC with a vote of 6-0-0</u>

4. Faculty may rescind their retirement if between the date of their signature and the date of their retirement any one of the following has occurred:

   1) They have divorced a spouse or have a pending divorce (or parted with a domestic partner) that has or will result in the reduction in their Tiaa-Cref balance by 50%.

   2) They or their spouse/domestic partner have incurred a catastrophic health crisis that has required a disability or medical leave.

   3) The S&P500 falls below 67% of its 4/1/10 level and remains below that threshold through the month prior to their retirement.

Faculty may appeal to the University Health Benefits Committee to request a rescinding of their retirement if a financially significant and unexpected event occurs between the date of their signature and their stated retirement date.

**Rationale: Faculty and staff who may be considering early retirement through this program have expressed concerns about unforeseen events in an uncertain economic environment. Whereas it is not the intention to allow for anyone to opt out simply on changing preference (this would produce too much uncertainty for budget planning), it was thought that a few safety nets would encourage more participation among employees who were hesitant due to uncertainty**. Passed FEBC by a vote of 6-0-0

5. Allow option for providing retiring faculty and EAP cash payments for those with greater than 15 years of service but less than 20 years of service and who are 62 years old or older such that they could extend their Cobra coverage *(at their own expense)* from the federally mandated one year to up to 3 years. **Rationale: This would provide faculty and staff with less than 20 years the necessary bridge in medical coverage to get to the Medicare qualifying age of 65. This seems to be a major concern of many of the faculty considering the program. This would depend upon changes in the federal health care bill proposed**. Passed FEBC with a vote of 6-0-0

Note: The italicized language in slightly larger font that is embedded in the proposal above was inserted by the Executive Committee for clarification purposes.

K. Bolinger/comments:

a. Explained the proposed "rule of 72." Items numbered 1 and 2 seen as expansion of pool. Item 2 incorporated a progressive severance approach (to speed things up).

b. Tax implications were discussed – a complex issue

c. Item 3 relates to concerns incorporated in the proposal sent to FEBC by the administration which seemed onerous to older faculty. This item addressed their concerns .

d. Item 4 - Put three triggers in, allowing individuals to rescind the agreement.

e. Item 5 – trying to take into account the concerns of people who have not reached the age of 65 for Medicare and do not yet have 20 years of service.

The president stated that once this goes through the Senate, he will consider this motion seriously.

**MOTION APPROVED**: (A. Anderson/C. Hoffman 8-0-0. ) Motion will go to the Senate on January 21, 2010.

VII. Legal opinion concerning accessing SIRs.:

M. Sacapolus: SIR results are not available under Indiana "open door " law Discussion was held on a specific paragraph of her opinion which specified that SIRs were used almost exclusively for evaluation. The committee understood that they were used for both developmental and evaluation purposes. The Ex. Committee asked S. Lamb to write a memo to M. Sacapolus specifying their concerns.

**Motion to Accept Legal Opinion** (J. Fine/C.Lunce 7-1-0)

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VIII. Motion presented by R. Guell to appoint Charles Hoffman Parliamentarian.

**APPROVED:** (C. MacDonald/C. Lunce 7-0-1)

IX. **MOVED INTO EXECUTIVE SESSION** at 4:40 p.m. (C. Hoffman/J. Fine 8-0-0). Moved out of Executive Session.

x. Motion presented by R. Guell to be forwarded to FAC.
Construct Handbook language pertaining to grievance procedures treating time limits set for multiple complainants in a fashion parallel to the existing handbook language dealing with time limits for multiple respondents . The relevant passages of the handbook are found in Section II, page 15, under Bylaws, article XIV, section5, clauses (f), (g) and (i). Until FAC has created and the Senate and Board of Trustees have passed such an amendment to the Handbook, any grievance committee that involves multiple complainants shall impose time limits on the multiple complainants in a fashion parallel to the time limits imposed by existing language for multiple respondents.
**Approved**: (R. Guell/J. Fine 8-0-0)

Meeting adjourned at 4:50 p.m.