

Senate Council Minutes
November 24, 2003

The Senate Council met on Monday, November 24, 2003 at 3:00 pm in the Gallery of the W.T. Young Library and took the following actions:

The meeting was called to order at 3:01.

1. Board and Senate Graduation List

The Chair invoked his privilege to change the order of agenda items. He called the Council's attention to this item and asked if it should be sent to the Senate with a positive, negative or neutral recommendation. After brief discussion Jones **moved** to send it forward without recommendation, and Bailey **seconded** the motion. He added it should simply be put before the Senate without making mention of a recommendation. The motion **passed** without dissent.

2. Approval of the Minutes from November 17, 2003:

Tagavi and Saunier suggested minor editorial changes. Ms. Scott will incorporate those changes. The minutes were **approved** as amended.

Announcement:

The Chair told the Council members of the LCC Task Force's impending report. Edgerton noted considerable pressure on the task force to accomplish its work.

3. Discussion with President Todd regarding retiree health benefits

The Council members introduced themselves to President Todd and EVPFA Siemer. The President said he would take questions from the Senate Council about the Retiree Health Benefits issue. He expressed interest in gathering input from the upcoming forums and said the input will be analyzed before a decision is made. He described this issue as a mounting problem and said the accounting firm Mercer was used to get a baseline idea of the expense involved. The President expressed his willingness to listen to suggestions and hoped the campus "will discuss the issue and put other thoughts on the table". He said he did not want to lead the discussions of the issue himself but said discussions should occur.

Jones asked if the date January 5, 2004 held any significance in this discussion. Siemer replied the task force recommendation included a January 2005 implementation date. Jones said the perception was that a decision would be reached by January 5, 2004. Tagavi had the same recollection. Siemer thought perhaps the task force had suggested January 2005 as the implementation date to allow one year for the necessary changes to occur. Debski noted a year before the implementation date would imply a January 2004 decision. Siemer suggested the task force might have just suggested a year-long time between the decision and the implementation, but added the time frame was not set in stone. The President added that the task force recommendation will come to him from

the Employee Benefits Committee; he will then make a decision and there will be a one year grace period until the implementation occurs.

The President voiced his concern regarding the general assumption by many members of the University community that this plan has already been adopted and will simply be put into place. He said his attempt was to not return to the previous approaches employed by prior administrations and said he hoped he had gained the trust of the community. He cited Siemer's visit to the Senate as proof of the President's interest in having an open process.

Bailey suggested the President should try to publicize the fact that a decision has not yet been reached. He reported having heard complaints from staff that this issue was "a done deal" and feared forum attendance might be negatively affected.

Siemer noted that the Staff Senate and University Senate meetings at which the issue had been discussed were well attended. He added his concern for those who felt they did not have a voice in the process. Siemer stated the only date set in stone was the Employee Benefits Committee (EBC) meeting date. He announced there will be a change in chair for that meeting, explaining that Karen Stefaniak will step down and allow Jack Suplee to chair since Stefaniak was a member of the task force. He added there are no expectations of what will occur at the EBC meeting.

The President expressed his hope that the EBC will consider all of the thoughts on the table and present better ideas, if possible. He noted the EBC did not even have to take a vote at the December meeting.

Cibull noted the nearly unanimous votes as the Staff Senate and University Senate meetings to not endorse the recommendations of the task force. He asked the President what he hoped to accomplish during the upcoming forums.

The President replied the forums will provide the groups with something to think about and hoped they would add something to the conversation beside their lack of endorsement.

Cibull suggested the violent reaction to the task force's presentation was in part due to the perception that the Task Force recommendations represented a plan that would be enacted, rather than a request for help in addressing a problem. Cibull asked if a "blue ribbon" group comprised of appropriate people could be constituted to examine the problem from a position of expertise.

Siemer noted the complexity of the issue and said a faculty member had chaired the task force for that reason. He said even members of the University Senate were having a difficult time understanding the issue, and noted the increased

difficulty for the Staff Senate since staff will experience a greater impact than faculty.

The President said he understood the concerns that the recommendations were presented as a final solution rather than an intermediate solution. He expressed the need to have a “straw case” – to put this out as a “straw man” -- in order to find solutions. He suggested the recommendations may have been oversold or over-assumed as final solutions.

Yanarella noted the two types of responses to the recommendations at the University Senate meeting. He said the first type was an emotional response with very strong and powerful language. The second was a rational core of criticism raised by people who know long-term projections to be precarious. He reiterated the concern of the Senate that the differential impact on faculty and staff was not reflected in the final recommendation. Yanarella relayed some conversations he had with staff who expressed dire concern regarding implications of the task force’s recommendations, and noted the sense of defeatism this caused. Yanarella acknowledged the severity and reality of the problem but felt the recommendations that had been presented to the community as if etched in granite. He mentioned the Senate Council’s desire to present the President with rational arguments in the hope the President will examine the situation from a broader view. He noted the Senate Council’s responsibility to analyze how a better process could evolve over a longer period of time instead of “buying in to a snap-shot view”.

The President appreciated the segmentation of the two types of views from the University Senate meeting. He did not appreciate the question of honor that was raised. He agreed other members of the community could have been brought into the equation earlier in the conversation, but expressed the need to use Mercer quickly since their services are costly. The President said, “now is the time for conversation” and expressed his sensitivity to the concerns of the Staff Senate, noting his support of the creation of the Staff Senate. He raised the question of addressing the social issue of the wide population and wide salary distributions found at the University and wondered how that question could be approached. The President wished he could see more in the report regarding how other people are addressing the issues of healthcare, contributions, retirement and other benefits as a whole. He said he wants to hear the various rational thoughts about this issue being raised by the community and added, “We may have gone too far. This was never intended to be the final plan. If people feel this way about the administration then I have failed. We’ve tried to open up the processes. The materials are on the web site. They tried to put factual information out there. We need to have the appropriate level of faculty input”.

Tagavi addressed the concern raised by the President regarding the reference to “honor” mentioned by a Senator and commented that the reference had been about the honor of the proposal and not about the honor of the individuals

making those proposals. The President expressed appreciation for that clarification and commented that he is awaiting the transcript from the Senate meeting.

Jones said it had been stated to him by several constituents that a rumor existed at the University community that the high ranking administrators at the University have access to more lucrative health benefits than other faculty and staff. Several other Senate Council members indicated that similar statements had been made to them. The President said he participates in the executive health plan but said the benefits were no different than for other employees. Both the President and Siemer said the benefits for the executive level administrators were the same received by other employees. Yanarella noted the importance of the idea that we are all in this together and will all share in the same consequences.

The President asked if the rumor was in reference to future or current benefits. Jones said it was in reference to current benefits. The President asked for the Senate Council's assistance in dispelling this rumor. Siemer said he had spoken to T. Lynn Williamson in Human Resources about it who confirmed the equality of the plans.

Cibull noted the President had alluded to "the problem" several times and asked if could frame the exact nature of the problem needing to be addressed. The President replied the overall problem was the rising cost of healthcare. Cibull suggested focusing on only one aspect of the problem might not be the best way to approach it. He urged the President to step back and be a pioneer in handling the overall problem of healthcare and benefits at the University.

The President cited the creation of the Health Literacy and Reach programs as indicative of his commitment to forge new areas in healthcare cost management. He noted the recent implementation of the Healthtrac program and the newly-announced state-wide program aimed at increasing exercise. He suggested some other ways in which it might be possible to keep internal costs down. The President expressed concern, however, that controlling internal costs won't be enough given the prescription drug situation, the longer life-spans of the aging population and the increasingly-small ratio of those who are working to support those who are retired. He applauded the hospital's efforts to keep the costs down.

Bailey expressed concern over being old and unprotected. He asked if the President thought anything would change in the healthcare industry over the next 30 years, asked if there were alternatives to the proposal and, if so, why the proposal was better.

Siemer noted the lack of guidance given to the task force and said the task force had tried to fix an amount that seemed fair and reasonable and had tried to

estimate the average life span when making that calculation. Siemer suggested the plan would have greatest impact on early retirees who did not choose to defer the plan until they were older. He added the group did not take into consideration national changes which may or may not occur.

Cibull noted the possibility of Medicare capping its benefits as well and said he wasn't sure what would happen if everybody capped their benefits together. He said the other problem was the "one size fits all" approach utilized by the task force since it did not take into consideration the differential impact on the staff. Cibull added this particular criticism had not been answered. He cited Samuel's statement at the University Senate meeting that he had broached concerns to the task force but had been over-ruled in the meeting.

Siemer said Samuel had to be asked twice to head the task force and had composed a defined contribution plan, which Siemer said was open to change. Tagavi asked if the decrease in benefit could be phased in more gradually to avoid the sudden increase in expense to the retiree after the benefits run out. Siemer noted not all members of the University community will find the various scenarios to be appealing.

Cibull said his biggest concern about the upcoming forums is that the conversations that will occur may not be the most effective way to formulate better solutions to the problem. Siemer agreed but thought the forums will be a good place to begin conversations. He added a reconstituted committee might be a good idea after the various discussions have been heard.

The President agreed that a new committee might be a good idea. He expressed appreciation for the "good minds" at the University and was pleased that conversation about the issue had begun.

The Chair reported the concern of some members of the University community that the EBC can't really accomplish the task before it in just one meeting. He said it sounded as if the President was willing to consider other recommendations resulting from the ongoing conversation. The President agreed, saying the EBC meeting will not be a "drop dead date" for anything. He said the EBC meeting is a necessary step in a process. The President said he might send out a communication to try to dispel some of the rumors surrounding this issue.

Bailey asked who will collect the information at the various forums and whether the information obtained will be compiled into a final report. Siemer said a person from Benefits will present the various themes from the meetings to the EBC. Bailey asked if the task force will report to the EBC. Siemer said the task force's report has already been submitted to the EBC, which recommended the involvement of the Senates and the upcoming forums. Tagavi asked if the report was supposed to go to the EBC or to the President. Siemer said it should go to

the EBC because of the University's governance structure in the AR's. He said the report from the EBC will go to the President with the input from the University community.

Bailey suggested reporting the University Senate's resolution and rationales to the EBC. Siemer noted the Senate's right to make recommendations to the President, but agreed with Bailey that the process point for this issue is the EBC. He expressed his belief that the committee is constitutently representative, informed, reasonable and "ready to make the right recommendation, informed by the conversation, whatever the right recommendation might be".

Yanarella expressed his hope the resolution of this issue in its final form will be elastic to accommodate future circumstances so this issue doesn't have to be revisited in the near future. The President appreciated Yanarella's point and noted national policy changes to assist the healthcare cost situation could likely expand the life of the benefit from 15 to 20 years, as an example of the elasticity already built into this proposal. He suggested the 4% interest growth on the retiree's pool of resources is another example of flexibility in the plan. The President said this plan would put some of the responsibility on the user to stay healthy and change behaviors to avoid reaching the cap as long as possible.

Jones asked if this issue will reach the Board of Trustees for approval. The President said he will inform the Board but did not know if they will need to vote on this issue or not.

Jones asked the President about an article in Sunday's Herald-Leader regarding increases in the salaries of the staff in upper administration who report to the President and asked if those salary increases will correspond to a high level of performance expectations. The President expressed his dissatisfaction with the article in question in that it did not address market conditions and their impact on salary offerings. Jones asked if the output expectations for the people in question would be higher in correspondence with their higher level of salary, as compared with the salary of their UK predecessors. The President said he expected a high level of performance. He also noted the paper reported averages using 9 month salaries for faculty and 12 month salaries for administrators. The President provided rationale for two of the new positions created since he took office. He also suggested the salaries earned by the EVPHA and some of the athletic staff salaries may be low compared to other institutions. The President cited many of the initiatives he has employed to try to conserve University dollars.

Before leaving, the President said he will help dispel the rumors that a decision will be reached by January 5th, that this is a "done deal", and that upper-level administrators have a different benefit structure. Bailey suggested he also ask the community to route communications and concerns about this issue to the

EBC rather than the President's Office. The President and Siemer departed at 4:00 pm.

4. Rationales regarding Resolution:

The Chair asked the Senate Council members if they would like to change the rationales based on the President's comments. Cibull said this document should be sent to the EBC. Saunier agreed and thought a further recommendation was going to be drafted as well pertaining to the formation of a blue ribbon task force. Cibull said the EBC will have to make that recommendation and hoped they will understand the issue pertains to health benefits and not retiree benefits.

Bailey said an alternative plan was missing and suggested forming one. Cibull said the concentration for now should be on completing the rationale since the Senate charged the Senate Council to do so. Bailey agreed.

The Chair noted the Senate representative of the EBC Claudia Diebold was aware of the sentiment of the Senate.

The Senate Council members suggested various editorial changes to the rationale, which will be amended. The Chair asked if the Senate should be informed of the Senate Council's meeting with the President. Cibull asked if the Council members wanted to make a recommendation to create a new document to propose a possible alternative to the current task force recommendations. Saunier was in favor of the idea. Cibull suggested not referring to the President when creating the new document, since it was the Senate Council's thought that this issue could be addressed in a better way. He reiterated his suggestion about forming a blue ribbon committee.

Tagavi **moved** that a blue ribbon committee, equally representative and selected by faculty, staff and administration be formed to address the problem of rising health care benefit costs. Kaalund **seconded** the motion.

Debski expressed concern over the lack of connection between the motion and the newly-created rationale document. Bailey suggested the wording "In association with the resolution, we make the recommendation that a blue ribbon committee, etc..." The additional wording was incorporated into the motion.

The Chair reported to the Council members the similarity between the resolution being drafted by the Staff Senate's ad hoc committee and the rationale being presented to the University Senate for vote. He said it was possible the EBC may examine the two resolutions and decide the two Senates should work together.

Tagavi said it would be nice to get the Staff Senate to endorse the Senate Council's proposal regarding formation of a committee. Cibull responded that if

the Staff Senate agreed then the resolution could be presented jointly. The Chair will discuss future plans with Staff Senate Chair Brothers.

After further discussion, the motion **passed** without dissent.

Other Business:

The Chair asked if he should tell the Senate about the conversation with the President and of his agreement to address the various rumors surrounding this issue. Bailey suggested avoiding the issue of the rumors and focusing instead on the President's expression of openness, the role of the EBC, the lack of a "drop dead date" and the blue ribbon committee proposal. Debski suggested stressing the notions of "continuing progress, continuing dialogue", and that time still exists in which to change things.

5. Code of Ethics/Conduct:

The Chair reminded the Council members of its discussion of this issue in September. He asked if the full Senate should comment on the Code. Saunier asked how widely-distributed the Code was during the September discussion. The Chair replied it had only been sent to the Senate Council, not the full Senate. He said he could post it to the Senate web page for all senators to review.

Tagavi expressed his disapproval of segments of the document. Jones asked what time constraints were pressing. Saunier asked what happened to the recommendations made by the Senate Council in September. Jones asked if the Chief of Staff had informed the Senate Council Chair that the changes from September had been incorporated. The Chair replied in the negative and will discuss the issue with the Chief of Staff. He will inform the Senate Council of his findings.

Other Issues:

Jones asked the Chair to follow-up on the issue of the new members on the Senate Advisory Committee on Privilege and Tenure. The Chair said he will find out who they are so the information can be posted to the Senate web site.

6. Senate Council Officer nominations:

Tagavi **nominated** Yanarella. Cibull **seconded** the nomination. Debski **nominated** Bailey, who **declined**. Cibull **moved** to close nominations. Jones **seconded** the motion. The motion **passed** without dissent. Yanarella will inform the Senate Council members of his willingness to serve by Wednesday, November 26. The election will be held the following Monday at the Senate Council meeting with the nominations and election of Vice-Chair immediately following.

Kaalund expressed his interest in running for Vice-Chair. The Chair read the rules pertaining to the election of Vice-Chair, which specify that the Vice-Chair

must be a faculty member of the Council. Kaalund suggested a rules change so students could be allowed to run.

7. Courses/Programs:

Various Senate Council members expressed concern and confusion regarding the proposed MS in Mechanical Engineering through distance learning mechanisms in Paducah. Jones objected to language that referred to a graduate center in Paducah since he thought there was not a center there. Saunier asked if it was different degree or the same degree which could be offered via distance learning. She also wondered if the separate degree would be clearly delineated on the transcript or diploma. The Chair was uncertain as to whether the program had been formally approved yet. Saunier suggested inviting somebody from Mechanical Engineering to come to the next Senate Council meeting to address these and other questions. The Chair will arrange it.

Ms. Scott asked the Senate Council members if changes in Model options available to PhD students is an item which should be brought before the Senate Council at its meetings or if could instead be posted to the web. After brief discussion Bailey suggested bringing it to the meeting until the question was decided.

The remaining agenda items will be discussed at the next meeting. The meeting adjourned at 4:56 pm.

Respectfully submitted by
Jeffrey Dembo, Chair

Members present: Ernie Bailey, Mike Cibull, Liz Debski, Jeff Dembo, Lee Edgerton, Davy Jones, Braphus Kaalund, Peggy Saunier, Kaveh Tagavi, Ernie Yanarella.

Guests present: Dick Siemer, Lee Todd.

Prepared by Rebecca Scott on November 25, 2003.