

Minutes of 22 January 2001
Approved 19 February 2001

THE UNIVERSITY OF MICHIGAN
SENATE ASSEMBLY MEETING
MINUTES OF 22 JANUARY 2001

ATTENDANCE

Present: Andrews, Antonucci, Brown, Burdi, Drach, Dunkle, Fisher, Gobetti, Guthrie, Karni, Karr, Ketefian, Lubeck, Malkawi, Marcelo, Mateo, McDonagh, Merchant, Moseley, Navvab, Peterson, Powell, Reisch, Riebesell, Robertson, Rosenthal, Rush, Savage, Scheiman, Sears, Sheil, Taghaboni, Trumpey, Ward, Watkins, Winger, Yeo

Alternates: none

Absent: Alcock, Anderson, Atreya, Bhavnani, Bonner, Boyd, Brophy, Brusati, Burns, Clark, Deskins, Dick, Erickson, Faerber, Green,

Greenberg, Harrington, Hart, Hills, Jacobsen, Juster, Kalisch, Karnopp, Lindner, Masson, Murphey, Ni, Papadopoulos, Perfecto, Rocchini, Rosano, Sedman, Taylor, Uribe, Vicinus, Wingrove, Wright, Yakel

MATERIALS DISTRIBUTED

1. Senate Assembly agenda
2. Draft minutes of the Senate Assembly meeting of 20 November 2000
3. Jackie Lawson Memorial Fund
4. SACUA Nominating Committee ballot
5. Regents Bylaws Section 11.214
6. Civil Liberties Board Report of Privacy and Confidentiality, dated 23 June 2000

Chair Navvab convened the meeting at 3:25 P.M. He announced to the Assembly that Senate Chair Jacqueline Lawson had passed away on 8 January 2001. He invited Professor John Riebesell, Senate Assembly representative from UM-Dearborn, to deliver a brief eulogy. Professor Riebesell called attention to distributed item 3, announcing the establishment of the 'Jackie Lawson Memorial Fund' in care of the Faculty Senate Office for the purpose of promoting faculty governance. He then read the following remarks:

Jackie joined the UM-Dearborn faculty in 1985. She received UM-Dearborn's distinguished teaching award in 1986, she received a distinguished faculty award from the Michigan Association of Governing Boards of State Universities in 1989, and she was very active in faculty governance throughout her professional career. One of Jackie's distinguishing qualities was her willingness to speak out when she felt something was not right. Even during her first year at Dearborn, Jackie's name began appearing in the student newspaper as she pressed for improvements in our student center. She was a member of the two campus advisory committees that preceded our Faculty Senate, and she chaired the Dearborn Faculty Senate in 1995 and 1996. At the university-wide level, Jackie served on the Academic Affairs Advisory Committee. She was elected to Senate Assembly in 1997 and to SACUA in 1998.

During my term on the Dearborn Faculty Senate, the Senate continued several policies that Jackie had initiated, including monthly reports to the faculty and periodic evaluations of our Chancellor and Provost. When I became Senate Chair, I benefited from Jackie's willingness to offer advice and to listen to my frustrations. There were several times when she nudged me in what proved to be the right direction.

I will miss Jackie as a colleague in faculty governance and as a friend. I believe that the Dearborn campus and the entire University of Michigan system will feel her loss. Please join me in a moment of silence as we remember Jackie's contributions to the University.

CONSIDERATION OF THE MINUTES OF 20 NOVEMBER 2000

The minutes of 20 November 2000 were approved.

PRESCRIPTION 2002 WORKGROUP

Chair Navvab gave the floor to Professor SeonAe Yeo, who introduced herself as the faculty representative for the 'Prescription Drug Work Group 2002' established by Provost Cantor and Chief Financial Officer Kasdin. Professor Yeo read the following report of on-going activities:

In early September, Professor Cantor and CFO Kasdin charged the Prescription Drug Work Group 2002 to identify a broad spectrum of solutions that will balance patient needs with the escalating cost to the university of providing prescription drug coverage in university health plans. The Work Group is to provide some attractive options plus the pros and cons of each for the U-M executive officers to consider. The most meritorious options will then be presented to the university community for full discussion and analysis. The Work Group consists of 12 members from five university units and an outside consulting firm. The Group has met eight times since September and probably will meet through February to complete the task.

Nationally, prescription drug costs increased 15 to 18% annually during the last 5 years or so. The prescription drug costs accounted for 15 percent of total employer health plan costs in 1998 compared with 9 percent in 1993. Our campus is not immune to this

national trend. As a result, the U-M is taking action to avoid financial catastrophe in the future.

Because I am a lay person to this complex economic and financial problem given to us, I needed to break down the problem. It seems to come down to two solutions. Either we reduce the entire expenditure associated with prescription drugs or the University shifts a larger portion of the cost for health care benefits to us.

The first method involves:

1. modifying current prescription supply mechanisms.
2. educating patients, physicians, nurses, and other health care providers to avoid unnecessary expenditure.
3. reducing the financial influences of pharmaceutical industries.

The second method involves simply increasing or modifying co-pay systems.

Realistically, we need to apply all four methods to beat the market. Yes, the goal of our workgroup is to suggest how to beat the market, so that five years from now, for example, our increase in prescription drug costs will be significantly lower than the national average or even than other peer institutions.

As a faculty representative, my goals have been:

1. to protect the most vulnerable people (people with chronic illness, catastrophic events, or lower income, etc.).
2. to make any modifications be reasonable and fair to each of us. For example, modifications should allow the university to slow down the increase in the cost so that the university can maintain good benefits packages in the future. At the same time, increases in co-pays, seemingly an unavoidable outcome given the national trends, should be sensible and fair.
3. to keep SACUA and the campus community informed.

The Work Group conducted 24 focus groups and seven public hearings to gather information on the needs and interests related to prescription drugs from active employees in the university community during November and December. Additional focus groups were conducted to gather information from the university's retiree community on their needs and interests. The results of the focus groups and public hearings have been serving as a resource for developing the recommendations. I will not report the details of focus group reports, but the results are powerful and consistent with other similar reports.

The Work Group was to report its findings to Provost Cantor and CFO Kasdin by January 30, 2001. We will not meet the deadline. We need at least two or three more meetings before we can complete this extraordinary task. Meanwhile, please let me know of your concerns or suggestions. I will bring them to the Work Group.

Professor Yeo may be contacted by electronic mail at seonaeyo@umich.edu.

VISIT OF ATHLETIC DIRECTOR MARTIN

Professor Yeo concluded her remarks at 3:35 P.M. and Chair Navvab immediately introduced Athletic Director Martin in order for Martin to make a report to the Senate Assembly. AD Martin called attention to a number of recent books that deal with the various dimensions of collegiate athletics. He declared that his responsibility is to recognize that the U-M is an academic institution first, and he stated that his report would observe a theme of academics and athletics.

Martin reported that he was in consultation with the provost regarding two initiatives:

1. a summer academic bridge program for student athletes in the revenue sports, and
2. a distance learning program for athletes who left the university before completing their degrees in order to pursue professional ambitions.

Martin observed that whereas graduation rates for U-M students overall were in the 80-percentiles, and student athletics in general maintained graduation rates in the 60-percentiles, the graduation rates in football and basketball were in the 20-percentiles. He said that he wants to institute an academic audit of the athletic department on an annual basis.

Martin reported that his unit had initiated a new program called 'coach for a day' in which student athletes nominate university faculty to assume the duties of coach, and that he wanted to start a comparable 'Athletic Director for the Day.' He invited volunteers from the audience, and Professor Gobetti accepted the invitation.

Martin expressed his desire that faculty with concerns about the athletics program should phone him directly to communicate their concerns. He concluded his remarks at 3:48 P.M. and invited questions from the audience.

Professor Rosenthal stated that she believed there should be a relation between behavior by student athletes and their right to play on a U-M team. She recounted a case she observed several years ago in which she alleged that a prominent athlete had received only a 'slap on the wrist' for a transgression that caused great distress to a female student. AD Martin expressed agreement with the professor's concerns.

Professor Brown commented that he thought there was likely a correlation between admissions criteria and both the academic interests and behavior of potential student

athletes. He suggested that if the U-M raised its standards for admission, some of the problems would subside although the teams might not win as often. Martin expressed agreement. He said that he tells his coaches to recruit better prepared students. He added that he would like to eliminate freshman eligibility in football and basketball for a variety of reasons, but that there were legal obstacles to selective application of such a restriction.

Chair Navvab asked Martin to explain a remark that student athletes want assistance with registration for classes. Martin responded that the athletes are eager for help in gaining access to course sections that fit their practice schedules. Martin concluded his report at 4 P.M.

VISIT OF CFO KASDIN

At 4 P.M. Chair Navvab called on vice president and chief financial officer Robert Kasdin to make a report to the Senate Assembly. CFO Kasdin reported that the financial status of the university is excellent, and that it has developed well-diversified streams of revenue. He stated that two important events are on the near horizon within the realm of Human Resources:

1. full implementation of the PeopleSoft information management system will commence on 1 July 2001.
2. significant changes are anticipated in Pharmacy Benefits packages.

Kasdin explained that recent co-pay increases are only a stop-gap measure. He added that money saved from faculty and staff benefits would be applied to the general fund. He said that he and the provost would await a report on the top two or three attractive options, and then would initiate a series of open discussions about them.

A member of the Assembly from the School of Nursing inquired if it would be possible for the U-M to enter negotiations with Northwest Airlines to obtain special fares and options. Kasdin replied that volume discounts are indeed available for many services, and that the U-M was not doing enough to take advantage of the prospects. He pointed out that it was not necessary for central administration to initiate the effort, and that individual units singly or in concert could take action.

Professor Rosenthal asked the CFO to comment further about prescription drug benefits. Kasdin responded that he had deliberately remained detached from the Work Group until it produced a final report.

Professor Burdi asked the extent to which the Life Sciences initiatives are having negative effects on other units. Kasdin replied that every unit has a robust capital plan, and that there are important initiatives on-going in the social sciences and humanities. He stated that the interdisciplinary nature of the Life Sciences Initiative prevents it from being captured by any one unit. Professor Burdi inquired about the status of planned

renovation for Hill Auditorium. Kasdin replied that \$30 million had been committed to the renovation of the building in order to address needs in its basic infrastructure.

Professor Burdi asked Kasdin if he supported an increase in ticket prices for athletic events. Kasdin replied that to his knowledge there has been no proposal to raise the ticket prices. He pointed out, however, that the revenue from football and basketball sustains the entire athletic program.

Professor Marcello asked if M-Pathways has had a positive or negative effect on budgets. Kasdin responded that the rationale and decisions to change the budget software preceded his arrival, but that he understood the reason for the change was not financial. He added that he does not believe that software saves money.

A member of the Assembly commented that many tasks formerly handled by the central administration have now been shifted to the units. Kasdin replied that there are many examples in the financial domain where work has shifted back and forth. Professor Riebesell asked the CFO to comment about his future plans for his office. Kasdin replied that he had a number of capital projects in the pipeline, and he pointed out that in the past there had often been a disconnect between the capital expense of building projects and their operating expense, including future renovation needs. In addition, he stated that Human Resources will start to assume a larger role in faculty issues. For example, he said, it would facilitate unit negotiation around rules that otherwise impede desired hirings. He pointed out that Barbara Butterfield has recently become Director of Human Resources, succeeding Marty Eichstadt who had held the position on an interim basis. Kasdin concluded his remarks at 4:40 P.M.

CIVIL LIBERTIES BOARD REPORT

Chair Navvab gave the floor to Professor David Blair at 4:40 P.M. and invited him to introduce a report to the Assembly. Professor Blair called attention to distributed item 6. He stated that the report was provided for information, and that the committee was not asking for approval at this time. Professor Rush asked how the committee wished the Assembly to respond to the recommendations in the report. Professor Margolis, chair of the Civil Liberties Board, responded from the audience that the CLB hopes the Senate Assembly will approve the report recommendations. He added that the recommendations will also be transmitted to the university president sooner or later. Members of the Senate Assembly expressed their views about potential policies on privacy and confidentiality, specifically with respect to electronic mail. Chair Navvab pointed out that the Assembly would have opportunity to debate the subject more deliberatively at a future meeting.

ANNOUNCEMENTS

Chair Navvab announced that he would direct that three important information items be posted to the SACUA website (www.umich.edu/~sacua/):

1. the pending report from the Prescription Drug Work Group.

2. recommendations from a president-appointed committee about proposed changes to intellectual property rights and copyrights of university faculty.

3. recommendations from a president-appointed committee about a proposed 'conflict of commitment/no-compete' policy restricting ability of U-M faculty to engage in on-line education ventures.

ELECTION OF SACUA NOMINATING COMMITTEE

Senate Assembly members completed ballots for the nominating committee and the ballots were collected by faculty senate office staff.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

The meeting adjourned at 4:50 P.M.

Respectfully submitted,

John T. Lehman

Senate Secretary