General Faculty Meeting

Friday April 15, 2016

Gonzaga Auditorium, 3:30-5 pm

Agenda

1. Announcements

2. Approval of the minutes of 3/18/16 (attached)

3. Report from the Faculty Salary Committee and consideration of 2016-2017 MOU/BPO, if available

4. Adjournment

The meeting will be followed by a gala reception hosted by the Faculty Welfare Committee/AAUP
Fairfield University
General Faculty Meeting
March 18, 2016
Draft Minutes of Meeting

These minutes have not yet been approved by the General Faculty.

Proxies were held by:
Bill Abbott
Bill Abbott
Catherine Andersen
Anne Campbell
Jackie Conelius
Ronald Davidson
Carol Ann Davis
Bob Epstein
Liz Hohl
Sonya Huber
Ginny Kelly
Matthew Kubasik
Matthew Kubasik
Diana Mager
Diana Mager
John Miecznikowski
Joyce Shea
Christine Siegel
Stephanie Storms

for:
Danke Li
David McFadden
Shannon Gerry
Barbara Welles-Nystrom
Sheila Grossman
Katherine Schwab
Sally O'Driscoll
Gita Rajan
Emily Orlando
Cecelia Bucki
Patricia Behre
Bryan Crandall
Erica Hartwell
Harvey Hoffman
Doug Lyon
Karen Burrows
Kathleen Loviano
Kraig Steffen
Meredith Kazer
Lynn Babington
Pat Calderwood

Chair Alison Kris called the meeting to order at 3:35 p.m.

1. Announcements

Prof. Kris announced that there would be a meeting for FWC members immediately following the General Faculty meeting.

2. Approval of the minutes of 2/19/16

Motion [Caster/LoGiudice]: to approve the minutes of 2/19/16.
The motion passed unanimously.

3. Election of 3 members of the General Faculty to the Committee on Non-Tenure Track Faculty

The results of a ballot election were that Jackie Conelius was elected to a three-year term, Tracey Robert was elected to a two-year term, and Harvey Hoffman was elected to a one-year term.

4. Report from the Faculty Salary Committee

Prof. Chris Bernhardt, Chair of the Faculty Salary Committee (FSC), spoke for the committee. His comments were accompanied by the attached powerpoint presentation. He began by reminding the faculty of the members of the FSC and of the administrative team, chaired by VP Tom Pellegrino. He then reviewed the timetable; the FSC has been meeting almost weekly since October, while the Health Care Committee (HCC) met for months and has now completed their work. The Memo of Understanding/BPO should be approved before the Board of Trustees approves the 2016-17 budget at the end of March, so we ought to be discussing the final MOU at this meeting. Unfortunately, we are once again behind schedule.
Prof. Bernhardt reported two pieces of good news. The report to the AAUP no longer contains a volatility factor, which the FSC viewed as padding. So the reported compensation data are now lower and more accurate. Also, the administration is willing to reinstate the reserve fund for our self-insured healthcare plan.

The bad news is the administration's current proposal. The administration is proposing a 3-year plan, which should be good news, but its terms are not. It includes a yearly salary increase of 1.5% or CPI, whichever is higher, with a total cap on the increase in the salary pool of 2.5%. This proposed cap is very troublesome, as will be seen below. Furthermore, with regard to healthcare, the administration proposal includes: eliminating the PPO, leaving only the HSA; keeping the 80/20 cost share for employees, but increasing the cost share for dependents to 70/30; adding co-insurance in year 1 such that the insurance would pay only 90% of costs; making further as yet undetermined changes to healthcare in years 2 and 3; and eliminating the retirement buyout.

Prof. Bernhardt went on to consider each aspect of the administration's proposal in detail. When the administration first raised the possibility of a cap on the salary pool, the FSC asked whether such a cap would include promotions. They pointed out that had such a cap been in effect last year, there would have been no money left for promotions. The administration team said yes, some years there might be fewer promotions in order to allow for a salary increase. Prof. Bernhardt noted that Vice Provost Christine Siegel was not at that meeting and the administrators who were in attendance clearly didn't understand the tenure and promotion process. The FSC explained that faculty have two promotions at most and each involves a substantial increase. In response to that explanation, the administration excluded promotions from further talk of a cap. The FSC asked what else the cap would include and how it would be calculated. Specifically, plans to increase the size of the student body suggest a need to increase the number of faculty- would that be part of the cap? The administration responded that it's not clear how that would work. The FSC said that there could be a conflict with the contractual commitment to the 95th percentile if a true-up is triggered. He concluded this point by noting that it's not clear how the cap would be computed or how triggering it might be dealt with. Therefore, while such a cap might be good for planning purposes, it is not appropriate for a contractual document.

Turning to healthcare, the administration has presented no convincing rationale for eliminating the PPO. They say it will save money, but the HCC has considered lots of data- the administration has provided whatever they've asked for- and there is no indication that eliminating the PPO will save money. In fact, Mercer, the administration's consultant, has compared us to other institutions. None offer just one plan or just an HSA; over 90% offer a PPO.

The proposal to continue the 80/20 cost share for employees while switching dependents to 70/30 and adding 90/10 co-insurance would lead to increased costs for insured employees and lower take home pay for some. The FSC made some computations with the conservative assumption of no increase in premiums. Under that assumption, an employee plus one would pay more than $1000 more in premiums and employee plus two would see an increase in over $1700 in premiums. Every faculty member making less that $115,100 and insuring a family would receive a cut in take home pay.

Healthcare costs are increasing but they're being shifted to employees. Costs to the university have been decreasing. The amount spent by the university per person on healthcare decreased by about 3.3% over the past seven years. During this same period, tuition increased by over 22.6%. Healthcare, as a percent of the university's budget is probably decreasing faster than any other item. There is no healthcare crisis at Fairfield because costs are being shifted to employees. The joint HCC didn't recommend any changes to health insurance for the next MOU/BPO.

With regard to the reserve fund, Prof. Bernhardt said that last year there was a surplus of $2.7 million in premiums relative to healthcare cost. The administration spends such a surplus however they like even though employees paid 20% of it for their healthcare. The FSC's position is that last year's surplus (but not the previous year's) should be used to seed the reinstated reserve fund. If there is a deficit in healthcare, it can be taken from the reserve fund and if there's a surplus it should be added to the reserve fund. That's the sensible thing to do. He reminded the faculty of the drastic actions the administration took a few years back when there was a budget deficit. Not saving the surplus seems irresponsible.
Finally, the retirement buyout is currently for faculty between the ages of 62 and 65. Faculty who take the buyout get $20,000 plus the lesser of their current salary or the mean salary for full professors. The administration is proposing that next year be the final year for the buyout and that for the final year, it be made available to all faculty over the age of 60, with no upper age limit, but capped at a limit of at most 15 faculty. A retirement buyout might recur at some later point; it would be used surgically. Under the administration's proposal, over 60 faculty would be eligible but only 15 could take the buyout. The FSC asked how the 15 would be determined. The administration's initial response is that it would be first come, first served. The FSC suggested that that sounded like a Walmart special, with people camping out to be first in line. The administration then changed to suggesting a lottery. On that note, Prof. Bernhardt concluded his presentation and opened the floor to questions.

Prof. Ron Salafia asked to clarify that the buyout would be a year's salary plus $20,000. Prof. Bernhardt confirmed that understanding.

Prof. Beth Boquet said that the buyout used to entail minimum years of service and asked whether it still did under this proposal. Prof. Bernhardt said that currently the buyout requires 15 years of service; in the administration's proposal that would be reduced to 10 years. Prof. Boquet then asked about the legality of employees having differential access to retirement benefits and of offering benefits in some years and not others. Prof. Bernhardt said that they had asked the administration about the legality of their proposal. VP Esposito says that it is legal but the FSC hasn't yet consulted the FWC attorney.

Prof. Diana Mager asked whether there are usually 15 faculty per year who take the buyout. Prof. Bernhardt said that usually there are fewer, about 4-10, but they would expect far more if the offer was being discontinued.

Prof. Betsy Bowen, Chair of the Rank and Tenure Committee, wanted to be sure that a cap on the number of faculty who could be promoted in a year is thoroughly off the table. Prof. Bernhardt said that now whenever VP Pellegrino refers to the cap proposal, he says he is excluding promotions and equity adjustments. Prof. Bowen continued that today's memo from one member of the administration's team, VP Mike Trafecante, says that "proposed merit pools remain at competitive levels". She asked whether merit has come up again. Prof. Bernhardt said that there is a line in the budget labeled merit, but it seems to mean salary.

Prof. Kathy Nantz asked about the slide on cost shares and co-insurance- isn't there a family premium? Prof. Bernhardt explained that for the individual portion of the family premium you would pay 20%, and for the family portion, you would pay 30%. He added that employee plus two is actually employee plus two or more.

Prof. Paul Caster asked about the relation between the HSA and social security. Prof. Bernhardt said that people receiving social security are on Medicare Part A. Anyone receiving Medicare is not eligible for an HSA. The administration has talked about an alternative, possibly HRA.

Prof. Jocelyn Boryczka wondered whether the FSC has asked about a cap on administration salaries. Prof. Bernhardt said they have not.

Prof. Irene Mulvey said she was very concerned about the information on the slide labeled "bad news". Her question was about the 3-year plan. VP Trafecante's memo also refers to a 3-year plan. The FSC wants a 3-year plan as well, but we can't have a multi-year contract unless all of the elements are acceptable to the faculty. The fact that parts of the administration's healthcare proposal are "to be determined" is totally unacceptable. She said that the way this administration works, she doesn't think we're going to have an acceptable multi-year contract. Prof. Bernhardt said that Prof. Epstein has made that point again and again. The FSC has proposed a 3-year plan with no changes to healthcare, and a salary increase of CPI plus 1% for each year. Prof. Mulvey said that that was a great proposal and that she would support it right now. Her question was whether the administration's proposal was their final offer. Prof. Bernhardt said no, VP Pellegrino stressed to him today that this is not their final offer.

Prof. Mark LeClair asked about the co-insurance. If someone were hospitalized, would he or she have to pay 10% of the hospital bill? Prof. Bernhardt said that the administration hasn't provided a lot of detail yet, but
they said something about an out of pocket maximum for in-network expenses. It's not clear what the maximum would be and whether there would be any out of network maximum.

Prof. Susan Rakowitz expressed confusion about the statement that the joint HCC's position was not to recommend any changes to healthcare, while the administrative team was pushing for healthcare changes. Doesn't the joint HCC include members of the administration? Prof. Bernhardt confirmed that Provost Babington is on the HCC and that the HCC is in agreement that there is no good reason to eliminate the PPO. The views of the HCC have been shared with the FSC by the members who are on both committees, but the HCC has not made any formal recommendations to the FSC.

With no further informational questions, Prof. Boryczka said that she wanted to make two motions. These motions come with the full support of the FSC, the FWC Executive Committee, and the faculty members on the HCC.

**Motion[Boryczka/Nantz]:** The General Faculty’s position is that a cap on faculty salaries is not in keeping with our core academic mission, and that a cap on faculty salaries is inconsistent with the contractual commitment to the AAUP’s 95th percentile.

Prof. Mulvey spoke in favor of the motion. She said that a cap on faculty salaries sends a terrible message about what is valued and what is rewarded at Fairfield University. Faculty are not simply a cost to be controlled. Faculty and the work of the faculty are at the heart and soul of Fairfield University and its core academic mission. A cap on salaries would indicate that all we care about is the bottom line without regard for our core academic mission. We need to think about the bottom line, of course, but in the context of and by prioritizing our core academic mission. She added that this is also bad contract language. It's unclear what would happen if the cap and the 95th percentile are both triggered, so that's bad contract language.

Prof. Nantz asked whether the phrase, faculty salaries, means salary pool. Prof. Bernhardt said yes, it refers to the increase in the pool. Prof. Nantz further asked whether the cap would only apply to the faculty salary pool, or to other salary pools as well. Prof. Bernhardt said that they have only been discussing the faculty salary pool. Prof. Nantz noted that there is a relationship between faculty agreements and what's approved for the rest of campus.

Prof. Chris Staecker asked whether the cap would be on salary increases only. Prof. Bernhardt said no, it's the pool; if we hire more faculty, then there might not be money left for salary increases.

Prof. Bob Epstein, a member of the FSC, said that there's a great deal that's unclear, but the administration's proposal seems to be intended to get faculty to commit to a limitation on how much will be budgeted for faculty salaries. It hasn't been presented very cogently, but clearly there are hosts of problems. It is particularly problematic in being completely anomalous for us and for the academic context.

Prof. Boquet said that we repeatedly hear about the percentage of the annual budget that goes to salary and/or compensation. Is there a benchmark regarding the percentage of the operating budget going to salaries? Prof. Epstein said, we don't know. The FSC keeps making the point that the administration's priories can be reflected in their salary offers without putting these constraints into the MOU. The administration seems to be getting that point, yet their proposal has been virtually unchanged for months.

Prof. Vin Rosivach spoke strongly in favor of the motion. He said that the real faculty compensation pool-salary plus benefits- had remained basically flat over the years. It would be helpful to look at historical data, available from IPEDS. We tend to assume that if our own paychecks are increasing year to year, so too is the amount of money the University pays for faculty compensation as a whole. But this assumption misses two things, the effect of inflation, and the fact that the overall pool remains roughly constant because of people retiring at the top and coming in at the bottom.

**Motion[Bowen/Nantz]:** to amend by changing, "a cap on faculty salaries" to "a cap on the faculty salary pool".

Prof. Walt Hlawitschka spoke against the amendment because he said there should be no cap, no further adjectives were necessary. After thanking the faculty for being wonderful colleagues, he said that the
The administration's proposal doesn't acknowledge the faculty as valued. He assumed that when the administration presents to the Board of Trustees on their proposals, no details are "to be determined". So faculty aren't fully at the table. A few years ago, the HCC was asked to bend the curve, i.e., the faculty, regarding healthcare. We did and now they want to break us. Healthcare costs are not increasing; per employee costs are down, and that doesn't include the overpaying of healthcare to the tune of about $3000 per employee. This proposal is an expression of the administration's interest in lowering faculty compensation. We are a great faculty who deserve more. He speaks against the amendment because there should be no cap at all.

**Motion to amend passed.**

Returning to the main motion, as amended, Prof. David Crawford spoke for the motion, especially the second half. He said that the 95th percentile is what has provided stability to our payment structure for a long time. It is the only thing that guards against the capriciousness of the administration's bad budgeting. We need to protect it at all costs.

**Motion[Nantz/Crawford] to call the question. Motion passed.**

Vote on main motion as amended:

**Motion[Boryczka/Nantz]: The General Faculty’s position is that a cap on the faculty salary pool is not in keeping with our core academic mission, and that a cap on the faculty salary pool is inconsistent with the contractual commitment to the AAUP’s 95th percentile.**

**Motion passed, 83-0**

**Motion[Boryczka/Bowen]: The General Faculty’s position is that there is no reason to enact any changes to health insurance in the next MOU/BPO.**

Prof. Mulvey spoke in favor of the motion. She said that it was clear from all of the information that the HCC, led by Provost Babington, received, there was no reason for changes.

**The motion passed, 86-0.**

Prof. Mulvey offered thanks to the FSC, and the faculty seconded with a warm ovation.

5. **Adjournment**

A motion to adjourn [Miecznikowski/Leclair] was uncontested at 4:38 p.m.

Respectfully submitted,
Prof. Susan Rakowitz
Secretary of the General Faculty
We have good news and bad news.

- Good news:
  - Report to AAUP no longer contains the volatility factor, making our data much more accurate.
  - The administration appears willing to reinstate the reserve fund for our self-insured health plan.

Bad news: the administration’s current proposal

- Three year plan.
- Yearly salary increase of 1.5% or CPI, whichever is higher, but with total “salary cap” of 2.5%
- Year 1: Elimination of the PPO
- Year 1: Keeping the 80/20 cost-share for employees, but changing to 70/30 for dependents
- Year 1: Adding co-insurance – 90/10 split.
- Years 2-3: Health insurance changes TBD.
- Eliminating the retirement buyout plan.

Faculty Salary Committee

3/18/2016

Collegial Discussions

- Faculty:
  - Paul Baginski / Bryan Crandall
  - Chris Bernhardt (Chair)
  - Mark Demers
  - Bob Epstein
  - Sonya Huber

- Administrators:
  - Scott Esposito
  - Tom Pellegrino (Chair)
  - Christine Siegel
  - Mike Trafecante

Timetable

- Faculty Salary Committee has been meeting nearly every week since beginning of October.
- Health Care Committee met from the end of September until end of February, and has completed its work.
- An MOU/BPO should be approved by the General Faculty before the 2016-17 budget is approved by the Board of Trustees; this typically happens at the BOT meeting at the end of March.

Administration’s current proposal on: SALARY INCREASE

- Maximum of 1.5% or CPI.
- Total salary cap of 2.5%
- What is included in total salary?
  - Promotions?
  - Increased size of faculty to accommodate larger number of students.
  - This is inconsistent with the contractual commitment to the 95th percentile.
Administration’s current proposal to:
ELIMINATE THE PPO

• No rationale for this change has been presented to either the FSC or the HCC.

• There is no indication in any of the data from the administration’s health care consultant (Mercer) that this will lower costs.

• Over 90% of the institutions we are compared with in the Mercer data offer a PPO.

Are health costs increasing?

• Yes, but costs have been shifted to employees. Costs to the University have been decreasing.

• Amount spent by the University per person on healthcare decreased by about 3.3% over the past 7 years, during this same period, tuition increased by over 22.6%. Healthcare, as a percent of the University’s budget, is probably decreasing faster than any other item.

• There is no healthcare crisis at Fairfield, mainly due to the sacrifices employees have made year after year after year.

• The joint HCC did not recommend any changes to health insurance for the next MOU/BPO.

Administration’s current proposal on:
COST-SHARING PREMIUMS AND CO-INSURANCE

• Continue 80/20% cost share for employees.

• Change cost share for dependents to 70/30%

• Co-insurance of 90/10%
  – No rationale for these changes has been presented to either the FSC or the HCC.
  – For many employees, these changes will lead to increased costs and lower pay.

Reserve Fund

• Faculty:
  Reinstate reserve fund.

• Administration:
  Reinstate reserve fund.

Seed with $2.7 million surplus from 2015

How will the administration’s current proposal on cost-sharing premiums affect your paycheck?

Using current (2016) premiums, and 80/20 for employee & 70/30 for dependents cost-share:

• Employee +1 premiums would increase by $1,015.50

• Employee +2 premiums would increase by $1,726.50

• Every employee that makes less than $115,100/year and is insuring a family will receive a pay cut.

Early retirement buyout

• Currently:
  – Available to faculty aged 62 to 65.
  – $20,000 + lesser of current salary or mean for full professors.

• Administration proposal is to end the buyout in next MOU/BPO:
  – In 2017, buyout would be available to ALL faculty over 60, but capped at a maximum of 15 faculty.
  – If more than 15 faculty apply, there would be a "lottery."