

FACULTY SENATE
Tuesday, October 20, 2009
3:30 – 5:15 pm
Senate Chamber, Old Capitol

MINUTES

- Senators Present: D. Anderson, N. Andreasen, J. Bertolatus, S. Bishara, D. Black, G. Buettner, H. Butcher, J. Cox, E. Ernst, M. Fang, J. Fieselmann, J. Garfinkel, E. Gidal, T. Gross, G. Jogerst, B. Justman, C. Kletzing, S. Kurtz, D. Look, T. Mangum, B. McMurray, J. Menninger, F. Mitros, D. Morris, J. Pendergast, J. Polumbaum, J. Reist, L. Richman, L. Robertson, G. Russell, M. Sauder, C. Scott-Conner, V. Sharp, P. Snyder, S. Staggs, R. Valentine, T. Vaughn, J. Wadsworth, L. Wang, E. Wasserman, J. Wilcox, R. Williams, M. Wilson Kimber, N. Zavazava.
- Officers Present: E. Dove, D. Drake, M. O'Hara, K. Tachau.
- Senators Excused: A. Campbell, P. Mobily, S. Schultz, H. Stecopoulos, S. Vincent.
- Senators Absent: J. Beckman, M. Cohen, S. Gardner, D. Hammond, C. Helms, K. Kader, L. Kirsch, J. Kline, T. Kresowik, E. Lawrence, D. Macfarlane, C. McCarthy, S. McGuire, R. Mutel, N. Nisly, B. Rakel, T. Schnell, W. Sharp, C. Sponsler, T. Stalter, N. Street, S. Stromquist, M. VanBeek, R. Wachtel, S. Wilson, C. Woodman, T. Yin.
- Guests: L. Cox (Office of the Ombudsperson) C. Drum (University Relations), B. Ingram (Office of the Provost), C. Joyce (Office of the Ombudsperson), R. Sayre (Emeritus Faculty Council), D. True (Senior Vice President and Treasurer), L. Zaper (Faculty Senate)

I. Call to Order – President Drake called the meeting to order at 3:31 pm.
<http://www.uiowa.edu/~facsen/archive/documents/Agenda.FacultySenate.20.10.09.pdf>

II. Approvals

- A. Meeting Agenda – Professor Pendergast moved and Professor Mangum seconded that the agenda be approved. The motion was unanimously approved.
- B. Faculty Senate Minutes (September 8, 2009) – Professor Bishara moved and Professor Pendergast seconded that the minutes be approved. The motion was unanimously approved.
- C. Committee Replacements (Ed Dove, Chair, Committee on Committees)

- Michele Fang (Internal Medicine) to fill the unexpired term of Sara Copeland (Pediatrics) on the Senate, 2009-12
- Yasser Karim (Anesthesia) to replace Lucie Laurian (Urban & Regional Planning) on the Faculty Staff Parking Appeals Committee, 2009-11

Professor Pendergast moved and Professor Wadsworth seconded that the replacements be approved. The motion was unanimously approved.

III. New Business

- *Office of the Ombudsperson Annual Report (Cynthia Joyce and Lois Cox, Ombudspersons)*
Ms. Joyce referred the Senate to the last (summary) page of the 2008-09 annual report. During that year, there was a 15% increase in cases over the previous year (487 cases compared to 424 cases). She stated that the report emphasizes that the university experienced a particularly difficult year last year (flood, budget crisis, etc.) and that led to an increase in visitors to the Office. The percentage of faculty among the total number of visitors has remained constant for the past several years; this past year it was 16%. The primary faculty concern, job conflicts, dropped from 55% to 44% of total faculty concerns. For staff, the primary concern (65%) was also job conflicts (problems with co-workers, supervisors, administrators). Primary student concerns (45%) were academic (grade concerns, problems with a TA, professor, or program). Ms. Joyce noted several trends during the report year: twenty-eight percent of faculty concerns dealt with academic matters (teaching loads, research) and 36% of graduate student concerns involved a problem with a supervisor (usually a faculty member). Seventeen percent of the total cases reviewed by the Office involved disrespectful behavior, an increase over the last year and a trend of great concern to the Ombudspersons. The increase seems to be a result of the great stress on campus last year. Ms. Joyce concluded by reporting that there was a response rate of 47% to an evaluation survey of the Office by visitors. Eighty-one percent of the responses were positive, with 62% of respondents indicating that they had learned skills to help them deal with future conflicts. Professor Menninger asked for examples of “disrespectful behavior.” Ms. Joyce gave the following examples: raising one’s voice, name-calling, slamming doors, throwing things, and shunning people. She added that the Office considers bullying to be disrespectful behavior, also.

Professor Lois Cox reiterated that the university had experienced a very difficult year in 2008-09. She commented that because of the unusually stressful atmosphere, people seemed to lose their composure and respond to situations in impulsive and short-sighted ways. Problem avoidance was particularly prevalent. Supervisors expressed reluctance to deal with problem situations that have existed for many years. Other concerns involved privilege of various sorts, such as a perceived lack of empathy for the points of view of members of racial minorities. There were also cases involving status hierarchy; for example, some high-profile individuals had special efforts made for them, whereas others farther down in the university hierarchy did not. And, there were several cases in which staff with advanced degrees felt a lack of respect from faculty. A final area of concern was the intersection of health (particularly mental health) and work performance. Health difficulties were exacerbated or surfaced for the first time under the pressures of the previous year. Professor Cox stressed that supervisors need to create environments in which health matters can be discussed freely. Early intervention in health situations can make an enormous positive difference.

Professor Mitros asked if there was a variation in cases by college. Professor Cox indicated that there was, but added that the Office no longer maintains statistics by college, because those colleges with higher statistics might try to discourage their employees from visiting the Office. She added, however, that if the Office observes a recurring problem in a particular unit, the Ombudspersons will contact the appropriate administrator and call that problem to the administrator's attention. Professor Mangum requested that Professor Cox elaborate on the problem avoidance that she had referred to earlier in her presentation. Professor Cox indicated that sometimes the "problem" in a unit is an individual who engages in bullying or other inappropriate behavior. The Office frequently experienced reluctance on the part of administrators to deal with difficult individuals. Professor Pendergast asked for suggestions on how to be proactive regarding the types of issues brought forward in the report. Professor Cox responded that it is the task of the Office to raise awareness about these issues. She added that we should be more mindful of our colleagues and avoid inappropriate behavior. Professor Pendergast suggested that perhaps the Ombudspersons could write brief articles for collegiate newsletters reminding people about inappropriate behavior during these stressful times. President Drake urged those present to reach out to colleagues experiencing difficulties.

- *Funded Retirement and Insurance Committee Update (Sheldon Kurtz, Faculty Co-Chair, FRIC)*

Professor Kurtz explained that he gives a yearly update to the Council and the Senate regarding impending changes in the university benefits system. Regarding the health insurance plans, he reminded the group that employees (faculty and professional & scientific staff) currently have a choice between two plans, UI Choice, by far the more popular, with 8700 contracts, and CHIP II, with only 880 contracts. Professor Kurtz commented that although FRIC is not currently recommending the discontinuation of the CHIP II plan, this is a possibility for the future, given the low number of contracts.

Professor Kurtz then updated the Senate on premium increases to go into effect for the 2010 calendar year. He commented that the rate of increase university health plans will not be as high as many health plans around the country will experience; this is in part due to the fact that the university health plans are self-insured and costs can be somewhat controlled. Professor Kurtz reminded the group that the university provides employees with a considerable amount of flex credits to help cover these monthly premiums, so that the premiums do not reflect employees' out-of-pocket expenses. The university is committed to providing an employee enough flex credits to purchase the single UI Choice policy. Any additional amount of flex credits can vary widely depending on individual circumstances. For the single UI Choice plan, there will be a 5.6% increase in the monthly premium. For the employee/spouse plan, there will be 10.4% increase; for the employee/child plan, a 12% increase; and for the family plan, a 5.3% increase. The monthly premiums for the four plans would be, respectively, \$431, \$929, \$788, and \$1023. For the CHIP II plan, the single plan will increase 30%, for a monthly premium of \$593. There will be no increase for the employee/spouse plan or for the family plan, but the employee/child plan will have a 10% increase. Professor Kurtz indicated that the premiums are predicated on claims experience within each group.

Professor Kurtz stated that FRIC has recommended a new plan on co-pay structure. Currently, visits to a UIHC physician entail a \$10 co-pay. Under the new plan, this co-pay would be reduced to \$5. Currently, visits to a local, non-UIHC physician entail a \$15 co-pay, but under the new plan the co-pay would be increased to \$20. Two commitments were made by UI Health Care in exchange for these favorable co-pays: preferred appointment times would be set aside for UI employees and a questionnaire, containing questions developed by FRIC, would be distributed to the UI community. Professor Kurtz reminded the Senate that UI Choice features three levels of places to receive care: UIHC, Iowa, and outside of Iowa. The co-insurance is 10% for UIHC care, but 40% for care received outside of Iowa.

Professor Kletzing asked about the length of claims experience used to determine premiums. Professor Kurtz explained that the period of time used is the previous fiscal year. Professor Pendergast asked if faculty continue to be covered by a health plan when they are on leave in another location. Professor Kurtz responded that employees are always covered for emergencies no matter where they are, but no special arrangements are made for faculty on leave away from Iowa. Professor Pendergast added that when she was visiting for one year here from the University of Florida, she was able to work out an arrangement between the two universities that allowed her to buy into a University of Iowa health plan.

Professor Kurtz turned to a discussion of the flex benefit system. He reminded the group that the flex benefit credit is determined by four insurance products: health, dental, life and disability. FRIC has submitted recommendations to President Mason for reforming the flex benefit system. She has requested that FRIC review their recommendations one more time, taking into account concerns raised by the campus community, although several recommendations, involving life insurance and flex spending account maximums, are already being implemented. FRIC will make a final recommendation to President Mason on flex benefit system reform towards the end of the year.

- *University Budget Update (Doug True, Senior Vice President and Treasurer)*
Prior to introducing Senior Vice President and Treasurer Doug True, President Drake urged senators to take advantage of this opportunity to speak out regarding the university's budget situation. Mr. True began his presentation by commenting that the university community had recently witnessed two extraordinary events, the flood of 2008, quickly followed by the global financial crisis. Regarding flood recovery, much work was done over the summer to improve the accommodations of Theatre Arts, Music, and Studio Arts, although much still remains to be done. The Federal Emergency Management Agency (FEMA) is the university's partner in these efforts. The university has borrowed \$40 million to contribute to the flood recovery efforts. Our elected officials have also helped us in our recovery. Regarding the financial crisis, Mr. True stated that at this point, the university is doing well, although we cannot say what the future may hold. Mr. True noted that September 2008 and February 2009 were particularly dark periods when it was unclear which financial institutions would remain solvent. He credited the Faculty Investment Advisory Committee, and especially two Finance faculty members, Ashish Tiwari and Matthew Billett for their advice during this time of great peril. Mr. True cited this as a fine example of shared governance. He also acknowledged the contributions of Professor Kurtz

through the years, and stated that Regent Jack Evans and Cynthia Bartels, Treasury Director, have also provided extremely helpful advice.

Mr. True then turned to a discussion of recent appropriations history. We have had a total of \$66 million reduced in a very short period of time; this has included a \$7 million reversion in the general fund in FY09, another \$34 million reduced at the beginning of FY10, and now an additional \$25 million has been reduced. Our appropriation has dropped from \$276 million to \$210 million. This latest cut of \$25 million must be made very quickly. The expectation of the Board of Regents, State of Iowa is that the plan for cutting this money will be presented by President Mason at the October 29 meeting, when the Regents will also discuss tuition and fees for the next academic year. Early and phased retirement is one of the means for meeting this reduction: the original projected savings from this program, \$1.8 million, now appears likely to be exceeded. About 680 individuals have expressed an interest in early or phased retirement. Mr. True reminded the senators that the university had received about \$35 million in ARRA funds at the beginning of the academic year. About \$13 million of that having been held in reserve for a competitive award process, that money may now be available to be used instead to offset the \$25 million cut.

Professor Kletzing asked for clarification regarding whether the amount of money that the university administration expects to be in the General Education Fund (GEF) on July 1, 2010 would be \$210 million. Mr. True responded that no, the \$210 million is just the state appropriation; the entire GEF amount would be about \$570 million. Professor Kurtz commented that it was his understanding that, as a condition of obtaining ARRA funds, states had to maintain a certain level of financial support for universities. Would these budget cuts affect Iowa's eligibility for ARRA funds? Mr. True responded that the ARRA funding includes provisions for waivers and the Regents do not believe that the budget cuts put Iowa in danger of losing that funding.

Following Mr. True's presentation, President Drake led a discussion of the current budget situation. He listed some of the options for budget-cutting that had been suggested by Board of Regents President David Miles: temporary reductions in pay, temporary layoffs, benefit reductions, retirement benefit reductions, and permanent layoffs. President Miles suggested as a guiding principle that the pain of budget cuts be shared across groups as much as possible. To achieve this, probably some combination of the above options will be implemented.

Professor Wadsworth asked for a status report on the hiring freeze and building moratorium that had earlier been announced by President Miles. President Drake indicated that, while the hiring freeze remains in effect until the October 29 Regents meeting, when the university presidents will present their plans for budget cuts, the building moratorium has already been lifted.

At the request of several senators, Mr. True provided some financial information to facilitate discussion: (1) a 1% tuition increase across the board equals just under \$3 million of the GEF; (2) the GEF contains about \$345 million for salaries and benefits for faculty and non-bargaining staff and another \$75 million for salaries and benefits for bargaining staff. This means (3) that if everyone paid from the GEF took one day without pay, that would equal about

\$1.3 million. Finally (4), 1% of the employer retirement contribution equals about \$3 million in the GEF.

Professor Sharp asked about using a combination of the above options to reach the necessary level of savings, while pointing out that not everyone's salary comes from the GEF. Mr. True suggested that the number of possible combinations was practically infinite. Professor Garfinkel estimated that twenty days of temporary reduction in pay would produce \$25 million in savings, while achieving the same level of savings through employer retirement contribution reductions would require an 8% reduction. Further clarification regarding retirement contributions included the fact that, through discussions with TIAA-CREF, the UI Human Resources had ascertained that contributions must be at the same percentage for everyone employed at the UI whose retirement funds go to TIAA-CREF. For those employees whose salaries are paid partly or entirely by grants or contracts, there are Federal regulations determining how such salaries may and may not be modified. Furloughs could be made for non-bargaining employees through targeting by fund. President Drake reminded the group that although there is a \$25 million reversion, the university is planning to use about \$13 million of the ARRA funds to cover this, so that only \$12 million must be sought for the budget cut. Professor Kletzing commented that he is currently working under a federal contract that requires him to deliver a product by a certain date. If his employees are furloughed, he will not be able to deliver the product on time and will be in violation of his contract. Will exceptions be made for furloughs in such cases? Mr. True reiterated that there are many variables to consider.

Professor Kurtz commented that, since employees rely on salary rather than on retirement contributions on a daily basis, he would prefer to see cuts come more from retirement contributions rather than from salaries. He asked if temporary tuition increases were also being considered; President Drake replied that they were, along with a tuition surcharge for the spring 2010 semester only. Professor Garfinkel stressed that any reduction to retirement contributions must be temporary, given the possible compounding loss of retirement income to employees. Professor Pendergast added that those employees approaching retirement age would be disproportionately affected by such cuts. Professor Scott-Conner asked whether those employees who do not currently have organized representation might now be inclined to organize. Mr. True responded that Regent Miles urged that cuts be shared equitably across employee groups.

In the following discussion, Professor J. Cox stated that he did not see how it would be possible to avoid a tax increase if we want to restore the cuts in the future, and asserted that instituting a tax cut during times of recession has been done before in Iowa; Professor McMurray emphasized that salary cuts hurt junior faculty more than senior faculty; Professor Polumbaum advocated for a combination of temporary reduction in pay and temporary reduction to retirement contributions that would insulate less-well-paid employees; and Professor Vaughn suggested that reduction of vacation accrual might be another source of funds. This led Professor Kurtz to comment that perhaps, through the HR website, each employee could be allowed to choose what type of reduction – salary, retirement benefits, etc – s/he would prefer. Professor Gidal next voiced opposition to the tuition surcharge, and Professor Wasserman concurred in this opposition, adding that it seemed wrong to him to spring a mid-year tuition hike on students. Professor Menninger noted that layoffs cause hardship not only

for those laid off, but also for those still working. He added that perhaps employer contribution to unemployment benefits might also be a disincentive for layoffs. Mr. True commented that not only are the human costs of layoffs large, but that also those laid off are not taxed (which increases the State's budget problems by diminishing tax revenues).

Professor Pendergast also was opposed to a mid-year tuition increase or surcharge, proposing instead that students could be asked to help out in some functional way. Whereupon President Drake posed the question to the Senate: what if the lack of a tuition hike leads to more layoffs? Professor Scott-Conner asked how much of a surcharge is being considered. President Drake did not provide a number, but answered that the amount would not be large. Professor Mangum commented that the problems we are dealing with will most likely not be resolved in a year or two, so we must take a long-term view of the situation, which means thinking about what kind of university we will be if we have substantially less state funding. Professor Wilcox commented that the university will be more dependent on tuition money in the years to come. Professor McMurray asked if there would be a different surcharge for different groups of students, e.g., in-state vs. out-of-state students. President Drake was not aware of such a proposal. Professor Wadsworth advocated for "sharing the pain," rather than having one university group bear the brunt of the cuts. Professor Kurtz concurred. Professor Buettner asked about increasing revenue through grants. Professor Menninger urged the Faculty Senate Officers to stress to the Regents that the quality of education at the university will be negatively affected by these budget cuts, so that the Regents may make that known to the public. Professor Kletzing also advocated for sharing the pain with students, such as through a temporary tuition surcharge, provided that the surcharge not be large.

Professor J. Cox proposed a resolution: To express thanks to the Faculty Senate Officers for taking on the job of leading during these difficult budget times. Professor Buettner stressed that the public does not see how budget cuts over the years affect the university. Professor Fang asked about bonding. Mr. True responded that bonding is only done for capital projects and moreover it is not wise to borrow long-term for short-term needs. Professor Morris urged keeping three principles in mind when discussing the budget: First, minimize harm; Second, maintain equity across employee groups; Last, think of the long-term survival of the university, so that it does not become something vastly different from what it is now. In response to a question, President Drake stated that the purpose of this discussion session was to gather input from senators and provide this input to the administration.

IV. From the Floor – Professor Wilson Kimber reported that the Iowa chapter of the American Association of University Professors (AAUP) would hold its state conference on Saturday, November 14, on the UI campus. Representative David Loeb sack will give remarks. Also, there will be a "budget blues" happy hour at Takanami following the next Faculty Senate meeting (December 1). And, AAUP is currently in the midst of a membership drive. AAUP supports shared governance, due process, tenure, and academic freedom. New members will receive free tee-shirts.

Professor Mangum expressed her thanks to the Faculty Senate for hosting a panel for the 2009 Obermann Humanities Symposium, Platforms for Public Scholars, this past weekend.

President Drake served as moderator. Panel participants included UI faculty Rachel Williams, Carolyn Colvin, Ed Folsom, Linda Bolton, and Marshall Poe.

V. Announcements

- The annual Faculty Senate/Iowa City Area Chamber of Commerce reception for area legislators will take place on Thursday, December 3, 4:30-6:00 pm.
- The next Faculty Council meeting will be Tuesday, November 17, 3:30-5:15 pm in the Penn State Room (337) of the IMU.
- The next Faculty Senate meeting will be Tuesday, December 1, 3:30 – 5:15 pm in the Senate Chamber, Old Capitol.

VI. Adjournment – Professor Kurtz moved and Professor Pendergast seconded that the meeting be adjourned. The motion was unanimously approved. President Drake adjourned the meeting at 5:12 pm.