

Minutes of 21 October 2013 Senate Assembly Meeting
Circulated 22 October 2013
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Approved 18 November 2013

THE UNIVERSITY OF MICHIGAN
UNIVERSITY SENATE MEETING
SENATE ASSEMBLY MEETING
21 OCTOBER 2013

Present: Adler, Baker, Barolo, Bayraktar, Biteen, Brown, Burrow, Campbell, Cervetti, Custer, DiPietro, Dolins, Fenno, Fiore, Fraser, Garcia, Hayes, Holland, Hollingsworth, Jacobsen, Jones, Koopmann, Larsen, Lehman, Mansfield, Masten, Mondro, Mora, Muehlberger, Mutschler, Nielsen, Odetola, Oey, Olsen, Poulsen, Rothman, Schloss, Smith, Staller (Chair), Swain, Szymanski, von Buelow, Winful, Wong, Wright, Ziff

Requested Alternate, None Available: Adunbi (LSA), Johnson (LSA), Lim (Business), Swain (Medicine), Young (Engineering)

Alternates: Wraight (Ro-UM Dearborn)

Absent: Atchade, Bradley, Christman, Cotera, Danziger, Fagerlin, Friesen, Grosh, Hershovitz, Katapodi, Kee, Kirshner, Lu, Nevett, Pandey, Primus, Princen, Prygoski, Raphael, Ryan, Sarma, Shah, Silveira, Thompson, Trandafirescu, Turnley

MATERIALS DISTRIBUTED

1. 1. Agenda for Senate Assembly
2. 2. Draft Minutes of the 23 September 2013 Senate Assembly meeting
3. 3. Ballot results for priority setting, 23 September 2013
4. 4. Senate Assembly Presidential Search Comments, dated 30 September 2013
5. 5. Discussion: Committee on Retirement Savings Plan and Retiree Health Benefits, PowerPoint presentation dated 21 October 2013.

Chair Staller convened the meeting of the Senate Assembly at 3:20 P.M. The proposed agenda was approved.

MINUTES

The draft minutes of 23 September 2013 were corrected and approved.

ANNOUNCEMENTS

1. The Academic Freedom Lecture will be presented on Wednesday 23 October at 4 P.M. in 100 Hutchins Hall of the Law School.
2. The next meeting of Senate Assembly will be 18 November 2013. The chair of AAAC (Academic Affairs Advisory Committee) will deliver a preliminary report about teaching evaluation and problems with conversion to an electronic evaluation system.
3. The Assembly's September resolution about benefits as well as desired characteristics of a

new president (distributed item 4) have been transmitted to the Board of Regents as part of the monthly Faculty Governance Update.

Chair Staller invited Dr. Fraser to offer a resolution thanking Ms. Linda Carr for her years of service in the Faculty Senate Office.

ACTION OF SENATE ASSEMBLY 102113-1

The Senate Assembly thanks Linda Carr for her service in the SACUA office. She has served the faculty and the university well. Her sense of humor, her willingness to do what it takes to keep the committees and the Senate well-informed and on track, her sensitivity and understanding of the many issues of faculty and of the university and her ability to manage student help effectively have marked her as a superb fit for her role.

Her institutional memory is vast. For almost any issue, she knows the person to contact. Her own work at the university started in 1979 and she has worked here all but two years (taken to further her education) since. She stepped into her current role in October of 2006. Along with Tom Schneider, she has filled in each new SACUA chair of the ins and outs of the office. While the chair lasts one year in office, she and Tom have provided vital continuity.

Faculty governance would have been less effective had she not supported us so effectively. This coming Thursday is Linda's last day at the university. With mixed feelings about leaving many friends and colleagues, she heads south to retire in warmer climes.

For these reasons, the Senate Assembly goes on record, thanking Linda Carr for her years of dedicated support and intelligent counsel and to wish her well in retirement.

The Action was approved unanimously.

Chair Staller presented Ms. Carr with a keepsake miniature replica of the cube that graces the plaza in front of the Fleming Administration Building. She then introduced Ms. Robyn Snyder, who will join the Faculty Senate Office as Ms. Carr's replacement.

VISIT OF LAURITA THOMAS AND MEMBERS OF COMMITTEE ON RETIREMENT SAVINGS PLAN AND RETIREE HEALTH BENEFITS

The guests arrived at 3:30 P.M. Ms. Thomas explained that the previous provost established the goal of saving \$120 million from the general fund by 2017 for the purpose of reinvestment in other university initiatives and for reducing future tuition increases. She said that the Benefits Office has been required to cut \$5 million from its General Fund budget as part of the overall plan. She made her presentation with the aid of a PowerPoint presentation (distributed item 5) and concluded her prepared remarks at 4:28 P.M. while responding to a series of questions posed from the audience.

1. Several members asked for the range of values and/or the standard deviation of values included in the benefits peer group. Ms. Thomas said that she had never seen such

metrics in any information provided by the consultant, but that she would post them to the benefits website if they can be obtained.

1. 2. Other members asked why dependent tuition was weighted so low, and questioned the rationale for the weighting scheme in general. Ms. Thomas replied that the weighting scheme is a proprietary creation of the consultant and that on average tuition was given only 1.6% weight by peer institutions that provide this benefit, so the fact that the UM provides no tuition benefit does not affect the overall metric to any significant extent.
1. 3. Ms. Thomas stated that comparison with the peer group is an iterative process, to which members asked what would prevent the process from becoming a race to the bottom, and observed that the slogan 'Leaders and Best' had become hollow. Ms. Thomas responded that the UM still wants to attract faculty and staff, and that at present the employer is expected to provide health care benefits, although the government may change that public policy in the future.
1. 4. Ms. Thomas highlighted university contributions to retirement investment as a target for reduction. She explained that university management wants to lower overall benefits to 95% of the peer group average. She said that the consultant has suggested that the target could be achieved by reducing university match from 10% to 9% of salary. Professor Koopmann responded that the UM administration wants to maintain research and teaching performance and also limit tuition costs by taking \$120 million from the pockets of faculty and staff, and has set a target for benefits that is 5% below average. Ms. Thomas replied that not all of the \$120 million will come from faculty and staff. She said that centrally shared services will also save money. She said that the deans were involved in reviewing the strategies and that people made the decision to work here based on colleagues and students rather than benefits alone.
1. 5. Ms. Thomas encouraged members to enroll in the Long Term Disability plan with the full salary option. She said that the plan has been upgraded to cover 65% of full salary and the cost has been reduced.
1. 6. Members asked why salary was not included in the peer comparisons. Ms. Thomas acknowledged that the main theme in faculty responses to a recent survey was total compensation, but that her office has no way to conduct such a comparison because no national instrument is readily available.
1. 7. Ms. Thomas pointed out that the private market no longer offers retiree health care benefits, but that the UM does because it competes with other institutions that do. She said that retiree benefits will not change before 2016, and that national health plans may produce a better plan for retirees in the future.
1. 8. Ms. Thomas said that the UM Hospital and Health Centers (UMHHC) staff is a target for significant savings. She said that the UM has provided a single benefits program in the past, but that will change because the UMHHC competes in a regional market whereas faculty are recruited from a national market. Members pointed out that

reduced benefits differentially affect lower paid employees. Professor Koopmann noted that parking costs were not considered, but that they are significant, especially for lower paid staff. Ms. Thomas replied that the health center leadership did not choose to include parking costs in the peer group comparison. She said that in the case of the UMHHC, leadership had set a dollar figure for reductions, with the savings to accrue to the financial standing of the hospital. She cited a likely reduction in retirement investment match from 10% to 8% for that group.

1. 9. Professor Holland observed that half of the academic peer group are private and he asked about a comparison with public institutions only. Ms. Thomas said that she does not have suitable data, but that the UM would rank higher within such a grouping.
1. 10. A member of the Assembly predicted that the benefits policy changes will redistribute resources to faculty who are more mobile and able to demand improved compensation to stay here.
1. 11. The Benefits Office received 8500 responses to its recent survey, including 1500 from faculty and nearly 4000 written comments. The major themes were (a) the need to consider total compensation, (b) differential effects on lower paid staff, and (c) disaffection with changing the terms of an agreement after people made the decision to move here. Chair Staller asked what the Benefits Office was doing with the comments. Ms. Thomas said they would put summaries of the comments on the benefits website.

The guest left the meeting at 4:28 P.M. Chair Staller then opened the floor for discussion as a Committee of the Whole. She invited Professor Dana Muir, member of the benefits committee, to lead the discussion. Professor Muir said that any time the committee members ask about the numbers used in the peer group comparisons they are told it is a proprietary Hewitt product and is not subject to interrogation. She noted that the comparisons neglect a number of benefits features, including housing subsidies.

Members reiterated the importance of learning the range or standard deviation of the Hewitt comparison group. Professor Muir said that she would convey that point to the rest of the committee. Chair Staller suggested that faculty transmit additional comments to the committee by email. Professor Muir said that she doubted there would be further opportunity for the committee to seek additional feedback because their charge is so fast-paced.

Professor Muir concluded at 4:50 P.M. Members sought assurance that SACUA would maintain communications with her. Chair Staller replied that SACUA also wants to talk with the executive officers about the origins and rationale for the target reduction numbers.

UNFINISHED BUSINESS

Chair Staller called attention to distributed item 4, which summarized the priorities identified by Senate Assembly members at its September meeting.

NEW BUSINESS

There was no new business.

The meeting was adjourned at 4:56 P.M.

Respectfully submitted

John T. Lehman
Senate Secretary

University of Michigan Bylaws of the Board of Regents, Sec. 4.01:

The University Senate

The senate is authorized to consider any subject pertaining to the interests of the university, and to make recommendations to the Board of Regents in regard thereto. Decisions of the University Senate with respect to matters within its jurisdiction shall constitute the binding action of the university faculties.

University of Michigan Bylaws of the Board of Regents, Sec. 4.04:

The Senate Assembly

The Senate Assembly shall serve as the legislative arm of the senate.

The assembly shall have power to consider and advise regarding all matters within the jurisdiction of the University Senate which affect the functioning of the university as an institution of higher learning, which concern its obligations to the state and to the community at large, and which relate to its internal organization insofar as such matters of internal organization involve general questions of educational policy.

Rules of the University Senate, the Senate Assembly and the Senate Advisory Committee on University Affairs: In all cases not covered by rules adopted by the Senate, the procedure in Robert's Rules of Order shall be followed.

**SENATE ASSEMBLY
September 23, 2013**

**BALLOT RESULTS
Prioritizing 2013-14 Issues**

102 **Benefits** (to assess and affect the outcome of HR reviews of current retirement and health benefits)

123 **Teaching and Teaching Evaluations** (to address the changes technology has brought to teaching, to assess faculty teaching performance e.g., MOOCs, teaching evaluations, etc.)

144 **Searches** (to promote more direct participation of central faculty governance in presidential and executive officers' searches)

146 **Tenure, Promotion and Post-tenure Reviews** (to determine the fairness and transparency of tenure and promotion criteria and policies)

156 **Due Process** (to review the fairness of existing procedures that assess faculty such as tenure appeals, grievances, fitness for duty, the Office of Institutional Equity, etc.)

165 **Faculty Rights** (to review the current status of academic freedom, free speech and civil liberties at the University)

200 **Faculty Support Changes** (to monitor the implementation of IT Rationalization and Shared Services administrative support plans)

201 **External Relations** (to monitor and react to outside perceptions of the University particularly in the areas of the bicentennial celebration, town and gown relations, the capital campaign, athletics, etc.)

Other: Retention of Top Faculty, Athletics, Entrepreneurship, Tuition (productivity and state funding)