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Faculty Senate Chronicle September 6, 2001

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the university of akron
Chronicle

2001-2002, No. 1

a report to the faculty of
the university of akron



September 6, 2001

72 Pages

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Any comments concerning the contents in The University of Akron Chronicle may be directed to the Secretary, Dr. Elizabeth Kennedy (x6932)
facultysenate@uakron.edu

FACULTY SENATE MEMBERSHIP

(Update: 9/25/01)

College of Arts & Sciences (18)	Community & Technical College (5)	College of Education (5)
Linda Barrett, 04 Kim Calvo, 03 E. Erickson, 03 Rudy Fenwick, 04 Michael Graham, 03 Ali Hajjafar, 02 Stephen Harp, 04 David Louscher, 02 Bill Lyons, 02	Tim Norfolk, 04 Robert Pope, 02 P. Sakezles, 02 Richard Steiner, 03 Harvey Sterns, 04 Jerry Stinner, 03 M. Wyszynski, 03 Jan Yoder, 02 TBA, 04 <i>Julie Dren</i>	Philip Buckenmeyer, 02 Francis Broadway, 04 Susan Clark, 02 Huey-Li Li, 02 Victor Pinheiro, 04

College of Engineering (4)	College of Fine and Applied Arts (9)	College of Business Administration (5)	University Libraries (2)
Wieslaw Binienda, 02 Michelle Hoo Fatt, 04 Helen Qammar, 02 Dan Sheffer, 04	Pamela Garn-Nunn, 03 Virginia Gunn, 03 Robert Huff, 03 Lucinda Lavelli, 02 Deborah Marino, 02 Sue Rasor-Greenhalgh, 03 Julia Spiker, 02 <i>Kathleen Clark, 04</i> <i>TBA, 04 Kristina Redine, 04</i>	Lance Brothers, 02 Edward Conrad, 04 John Hebert, 02 Douglas Kahl, 04 David Redle, 02	Aimee Dechambeau, 03 Jeffrey Franks, 02

College of Nursing (4)	Polymer Science/Engineering (3)	Wayne College (2)	Contract Professionals (2)
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Part-Time Faculty (2)	Students (3)	School of Law (2)	SEAC (2)
Barbara Trotter, 03 Joseph Walter, 04	Elliott Anderson, 02 Daniel Chafin, 02 TBA, 02 <i>Matt First</i>	William S. Jordan III, 03 Brant T. Lee, 02	Holly Mothes, 03 Dottie Schmith, 02

Note: Term expires in year listed.

Members - 68

**THE UNIVERSITY OF AKRON
2001-2002**

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 Dr. Elizabeth Erickson, Vice-Chair
 Dr. Elizabeth Kennedy, Secretary
 Mr. Jeffrey Franks
 Dr. Helen Qammar
 Dr. Julia Spiker
 Dr. Janice Yoder

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* designates Senator

Boldface designates Chair

Term expires in year listed.

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H. Qammar, 02*
 J. Holz, 03*
 T. Lillie, 03
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 D. Malhotra, 03
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 E. Conrad, 04*
 H-Li Li, 04*

R. McCollum, 04
 C. Midha, 04
 P. Richards, 04
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~~TBA 04*~~

* *Lance Brouters, 04*
Senior VP and Provost, ex officio, non-voting member, or designee

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Chair

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H-Li Li, 03*

R. Fenwick, 04*

B. Lee, 04*

T. Riley, 04*

Ex officio member, Secretary, Faculty Senate

Ex officio, non-voting member, Mike Sermersheim, Deputy General Counsel

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02
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 L. Lavelli, 02*
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 D. Schmith, 02*
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 K. Dunning, 04
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E. Kennedy, 04*
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 C. Midha, 04
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 C. Werhan, 03
 H. Ying, 03
 L. Yousey, 03

J. Walter, 04*
~~TBA, 04*~~

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 Lynn Smolen, 02
 Tirumalai Srivatsan 02
 Michael Jalbert, 02
 Paul Weinstein, 02
 David Witt, 02
 TBA, 02

C. D. Han, 03
 John Hebert, 03*
 Victoria Schirm, 03
 Lloyd Anderson, 04
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 Sheryl Stevenson, 04

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 Douglas Woods, 02
 Wieslaw Binienda, 02*
 Gayle Workman, 02
 Steven Bunn, 03
 Alan Newman, 03
 Susan Drenzo, 03

Marlene Huff, 03*
 Kyonsuku Min-Cakmak, 03
 Jan Dawson, 03
 Barbara Osyk, 03
 Russell Davis, 04
 Elizabeth Erickson, 04*
 Suzanne MacDonald, 04

Make lighter

OHIO FACULTY COUNCIL

Julia Spiker * Senate Representative
Robert Huff * Alternate Representative

PLANNING AND BUDGETING COMMITTEE

Timothy Norfolk *
Richelle Laipply *
TBA *
Helen Qammar *
Sue Rasor-Greenhalgh *
David Redle *
Chair Jeffrey Franks * **BOLD**
Elizabeth Kinion *
Gustavo Carri *
Tyrone Turning *
Charlene Reed *
Joseph Walter *
~~TBA~~ * *Brant Lee**
Elliott Anderson *
Dottie Schmith *

Arts & Sciences
Community & Technical
Education
Engineering
Fine & Applied Arts
Business
Library
Nursing
Polymer Science/Engr.
Wayne
Contract Professionals
Part-time Faculty
Law
Students
SEAC

* Elizabeth ERICKSON changes

MINUTES OF THE FACULTY SENATE MEETING OF SEPTEMBER 6, 2001

The regular meeting of the Faculty Senate was called to order at 3:00 p.m. on Thursday, Sept. 6, 2001, in Room 201 of the Buckingham Center for Continuing Education.

Forty-seven of the sixty-eight members of the Faculty Senate were present. Senators Anderson, Chafin, Fenwick, Hajjafar, John, Laipply, and Wyszynski were absent with notice. Senators Hebert, Louscher, Mothes, Purdy, Trotter, and Turning were absent without notice.

SENATE ACTIONS

- * ELECTED CHAIR AND MEMBERS OF EXECUTIVE COMMITTEE
- * APPROVED CHANGE IN BYLAW 3359-10-02, PERMANENT COMMITTEES (F)(2).
- * APPROVED CHANGE IN BYLAWS 3359-10-02(H)(1) AND 3359-10-02(H)(2)(f) TO INCLUDE TWO REPRESENTATIVES FROM THE ASSOCIATION OF THE UNIVERSITY OF AKRON RETIREES TO FACULTY SENATE

I. APPROVAL OF THE AGENDA- Chair Sheffer began the meeting by making two modifications to the agenda. The first was to amend the agenda under unfinished business to include the Retirees issue, and the second was to remove the Faculty Research grant proposal bylaw change from the new business section. Senator Norfolk made a motion to approve those amendments. This was seconded by Senator Sterns. The Senate then approved the agenda as amended.

II. APPROVAL OF THE MINUTES OF SEPTEMBER 6- No corrections or amendments forthcoming, the minutes of the May 3, 2001, meeting were approved.

III. CHAIRPERSON'S REMARKS- Chair Dan Sheffer began his remarks by introducing himself and welcoming all to the beginning of this new academic year. He then introduced the Secretary of the Senate, Marilyn Quillin. He stated that Marilyn had been the Secretary of the Senate since its inception nine years ago. Her office was in Carroll Hall Room 326, and the phone number is x7896. Senators who were standing chairs or were on ad hoc committees of the Senate would find Marilyn to be extremely helpful in scheduling meetings, copying, and so forth. She was a very helpful person to us in running the Senate. The Chair also introduced the Senate Parliamentarian, Dr. Don Gerlach, who was Professor Emeritus in History. He had served as our Parliamentarian for the last seven years and had graciously accepted the invitation to keep the Chair out of trouble through yet one more meeting.

New Senators were then introduced by the Chair. These individuals included: From the College of Arts & Sciences - Linda Barrett, Rudy Fenwick, Stephen Harp, Tim Norfolk, and Harvey Sterns, who had been re-elected this year. From the College of Education - Victor Pinheiro, Francis Broadway, and Phil Buckenmeyer. From the College of Engineering - Michelle Hoo Fatt, and Dan Sheffer, who had been re-elected this year. From the College of Business Administration - Edward Conrad, Douglas Kahl. From the College of Nursing - Marlene Huff and Tracy Riley. From Polymer Science & Polymer Engineering - Gustavo Carri. From the Community & Technical College - Susan Pope, and Paul John, who was on leave this semester. The Part-time faculty Senator was Joseph Walter, and two student representatives this year were Student Government President Elliott Anderson, and Daniel Chafin. The Senate then welcomed all new members.

The Chair concluded his remarks with instructions for Senators regarding how meetings were conducted. When addressing the Senate, Senators were asked to please stand so that everyone could hear; when seeking the floor, Senators were asked to please raise their name cards in the air so each could be correctly identified in the minutes. The same was necessary for Senators who wished to make motions or second any motions. If a Senator was unable to attend the meetings at any time, he/she was asked to call Marilyn who will mark the absence as excused. Otherwise, it would be considered an unexcused absence and would appear in the Chronicle as such. Committee chairs in the year 2000-2001 were asked to please schedule the first meeting of the 2001-2002 year in Sept. in order to elect a new chair and then to notify Marilyn of the results of that election as soon as possible. The new chairs then would meet in October with the Executive Committee to discuss common issues amongst the committees.

IV. SPECIAL ANNOUNCEMENTS- Chair Sheffer had several special remarks to make. He began by noting the deaths of several colleagues. First, was Donald Lee Bowles, who died June 1. After his discharge from the Air Force he pursued his education at The University of Akron, receiving a B.S. in industrial management in 1958, and a B.A. in history and government in 1959. That same year Mr. Bowles began a 30-yr. tenure at The University of Akron, retiring as Vice President Emeritus for Administrative Services and Associate Dean Emeritus, College of Polymer Science and Polymer Engineering on Jan. 1, 1990. Secondly, was James William Childs who died June 6. He was a graduate of the University of Michigan and was an attorney for many years in Akron and Van Wert, Ohio, and a professor at The University of Akron School of Law. Dr. Jeannette Swoope Sojourner died Aug. 10. She received a Doctorate of Philosophy in Curriculum and Instruction in 1996, and was employed by The University of Akron and taught Computer Programming and technology. Dr. Sojourner was the first African-American to hold that position on a full-time basis. Next was Paul Turner Hershey, Ph.D., who died Aug. 14. Dr. Hershey attended Kent State University, St. John University in New York, and Wayne State University. He taught Philosophy and Ethics at The University of Akron and Kent State University, and was currently employed by the Salvation Army. The University of Akron Dean of Students, Dan Newland, died on Sept. 3. Dr. Newland had been dean of students for 8 years. He joined UA in 1971 and worked in various administrative posts. One of his highest profile roles as Dean of

Students was that of the liaison between the University and the law enforcement officials who annually dealt with large and sometimes unruly crowds at off-campus parties. He coordinated the May Day Task Force. Also as Dean of Students, Dr. Newland worked in a variety of areas related to student development and student discipline. He was an assistant vice president at the University, and in that post he worked with directors of the offices of student development, residence life and housing, and director of the Gardner Student Center. Dr. Newland received his bachelor's degree from Coe College in Cedar Rapids, Iowa, master's degree from Indiana University, and his doctorate from The University of Akron. Finally, as he had just been informed by the Parliamentarian, the Chair noted that Gordon Hagerman had died, and the obituary was in the paper today. Mr. Hagerman was the Registrar in the early 1960's here at The University of Akron. The Senate then rose for a moment of silence.

V. REPORTS

EXECUTIVE COMMITTEE - Secretary Kennedy stated that the Executive Committee had met in July of this past summer. Some of the business conducted included approval of several CRC proposals; a handout describing those had been provided for Senators (**Appendix A**). The Executive Committee also approved several CFPC space allocation recommendations; again, a handout had been provided (**Appendix B**). The committee certified elections of new Senators whose names were just read by Chair Sheffer. The committee voted approval of the reorganization of the Department of Mathematics and Computer Science. The three divisions - math, applied math, and computer science were reorganized into a computer science division and a department of theoretical and applied mathematics. If anyone wished to review the rationale on this, Marilyn had copies available. As a special note - there were to be more elections of new Senators. A complete list of all the Senators would be provided in the October Chronicle. The Executive Committee also met with President Proenza and Provost Hickey on August 28, at which time the President apprized the committee of the University's budget situation. The committee did not vote on this but was simply apprized of what was going on. As Secretary Kennedy understood, the President was going to speak to the body about this issue today.

REMARKS OF THE PRESIDENT - Chair Sheffer invited President Proenza to address the body:

"Thank you, Professor Sheffer. Good afternoon, ladies and gentlemen, and welcome, as our chair has said, to a new academic year. Ironically, I want to begin this academic year with much the same discussion as we had had on the last meeting of the Senate in the spring and bring you up-to-date on what has happened. But before I enter into those remarks, I want to first indeed reflect on the deaths of our colleagues, particularly those who have shocked us so very recently, and thank you for bringing it to all of our attention. It is always difficult to part with all of our colleagues; those who are even younger than us seem to hit the hardest.

Equally, your Chairman highlighted the role that Marilyn Quillin plays, and that reminded me that despite all of the rumors, her job is still intact - is that correct, Marilyn? Which then prompts my annual charge to all of you, and that is to remember that this forum helps us to create the communication that we so badly need and to ask the questions that need asking before they deteriorate into rumors that obviously make the campus less of a good place in which to work. So above all, ask questions - Marilyn still can't find my hidden agenda and I seem not to be able to find it either, so if you don't ask you might perceive that there is one and I won't know the difference because I can't find it.

Another point before the remarks - this coming Saturday is a historic occasion for The University of Akron. One hundred six years ago was the last time we played Ohio State University. On that occasion we won. They vowed not to play us for 100 years and here we are. There were a couple of other historical references there that maybe some of you are not aware of. First, when we chartered, as you know John Buchtel not only provided a good bit of the finances and some of the land, but indeed loaned his name to what was initially Buchtel College. Mr. Buchtel was invited by then Governor of Ohio, Rutherford Hayes, to be part of the Board of Trustees for the new land grant institution to be founded somewhere in Ohio and to participate in the choice of a site. Mr. Buchtel became one of the first trustees therefore of the now Ohio State University and served on its executive committee and recommended the architect from Akron which was responsible for designing the first building on The Ohio State campus. Interestingly, this year another prominent Akronite, David Brennan, serves as chair of The Ohio State University Board of Trustees. So for what it's worth, Mike (Thomas) will be cheering, and I hope all of you will. Maybe you also don't know, since most of us don't follow sports as avidly as some do, the coach for Akron for the 1983 and 84 seasons was none other than fabled John Heisman, after whom the Heisman Trophy of considerable renown is named after. He also happened in those days not to be subject to the rules of the NCAA, and he not only coached the team but actually played for Akron in that fateful game against Ohio State.

As I say, ladies and gentlemen, it is odd that we should begin the Fall kind of where we left off, so I want to retrace where we have come from and then echo what I think a good president will be able to say, that we need to participate in deciding exactly how we go forward and I'll make that a little bit clearer in just a moment.

If you recall, when we ended the spring semester we were faced with some impending decisions why the legislature were being tempered by three principal issues - one, the response of the legislature to the so-called DeRolph Decision of the Ohio Supreme Court dealing with the funding of K-12. Secondly, a \$600 million shortfall in the state's Medicaid accounts, and thirdly, the already noticeable downturn of the economy which prompted the Governor to impose a 1% cut of state budgets for the previous fiscal year

and our previous academic year. That as you may recall did not pose a major problem for us because we had enough unfilled positions that we could defer, and thus by simply taking the residuals for 2 or 3 months we were able to achieve that 1% budget reduction for the last academic year.

In July we did receive the legislature's appropriation news, and as we expected, it was influenced by those three facts. Unfortunately but true to historical precedent which you can check with those who know more about Ohio history than I, the legislature again shows to balance a great deal of the budget issues on the backs of higher education. The Governor had recommended faced with those same problems a 2% increase in each of the fiscal years for this biennium, plus he had recommended a modest increase of \$40 million for what was called the Ohio Plan. The legislature abolished the \$40 million and chose instead to give us a continuing budget at the level of last year's budget minus the 1%. In other words, a net reduction relative to the previous year's appropriated budget but actual relative to the 1% decrease. What they did obviously, and you may have read about this, was propose a \$1.4 billion increase in the funding for K-12 to hopefully once and for all address the DeRolph Decision. They took the \$600 million for the Medicaid shortfall and obviously the revenue projections were not sufficiently bright to enable them to provide the Governor's request at 2% for higher education. So in early July we knew that coming into this year we were going to be dealing with less money than had been appropriated for the year before, precisely by the 1% that was removed from our budget late in the year. At that point we said that is approximately a \$6.3 million deficit for this academic year, but we will still plan and are still planning the 3% salary pool you recommended and which I supported and which the Trustees also support. We said the only issue was not whether but when, and I'll come to that in a moment.

Since July the \$6.3 million deficit for this academic year has grown to 7.8 because we received since then the specific bids for our health insurance costs. I don't recall the exact timing, but indeed during the late spring and early part of the summer the Faculty Well-Being Committee had participated in the design of the plans and the potential offers that would be requested to plan on that, but we received the bids sometime in July or early August. In any case the bids we had anticipated might cost us as much as 10% more than last year; the bids came in at 22.3% higher than last year. So in short, going into this fall and into a meeting with our Trustees that required that we present in order that we meet the requirements of the Ohio Board of Regents a balanced budget, we needed to devise rather quickly some strategies which we reviewed with your Executive Committee and which we said at this point did not include programmatic changes which would require your extensive review, but would require the input of the Faculty Well-Being Committee because we do believe that that is necessary. So the budget proposals that went to the Trustees assume that some additional deliberations will need to take

place, and obviously some of those have begun and will continue after my remarks today.

Specifically, we proposed to our Trustees four basic strategies to accommodate the approximately \$7.8 million deficit in this academic year. The first of those strategies is to

suggest that we defer the compensation increases to January 1. Doing so allows us to "save," if you wish to call it that, \$1.6 million. Secondly, it was to assume subject to the input from the Well-Being Committee that some form of cost-sharing in the increased health costs, the difference between what was budgeted for the anticipated 10% increase and the actual receipt of a 22.3% increase would be shared equally between the University and the faculty and staff subject to review and suggestions. We had some input from our health insurance consultant and immediately upon that being available presented that to the Faculty Well-Being Committee which has been as I understand meeting since then.

The third strategy is to assume that we would have some relief in our budget from anticipated enrollment increases. We are assuming a 2.6% increase in enrollment which would equal approximately \$2 million of increased revenues. I know the Provost will have some comments on this; there are good indications here, but please remember we can't count those dollars until they're actually received. Secondly, that second semester is usually a downturn so we'll need to balance that and obviously remember that anything we do now carries into next year so we have to be at best cautious, if not extremely so.

The fourth strategy was to assume that we would take the balance of approximately \$2.6 million and fund them from vacant positions. In other words, either eliminate or defer the filling of \$2.6 million worth of positions. Those were the four strategies on which we anticipate this budget will be balanced. As in any budget, it is subject to adjustment. If you have a better idea, I am only too delighted to hear it. We haven't been able to come up with one but please try again. Again, our Trustees are aware that any and all of those budget recommendations are subject to input, review and modification as we go forward, but we assume that at least these four will need to be utilized in order for us to make some good decisions during the year.

The Provost will share with you a little of what we're anticipating in terms of enrollment, and it is bright news in many respects. I certainly want to thank each and every one of you throughout the campus for all of the hard work which suggests that we're beginning to turn the corner on what has been a very difficult consideration for us. All of the things we're doing to highlight the excellence of the University, to enhance its campus,

to enhance its infrastructure appear to be having the desired results, but again I think it is important that we act cautiously.

Let me take a few more moments on health care costs and then move rapidly to close. I'll review those because I know that for many of you that is a point of great personal consideration, second only perhaps to your overall compensation. Again, the original budget for this fiscal year had assumed a 10% increase in health care costs, which was \$1.4 million more than last year. Based upon past experience, we might have been safe. Yet when the bids came, the actual bid number was 22.3% larger than last year, and a concomitant total \$3.2 million increase relative to last year; in other words, considerably more than the 1.4 million that had been budgeted. Now lest you think we are the sole institution, we have canvassed as best as we can information from throughout the nation and indeed health care costs are running double digits, and in many cases well into the upper 20's. To absorb the entire increase of \$7.8 million obviously is a difficult proposition in any budget scenario since particularly the health care costs continue into next year; they are not a one-time expenditure. So that is a difficult consideration.

As a compromise and based on a survey of public universities throughout the country and Ohio universities, we propose that we consider a cost-sharing of the difference between that which we budgeted for and that which was bid, where the institution would absorb half of that difference and our employees in a graduated scale which needs to be reviewed, proposed, and massaged, would bear the other half. It is important for you to note that this is not a cost-shedding proposal, but rather a proposal to slow the escalation in what is otherwise an institutionally unbearable position that would prevent us from adding needed faculty, replacing needed staff, and in short addressing things that we have to address to move forward. I'll look forward of course to hearing the comments and suggestions from your Well-Being Committee as well as from each and every one of you in this room.

The context is the following: Within Ohio 7 of 10 other public universities already have a form of health care plan that requires employee contributions, and the others are discussing changing to an employee-cost sharing, some as early as this year, the others feeling they cannot defer beyond this year. In looking at 22 major universities through a survey run in a list serve showed that the mean total of employee share for health care ranged from approximately 8% to 32.4% depending on the type of coverage, of course. By asking employees to share half of the recent increase, the University would be positioned in such a way as the institution would bear 91% of the cost; employees again in a salary-graduated fashion would share 9% of the cost. As I said, index by salary with those who are earning more, paying more.

Now what can I say? A couple of things - first of all, someone asked me recently, 'How have you been, Dr. Proenza?' I said, 'Nothing that the legislature could have helped but didn't.' That is truly how I and many of my presidential colleagues feel because during this last year we went all out to change legislative and public attitudes about the funding for public higher education in Ohio and I think you've seen some of the results. Editorial after editorial in every major newspaper across the state has noted the real deficit that Ohio is creating for itself by not paying quite literally more attention to higher education. It was echoed for me particularly pointedly in an amicus brief which the Ohio Board of Regents submitted in conjunction with the Supreme Court's current consideration of DeRolph. In that amicus brief it pointed out that already Ohio is near the top of all 50 states in per capita funding for K-12 but near the bottom in per capita funding for higher education. If anybody should be suing, it should be higher education. Unfortunately, we don't enjoy the constitutionally protected language that K-12 enjoys. So part of that brief suggested that if interpreted today, that constitutional language might be subject to that same interpretation.

Doubly ironic is the language that we saw in the paper last week in which the Supreme Court floated what might be their forthcoming decision of accepting the legislature plan as constitutional, but signaling that there may be ties attached to the Supreme Court's accepting it as such. That decision may come as early as tomorrow; perhaps it's being issued yet this afternoon."

Vice President & General Counsel Ted Mallo interjected that the decision had been issued at 11:30 today and indicated a revamping of the formula for the base cost upward plus a retroactive application of some of the increases. The President then continued.

"Read that - the legislature might need more money. Read that - our 7.8 million deficit might be larger. Read that; take great care as we proceed because that's a difficult position to be in. Now that said, what are some of the bright news ahead, and I'll just signal two. Obviously, we are turning the situation around for ourselves, and Provost Hickey will address that. But it will by no means be the full answer because we have things that we have to do to ensure that our kids are getting their money's worth, and that's an issue.

Secondly, Senator Richard Finan has been at least willing to say that once they can put DeRolph to rest, the next in line for any new funds available is higher education. So the light is maybe at the end of the tunnel and it's not a freight train barreling down on you, but it's still just very busy. Without question I wish we'd known what the appropriations were back in the spring when you were still meeting. I wish we had known the bids for higher health costs when your Well-Being Committee was meeting earlier in the summer. They now have the information and they'll work with it and will deliberate on

making an appropriate response possible to these difficult situations. In each case we can always say communication could've been better, and I'll give you an example of one. In our construction phases just now somebody broke through a wall by a working faculty member - mind you, it was just with a drill and not with a sledgehammer. Should they have been warned? Yes. Could they have warned? Yes. Were the mechanisms in place to get that information across? Yes. But the representative for that school was presently not present at the meeting. Should somebody had gotten word? Of course. The mechanisms were in place; they failed. Everything else simply says, let's talk with each other and let us continue to go forward as best we can. As is the case, I have a whole list of very positive things which I wish I could enumerate for you.

In the interest of time and indeed more in the interest of hearing your questions and your suggestions I will defer on that. There are many other issues besides budget that I'd certainly be happy to entertain your questions and suggestions about. I continue to try to answer each and every email that you send me as quickly as I can, or refer it as appropriately and continue to value your input very, very much. With that, Mr. Chairman, I would entertain questions or suggestions."

Senator Qammar then spoke, stating that when colleagues in the College of Engineering and her department in particular had discussed the budget issues, the overriding question was, with a 9.3% tuition hike and an increase in student credit hours (at least as best as we could say now because she knew it was not officially the 14th day), where was the money going? She stated that the President had done a fairly good job enumerating the four strategies. Having sat on the PBC, she knew right from the beginning that a deficit existed and had been telling all her colleagues about that, that the University had started off in the hole and the increases were not going to help. But questions also centered on the priority issue. Colleagues of Senator Qammar could not get over the fact that the faculty salary priority was not the highest on campus. There were other issues on campus that still retained funding. For instance, there was more than 2.6% available in unallocated salaries or \$2.6 million. There were other potential sources of monies on campus.

Senator Qammar then asked the President what had been projected regarding reaction from faculty when this scenario was presented to the Board of Trustees and had there not been an expectation of some sort of backlash coming his way?

The President replied, "Absolutely. So let's talk very openly about that; those are good questions. First of all, to balance the budget on tuition alone would require a 33-34% increase, Hank, (Nettling - Vice President, Business & Finance) as I recall?" Mr. Nettling indicated that the President was correct.

The President continued. "Number one - 9.3% barely began to take care of it. Now why is that? The University of Akron has been very conservative as has Ohio State and fortunately a couple of other

Ohio universities. Others have not. For the same tuition increase or to put it even more conservatively, our neighbors to the east have said they'd do only a 6% - that's \$13 million more for every 15,000 students that they have than we can get for a 6% increase alone. If we had already been \$1,000 higher as they are and we had put a 9.3% increase, we'd have solved our problems right there. Our lower base of both tuition and fees precludes that. We would have had to go into double digits; our agreement was fashioned with the legislature that no university in Ohio would increase tuition by more than 9.9%, below double digits. We did about 17 separate scenarios of tuition and fees. In no way could we keep the tuition and fees anywhere near the 9.9 aggregate and come up with a balanced budget in every scenario that we ran; in fact, you probably saw them."

Senator Qammar replied that she had.

The President continued. "The net aggregate, I think the highest was 34, the gain was a \$50,000 surplus if we implemented that. No way could we get away from that. What is the actual faculty vacancy lines, staff vacancy lines? About \$4.6 million as we speak, is that right?"

Mr. Nettling replied that it was 4.6.

The President continued. "Some universities have chosen to freeze all hiring. I did not feel that that was in the best interest of this institution as it's moving forward aggressively in several areas to try to address years of enrollment decline. We have to be able to staff some positions. 2.6 is more than half of those positions as it is (2.6 + 2.6 is 5.2 the last time I added). We chose a mechanism that was a compromise and remains a compromise. The Provost will be working with deans and department chairs to try to make these not across-the-board but indeed in every school and area, including mine. I already gave away an assistant position last year and have slotted to give away some other dollars this year, so no one is exempt. Some may need to have a position that's taken from one place and allocated to another. We will be working with your deans and the Provost is charged to do that. Where else is money? Operating supplies and expense. Any of you want to give that up?"

Senator Qammar then stated that part of the question though was that faculty and staff needed to know, not necessarily the allocations of the dollars and the categories, but the priority of the faculty. For instance, she could infer from the President's statements that saving half of faculty positions for future growth was in fact a higher priority than not deferring the faculty raise until January.

Senator Calvo then asked what the priority was.

To which President Proenza replied, "We said that that was the number one priority, to get a salary pool of 3% and it remains at that. Everything is a compromise here, and if you have some other way of tripling these numbers that makes sense, we're only too willing to listen and as I mentioned to your Executive Committee, there's no programmatic decisions that have been made. Those are certainly

your purview to review, and that will be emerging during these discussions on how to implement them. I don't know of any other money, but I bet people say there's a hidden pot of gold but I think, again, Marilyn hasn't been able to find it and you're welcome to review the books because I certainly can't find it."

Senator Qammar followed with another question. In his position as the President, President Proenza saw much more of the bigger picture than faculty could see; we really could not see all of the books. The President probably could not see all of the books either, but at least he had more consultation with people who did. The President understood much more of the dynamic that was going on in the future within the state of Ohio and within projected enrollment limits, all those types of things that faculty could not really have as our immediate knowledge base to put the whole picture together. She asked the President to put himself in faculty's place. What would he recommend faculty do given that faculty could not beat inflation at this place?

The President responded. "A very good question. First of all, let me thank you for the way you opened that question and I'm going to address it. I have opened the last two Convocations with a remark that reminds me very much that indeed when I sat in your chair some years ago and the President came to talk, I was angry at the end because nothing I was interested in had he addressed. He talked about the legislature, the economy, this and that, and what does that have to do with whether or not I get a paycheck or an extra computer in my lab? In the picture, as you indeed suggest, it has to do everything with that, I appreciate your recognition with that and I'll be happy to spend hours independently as I have to go to Cleveland in a little bit but have time for more questions now.

What would I do - I'll tell you what I've been telling other faculty and other students. Three things: First, write to your legislators on personal stationery without ever suggesting you are an employee of The University of Akron. Ladies and gentlemen, the legislature hears about everything other than higher education. What do they hear about higher education, and this is Senator Finan's private list and I won't vouch for its accuracy. He has a wonderful way about hyperbole and good things. Why can't my child graduate in four years, no. 1. Parking, no. 2. No. 3- why do faculty only teach two hours a week? No. 4 - why is the cost of higher education going up so fast? Those are the questions that they get. What are the usual responses? Put a freeze on tuition, tuition cap, reduce appropriations because they don't think you work hard enough. That's the reality. They hear about health care costs; they hear about labor issues; they hear about K-12. Senator Finan just the other day said whether we like it or not K-12 will always be no. 1 in the citizens' minds and higher education will be someplace else. Write to your legislators, the state of Ohio which is 42nd in the nation in per capita appropriations for higher education. As I've said elsewhere, Governor Rhodes and the Board of Regents 30 years ago pledged that the cost of public higher education will always be backed at about 30% of the total. Today it's exceeding 50% on the average.

What else? There are some good things one can do to help oneself. When I was in your shoes, I found that wonderful thing called a federal grant and contract and it was something that worked for me.

I suggest that you can hire graduate assistants, anything within legal parameters and it helps enormously. It gets you to do things that you can do. Thirdly, work with us to make this University the best that it can be. I think we're turning that corner; I think results are coming back. Our visibility has increased dramatically; interest in us is increasing dramatically. Our facilities are going to increase and make that better. Chand Midha and his colleagues are examining the reality of the salary questions. Yes, the market says that certain kinds of disciplines in the market place are worth less than others. When you take averages and compare them to averages, you don't know what you're comparing to. The faculty in one discipline compared to faculty in another discipline is not a comparison."

The President then addressed Dr. Midha regarding how soon final analyses would be completed. Dr. Midha replied that they had not gotten into the second phase yet.

The President then continued. "Those three things and in the wave of these shark attacks on the east coast, have you ever heard my shark story? It's an issue of risk and anxiety, and the story basically argues that we get very upset and very angry when we don't know the difference and so forth. My story concludes where reason and calm prevail there is much that can be accomplished for the common good, and I urge that you sit and dialogue in the way you just have with us and let's see whether we can't collectively go that larger picture because everyday one of you comes forward with an idea I haven't thought of. Last week in meeting with Senator Finan and Senator White I had a tremendous idea. I was trying to get them away from the word subsidy; the appropriations from the legislature are called a subsidy. Not one of your economists has shown that even in inflation-adjusted dollars, one of our graduates is going to pay back to the state just in additional taxes as a result of getting a baccalaureate degree \$1.84 for every dollar that the state invested. They said we love the word subsidy and you're not going to get us away from that. In fact, the subsidy has worked so well in agriculture where we give Ohio State \$60 million a year that we've got to continue that. I said, Senator, the polymer industry has become larger than the agriculture; I'll be in to see you next week. There's an idea. There are many other things; that's just an illustration. So come up with other ideas. I'll be down knocking on those doors."

President Proenza concluded his remarks by stating that he would be looking forward to additional suggestions and other issues the campus was facing. He would also be preparing the usual Fall letter to the campus community. He reiterated that there were so many things going on that indeed we all needed to see the larger picture. He would share that with all and look for input from all.

REMARKS OF THE PROVOST - Chair Sheffer then invited the Provost to address the body.

"Last year at this time I was telling a lot of you that enrollment was our biggest issue, and I went armed with my Powerpoint presentation which showed declining enrollment curves in virtually every unit on the campus. In fact when people saw me with a laptop, mine was never wireless and I had to plug it into something, they usually went running because they thought they were going to see the presentation again. The President told

you that enrollment was job 1. I'm really pleased to tell you that you, your colleagues, our staff, our contract professionals, all of us really responded and it made a difference.

Our enrollment curve will turn up this year, whether you're measuring head count or credit hour production; it will increase. It may increase quite significantly. At this point in time we are confident that the credit hour production increase will allow for that portion of the deficit makeup that the President talked about today. We are confident we have that level of enrollment. We may in fact have even more, which will further help us in our deficit issues. Would I like to be investing that money in new initiatives, in additional salary increases? Absolutely. I wish we had the flexibility to do that, and we may be able to do some more things with the money that's coming along, but we have to wait for two more events. We have to wait till the 14th day because that will tell us at least the enrollment we turn into the state. But we also have to determine the extent to which those students who are still enrolled, at least on paper, are in fact still enrolled and do in fact pay their bills.

I think you realize that this year the process changed. There was no purge of enrollment at a given time for those students who hadn't paid their bills. The new approach treats students like adults and it says if you enroll and you don't dis-enroll, then you owe us the money. Now having them owe us the money and collecting the money are two different things. So we need to determine exactly how much new tuition dollars are coming in. But due to your efforts and the efforts of your colleagues and the tremendous turnout we had at events, faculty, staff, deans at recruiting events, an incredibly successful Scholarship Saturday in the spring, we have turned enrollment around and at least the curve is headed back in the right direction.

Now there are two downsides. One is the 5-year averaging of our enrollment which allowed the institution to buffer the deficits on the way down. Now buffers are our gains on the way up. So we in effect get 20% credit for the credit hour production we see this year. Now that doesn't really matter a lot because the state has already fixed the amount of money we get for next year. Now anyone who tells you we get no new money from the state next year, at least where it stands now, is not telling you the truth. We get \$12,500 more next year from the state. That's our increase from the state. We already know it, and there's nothing we can do about it. We could in fact have doubled enrollment this year, and it still wouldn't have made any difference whatsoever. That's the dilemma we're in, that this averaging is going to buffer us on the way up. So it's going to take 2 or 3 years of enrollment increases to get us crawling out of this hole that we're in.

Now there's another cloud on the horizon which I'm going to suggest defines job 1.5 for next year. Our freshman class this year is enormous. Those of you who scrambled to open other sections, first of all I thank you. People were hiding when they would see me coming to their building at the end of a week ago because they knew I was asking for more sections. But Arts & Sciences responded, Community & Technical College responded, Fine & Applied Arts - Dudley Turner, bless his heart, just kept opening sections in speech and I don't know how many he's having to teach himself but he just kept opening them. At one point and I don't know what the numbers are now, we were showing a 19% increase in our freshman class. That's great, however we were showing declines relative to last year in our sophomore, junior and senior classes.

Recruitment enrollment was job 1 last year; retention has got to be high on our priority, the only way I can see we're going to build large and stable enrollments. I don't think anyone is looking to the 30,000 enrollment the University had at one point in time. In fact when you look at the curves, the University had 30,000 for two years. A much more typical enrollment for the University is about 26,000. But in order to reach and maintain

26,000 students, we're going to need to retain students. We can't just bring them in the door year one and have them leave us sometime during that year or at the end of that year. You're going to hear me talking a lot about retention during the coming year. The only way I can see to get out of our current budget dilemma is to continue to do what we're doing several years in a row, and I know that doesn't make you feel a lot better to hear that. But it took ten years to get to the point where we are now; it's going to take more than one or two to turn it around. But you did turn it around and it was you that turned it around and we're on the way back up. Whatever percent we enjoy this year, and it's certainly going to be 2-2.6 the President talked about and probably conceivably another percent or two on top of that. With cooperation from the state and some growing core of support we can then compete for open enrollment and possibly we can turn this around in some time to come.

But we must figure out how to retain students, and I'm going to be placing a great deal of emphasis on that this year. I'm already talking to the colleges, I'm talking to the C & T College about the novel approach to do this of which they would be key elements, and I'm talking to Karla Mugler and the University College because I think they would be crucial to this as well. So that's going to be an emphasis of mine for the coming year. One of the things I've said to the President and I think we all agree, is that we get caught in the heat of battle. When we clearly define a priority, everyone responded and it was successful. I think in your efforts to move the institution forward we've got so many high-priority efforts going on at one point that it's very difficult to keep all of those balls in the air. I certainly wake up in the middle of the night sometimes when I hear one of

those balls hit the floor and go bouncing down the hall and haven't thought about it in a week or two.

I think it's really crucial, and one of the things we're going to try very hard to do this year is prioritize what these emphases are and make sure we communicate them clearly to all of you and try to remember that a friend of mine once talked that administrators tend to think of the everlasting faculty, you can just continue to stretch them forever, and I know that's not true. Having been one and having been stretched myself and having done my share of stretching over time, I know that's not true. We've got to figure out exactly what it is we're going to do and then head down that road together with very open lines of communication. We haven't had as good communication as we should have, and I'm willing to acknowledge that. My deans told me the other day about something I'd left them out of completely, and they were correct - I had and I tried to correct it at the time. My two associate provosts who are in my office yesterday reminded me that I was headed off talking to the C & T College about a new organizational structure and I'd forgotten to tell them about it. Well, that was true too. So we sat down and I advised them of it. So if we don't communicate we will certainly try. The President wants to communicate; I want to communicate; I think it's absolutely crucial."

Chair Sheffer then asked if the body had any objection to Dean Creel speaking. None forthcoming, Dean Creel asked the Provost what the extra \$12,000 that the University was getting the state was? The Provost replied that he really didn't know, but it was probably a rounding error. He stated that he was very concerned about what the University was going to hear regarding the costs which would be associated with the Supreme Court's response to DeRolph. To take another hit right now would be an extremely difficult hit, so he was going to really be looking for what that translated into dollars and how those cuts were going to be distributed across various state agencies. But given the fact that the University was not protected before, in fact we probably got hits larger than any other, he anticipated we may not like what we hear.

Senator Gunn then spoke, stating that in the spirit of communication, members of the campus community had been all summer trying to adapt to People Soft. While she saw many good things that could come out of it, she did not think we were there yet. What we did not know right now was what kind of training level each person should have - a staff, a faculty, a director. Right now we did not know what the categories of training were. Right now she could not see her school's budget because she did not have the appropriate training. She had not even known what type of training was needed; if she had known, she could have been prepared. She told faculty in her school that she had computers for all full-time faculty; she asked them to get trained over the summer. They still had not been able to get in to be trained, and she was extremely concerned because they had been trying all summer. Now she was concerned about recording grades. If we moved into a system where this was not worked out and people were not trained, December was going to get here very quickly and we were going to have chaos.

Provost Hickey replied that he understood. He had spent a lot of time in Spicer Hall during the transition because the people over there really took the brunt of a lot of the problems that were encountered. The implementation of any information system was a traumatic experience, and believe it or not, ours appeared to be going somewhat smoother than a lot had gone. It was due to the enormous amount of effort and energies and time put in by a lot of people, and patience being shown by a lot of you in the trenches. What had been suggested, and actually this was a suggestion put forth by Dick Aynes, Dean of the Law School and the President and he had talked about it, was to put up where it was easily accessible on a web pg. or a link to the web pg. a list of concerns so these could be compiled as they came in - trust him, no one had not been shy about sharing concerns. He had large numbers of them on his email file. This new effort would involve categorizing those concerns and then having a column telling what the response was. That this one was being dealt with in the following way, this one had been dealt with and this was what one needed to do now. So that at any one point in time one could look at the various categories and various concerns and see where we were in the process. We obviously needed to prioritize those concerns as well because some of them were fundamental to doing other things. He thought all could anticipate seeing such a sight go up in the not-too-distant future because there were still many components left to implement here - academic records, transcripts, a whole host of things that he thought we were learning as we were going. It was getting a little easier but we were not out of the woods. We had to stick together in doing this.

He just had to repeat that so many people had worked so hard to get by some of the speed bumps we encountered. He knew that some probably did not view them as speed bumps but as brick walls. But we had gotten by many of them. He thought, again, if we listened and gave all a chance to tell us what the problems were then he could work directly with Dr. Gaylord and others in his organization to say these were the problems, these all had a common solution to them or common problem associated with them - how were we going to deal with it? Then if we were patient, we would pick our way down that list and sooner or later we would have most things under our belt. He did not know whether that was a month, 6 months or 12 months down the road, but his sense was that we would get through the end of this and when we were, we were going to have capabilities that were greater than we had had in the past. Even some of the people who had grabbed him and thrown him up against the wall in Spicer Hall to tell him about People Soft had to admit that once something worked, it was better than what they had had last year in many situations. Hopefully we could get to that point where it was all working. He understood the frustration.

Senator Yoder then asked the Provost to please tell Senate where the funds had been found for the wireless laptop project. Provost Hickey replied that they had not been found; they were generated out of a new technology fee. Senator Yoder then asked whether the new technology fee had come from the students. Provost Hickey replied that it had.

UNIVERSITY WELL-BEING COMMITTEE - Senator Erikson stated that the committee had had two meetings, one of which was an informational meeting from Mr. Nettling, Desnay Lohrum, and our health consultant. So we had only had the ability to have one meeting on the health care benefit. She suggested that all read the report in detail because there were two things to note (**Appendix C**). The

committee had been working on this issue over the summer, and those of us on Well-Being were interested in those vendors. Many had reported on problems with vendors, and that was what we were working on. So the report and especially the second page of the report was a very summarized version of the benefits.

The second part was the costs, and the new idea of how those costs should be paid. A lot of our time had been spent on the vendors, and we had had very little time to even start to review the costs. What we were asked in March to do was to come up with a modification of our present plan, just about the same. This made it very unlike two years ago when the Board came to us and said we had to deal with health care costs and gave us a year to come up with a new system, a system where we had the PPO, traditional indemnity part paid for by premiums, and continuing HMO's. This time it was not that kind of a discussion; it was a marginal improvement of the benefits. That was what we worked with, three of us from Well-Being, Desnay Lohrum from the benefits office, and Gene Stephens from Purchasing. That was what we did. The 29th of May the bids came in; by the beginning of July we had information regarding who was coming in on the bids.

The committee had put these in as a two-year request, so the health care providers were forced to keep their costs essentially the same for 2 years. Then we bid again and of course we did not get a 10% increase. Indeed, according to the consultant, a 10-20% a year annual increase could be expected, and yes, we got a 22% cost increase. Even now that we know the information, certainly it was surprising because we had looked at the costs and the administration was correct in that it was a \$3.2 million increase for essentially the same benefits.

Our job was to provide that information to the Board as quickly as we could which was by the end of July. We all knew that the latest that health care can go to the Board was the September Board meeting because there had to be time for open enrollment, etc. It was on the 28th of August that we were given the information that went to the Board on the 29th. This information suggested 50% of the increase of 3.2 million. One thing that was not quite correct in the figures the Provost and the President had provided was the 6.3 plus 1.5 million -- that was half of the 3 million. But in actuality, it was \$750,000 because it was only for half the year because we were under the present health care plan until Jan. 1, 2002. It was a calendar-year system that we work under. So that was important to be aware of, so the number was not 7.8, it was 7.1 or 2.

Provost Hickey then asked whether that were 7,050,000 to which Senator Erikson replied that yes, not \$750,000. Mr. Nettling then stated the next year we would have to pay some of the costs. Senator Erikson then replied that yes, that was correct and went for both the salary pool and the health care costs, absolutely. But because the salary package was for half a year, this is a half year. Otherwise, it would be 1.65 versus 1.5 cost increase. Senator Erikson then stated that the committee had not been given enough time to do anything but rough analyses of the situation. As basic information, the committee had met this morning and their first reaction was precisely that of Senator Qammar's. Which was, this was the administration's ideas of strategy but wait a minute - what really were the priorities?

Was there not somewhere else that the money could come from, and we needed to know the real options we had. If we were looking at \$750,000 from health, was there some other way? The members of the Well-Being Committee recommended first that last year's PBC reconvene immediately to determine what the other options were, the budget cuts that covered the \$750,00 for this year for health costs. Now that did not mean we could decide we would not accept any idea of paying the health costs; it was to say we did not have that information. It was PBC's job to provide it. They obviously could not have provided it before, so we were asking them to provide us with that information immediately in the next week or so. The committee would provide a report to Senators by the end of next week. Therefore, the committee asked that the Senate reconvene for a discussion of the report by the Well-Being committee on health care on Thurs., Sept. 20.

Chair Sheffer then stated that Senator Erikson had made two motions the Senate needed to vote on. The first was that the matter of investigating other sources for the \$750,000 needed to be examined by the PBC of 2000 - 2001. Senate approved this motion. The second motion was that the Senate reconvene on Thursday, September 20, to discuss the WellBeing committee report regarding the issues raised by Senator Erikson. The Senate then voted to approve this motion.

CAMPUS FACILITIES PLANNING COMMITTEE- Senator Sterns then stated that CFPC had already met on September 4 and had submitted a written report (**Appendix D**). Liz Erickson was voted in as the vice chair and he would continue as the chair. Four items were passed during the summer by the Executive Committee. When the committee had met earlier this week, Ted Curtis, Vice President for Capital Planning and Facilities Management, presented a status report on 56 ongoing campus projects. There were many different construction updates reported. All of them appeared to be well within the budget and done in a timely fashion. In fact, it would seem to him that there might even be some money savings in that arena to be considered. The other thing was, because of the nature of today's complex meeting, Mr. Stafford, the Director of Parking Services, had given us a report which the committee would like to see presented at its next meeting. So the invitation to Mr. Stafford has been made. He wanted to point out that many might have noticed that lots 2, 4, 15, 19, 22, 31, 52, plus Auburn Science parking deck had been currently redesignated as faculty/staff parking; the committee had been able to return to some faculty/staff parking and had hopefully improved some of the issues on central campus. In closing he wanted to say that in regards to the make-up of the committee, there were a large number of interested faculty who were serving on Campus Facilities Planning Committee. In order for members of faculty who wished to serve, he needed three additional Senators to volunteer to serve on the committee so there could be the correct balance for Senators to non-Senators. So if any were interested in having an existentially rich experience, please see him because the committee would like 3 more Senators.

Provost Hickey then provided a point of clarification. Capital dollars were used to build buildings. Capital dollars were used for landscaping, so every Haastia that went into the ground was not coming out of anyone's salary.

PLANNING AND BUDGETING COMMITTEE - Senator Reed began her report by giving an update. First, PBC had asked the Executive Committee to act on its behalf over the summer. Therefore, the committee had not be involved in the budget development except for a couple of briefings from the Provost on how that was occurring. We were asked, however, by this group to look at the laptop proposal and we had two meetings that related to that project. After the first meeting, (which she was not in attendance but got a summary) the conclusion of the group was that while there was merit to the laptop proposal, given the current budget situation, we did not feel funding could be found either in current operating budgets or unallocated salary. As we said at our last meeting, unallocated salary was something units had not had and had been promised. That was important money for units. So it was recommended that if this was to continue it should be done through some fee or some other designated source of money and not from our current operating. The next meeting we had was after the Board approved the additional fees, and we got a briefing from the Provost on those fees. As all knew and as the President summarized, a significant increase in technology fees occurred of which a portion would support faculty, staff computing. Also, implementation of a new career advantage network fee would help finance that whole new initiative there.

As far as the laptop program, we had a report from Vice President Gaylord and Provost Hickey, and wanted to respond to some of the concerns that were raised by Senate. First, the \$500 per faculty member would be restored to units as we were told and that money would be at the discretion of the college in terms of how that was spent. It was suggested and received with very strong response, that if people bought into a voluntary laptop program for full-time faculty, the cost would be \$250 a year per faculty member with the rest of that being absorbed by Information Systems which would come basically from technology fee money. So this was really for anyone who bought a lot of computers as in the College of Education. Looking at a 3-year cost of \$750 per faculty member on a laptop was a good bargain. As she understood it, the colleges had responded very favorably to that and that was proceeding. As Vice President Gaylord told us, we should expect delivery on those by the end of September. One thing he did address somewhat was for the first time publicly I heard him acknowledge that there was a place for MAC's on campus. Although his resources did not really go so far as supporting MAC's, he did acknowledge that there were some areas in which MAC's were valuable and he was looking into the opportunity for people to provide some kind of fee that there would be more MAC support than we currently had. That that would not be extended to the People Soft and all the things that were going on with the wireless network. He also told us that in terms of the wireless capability, they were working with the Apple engineers and others to figure out how those units that had IMAC's and other types of similar equipment might be able to go wireless as well. But as he explained, the different levels of security were put into place on the wireless network, basically the Apple proprietary software did not work with the network we had, so we did get that kind of update. We have had a very small group of PBC that has met this summer, and we were still trying to write up a recommendation to the full group relating to the budget incentive model that we had discussed a few times last year. So it was our goal to present something to the new committee and to the Provost. It has been an interesting summer. Dean Creel's on that committee with us and we did hear a couple reports on the balance score card which was moving forward this month. Many people were involved in this

committee. We also talked about North Central accreditation and how the planning and budgeting process was so important toward our next major review.

VI. ELECTIONS - The Chair announced that the body was now ready to address the next item on the agenda, the elections. Three elections needed to be held. The first was the election for the Chair of the Senate. The Vice Chair, Elizabeth Erickson, was serving the second year of her 2-year term, and one of our at-large members, Jeff Franks, was in the second year of his 2-year term. So the body needed to elect three Executive Committee members and Chair of the Senate. The Senate addressed election of the Chair first.

Senator Erikson nominated Senator Sheffer. No further nominations coming from the body, the Chair recused himself from the election and voting process. The Senate voted unanimously to elect Senator Sheffer as Chair of the Senate.

The election of Executive Committee members then was held. Senator Lavelli nominated Senator Julia Spiker from the School of Communication in the College of Fine & Applied Arts. Senator Erikson nominated Senator Jan Yoder from the College of Arts & Sciences. Senator Franks nominated Senator Qammar from the College of Engineering. Senator Kennedy nominated Senator Harvey Sterns from the College of Arts & Sciences.

A paper ballot was called by the Chair. Senators Pope and Lee served as tellers. While the votes were being tallied, Senators were asked to caucus within their respective units to elect a member to serve on this year's PBC. The Chair then asked for nominations for the alternate for the Ohio Faculty Council. Senator Spiker nominated Senator Bob Huff. No other nominations were made; the body elected Senator Huff as the alternate for the Ohio Faculty Council.

Senators Qammar, Spiker, and Yoder were elected to serve on the Executive Committee with Senator Yoder having received more votes than Senator Sterns in a runoff election between the two of them (23 votes to 16, respectively with two abstentions).

VII. UNFINISHED BUSINESS - The Chair stated that the body had two pieces of unfinished business from last May, and both were on the table. One had to do with an APCC Faculty Senate Bylaw change regarding the chairmanship of the APCC. This had been moved and seconded but had to lay on the table for one month until this meeting. Now, it was open for discussion. Basically, the change was in the wording of Bylaw 3359-10-02, Permanent Committees (F)(2) which was to add at the bottom: "**and the Academic Policies & Calendar Committee.**" This meant that at the first meeting, each of the Senate committees would elect a chair, and, with the exception of the Curriculum Review Committee, the Academic Policies & Calendar Committee would be chaired by the Senior Vice President and Provost or said designee. This was to change the chair of the committee from being a Senator to now being a designee or the Provost himself. The Chair called for discussion. None

forthcoming, a vote was taken on the amendment. The amendment passed with the necessary 60% approval of the body.

The Chair then stated that the second piece of business was another bylaw change to add two representatives from the Association of The University of Akron Retirees. At the last meeting this had been discussed and in the discussion had been referred to Legal Counsel to see whether there was a problem with a constituency on the Faculty Senate who was not currently employed by the University. The Senate last year had asked the Chair to speak with Legal Counsel which he had done this summer. Vice President Mallo had indicated that in his review of both the administration code and of the Ohio Revised Code there was no prohibition to a constituency being made up of retired employees of the University. He had recommended, though, that Faculty Senate have that group write a rationale requesting this. This was the letter that Senators now had in front of them (Appendix E). Now with that in mind, this was coming back up for discussion. In review of the minutes of last year's meeting there was a motion that was made by Senator Qammar and seconded after some discussion. In looking at the minutes of last year's meeting, the Chair found that it had never been voted on (see pg. 24 of the Chronicle: May 3, 2001). The President had said he did not welcome the idea of having the Senate pass this amendment whether it was voting, non-voting, or anything else only to then find out from Legal Counsel that retirees were ineligible to serve. Since Legal Counsel had said that it was not prohibited, the body had the motion that was made by Senator Qammar and seconded that these individuals sit as non-voting members. This was now open for discussion.

Senator Erickson wanted to point out that this would be the one and only non-voting membership. Given the rest of our constituencies, what we had and what we represented, that the retirees were are our colleagues. These were our faculty colleagues who had worked very hard for us, especially given the turnover in higher administration at this University, to provide some degree of continuity of what had happened in the past so that we did not make the same mistakes over again. In terms of that same history the University Council had voted those members of the retirees onto the University Council. She thought they deserved that recognition from us. She also noted that The University of Akron would not be the only university to have such a policy; Senators should note that several other universities in the state of Ohio had retirees as members of the Faculty Senate. She asked that Senators look carefully at the rationale, because in fact the retirees had a real role at this University. They had an institution and an emeriti college. They had benefits and privileges at this University. Therefore, she thought the Senate should take into account their relevance and vote against the motion of Senator Qammar's.

Senator Reed then asked whether the Retirees Association had a board and a president as a group. Chair Sheffer answered affirmatively. Senator Reed then asked if the association would conduct an election. Chair Sheffer then read the proposed amendment from the April 2001 Chronicle "The Association shall elect two Senators from its dues-paying membership who are retired faculty members." One concern had been that Retiree Associate members elected to serve as Senators must be retired faculty members. That modification was made the first time the amendment came to the floor.

Senator Harp then asked, of the other groups that have representation on the Senate, were there any that required dues? Chair Sheffer replied that the members of that association did.

Senator Sterns then added that there were over 1,000 retirees. Many did not even live in the Akron area any longer; they were all over the country. However, when the retirement group was set up they determined that there would be dues; they set up their constitution and bylaws. The feeling of their leadership and the discussion of their group was that this would be the best way to represent them. He thought Dr. Erickson also had certainly given all reasons why the body should support them having a role in Senate. From the field of gerontology he wanted to point out that one of the reasons the retirees should have a voting presence was because Senate wanted to send a message of full participation. Just sitting in on a group was really kind of a non-participatory role and not of the same status. He thought the body would want to take advantage of the experience and wisdom they might have to offer. He hoped all would join in voting down this motion in that regard.

The Chair then called for further discussion on the voting/non-voting issue. None forthcoming, a vote was taken. Senate rejected including non-voting status.

Senator Reed then stated that, given the other constituent groups represented here, she would really feel comfortable if there were one voting member. Not because she felt it would steer any kind of a vote of the Faculty Senate, but more to be consistent with the way Senate had represented other constituencies that one would probably be more appropriate.

Chair Sheffer then asked if Senator Reed wanted to put that forth as a motion. Senator Reend then made the motion that the Association of The University of Akron Retirees should elect one Senator from its dues-paying membership who are retired faculty members. Senator Broadway seconded the motion.

Senator Franks asked if there had been a rationale for requesting two representatives. Parliamentarian Gerlach stated that he was a member of the Association and, he had understood from the President of the Association who had talked with him about this in various and sundry ways, the Association had first started out with the idea of one and then decided perhaps two would be more suitable because all other groups had at least two, as this was a sizeable body. Finally, another issue cropped up which he did not sympathize with very much at all - if one of the retirees could not make a meeting, maybe the other one could and that would ensure that there would be a presence here. That was the rationale he had heard.

Senator Sakezles then asked if there were 1,000 members of this Association. Senator Sterns replied that there were over 1,000 retirees of The University of Akron of which close to 300 belong to this Association. Senator Sakezles pointed out that, given it was a constituency of 300 and that the

number of representatives for other constituencies such as Arts & Sciences faculty who were represented by 18 Senators, 1 for every 15 faculty, she saw nothing wrong with having two representatives for a group of 300.

The Chair then called for further discussion of the motion. None forthcoming, the Senate then voted to approve the bylaw changes with the necessary 60% affirmative votes.

VIII. OLD BUSINESS -Senator Pope had a question about the laptop situation. He referred to an article regarding laptops in the Akron Beacon Journal. He had been told that anyone who elected to participate in this laptop program would then deplete the English Department budget by \$2,000 over a period of a couple of years. Faculty had been told this by the dean. He had heard no mention of this today. However, it was made clear to faculty that if a member of the English Department elected to get a laptop, that there would be a hit the department would take to the tune of a couple thousand dollars over a couple of years. This had been disseminated throughout, but he had heard nothing about it today.

Senator Reed stated that she could only speak to what had been presented and how she understood it from the College of Education. Each unit would get \$500 per faculty member for computers. Then it was up to the unit. In the case those units had MAC's or did not want the laptop, there would still be the \$500. In the case where people were electing into this, it would be \$250.

Senator Pope then encouraged all to check further because the faculty in the English Department had been told that anyone who took one of these laptops would deplete our departmental budget over a period of 2 or 3 years by \$2,000. As a result, by and large his department had decided against participating on the basis of this. This was in discussion with his dean's office.

Chair Sheffer then pointed out that, of the \$500 that came back, it was not from the department's operating fund otherwise. The \$500 had been returned to the unit, and \$250 went back to IS to pay for these things.

Senator Pope replied that he understood that, but, in addition, the faculty had been told by the dean that the department's budget would be reduced by \$2,000 per person who took a laptop. He encouraged all to find out if this was true because the English Department faculty had been told it was true and that was a serious depletion.

Chair Sheffer stated that the issue needed to be cleared up because discussions with the Provost had not included that. Senator Pope then replied that he had been in the Faculty Advisory Committee and this was a serious issue and which had been talked about and rejected on the basis of that.

Senator Sakezles then stated that she had been at the Arts & Sciences chair's meeting when Dean Creel was explaining this. Dean Creel had said that every faculty member got \$500 allotted for computing. If a faculty member decided to take the laptop, he/she had to opt into that program for three

years. Essentially this was giving up \$1,500 worth of a given department's computer funds. She did not know where \$2,000 in 2 years would come from. That sounded like someone just got misinformation.

Senator Pope replied that this had been carried forward to the English Department and the way the department had understood it was that the budget for each person would be depleted. And even if it were \$1,500 rather than \$2,000 over three years, if the budget was depleted over three years by \$1,500 and ten people took it that would then be a serious depletion.

Senator Sakezles stated that that was \$500 gotten for computers; it would be spent one way or another. Senator Pope replied that that was not the way the English Department had heard it. Chair Sheffer then asked a written version of the policy could be obtained for review.

Senator Reed then commented that the \$500 per faculty member went back to the deans and was based on the number that was in the database as of a certain point in time. Certainly, it did not necessarily mean that that money would go back to the department.

IX. NEW BUSINESS - None.

X. GOOD OF THE ORDER - None.

XI. ADJOURNMENT - The Chair called for a motion to adjourn. He reminded Senators of the special meeting to be held on September 27 at 3:00 in Buckingham Room 201. The meeting adjourned at 5:10 p.m.

MINUTES OF THE SPECIAL FACULTY SENATE MEETING OF SEPT. 20, 2001

A special meeting of the Faculty Senate was called to order at 3:00 p.m. in Room 201 of the Buckingham Center for Continuing Education on Thursday, September 20, 2001.

Forty-seven of the sixty-one members of the Faculty Senate were in attendance. Senators Pope and Hebert were absent with notice. Senators Susan Clark, Jennifer Holz, Avraam Isayev, Holly Mothes, Claire Purdy, David Redle, Tracy Riley, Jerry Stinner, Barbara Trotter, Tyrone Turning, Joseph Walter, and Matthew Wyszynski were absent without notice.

SENATE ACTIONS

***APPROVED AMENDMENTS TO WELL-BEING COMMITTEE RECOMMENDATIONS NO. 1 AND 2**

***APPROVED RECOMMENDATIONS FROM THE WELL-BEING COMMITTEE (AS AMENDED)**

Chair Dan Sheffer began the meeting by asking all to stand for a moment of silence to remember the victims, families, and the nation in general for the tragedies of September 11, 2001.

The Chair then stated that the one item of business on the agenda was to discuss the health cost sharing proposal brought forth at the Faculty Senate meeting on Sept 6. The Well-Being Committee had met and was providing a report and recommendations for this discussion. Chair of the Well-Being Committee, Senator Erikson, began the discussion by presenting a review of the major items within the report to the Senate.

Senator Erikson stated that the first part of the report was essentially the proposal (**Appendix F**). What had been delivered to the Well-Being Committee was a memo from Mr. Nettling that had gone to the Board of Trustees relating to the budget and the health care costs as part of that budget. As reproduced for Senators in the attachments, part of the report stated that indeed the costs had gone up by 22%; that was 3.2 million a year. The Well-Being Committee reported to Senate last time about the fact that the committee had accepted the benefit side of this proposal. The committee had been involved in setting that up and had been there to discuss it. They had been involved in the bidding process; none of this was a problem. What the committee had been asked to do was to evaluate and make recommendations concerning the new proposals for health care contributions, which were supposed to cover 50% of the increase in the costs.

Senator Erikson then reviewed the numbers involved for the proposal. She stated that 3.2 annually would be 1.6 on an annual basis. Take 50%, and then half of that, because the health care went from January to January, then it was 750 in this particular budget that started July 1.

Senator Erikson continued. When the committee had looked at this proposal, they had seen two sets of problems. One of them related to the planning process. The committee considered that they would be asked to make a major change in the health care benefits system in an inordinately small amount of time. Meeting twice a week, the committee had been able to just cover the surface issues in the time period before a report was due. The committee felt that this was very different than the last time a major change in health care benefits, again, including the costs had been made. The change had been when PPO's had been introduced. The committee had had a full year in advance; there had been time to evaluate, time to educate. The whole thing had been done in what the committee had considered a reasonable time period and by an appropriate method.

She stated that the committee also did not understand why the increases in health care costs had not been not anticipated by those planning the budget for 2001-2002 last fall and why they had not been brought to the Well-Being Committee at that point. The committee found it to be extraordinary that only a 10% increase in health care costs had been considered. The consultant who provided information to the Well-Being Committee and to the University on health benefits had stated that a 10-20% increase had been what the increase had been for some time now. Our health care period covered a biennium. So, if the increase was kept flat for two years, then there would be a catch-up on the next year. A real problem the committee had was understanding the rationale for using 10%. The committee felt it was a problem with planning. A problem that had been in fact brought to the people who could not reasonably be considered to be the people who should have done the planning, the faculty and staff.

Also, the committee wondered if there were other ways to reduce health care costs that had not been seriously considered. One, there had not been a change in the bonuses for opting out of UA insurance for years. Then there was the issue of retiree benefits. Currently, dependents of retirees were covered under the traditional indemnity plan all used to have. But in the case of current employees, those using the traditional indemnity for the last two years had had had to pay for it. But the traditional indemnity for retiree dependents was free. This was an open-ended commitment that could continue for who knew how long. It cost, at the present moment, at least \$3 million. The committee felt that this should be examined.

Another issue concerned the open-bid process currently used. In the old days, it used to be that the issues on health care benefits were done by negotiation rather than state-wide bid. Again, the consultant had stated that in most cases when initial bids were obtained, they could be worked with to reduce costs (e.g., increase the deductibles, make benefits a little smaller). That was not possible in an open-bid process. If that was something that was required by the state, then perhaps the presidents of all universities should be doing something about that at the state level. Finally, it was suggested that we should have overall the same health care benefits system. Why not Ohio? Again, that would be a

potential reduction in cost. Perhaps that was long-term, but, in the planning process, the Well-Being Committee was concerned that there seemed to be no overall long-term way of looking at this whole issue, at least at the moment.

The second thing was the net salary problem. The committee had noted that The University of Akron, over some considerable number of years, had had low salaries. Attachment B listed AAUP salaries using the AAUP data from the Chronicle of Higher Education (**Appendix F**). Senators could see that, including the state universities that fit division 1 schools, leaving out Youngstown, The University of Akron ranked 8th in terms of professors' salaries, 9th in associate professors' salaries, and only at the point of assistant professors' salaries did the university come somewhere vaguely in the middle at 5th. Past administrations had pointed to the good benefits at The University of Akron as a way of compensating for low salaries.

The committee also considered what would be the net changes in overall compensation if the proposed increases in salaries, as suggested a 3% salary pool, and a requirement to pay health contributions occurred? Clearly, net salaries were lower. Attachment C showed the proposed annual contributions and percentage of pre-tax income; it showed the percentage that it would make of a pre-tax income. This meant it showed how much a salary increase had to be, given the health care plan chosen and number of dependents, to actually have a monetary increase in salary.

Senators were referred to attachment D (**Appendix F**). Attachment D showed that for employees covering spouse and children using the least cost option of the HMO, the best they could achieve was a 1.3 increase in money terms. Taking inflation into account, it was a net cut of nearly 1%, rather than the nearly 1% real gain. A 3% salary raise minus 2.2% inflation rate would give employees a .8% increase. But under this situation, if employees had dependents who needed coverage, it was a net cut of nearly 1%. Only those covering themselves alone would have a .5% real increase in salary. Given the attempt of The University of Akron to have higher and more competitive salaries, this seemed a step backwards rather than forwards. The committee went to show that because employees actually paid health care costs for the whole year even though the salary increase was to be only over the 6-month period, the numbers were a little worse. The differences here were the important part; it was the whole overall situation.

The committee also noticed that the traditional indemnity gave a net loss of salary in monetary terms and by doing that a real, real loss in salary. The 75% that employees would ordinarily have had to pay as part of the earlier increase would increase to their paying 400% difference in costs. Was it expensive, yes. Was it an attempt to get people to opt out of traditional indemnify, yes. Most on the committee had considered that. Whether that was an acceptable thing was a different matter, but that was what would be the case.

Finally, as far as the net income was concerned, the committee had some real concern about the 6 band system set up for contributions. It was supposed to achieve the same percentage contribution for

each income level. The committee knew that the bottom tier was calculated on 21,000 and the top on 120,000 with the others at the mid-point of the range. That meant with the bottom group the results were clearly regressive, because those under 21,000 would be paying more. Of course, at the top end, those over 120,000 would also be paying less than the proportional amount. There was also the same issue within ranges. There was the mid-range, but what about those below? The committee really considered that any contribution system should at least be an equal percentage for each individual. In fact, the committee was prepared to consider whether it should be progressive. At very least it should be proportional. That was the committee's evaluation of the issues that were involved in the proposal.

The Well-Being Committee also received input from the Planning & Budgeting Committee (Appendix G). The committee had asked PBC to determine what the other options for budget cuts to cover at least the 750,000 for health costs this coming academic year were. Chair Charlene Reed told the committee that PBC was not prepared to say there was an alternative way to get the 750,000 because it did not have to come from postponements of hiring. PBC had said they did not want to consider that. This was what the committee had received from Chair Reed. One, there were some extra funds from the additions in enrollment that were greater than what had been budgeted for before. That still indeed trade-offs would have to be made, but PBC and the Faculty Senate both had as their first priority higher salaries. The committee was concerned about higher net salaries given that the health care costs were costs. Certainly, then, other sources of funds would have to come from postponements in hires or other administrative cuts.

Senator Erikson then discussed the five options the committee had considered. The first option was the one presented by the administration - the 3% salary pool starting in 2002 and health care costs starting in 2002 and hiring postponements as later suggested. The second one was a 3% salary pool starting at 2002, but with the health care contribution starting in 2003 using the extra enrollment funds in essence to pay for the fact that it would start in 2003 instead of 2002. Again, not with any reductions in hiring costs, hiring reductions and postponements. The third one was a 3% salary pool starting Jan. 02, but no health care contributions, period. Greater hiring postponements to make up the difference if the new enrollment funds were not sufficient to cover the costs beyond 2003. That was another option the committee had considered. Number 4 was the option presented by the PBC - a 3% salary pool retroactive to July 2001 using extra enrollment funds for this purpose. Health care contributions starting 2002, hiring postponements as originally suggested. Then there was 5 which was the option that the Well-Being Committee recommended. A 3% salary pool retroactive to July 2001 if possible (like PBC's recommendation) was listed, and health care contributions would start January 2003. Senators would notice that option 5 included the phrase, "or a later date," because if indeed there were not enough funds to pay for a salary increase that started in July, then the committee asked that health care costs be covered for a year and as much of a salary increase that could be given was. It was a trade-off between an increase in hiring and how far back salary increases could go. Somewhere between starting in January (option 2) and the PBC's option of no. 4 which was July, if necessary.

As a result of these issues, the Well-Being Committee had come the following recommendations put before the Senate to vote on:

1) The Well-Being Committee recommends that health contributions start January 2003 with a 3% salary pool retroactive to July 2001 or a later date, with greater hiring postponements to allow some if not total retroactive salary rise. The extra enrollment funds should be put toward health care costs.

Senator Erikson stated that the committee had felt that the important and most essential thing was that health care contributions did not start in Jan. 2002 but that it be at least one year later.

2) That the Well-Being Committee continues the process of investigating the appropriate form and level of health contributions with the objective of having a fair and effective system in place by Jan. 2003.

3) That a committee which includes appropriate members of the administration and members of Well-Being should be formed to investigate longer-term methods of reducing health benefits costs or at least cost increases at The University of Akron.

Senator Erikson then explained why the committee had chosen this option over that presented by PBC. The most important reason was that, for each employee, health contributions were certain costs while individual raises were highly uncertain. Contributions that would start in January would be a potential hardship, especially for those with low incomes and dependents. Employees would have very little time between now and January to even plan at all to come up with the extra money. Even with an average range, health contributions gave a real income loss to those with dependents despite the low level of inflation. This was even more true for new employees who would not be eligible for the raise. In fact, according to some people on the committee who had talked to new employees in their units, these new employees had felt that this was sort of a bait and switch. They had chosen to be employed at The University of Akron because of that health benefit. Now that was gone and of course there was no raise in salary to compensate that loss. The Committee felt it needed more time to review the system of health contributions proposed. They had considered that it should be continuous process. Talking to Desnay Lohrum about that, it would take a significant amount of time to set that up. The committee was not too sure that there should even be a progressive system; they were not too sure of what should be the appropriate amount of costs that employees were asked to absorb. A suggestion had been made about leaving at least a low-cost HMO which was exempt. These were issues the committee had not had time to evaluate. These issues made it fairly obvious why the committee wanted the long-term changes. For the short-term, that was the committee's proposal.

Senator Erikson stated that recommendation no.4, while outside the terms of reference of the committee, was definitely a strong-sent feeling of the committee.

4) That the PBC should be involved in developing a long-term plan to raise salary levels at The University of Akron. In the meantime they should consider the possibility of using the present pool as a cost of living raise to all employees given the need to plan for health contributions.

Senator Erikson stated that, while this was outside what the committee had been asked to do when looking at health care, there was no way to really separate these issues. She emphasized the need for long-term planning in regards to raising salary levels at the university.

Chair Sheffer then asked Senator Erickson if it were the motion of the committee for Senate to accept all four of these recommendations. She replied affirmatively and the Chair opened the discussion. President Proenza then spoke.

"Thank you, Mr. Chairman. Ladies and gentlemen, I have to leave in a moment and would like to just share some information with you. First of all, I thank both the Well-Being Committee and the PBC for some very careful deliberations, many of more which will have to take place and I certainly look forward to getting the report of your discussions today. But if I may beg your indulgence and relay just a couple pieces of information for you.

First, allow me the privilege of thanking you for the many expressions of sympathy that so many of you sent in the passing of my assistant, Nancy Noonan; it's deeply appreciated. I want to thank also our Student Government leaders for the very moving ceremony, the candlelight vigil that was held a week ago tonight, and thank you both, Elliott (Anderson) and Dan (Chafin) for that evening and to the many, many hundreds of students and some faculty who were able to share.

Thirdly, as I've already said in an email to the campus, congratulations and thank you for the efforts that all of you, and I do mean every member of the University family, have put together to give us the exciting enrollment results that we have seen. By every indication, ladies and gentlemen, we have beat everybody else's margins, and why is that important? Many people are saying the economy is down, therefore there's an enrollment push. Other people are saying there's a baby boom echo and hence, enrollment increases. Other people are saying that Ohio State cut their enrollment or their admissions protocols and hence, this is the trickle-down effect. If that were the case, we would be seeing approximately the same enrollment as every one of our neighbors. We are higher, and that tells us that the things we have begun to do are in the right direction and again I

thank each and everyone for those efforts. The margins we're enjoying clearly says that we're on the right track.

Now, we're just beginning; if you were running an experiment this is a little data point in a downward track you would say, I'm not sure if I'm going to bet on that quite yet. I don't want to be that pessimistic because we certainly created some hypothesis for action that suggests that we are indeed in the right direction. But we certainly cannot assume that we can count as many of the numbers as all of us would wish we could. For example, we know that the largest increase we enjoyed were in first-time freshmen. We also know that traditionally it is the first-time freshmen that we lose the most of most quickly. So I've asked the Provost and Vice President Nettling to begin a very careful analysis much as you are undertaken in your deliberations to begin to examine just how much of that revenue we might conservatively but optimistically be able to indeed allocate to resolving these issues.

If I didn't mention the second semester drop, we have the second semester, second year drop for freshmen as well and obviously as we are clearly deliberating this year, other unforeseen circumstances such as continuing decline of the economy, further state pressures, who knows what's going to happen with this interesting condition that we find ourselves in our country, but nevertheless, that is something we ought to examine.

I'm pleased also that you are examining these questions as trade-offs because they are just that. The four proposals we entertained just to get a balanced budget on the books before these deliberations began were that- trade-offs. When you say we should defer some hirings, you need to consider that some of those deferrals, if not all, would mean permanent elimination of those positions. Forgive me, if there is no additional revenue for those delaying that, taking that money and putting it to other costs that are recurring like health costs or salary increases cannot bring that money back unless they're new increases. An economist should know that instantly - thank you for that smile, Senator Erickson - she recognizes it very well. In short, I do look forward to your deliberation today and to the final recommendations that you send my way and to the ongoing discussions that we must have in this regard.

There were several things that were mentioned in the report that I just want to touch upon. Hindsight is 20-20; I suggest you don't revisit what we did or didn't do. In both cases we were either wrong or right or whatever you wish to look at. The recommendations that we received from our consultant were what they were. We'll be seeing some other things in the picture. Yes, they have been completely foreseen maybe. If you wish to criticize them, be my guest. Nevertheless, the facts are what they are.

You also raise the question which we've addressed before - salary levels, and you sighted some averages. Averages are averages, statistics are statistics and if you don't define the experiment appropriately, as I'm sure Dr. Midha would be happy to expound on far more eloquently than I can, you will get the wrong result. Be careful about that. These rankings you've heard about depend upon several issues which can give you misleading information, first because of the disciplines that are in the mix in different institutions including whether an institution has or does not have a community college attached to it. It has to do with the years in rank of the faculty that were studied and sampled in that, and I know you are aware of the recent retirements we've had over the last several years. It depends on many other more specific information such as was alluded to in the types of institutions, the number of departments, whether they're masters or Ph.D. granting, etc.

Another consideration which affects these rankings especially in the professor and associate professor ranks is the large number of our most senior faculty members. So as you know, the President's Commission on Equity has begun the systematic analysis that is required for us to base the kind of plan I fully expect you to help us to develop with the kind of information that would be needed to make those plans both credible and ultimately indeed effective and satisfactorily accomplishable. I'd be happy to answer any brief questions, but otherwise I do look forward to the recommendations and the report of your deliberations."

Senator Qammar then asked the President to describe the potential timetable when he received this recommendation, the timetable with his actions. The President stated that there were some trade-offs available here which gave back and forth. He then asked Mr. Hank Nettling for a time line on that if the University were to implement a cost-sharing plan. Mr. Nettling replied that it would need to be done by Oct. 8 or very early October.

The President then stated that, in that context, there was a very short time line. Obviously, he was going to have to weigh the recommendations. On the table were two separate recommendations, one from PBC and one from the Well-Being Committee that overlapped in some ways. The Well-Being Committee option stated to defer the health care but do the salary increases. As the budgetary implications were examined, the key question was, what would then be our most effective projection about sustainable income to support in this case the salary increase that was chosen and the timing of it, and the anticipated venue for the covering of the \$750,000 for the remainder of this academic year and its implementation down the line. So these were again trade-offs. If Senate's recommendation was in that direction and the salary increases stayed at the 3%, that was certainly one trade-off that he would be happy to examine and consider in the light of the budget analysis. If Senate's recommendation was otherwise and to begin some form of cost-sharing in January, then Oct. 8 appeared to be the drop-dead day.

President Proenza continued by stating that he recognized that these were difficult issues. Again, he wanted to assure all that he deeply appreciated the fact that the trade-offs involved were being considered. He hoped this brief overview might have helped. Vice President Nettling and the Provost were here; they had other details that may be worthwhile to consider. He then thanked the Senate very much.

Senator Kinion then asked if, in their proposal, the Well-Being Committee had talked at all about the unallocated salary positions. Had the committee been expecting to use that money in some way, because PBC had had a great deal of discussion about that. She was wondering where the committee viewed that in their presentation.

Senator Erickson then asked for clarification of what Senator Kinion had meant the unallocated salary. Did she mean the 1% over last year that was involved, or was she talking about the funds available for new hires? Senator Kinion replied that she was inquiring about the funds available for new hires. Senator Erickson then replied that the unallocated salary funds were what the committee had called the recommended hiring postponements, as presented by the administration. She then asked if it was 2.3 million that the President had mentioned, to which Chair Sheffer stated that it had been 2.65.

Senator Erickson stated that, as in no. 5, to get some kind of retroactive salary increase, there would have to be a trade-off against a greater hiring postponement. In other words, one of the problems was that the committee had no clear numbers to deal with. In order to pay for the health contributions and to have some salary increase if possible, what should be the increase in hiring postponements in order to allow for some retroactive value? All the committee could say firmly was to postpone the health care costs until 2003.

Senator Hoo Fatt then pointed out that recommendation 1 stated that contributions would start in January 2003. Would it not be better to add, "if appropriate at that time," as things might change? She then made a friendly amendment to add that phrase to that recommendation. Senator Norfolk stated that the word, "necessary," should be used instead of "appropriate." The recommendation then read, **"...health contributions start January 2003 if necessary at that time, with a 3%...."**

Provost Hickey then asked for a point of clarification. Given the way the contract was written, was it even possible if contributions were not begun at the start of the contract to then begin health care contributions in the middle of the contract? Did that not change the conditions under which the health care providers bid it? Mr. Nettling replied that he thought that would be okay, but would certainly have to be reviewed that with our consultant. He felt that it was something the university more than likely could do.

Senator Erickson then made a comment as she had been a member of the subcommittee that had been involved with the health care review process. There had already been a change in what was suggested. When we went out for that bid, it was with no contributions, period. These contributions had

not appeared until, as far as the Well-Being Committee was concerned, two weeks ago. But Mr. Nettling said they had to go back to the providers to see whether that was appropriate. She did not think it would be a problem because the sign-up was for a year. We could not do it. Senator Reed had suggested to the committee - that maybe we would consider July 2002. We could not do that because you had to sign up for a year. And the payment was different from the benefits - the benefits were not changing over the 2-year period. Certainly there might be some change by not doing it one way for one period and one for another, but the whole of our health care, who was signed up for what benefits changed every year anyway. We had a new, open process beginning in Oct. 2002 just as there was now.

Chair Sheffer called for further discussion of the amendment to the recommendation. None forthcoming, a vote was taken. The amendment was approved so that recommendation 1 read:

1) The Well-Being Committee recommends that health contributions start January 2003 if necessary at that time, with a 3% salary pool retroactive to July 2001 or a later date, with greater hiring postponements to allow some if not total retroactive salary rise. The extra enrollment funds should be put toward health care costs.

Senator John then asked if there were any kind of a definition as to how these contributions were going to be determined. Were we looking at flat rate or a percentage? He felt that it was very open-ended now. The administration could come back and say they wanted a contribution of 100% instead of 50%. Senator Erikson then pointed out that no. 2 of the recommendations dealt with that issue.

Senator Reed wanted to clarify a couple things. When she had met with the committee, there was a question about vacancies and the whole idea of whether that was really not exactly a "pot of gold". She had shared with the committee that, at least at the present time, positions were assigned to units. Whether they had a "JRF" attached to them at this moment, whether they were in a search or not, those were actually positions. Any decisions to use positions to cover health care costs resulted in a permanent loss of a position. She knew that those who were here back in '92 when there was a decision made just to eliminate whatever positions existed as of a certain date, that some units had paid a big price over many years for those kinds of decisions. At least as PBC has talked about it, we did not want positions cut just because they happened to be open at this moment in time. That was a big concern of PBC. She wanted to be sure all knew that when we said hiring postponements, we meant that, unless more new money becomes available, those were permanent cuts in positions.

Senator Lee then responded he was confused by that. It seemed to him that the only thing that was at stake between the original proposal from the President and what had come out of either PBC or Well-Being were postponements of health care contributions, not new contributions, not new ongoing costs. A postponement was a temporary cost; was not that right? Everyone had agreed that we were going to have an ongoing raise of 3%; the only question was whether it was going to start in July or January. That question was a set, finite amount; paid once and it was over. Consider the \$750,000 to pay the 3% for one semester. If that \$750,000 was paid once out of postponing 3 or however many

positions it took - 10 positions for a year - that was \$750,000 available again next year for those positions. It was really a postponement because it was just a one-time cost. He thought that was right with regard to the health care too on a larger scale, because we were saying let us pay the health care costs starting in January 2003. There was a set price for the health care costs for one year.

Senator Louscher then stated that he did not understand the logic of the argument that if we postponed hirings they would be lost because of further budget cuts. If there were further budget cuts, perhaps they should be lost. He did not understand that argument. Why was it necessary to assume if there was a postponement that position would be lost?

Provost Hickey then stated that the number was 1.6 million for a single semester. The 3% raise pool for the academic year was \$3.2 million; if you only do it for one semester, it was 1.6, for 2 semesters it was 3.2 million. Salaries that were increased go on to the next year, so there had to be money there to pay those salaries in the next year as well. So what was really happening was cannibalizing open positions. That was, taking the money out of those open positions and distributing it across the raise pool and that raise pool would be gone. That position was gone and would not come back until there were new additional revenues over and above what we had now to replace those revenues. If health care costs were distributed in that way too, the net result was an increase in the amount of expenditure. If that expenditure came out of the existing amount of money, that too would go on. So he really did think the fact of eliminated positions had to be accepted. The other point was that if we did not have the money to support those positions then maybe we should lose them. That assumed that the open positions were distributed across units in a way where their cuts would come from units it could afford to cut. And that was not true. We had some units with no vacant positions. Those units would not participate in this redistribution of funds at all. Units with open positions were the only ones who would lose money. So we would have to take the dollars out of the places where they existed, which may or may not be an appropriate distribution of what would really be the elimination of the position.

Senator Louscher replied that he thought an equally valid argument was that both of these proposals were asking the faculty at The University of Akron to take a net pay cut so that we could grow. Did not that seem a little odd? If we had more business then we ought to grow; if we did not have more business then maybe we ought not grow in terms of personnel that we hired.

Senator Kahl then added that, if there were a 3% increase in salaries as of January 2002 or a 3% increase in salaries as of July 2001, as of July 2002 there would be exactly the same base salary. That was simple arithmetic.

Senator Pinheiro then asked a question of Senator Erickson. Assuming all the different options of how to get around this point had been examined, had the committee discussed how the money used for construction or something like that compared to postponing hiring?

Senator Erickson replied that the Well-Being Committee had a more restricted mandate than that. When we had the meeting two weeks ago, we asked PBC to say where would \$750,000 come from. They did not answer that question; they said do not do that. That was their decision, but that was a question to be legitimately asked of PBC. She did, however, want to say something about the notion of cuts versus postponements. Indeed at some point revenue needed to cover costs. When we increased demand the extra marginal revenue would be covered by the marginal costs. She was an economist; she recognized that. She was saying that at this point, were we saying necessarily that the revenue was flat? Was the revenue going to go down? Yes, the revenue could indeed go up next year. She had checked with her department head and her unit to see whether or not these positions were being cut and was told no. We would have to see if it could be done next year dependent on of course economics circumstances. We knew that it was economic circumstances, but she thought the way Dr. Louscher had presented it was indeed the way an economist would. To a political scientist, as an economist she would give him an A.

Senator Erikson continued by stating that it was the job of the Well-Being Committee to at where the cuts would come. She did, however, look at the place in the budget of the hiring vacancies. For example, Arts & Sciences had positions vacant equal to \$1.2 million and that was much higher than anyone else's unit. She noticed that even higher than Arts & Sciences in positions vacant were those under the Vice President CIO Information Instruction Technology, who had \$1.394 million of vacant positions. To answer the question of where would cuts come from and what would be the real costs involved in making cuts, she certainly would ask the question and ask PBC to look at that. Where were those cuts going to come from? Should they be done across the board? If not, then where should they be made?

Senator Pinheiro stated that that was his my reasoning behind his question because hew wondered whether other options or other avenues were available that the administration had decided not to look into.

Senator John then stated that he had a problem with the recommendations that had been put forward by both committees. It seemed like faculty had surrendered. Now maybe the committees had discussed this and decided not to go the route. What he was asking was, if it was discussed, did anybody look at why we even had to consider contributing to our health costs? That was what he meant by surrender, automatically assuming that we were agreeing that we would help pay for health costs starting whenever, we did not know that yet. But one of the big benefits we had was that we did not have to contribute. He had slowly over the years seen things taken away from the faculty and the staff, bit by bit. He noted the veterans in the Senate shaking their heads. He had sat here for 20 years and heard every new administrator come on this campus and state that salaries were a high priority and that he/she would get us above average. Be it how we adjusted the model, the charts had stayed the same. We had never gone up; we had gone down. As was already stated, faculty were being asked to take a pay reduction and we were being asked to automatically say yes, we were going to go ahead and pay for our health care. When were we going to stop? Parking fees - we never paid for parking before and now we did,

because all the other universities did. But, we were told, we were not paying as much as they were. Did that make it right? That was one of our benefits. Slowly, one by one, everything was being taken away from us; think about that. His question was, was it considered why faculty were even considering to pay?

Senator Franks then asked a question of Dr. Hickey. Administrators had been using open-salary monies for a variety of purposes for a long time, like computers, equipment and supplies, whatever. Was the difference that, if they used the money for an ongoing cost, was the actual position line eradicated from paper, was it gone? Or was it of necessity that the position disappeared because we had committed the line?

Provost Hickey replied that the academic salary positions now resided in the colleges. Many of the colleges had kept some of those positions open so that they could use the money in those positions. Every salary line at the end of each month, 1/12 or 1/9 of that salary, dropped into a pool called unallocated salary dollars. Those dollars were now available to be spent within the individual colleges or if it was an administrative unit, within the administrative unit. Many of the colleges had found, since other budgets had gone down over time, particularly operational budgets, they had in effect been volunteering to cannibalize positions one month at a time in order to hire more part-time faculty, in order to provide travel funds, whatever they felt it was necessary to do. But those had all been one-time expenditures; they never extended into the future. Taking those dollars now and using them for anything that extended into the future, were now not one-time expenditures but ongoing expenditures. Those dollars were utilized from now on. The only way to replace those dollars was new revenue. That was the difference between what had been happening and what was being proposed to happen here. The issue of other places to look had come up. Capital dollars could not be spent for any other purposes. All of the dollars going into buildings were capital dollars. The bottom line was if a building was not built, fine, those dollars went to another university. They did not come here to be used for any other purpose.

Senator Kahl then stated that if we did not keep up with salary and benefits, we were going to lose lines anyway. His department had lost an assistant professor over the summer because of salary. If his department wanted to replace him, it would require a 50% increase in that line. He did not think that money was going to be forthcoming, so they had lost a position or, rather, replaced a professor with an instructor. If the money was not there, that position was gone. This would allocate the lost positions exactly to those units where the enrollment demand was the greatest nationwide. However, if we did not keep up with salaries and benefits, those areas where the growth and enrollment was the greatest would be the place where we would cut our faculty the most. That did not seem to be an optimal solution to the problem.

Senator Qammar then added several comments. We had two categories of money - the sustainable income in which all of our salaries and benefits sat in. Over the years, as Senator John had said, we had suffered because we sat in the high-risk, sustainable income portion of this budget. It was the risk that if we sent it forward we would not be able to pay that bill when it came. All the other units

on campus were the annual costs that came their way. We were very aware that these units had had to cannibalize their positions and essentially turned them into operating budgets. We absolutely now had a planning and budget process not by committee but by this distribution of what was a sustainable income and what was just a 1-yr. commitment, money that came for the most part every single year. Money was flying out of the sustainable income side and going into the annual income side, and none of it, because it was so high-risk, was going the other direction. Perhaps she could not say none of it; we did get a 3% increase perhaps in January when there had not been an increase in state benefits. There was a cost share of the employment benefits, so she could not claim that the University was not trying to do something in terms of raising the base pool for the sustainable income. But at some point we had to set a principle that there was benefit in going ahead and taking the risk and raising that sustainable income pool and letting the annual income pool make up for the difference. Two principles guided her.

One, as the new hires very openly pointed out, for us to now have created our contribution to the benefits actually broke our employment contract. We all signed a contract. That contract by the Faculty Manual said there were non-contributory benefits for the faculty. That the Board of Trustees would approve this, and they had all the authority to do it, but was that the principle on which we wanted to stand? That when a high-risk cost came to sustainable income, that we would allow someone to break the employment contract in the middle of the contract? There was a principle to stand firm and say no, we should not do that to anyone. Another question she would ask along the same lines was, especially after having listened to Senator Erickson's numbers about real dollars in people's pockets - particularly those at the low end of the income levels here on campus, did we want to be a party to a recommendation or even to facilitate a system where the compensation package automatically meant people got less money in their pocket year after year after year? There was a principle that said no, fire somebody. As long as what we were not doing was making everyone here poverty-stricken. She knew enough about the time value of money to know if this kept up over the length of our careers we would not even be able to afford McDonald's.

Senator Graham then spoke, extending the analogy beyond new hires actually. Last spring we were all sent letters of reappointment which we dutifully signed and sent back which stated salary levels that were the salaries we received last year. Many of us figured there would be a raise but we really had no idea how much that raise would be. But he did not think there were any of us who thought that the benefits package would change this significantly. So he for one would be very hesitant to cross the bridge and say ok, we would make these contributions, because once we started making these contributions we would always make these contributions. The level might may change. Salary increases - some years we got them but there had been years apparently when we had not. Sometimes they were higher than at other times, but this benefit situation would remain with us once we crossed that bridge. He was not sure even that if we did not cross this bridge now, this debate would not happen again. To him that was the key principle here - that we maintained as best we could the existing benefits structure even if it meant that we ended up postponing our raises to a certain extent.

Senator Louscher then asked for clarification, asking whether these two proposals, the one from PBC and the Well-Being proposal, would go to the President no matter what Senate did. Chair Sheffer then stated that it was his understanding that, at the last meeting the Well-Being Committee had asked

the old PBC to come together to provide the Well-Being Committee with some options to cover the 750. There was not an individual proposal to go forward to the President. The Well-Being Committee had taken that option with some other things to discuss. Only one proposal, from the Faculty Senate, which was the one that had come from the Well-Being Committee, would go on to the President.

Senator Louscher then asked what the consequences were then for the action on this proposal if this body chose not to support the Well-Being's recommendations. Senator Erikson replied that there were other options. She expected that if the motion was defeated, some other motion would be made with respect to health care. The Senate's job was to decide which recommendation to accept.

Senator Louscher then stated that he was not opposed to the committee's work but rather congratulated them on their great job. He had gotten the impression from Senator Erikson when she presented the committee's recommendation that it was felt the committee was under duress and held hostage to a certain set of parameters. So he was asking if the committee really wanted the Senate to pass this.

Senator Erikson replied to this by stating that the committee had considered option 3, which was a salary increase with no health contributions. What the committee had accepted was that there were trade-offs somewhere out there; it was evident in no. 3 that the committee had recognized there were trade-offs. The committee did not know how much they would be, because they did not know what the revenue was going to be in a year. It stated here that greater hiring postponements were in order to make up the difference in new enrollment funds if new enrollment funds were not sufficient to cover all this. At the time the committee had felt constrained to choose 5 but was perfectly willing to accept the friendly amendment which stated that health contributions would start January 2003, if necessary at that time. The committee had considered that they should be looking at where, on the health care side, cost savings could be made otherwise (e.g., on retirees' dependents benefits). The committee felt that if necessary, contributions certainly should not start 2002 and if they had to start, should not until 2003. This would give the committee time to evaluate where things stood. To a certain extent, there was duress - the time duress was that indeed October was when we had to have the sign-up for the health proposals. The other end of it was that we did not receive any kind of a budget. Well-Being did not receive anything until a couple of weeks ago and neither did the Executive Committee on what the budget would be. As a result, the committee wanted to consider not doing anything. Doing that may mean that the administration's proposal would hold which the committee strongly did not want to happen. So this motion as it now stood did not say health contributions would start in 2003. The committee would, however, evaluate whether it was necessary by looking at the other places of costs. She had not heard nationally how this huge increase in health care costs would be reduced. Given the annual increases between 10-20%, that was scary. She did not know how we would deal with that at the University or anywhere else. She thought we had to do some much better planning on that one. Further, while she agreed with the Provost on the way construction costs were and that we could not consider those funds, she would make a comment to the budget committee. What about the student fees that covered the interest payments on those loans for most of the 200 million building budget? Could not

part of student fees that go to interest costs go to other things at the University that are covered under operating?

Mr. Nettling replied that those fees were dedicated at the bond issue and they must be used for the debt service; they could not be used for anything else. Senator Erikson stated that was true once they went out on the bond issue. But, beforehand you had to consider the opportunity costs of the funds we knew we'd be assigned to.

Mr. Ted Mallo then stated it was because of the cap. In other words, we already had the fees up to the cap. Because they were used for a bond issue we were already above the cap.

Senator Norfolk then spoke to Senator Qammar's impassioned speech. He had been riding this horse for a number of years. He was also curious where the money had gone. He had done a very brief analysis - in the past ten years the total money spent on faculty salaries at this institution had gone up by 10% in ten years. Even with student declines the total operating budget of the University had gone up by approximately 25%. An awful lot of money had gone somewhere else. He imagined a great deal of it had gone into medical benefits; those figures he had not looked at. However, to talk about taking the easy road by cannibalizing positions one way or another - his department had been privileged to have active searches every year for the last 13 years. Every single time they had lost positions. Those who were trying to schedule students in his department knew that every single course in the department was full. They could not even offer half of the courses they needed to. They were finally getting some promises from our dean that they were going to get more positions. If it was stipulated that this was the way it was going to go again, a general hiring freeze, then that would cripple the very departments that generated most of the income for the University. He did not like crossing the line to talk about paying for our health benefits for the same reasons most did. However, the alternative was the reality, as Senator Qammar had said. Some were in departments or in colleges that were having enrollment declines regardless of what was happening with freshmen enrollment. Who was willing to go into tomorrow morning to his/her most junior faculty member and say, "You are fired as of next May,"? Lots of departments had grown; not everybody had shrunk in ten years. Departments had grown whose enrollments had fallen. We had got institutes all over the place; we had lots of people. Now the biggest group had not been in academics but there had been growth in certain academics. There had been lots of departments where the faculty worked a lot less - they did not produce as much as his faculty did, yet his faculty had lower than average salaries. He asked why that was. This was a place where we were supposed to make difficult decisions. The easy answer to simply say, "snatch up all the spare money" was not the way it worked.

To which Senator Binienda responded that some countries, former Communist countries, went to the point that they did not fire people; they just accumulated them even if there was no money to cover their salaries. He thought we were not a Communist country; he hoped.

Senator Sakezles then stated that there seemed to be a growing consensus that we did not want to agree to contribute to the health care costs at all. She was very bothered by how quickly this was being pressed on us. She agreed completely with the motion. She thought that some people might feel that no. 2 committed us to agreeing that next year we would share health care costs. She wondered if we should add a comment there similar to what we added to no. 1, saying if it proved necessary. The committee would investigate whether or not it was necessary that we share in the costs and if they decided that we had to, we would have come to that decision after considering it for a reasonable amount of time. Maybe it ultimately would be necessary.

Senator Sakezles then made the following friendly amendment by including the phrase, **"investigating the appropriate form and level of health contributions if they prove necessary,"** to recommendation no. 2. Recommendation 2 then read:

- 2) That the Well-Being Committee continues the process of investigating the appropriate form and level of health contributions if they prove necessary with the objective of having a fair and effective system in place by Jan. 2003.**

The Senate then voted its approval of this amendment. Former Senator, Professor Braun then asked permission to speak to the body. Dr. Braun began his remarks by stating that he had been in the Senate for a few years past and there had been other difficult issues like the conflict of interest and conflict of commitment problem. This salary and health benefit issue was as least as complicated and as influential on our lives as that one was. He had heard what some people here had said and he agreed with most of the things they had said, but he wanted to summarize it in a way and encourage this gathering to actually do something else than it originally planned. First, in looking at the monies that were available there should be no sacred cows in unallocated salaries or budgets from various other departments. For example, he pointed out information technology. Information technology was growing immensely. He had not really heard anybody questioning the size of that department, and he thought that should be looked at. There were many other things that could be done. He had sent some letters around and some people knew about things he had suggested. He then suggested the following: That an action should be taken. That this gathering of the Senate should form a committee, a representative group of people who spoke their minds and actually got together with the Vice President for Finance, with the Provost, with the President and sat down and actually looked at all the monies that were available. Together with the administration, this group would sit down and actually come up with a package that would be a pro-faculty package. Like someone else had said before and it seemed to him as well, that most of the sacrifices that were being required in order for the University to grow were going to be made on the part of the faculty. The reason he mentioned the conflict of interest and conflict of commitment issue was because that was what this gathering did at that time. It was very controversial and the document that had come down was not faculty-friendly at all. A committee was empowered to actually look at that and eventually in a conference with General Counsel to iron out a mutually agreeable solution. This was a little bit more complicated. There had to be an exchange of ideas that would be very honest. He thought that trying to keep the health benefits non-participatory was a very important issue. Once the line was crossed there was no telling how much the faculty would be required

to contribute. Today it could be 50%; next time it could be 100%, and there would be no recourse. So bottom line he thought was that this group should choose some representatives to meet with the Vice President for Finance, with the Provost and with the President and if necessary, Legal Counsel, and have an honest discussion across the board with all sources for money that were out there up for discussion and justify why this was happening. The common denominator of that meeting both from the executive and from us here should be that the decisions that would be made should take into consideration first and foremost the interest of the faculty. We were the University; the faculty was the University, and also the students. But if there were no faculty, there would be no students.

Senator Sterns then stated that he had served on at least four Boards of Trustees that had faced this kind of issue. He had served for various social service agencies where we as a Board had had to look at how we were going to deal with health benefits. He really thought that what Senator John had said earlier was absolutely critical. If looked at from an employment benefits perspective, each year there had been a trade-off between health benefits and salary increases. Each year we as employees had been willing to accept that combination of the benefits. Those benefits were deferred wages, friends. In other words we as a faculty had said, "yes, if you pay our health benefits we will settle for less of an increase because we think that is an appropriate mix of benefits." He thought the message we were sending was not that faculty did not want to support the health care costs. What we were sending to The University of Akron administration was the message that we thought there was a corporate culture at this university which said that giving health care benefits as part of salary was an important thing. We needed to see what we could do to make that part of our continuing corporate culture. If we wanted to change it, and change was everywhere; we understood that, but it was absolutely essential to understand that we for many years had accepted that as part of our salary package. He urged all to consider something else - how were we going to be competitive in getting new faculty here if we did not offer decent salary levels and benefits?

Senator Harp added to that by stating that he saw it as an issue of simple solidarity. He felt uncomfortable with separating a faculty into various categories; that was, single faculty versus married without children versus singled parents with dependents, with this kind of a proposal. But to go farther, he was deeply concerned about an exodus of brains they had lost in his academic unit. By the latest numbers, their enrollment had actually grown despite reduced faculty, but they had lost the brains. They had lost the people who used to make things work with the latest ERIP, and what they stood to lose, as the salaries of associate and full professors continued to fall behind other institutions in the state and country, was those associate and full professors relied upon now to do the hiring or to make the place work. So he worried about that exodus of brains. There were two options if things got bad enough for associate and full professors at the institution. One he hesitated to mention because he did not want anyone throwing spitballs at him. That was collective bargaining. It was obvious the people who would lose the least - associate and full professors - because they had security tenure. The other was that people simply got up and left as better job offers came in. As a relatively young member of his department, he liked the people around him; they did a wonderful job. When Senate set up a proposal that said we were going to lose or stood to lose, given the change not only in potential delay of salary but combined with a benefits package that would separate some members of the faculty from others, we

were sending a message to those with one income or at least one primary income that they might have something to gain by pursuing salary somewhere else, whereas in the past we looked after their benefits here. He saw this as not only an issue of recruitment, and we had used the benefits package constantly when recruiting, but also an issue of retention of the people who made this place work.

Senator Buckenmeyer stated he was torn both ways. His department had really shrunk and we had lost two positions this past year. It was a concern to him that if we postponed putting in other people then we would be even more disadvantaged. He was also concerned about the issue of salary. The other issues was not only the issue of retention of students but the retention of faculty. So he was torn between those two issues. What sort of time line were we looking at relative to making the decision and accepting these recommendations?

Senator Erickson replied that it had to go to the next Board meeting because we had to have enrollment starting on the 28th.

Senator Hoo Fatt then asked whose idea was this in the first place to have the health contributions at all? She asked someone to explain to her how this worked. Whose idea was it to propose this in the first place?

Chair Sheffer stated that the scenarios were presented at the August 28 board meeting. Right before that meeting, a memo was written by Vice President for Finance Nettling. If that was a committee of the Board, the group that put that together in the vice president's area, then he did not know who was involved in it. It had not come to the Faculty Senate as such.

Senator Hoo Fatt then wondered whether there were other things that were considered; if there were other options. She did not know what the other options were. The last two weeks the President gave us these and this was one of them, but were there more?

Senator Erickson stated that this had not gone through PBC. PBC couldn't meet over the summer; therefore, it should have come to the Executive Committee to discuss and vote on. However, it did not come to the Executive Committee to discuss and vote. It came to the Executive Committee but with one day before it went to the Board, and if Senators noticed as Senator Kennedy had said, all we were able to do was to listen to the four strategies. That was the way it had been done. The idea of participation, of contribution, as Chair Sheffer had said, either came from the administration or the Board. We were not involved in the decision making.

Senator Kennedy then added that, in terms of the Well-Being Committee being involved and coming up with other recommendations, this occurred because the Executive Committee at that meeting on the 28th with the President had said, wait a minute, we needed to investigate this. We needed PBC and the Well-Being Committee involved. That was the only reason we had these options and recommendations in front of us.

Provost Hickey then stated that when they had gone to the Board meeting in August, they had had no choice but to present a balanced budget to the Board. At that point in time, the University was \$7.8 million in deficit for the current fiscal year. What they presented to the Board were a series of options of ways to try to meet the \$7.8 million deficit with a clear understanding that this was going to have to have further discussion and possible modification based on that discussion. But there had been no choice; they had to take a balanced budget to the Board in August because they had to present a balanced budget to the Board of Regents. So what was proposed was to balance the budget through some combination of these various lines of revenue. There were no other lines of revenue; there was the tuition. The state money was fixed; the state subsidy was fixed for this year and next year. Tuition revenue and other ways to cut expenses were the only ways available to go forth with a balanced budget.

Senator Calvo then asked who was "they"? To which Provost Hickey replied, "The leadership team of the university." Senator Calvo then asked who that was specifically. Provost Hickey replied that it was all of the vice presidents and the President.

Senator Hoo Fatt asked if it were not possible to look at what existed right now and maybe cut the fat, maybe somehow scale down things were unnecessary and save money. She wondered if, by looking through departments or however this University was organized, it was possible to try to get a little more efficient and save in certain areas. Did the leadership team look into that?

Provost Hickey replied that there were only so many places to get money that did not result in the loss of jobs. Now if there was the desire for the institution to explore layoffs, then specifics were needed. He had said from the very beginning that the academic units would not share a disproportionate amount of these cuts. They would do their share but they would not do more than their share. He has stood firm on that position. But there were the operating budgets of the colleges if just the academic units were examined, and then the unfilled positions. There was a third category of part-time salary money. Those were the only three categories that were flexible. Everything else was tied up in faculty or staff lines that were filled. So there was not a great deal of flexibility. His sense was that the deans had been telling him that the operating budgets were far too small for their colleges as it stood now and that was why they had been in effect supplementing the operating budgets by keeping positions open and using the unallocated money. Could we go back again and look? Absolutely. The suggestion of Dr. Braun of having people look at the budgets - PBC had had the budget all year long. They had known the budget numbers; they had seen multiple scenarios and options of how to deal with deficits. He did not know what else could be shown, but he was more than happy to have participation in trying to make these decisions. He noted that the President talked about shared leadership and, when he came here, he started talking about shared responsibility as a part of shared leadership. That was fine, to make suggestions. But there had to be a willingness to share in the responsibility associated with that. If there was the suggestion that we were at the point of needing layoffs, then that needed to be understood. He would do everything in his power if the final decision here was to eliminate positions in order to cover these costs. He was not going to do what had been done in the early 90's; he was not going to eliminate positions across the board. He might in fact leave some open positions in units with high productivity

and turn to units with low productivity and say they had got to provide him with resources that were currently tied up in faculty and staff. To do otherwise was detrimental to the long-term productivity of the institution. Dr. Louscher pointed out that if we could not earn the money then we should not be spending the money and he agreed with that 100%. Some of the investments we had not made that we should have were in those activities that help to retain students. We had a 21% increase in our freshman class this year; that was fantastic. The last numbers he had seen reported that our sophomore, junior and senior classes were all smaller than last year. We were not retaining students. The way to ultimately generate greater enrollments and thus greater tuition and maybe sometime within our lifetime greater state subsidy, was to not only recruit students but to retain them. But that was going to be a long process. So, sure, we could look yet again at things to cut. But a deficit of \$7.8 million was not found in pocket change.

Senator Erickson then wondered, considering that PBC had been looking at the budget during this year, how these last strategies, the strategies the leadership team had put together, had been derived. As Senator Hoo Fatt had asked, were there other ways of getting to that point? As far as she knew, PBC had not been included in that phase of the discussion, the important phase of the discussion. Neither was the Executive Committee who had been empowered to act on behalf of PBC over the summer. During that time period, in that final and very important phase, we were not included. She thought no question that that was a problem. There might not have been very much time, but there was some time. The Well-Being Committee had completed their health care issues by the middle to the end of July. It was not until the end of August that the leadership's strategies were announced. So she thought there had been time. That was a serious issue.

Provost Hickey stated that the health care costs were not available at that time. Senator Erickson replied that they were available in July because she had seen the numbers. She had been involved on the subcommittee that was involved with that. Responding to what the Provost had said, that the committee did not go with open-ended demands. We had seen that there was a \$7.8 million shortfall. We knew that 7.8 million deficit had to be met. It was difficult. Looking at the options from the Well-Being Committee, the option the leadership team had given us was no. 1. Then the committee found out from PBC that there were some extra funds, maybe as much as 1.6 and maybe more than that. Well-Being said that 1.6 paid for that one year of health care costs. That's why there was the repossessed salary pool starting Jan. 2002 and the health care costs starting Jan. 2003. The budget numbers came out the same if there were extra money, which we were told there was. So when it came to option 5 versus 4, we heard PBC say that, if there were extra money, it should go into retroactive salary increases. The Well-Being Committee said "No." As far as we were concerned, we would support option 4. The majority of the committee initially chose 2 over 4. But then we said that we were not sure that the administration's deal on how much there should be in hiring postponements was the right amount. They had already taken 2.6, so maybe the 2.6 was not right. Maybe this was more than enough to pay for the health care costs. In that case, then the committee stated that we did want retroactive salary increases, and maybe we could have a little hiring reduction and a little more salary increase. No. We did not look at hiring freezes; we did not say that and we certainly did not expect that. We did consider that PBC would be part of those who ultimately decided how much would go to retroactive salary and how much

would go to hiring. That was PBC's job, not the Well-Being Committee's job. That is why option 5 represented the decision of the Well-Being Committee.

Senator Louscher then stated that as many knew, he was a department chair. Therefore, from the faculty's point of view, he was a member of the administration. But he was also a Senator, and he was elected to represent the social science division in the Arts & Sciences College. Yesterday and today, he had gone around talking to folks about this. They were mad as hell and felt betrayed. They asked me why was it we were doing this? Quite frankly, he did not have the answer then and, listening to the conversation today, he did not have the answer now. He needed to be able to say to those people - these items were looked at; no money could come out of that category; no money could come out of category C or D or E or F - it was all locked in and there was nothing else to do. He had not been told that today. He had been told there was nothing else to do, but he could not go back to those folks and say a really good argument was presented to him that, of all the line items here, there was nothing that could be done. He was told nothing could be done but he was not shown that. Basically, that was what we had here. The assertion was that we had to take some of the money of our own salaries to pay for this. He would be more than happy to vote for this proposal as long as he could go back to his constituents and state that a reasonable argument had been presented to him and there was no other way to do this.

Senator Li then stated that all state universities in Ohio were experiencing budgetary constraints, but, to her knowledge Cleveland State, Kent State, Ohio University and Bowling Green University - none of the faculty in these four institutions were experiencing this type of difficulty. So perhaps the institution leaders in these four institutions could solve the problems.

A call for the question was made. This was seconded by Senator Norfolk.

It was stated that, as a point of order, the question could only be called when debate was finalized. Had the debate come to a closure? Chair Sheffer then stated that Senators could vote against the call for the question. Was there any other discussion on the call for the question? None forthcoming, a vote was taken to approve the call for the question. However, two-thirds approval was needed and that was not obtained (26 in favor of calling the question; 18 opposed). Discussion continued.

Senator John then stated that this could be taken as a comment, question, observation, or whatever Senators wanted. In talking about where these extra monies would be obtained and where cuts were to be made, what was the rationale, and how had we all rationalized to ourselves, the raises that were given to the upper echelon of this institution, the administration? That had been sent to him as a comment today in an email. And, Senator Harp, he was not going to get into this, but it seemed to him that we, the faculty, had better unionize fast in light of the raises that were given. This notion of requiring the individual faculty member to pay up to \$150 a month added insult to injury. People were getting raises here, but faculty were not.)

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Senator Qammar stated that we should speak directly to the recommendations that had come out of Well-Being. We could go on and on about the potential, the injustices, where the money could come. About what the principles were, to committing to the compensation package for a decade for faculty. But we had to think right now to this recommendation. She wanted to speak for approving the recommendations that had come out of Well-Being. Well-Being did not right now commit us to going with contributing to our medical benefits. The recommendations gave an appropriate balance to the idea that there was a 3% pay raise that had been put out there; that was an ongoing cost. Senator Kahl had talked about that; the administration had already committed themselves to the risk of 3% in the future. By these recommendations, all felt that an awful lot of additional study would be appropriate. And we were talking about going ahead paying the \$1.6 million next year perhaps postponing costs someplace else. Perhaps in unallocated salaries; the administration would look into that or PBC would look into that. We were also asking for the potential of an additional commitment now of rolling back the salary pay raise retroactive to July or whatever was reasonable. She thought that that was a perfectly reasonable recommendation coming from this body. We were not absolutely committing ourselves to something. The administration had done to a certain extent their part; they had committed the risk of 3% into the future. We were asking for a redistribution of money this year.

Chair Sheffer asked if there were anyone who wished to speak against the recommendations. Senator Sakezles then asked, if Senators voted against the Well-Being Committee's recommendation, did that mean that the option then endorsed was that of the administration's? That we did go ahead with the cost sharing beginning in January 2002?

Senator Erikson replied that that indeed would be the case. Senator Sakezles then wanted to make clear to all that that would be the consequence of this vote. She was perfectly happy with this recommendation.

Senator Buckenmeyer asked for a point of clarification. Was what the Senate would be voting on Well-Being's 5th point? Chair Sheffer stated that there were four recommendations as amended with the statements, "if necessary at that time" in no. 1 and no. 2.

Senator Louscher then made a point of clarification on his comments. He was in no way critical of the Well-Being Committee. He commended them for the excellent work they had done under duress.

Further discussion not forthcoming, Chair Sheffer asked for a vote to approve the recommendations of the Well-Being Committee as amended. The motion passed. The Chair stated that it would then be forwarded to the President. Chair Sheffer thanked the Well-Being Committee for its good work on this issue.

A motion was made to adjourn. This was seconded, and the meeting ended at 5:00 p.m.

**Proposals Approved By Executive Committee of Senate
Approved by Provost
Given Final Approval June 2001**

Buchtel College of Arts and Sciences

Proposal No.	Department	Title
-	-	-

College of Business Administration

Proposal No.	Department	Title
-	-	-

Community and Technical College

Proposal No.	Department	Title
CT-01-25	Hospitality Management	modality change for 2280:101 and 2280:245
CT-01-39	Business Technology	increase credit hours 2430:105 and 2430:185
CT-01-49	Business Technology	delete 2530:241 and replace with 2540:129
CT-01-50	Business Technology	delete 5540:xxx; increase credit hours 2440:268 from 2 to 3
CT-01-51	Business Technology	update program to reflect change CT-01-50
CT-01-52	Business Technology	update program to reflect change CT-01-50
CT-01-53	Business Technology	update program to reflect change CT-01-50

College of Education

Proposal No.	Department	Title

College of Engineering

Proposal No.	Department	Title
EN-01-09	Mechanical Engineering	change prereq to coreq

College of Fine and Applied Arts

Proposal No.	Department	Title
FAA-01-14	Communication	add two prereqs to 5610:691
FAA-01-50	Music	increase credit hours for 7520:5xx/6xx; 7500:675. decrease credit hours for 7500:697

School of Law

Proposal No.	Department	Title
-	-	-

College of Nursing

Proposal No.	Department	Title
-	-	-

College of Polymer Science and Polymer Engineering

Proposal No.	Department	Title
-	-	-

University College

Proposal No.	Department	Title
-	-	-

Wayne College

Proposal No.	Department	Title

Library

Proposal No.	Department	Title

**Proposals Approved by Executive Committee of Senate
Approved by Provost
Given Final Approval July 2001**

Buchtel College of Arts and Sciences

Proposal No.	Department	Title
-	-	-

College of Business Administration

Proposal No.	Department	Title
-	-	-

Community and Technical College

Proposal No.	Department	Title
CT-01-40	Public Service Technology	Change in modality, 2260:265, Women and Addiction

College of Education

Proposal No.	Department	Title

College of Engineering

Proposal No.	Department	Title

College of Fine and Applied Arts

Proposal No.	Department	Title

School of Law

Proposal No.	Department	Title
-	-	-

College of Nursing

Proposal No.	Department	Title
-	-	-

College of Polymer Science and Polymer Engineering

Proposal No.	Department	Title
-	-	-

University College

Proposal No.	Department	Title
-	-	-

Wayne College

Proposal No.	Department	Title
WC-01-06	Wayne College	change in modality, 2540:140, Keyboarding for Nonmajors
WC-01-07	Wayne College	change in modality, 2540:150, beginning Keyboarding
WC-01-08	Wayne College	change in modality, 2440:160, Java Programming
WC-01-09	Wayne College	change in modality, 2440:170, Visual Basic
WC-01-10	Wayne College	change in modality, 2440:256, C++ Programming

Library

Proposal No.	Department	Title

Curriculum Proposal System Proposal Summary

Proposal: CT-01-27

Explanation of Proposal Statuses

Submitting Dean	William Beisel
Submitting College	Community & Technical -- Mike Jalbert x6374
Objection Deadline	Dec 15, 2000
Proposal Status	<u>Mature, no objections filed</u>
Departments Generating the Proposal	Publ
Effective Date	Spring 2001
Brief Summary of Proposal	Conversion of a traditional course (2260:260), Introduction to Addiction, to a web-based, online course using WebCT 3.0. Only one section of the course will become web-based. The other section will continue to be offered in the traditional classroom setting.
Type of Proposal	Program Change
Graduate School Endorsement Status	<u>Not required</u>
Graduate School Endorsement Updated	Nov 03, 2000 by GS asst to dean Dolli Markovich
Institutional Research Status	<u>Not required</u>
IR Status Updated	Dec 04, 2000 by IR Dolores Bezilla
Library Status	<u>Approved</u>
Library Status Updated	Nov 17, 2000 by UL assc dean Roger Durbin
Distance Learning Steering Committee Status	<u>Approved</u>
DLSC Comment	Well Done
DLSC Status Updated	Aug 06, 2001 by IS John Hirschbuhl
Resource Requirements	<u>No additional resources</u>
Resource Requirements Updated	
Proposal Last Updated	Feb 28, 2001 by CT assoc dean Michael Jalbert

[View the Program Change Detail Page](#)

[View the Course Changes Summary Page](#)

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CAMPUS FACILITIES PLANNING COMMITTEE

Summer 2001 Space Allocations approved by Executive Committee

The Campus Facilities Planning Committee proposed the following space allocation assignments, which have been approved by the Senate Executive Committee:

1.) Space Assignment Project No. 1200-130 to convert the space vacated by the American Chemical Society Rubber Division on the third floor of the Goodyear Polymer Center to support the Vice President for Research function of Dr. Newkome's position. Offices for the new Associate vice President for Research and Director of Technology Transfer (and any staff) are part of the usage as well as the creation of confidential conference areas.

Rooms 312-321, net assignable sq. ft. 1,415.

2.) Space Project No. 1200-133

Polsky 212, currently a general classroom.

Recommended use of space: Trade Polsky Room M-162 for 212. Room 162 is assigned to the Community and Technical College and seats the same number as 212. To be effective Spring 2002.

3.) Space Project No. 1200-129

Description of space: Olin Hall Room 271, net assignable sq. ft. 550 which is currently unassigned.

Recommended use of space: When History moves from Olin to the new building, space will be reassigned in Olin Hall. The plan is to use Olin 273 as a conference/seminar room for Sociology, Economics and Political Science, thereby eliminating the need for each to have such a room.

4.) Space Project No. (not numbered)

Mary Gladwin Hall Room 306

This space will be used for graduate nursing students. The college has 8 doctoral students sharing one office, one desk, and one computer. There are 107 masters-level students sharing one office, desk, and computer.

Room 306 will provide a more adequate space for these students.

**REPORT OF UNIVERSITY WELLBEING COMMITTEE TO FACULTY SENATE
SEPTEMBER 6TH, 2001**

Since the spring, members of the University Wellbeing Committee have been involved in the rebidding process for the University of Akron's Group Benefit Program. The selection team included three members of the University Wellbeing Committee (Elizabeth Erickson, Barbara Osyk and Ray Sibberson) as well as representatives of Human Resources and Purchasing (Desnay Lohrum and Gene Stevens): a committee structure recommended by the Faculty Senate and accepted by the Board before the last Group Benefit bidding two years ago. The selection team was assisted by a representative of the consultant firm of Watson, Wyatt and C. The task given to the team by the Board was to put out to bid a benefit program which would be essentially the same as at present. Members from Wellbeing helped suggest the addition of some marginal improvements and accepted the need for some changes in co-pays to reduce costs (see Attachment A. No major structural changes in types of program or methods of funding were envisaged in advance by the Board or the bid review team.

This situation was very different from two years ago, when Wellbeing reviewed and recommended to the Faculty Senate a change in medical insurance options. At that time there was a move from traditional indemnity and HMO's as options, to traditional indemnity (with temporarily subsidized premiums), PPO and HMO's as options. Note also that two years ago the Wellbeing Committee received the Board's request in the Fall to reduce medical costs in the budget. They then developed a draft plan, got feedback from the university community and provided a plan outline passed by the Senate in December. They were then involved in the bidding process in the spring.

This year bids were received at the end of May 2001 for the various parts of the group benefit package. Twenty one (21) responses were received and reviewed by the selection team, with assistance and recommendations from Watson, Wyatt & Co. Interviews were conducted with the finalists after which the team met for discussion and unanimously recommended the carriers listed in Attachment B, based on their services and costs. The significant changes were in the HMO's: with Hometown replacing Anthem as the HMO utilizing Akron General and Kaiser Permanente being added to Summa as an option using Summa's hospital system

The final task of the team was to report the costs of the programs to the university, based on the carrier bids and the estimated use of each option. The costs were approximately 22% higher than the previous biennium, that is an additional \$3.2 million a year. The team completed its major tasks by the end of July.

On August 28th, the Wellbeing Committee received the report on group benefit selections prepared by Mr. Hank Nettling, Vice President for Business and Finance, for the Board meeting of August 29th. It included an additional section recommending employee contributions for the PPO and HMO plans that would cover 50% of the increase in costs of \$3.2 million. The recommendation included suggested monthly contributions for PPO and HMO based on six salary tiers and also on whether spouse and/or children required coverage. The document then included a survey of health insurance contributions at other Ohio universities.

The Board of Trustees has accepted the recommendation on group benefit carriers. The Wellbeing committee has been informed by the President and Provost that final action on the cost covering part of the plan will be taken at the September 27th Board meeting. Input from the Wellbeing Committee and the Senate on this important new aspect of the group benefit package is an essential part of the process. The Wellbeing Committee has met twice this week: on Tuesday with Mr Nettling, Ms Lohrum, the Watson Wyatt consultant and the Provost and then today as a committee. We plan to meet twice next week to provide a report to senators by the end of next week. Given the tight schedule and lack of important information, at this point we recommend the following:-

a. that last year's Planning and Budget Committee reconvene immediately to determine what are the other options for budget cuts to cover at least the \$750,000 for health costs this coming year.

b. that the Senate reconvene for a discussion of the report and recommendations of the Wellbeing Committee on health care on Thursday, September 20th at 3pm.

Respectfully submitted

Elizabeth Erickson, Chair, Wellbeing Committee

Elizabeth L. Erickson

- The plan design bases for the request for proposal included a combination of current plan continuations, modified or new coverage introductions, and evaluations of varying plan alternatives. The program modifications or alternatives included:
- Reductions in the traditional indemnity medical plan option's medical coinsurance rate from 90% to generally 80%.
 - Increases in the participant copay levels for prescription drugs under the traditional indemnity and PPO medical plan options from 10%, minimum \$7 retail, to 20%, minimum \$12. For mail order service, the copay was increased from \$5 to \$14 generic and \$24 brand.
 - Increases in the traditional indemnity and PPO plan medical option's outpatient mental/nervous and substance abuse benefit limits from generally 26 per year for each category to 50 per year.
 - Increase in all medical plan options' disabled dependent student child coverage extension period from 12 months for the disabling condition to 12 months for full medical coverage.
 - Potential additional dental plan options with increased calendar year non-orthodontic and orthodontic lifetime benefit maximums of \$1,250 each.
 - Potential alternative LTD benefit options with increased monthly benefit maximums of \$5,000.

Potential new STD coverage option.

Attachment B: GROUP BENEFIT RECOMMENDED CARRIERS

Group Insurance Component	Recommended Carrier
Traditional Indemnity Medical	Medical Mutual of Ohio
Preferred Provider Organization Medical	Medical Mutual of Ohio
HMO Medical (Akron General Network)	Hometown Health Network
HMO Medical (Summa Health Systems Network)	SummaCare and Kaiser Permanente
Indemnity Dental	Metlife
Managed Vision (100% employee)	Vision Service Plan
Long-Term Disability (base plus optional)	Liberty Mutual
Life Insurance	Liberty Mutual
Accidental Death and Dismemberment	Liberty Mutual
FSA Administration	Medical Mutual of Ohio
COBRA Administration	Medical Mutual of Ohio

REPORT OF THE CAMPUS FACILITIES PLANNING COMMITTEE OF THE FACULTY SENATE
September 6, 2001

The Campus Facilities Planning Committee met September 4, 2001.

The minutes of April 19, 2001 were approved.

The Committee reviewed and approved the following summer requests which were then sent to the Faculty Senate Executive Committee which also approved these. The Chairman then signed the space allocation routing slips.

- Trade Polsky room M-162 for 212. Room 162 is assigned to the Community and Technical College and seats the same number as 212. To be effective Spring 2002.
- Reallocate 675 square feet in Mary Gladwin Hall, Rm. 306. This space will be used for graduate students. The College has 8 doctoral students sharing one office, one desk, and one computer. There are 107 masters level students sharing one office, desk and computer. Room 306 will provide a more adequate space for these students.
- Reallocate 1415 square feet in Goodyear Polymer Center, 312-321, from American Chemical Society Rubber Division to the Office of V.P. Research and Dean, Graduate School.
- Reallocate 550 square feet located in Olin Hall 273. When History moves out of Olin Hall into the new building, space will be re-assigned in Olin Hall. The plan is to use Olin 273 as a conference/seminar room for Sociology, Economics, and Political Science – thereby eliminating the need for each to have such a room.

Ted Curtis, Vice President for Capital Planning and Facilities Management, presented a status report on the 56 on-going campus projects.

Jim Stafford, Director of Parking Services, reported on the campus-parking situation for Fall 2001. He also presented the new brochure, The Clever Commuter, which provided parking information and the new shuttle service routes.

It should be noted that Lots 2, 4, 15, 19, 22, 31 and 52, plus the Auburn Science parking deck, are currently designated Faculty/Staff only.

Respectfully submitted,
Harvey L. Sterns, Chair

**RATIONALE FOR THE APPROVAL OF THE REQUEST OF THE ASSOCIATION OF
THE UNIVERSITY OF AKRON RETIREES FOR REPRESENTATION AND
MEMBERSHIP ON THE FACULTY SENATE**

As an active and viable part of The University of Akron – its past and future – The Association of The University of Akron Retirees (AUAR) is seeking seats on the Faculty Senate to stay abreast of and participate in the activities, benefits and decisions which may directly effect this constituency.

On June 11, 1998, The University of Akron Board of Trustees approved a proposal for new activities of the Institute for Life-Span Development and Gerontology including the creation of an Emeriti College (an Association of University Retirees), and the Center for Life-Long Learning.

On June 28, 1998, President Ruobel announced that the Board of Trustees approved the creation of an Emeriti College. His announcement stated, "The Emeriti College will have a leadership council drawn from University retirees. The working title of the Emeriti College was changed to The Association of The University of Akron Retirees so as to reflect the purpose and membership of the organization representing more than 1000 retirees. It was further announced that the Association was to be housed in the Institute for Life-Span Development and Gerontology.

The section of the Regulations of the Board of Trustees (Faculty Manual) dated August 1991 concerning University Council indicated that retired University of Akron faculty would have voting membership on Council. After the transformation from Council to Faculty Senate, the retired faculty is the only constituency still not included in the Faculty Senate. Representation includes students, contract professionals, part-time faculty and staff.

The current Faculty Manual dated January 20, 2000, section 3359-20-043 on Faculty Privileges and Benefits clearly indicates that retirees are part of The University of Akron constituency in part (C): "Benefits and privileges of retired and emeritus faculty and staff, some of which includes insurance, attendance at events, use of facilities, use of the libraries, use of laboratories and participation in externally funded research grants, etc."

Ted Mallo, Vice President and General Counsel and Secretary to the Board of Trustees, informed Dr. Dan Sheffer, Chairman of the Faculty Senate, in August 2001 that the Administrative Code and Revised Code of Ohio did not prohibit retirees from serving on a university governance body such as our Faculty Senate. Two other leading institutions of higher education in the state of Ohio, The Ohio State University and the University of Cincinnati have established retiree representation on their Faculty Senates.

Prior to the establishment of AUAR, many retirees felt a severe lack of any continuing relationship with the University. The University, in many cases, had been the sole professional identity of these retirees for their working lives. These retirees have valuable academic skills, political relationships, community contacts, and frequently serve on various community and agency boards. The University needs to retain the involvement of the retirees. Their time, talent and treasures are significant.

REPORT OF UNIVERSITY WELLBEING COMMITTEE TO FACULTY SENATE ON HEALTH CARE PROPOSAL FOR 2002-2003

PROPOSAL

On August 28th, the Wellbeing Committee received a report on Group Benefits prepared by Mr. Hank Nettling, Vice President for Business and Finance, for the Board of Trustees meeting of August 29th.

The report:-

- listed the recommended carriers for the biennium 2002-2003 in the areas of health care, life insurance etc.
- included a table of the increased costs of these benefits for the same biennium (see Attachment A): a 22% increase (\$3.2 million annually) over the previous biennium.
- recommended employee contributions for the PPO and HMO health plans that would cover 50% of the cost increases of \$3.2 million. The suggested monthly contributions for Traditional Indemnity (TI) PPO and HMO based on six salary tiers and alternative family coverage (included in Attachment C).
- attached a survey of health insurance contributions at other Ohio universities.

Members of the Wellbeing Committee have been participants on the Selection Team that since late Spring has been involved in the bidding process associated with choosing benefit carriers. That team unanimously agreed to the benefits and carriers providing those benefits.

In continuation of long-time practice, the Provost and President has requested the Wellbeing Committee :- to evaluate and make recommendations concerning the new proposals for health care contributions.

These recommendations are needed for the September 27th Board of Trustees meeting, when final action on group benefits for 2002 will be taken.

PLANNING PROCESS PROBLEMS

The Committee has problems with the planning process relating to Group Benefits. The members are concerned that they are being asked to make a major change in the health care benefit system in such a short time. Several years ago when a major change was suddenly proposed to deal with rising health costs, the negative response of the university community led to a withdrawal of the plan and a one year study of options by Wellbeing Committee. The Committee was able to obtain feedback to suggested changes and had time to educate the campus community. That process led to widespread acceptance of the present plan of TI (with contributions), PPO and HMO options. The Committee considers that this is the appropriate system of decision making.

The Committee does not understand why the increases in health care costs were not anticipated by those planning the budget for 2001-2002 last Fall and brought to Wellbeing at that time. The President has stated that they only included a 10% increase in health costs. Given that health carriers bid for two years and that many sources were stating that annual increases in health care costs were in double digits, the Committee cannot understand the rationale for such a low number.

Finally, the Committee considers that serious consideration should be given to other ways of reducing health care costs to the university. One possibility is the use of higher bonuses for opting out of UA insurance. Another is finding a way to limit retiree dependent benefits. Dependents of retirees receive the Traditional Indemnity plan at no cost, despite budget deficits. There should also be long-term consideration given to state-wide efforts by universities to allow negotiation rather than bidding process for benefits and/or a state-wide system of insurance like STRS. Wellbeing wishes to be part of any such long-term evaluation.

NET SALARY ISSUE PROBLEMS

The Committee notes that over many years, the University of Akron has had low faculty salaries relative to other universities in Ohio. Administrations in the past have said "yes, but we have such good benefits". Attachment B shows the relative faculty salaries for 1999-2000: we are 8th or 9th of 9 for Professors and Associate Professors and only average for Assistant Professors. Mr. Nettling's report notes that many other universities pay health care premiums, but they have higher salaries with which to pay those premiums.

Members of the Committee consider that contributions should be in some relation to our overall competitiveness with institutions to which we wish to be similar.

What would be the net changes in overall compensation, given the proposed increases in salaries and the requirement to pay health contributions? Attachment C shows the % of income going to health contributions (for a full year of contributions), based on benefit choice. (Note that the contributions are indeed proportional to income). These calculations are based on the average level in the band. The table shows what the annual percentage raise would need to be to cover the cost of health contributions. Attachment D shows the scenario for a 3% salary increase and the proposed health contributions for a one year period. Note that it also shows what would be the real change in income, taking into account inflation. Attachment D shows that for an employee covering spouse and children, using the least cost option of the HMO, the best that can be achieved is only a 1.3% increase in money terms. Taking inflation into account it is a net cut of nearly 1%, rather than nearly the 1% real gain that a 3% raise would imply! Only those covering themselves alone would have a .5% real gain in salary. Given the attempt of the University of Akron to have higher and more competitive salaries, this seems a step backwards rather than forwards!

In fact, with the way the salary increase will take place, the situation for 2000-2001 will be worse. The delay in salary increase to January means that a 3% scenario is really 1.65% this year, which does not cover inflation (estimated at 2.2%). Combined with contributions, that unlike salaries must be paid through June, families with spouse and children coverage can only get a .6% monetary increase and 1.5% real cut in salary. (see Options later). The Committee considers this to be an unfair burden, especially on low income campus employees.

We note also that under the scenario, the Traditional Indemnity for anyone with spouse and/or children would give a net loss of salary in monetary terms and in all cases a real loss in salary. Given that the extra payments for those under Traditional Indemnity cover the whole difference between it and the PPO, rather than the 75% originally agreed to by Faculty Senate, that is no surprise. The price is set to discourage use of this high cost option. Note that though the percentage of income paid is correct, the numbers for TI in Attachment D are an over-estimate, because those in TI already pay a contribution.

Members of the Committee also have problems with the six-band system set up for contributions. The method is supposed to achieve the same percentage contribution for each income level. We understand that the bottom tier was calculated for \$21,000 salary and the top tier for \$120,000 salary. The others were calculated at the mid-point of the range. For the bottom group the results are clearly regressive for those with less than the average and for the top group, those earning greater than \$120,000 are paying less than their proportional share. The same is true to a lesser degree for those above and below the average of each range. The Committee considers that any contribution system should at least be an equal percentage for each individual, however low or high their income. They would also like to consider the possibility of a progressive system, because contributions are a greater burden on those with low incomes.

OPTIONS

In determining its options for evaluation, the Committee obtained input from the Planning and Budget Committee (PBC): specifically they asked PBC to determine what are the other options for budget cuts to cover at least the \$750,000 for health costs this coming academic year. Charlene Reed, Vice Chair of PBC attended a Committee meeting to provide information and answer questions. On the basis of this information and their own discussion the Committee determined that:-

- Some extra funds from additions in enrollment do exist
- trade-off's will still have to be made
- PBC and Faculty Senate's first priority for higher (net) salaries should apply
- Other sources of funds need to come from postponement in hires or other administrative cuts.

They then considered the following options:-

1. **3% salary pool starting Jan 2002, health contributions starting January 2002 and hiring postponements only as proposed by the Administration**

2. 3% salary pool starting Jan 2002, health contributions starting January 2003 (using extra enrollment funds for this purpose), hiring postponements only as proposed by the Administration
3. 3% salary pool starting Jan 2002, no health contributions and greater hiring postponements to make up the difference if new enrollment funds are not sufficient
4. 3% salary pool retroactive to July 2001, health care contributions starting January 2002, (using extra enrollment funds for this purpose)
5. 3% salary pool retroactive to July 2001 or a later date, health contributions starting January, 2003, greater hiring postponements to allow some if not total retroactive salary raise.

RECOMMENDATIONS

The Wellbeing Committee recommends:-

1. that health contributions start January 2003, 3% salary pool retroactive to July 2001 or a later date, with greater hiring cuts to allow some if not total retroactive salary rise. Extra enrollment funds should be put to health costs in 2002 (Option 5).
2. that Wellbeing continues the process of investigating the appropriate form and level of health contributions, with the objective of having a fair and effective system in place by January 2003
3. that a Committee which includes appropriate members of the administration and members of Wellbeing should be formed to investigate longer-term methods of reducing health benefit costs (or at least cost increases) at the University of Akron
4. that PBC should be involved in developing a long-term plan to raise salary levels at the University of Akron. In the meantime they should consider the possibility of using the present pool as a cost-of-living raise to all employees, given the need to plan for health contributions.

RATIONALE

The Wellbeing Committee agrees with PBC that a retroactive salary increase is of major importance. We also recognize the inevitability of being required to share in the rising costs of health benefits. However, we consider that the highest priority should go to delaying the introduction of health contributions to the next enrollment period (January 2003). We have several reasons for this choice:-

- a. for each employee health contributions are certain costs, while individual raises are highly uncertain. Contributions will be a hardship, especially for those with low incomes and dependents. A January 2002 starting date gives very little time or ability to plan how to deal with this increased cost.
- b. even with an average raise, health contributions give a real income loss to those with dependents, despite the low level of inflation. This is even more true for new employees who will not be eligible for the raise and included the lack of health contributions in their decision to come to the university (instances of such concern have been reported to the Committee)
- c. the Committee needs more time to review the system of health contributions proposed. We consider that any proportionate contribution should be continuous, rather than in bands. Time would be needed to set up such a change. We wish to determine the possibilities for reduced costs through opt-out and opt-out incentives. We also wish to consider whether the system should be progressive, how much of the cost should we absorb, whether the HMO should be exempt, how to remain competitive with other universities in net compensation.
- d. for a major change in health benefits, time is needed for feedback from and education of the university community. Acceptance of the shift to a PPO depended on such a process.

The Committee considers that longer-term methods of reducing health costs need investigation: we have listed possible sources above. We consider that a planning team to investigate these possibilities is very much needed: we have seen the problems of short-run responses to health cost issues.

ATTACHMENTS

ATTACHMENT A (to be sent separately)

Group Benefit Selection-Finalist Bid Summary: Estimated Costs

ATTACHMENT B

RELATIVE SALARIES 2000-1 (AAUP DATA)

(000's \$)

University	Professor	Rank	Associate Prof.	Rank	Assistant Prof.	Rank
Ohio State	92.9	1	63.8	1	57	1
Kent State	83.1	2	61.4	2	48	3
Miami U	82.4	3	60.0	4	45.9	8
Cincinnati	80.5	4	60.1	3	48.2	2
Ohio U	79.0	5	58.8	5	48	3
Wright State	77.6	6	57.6	7	47.4	6
Bowling Green	74.2	7	58.2	6	46.1	7
U of Akron	73.1	8	55.9	9	47.6	5
Cleveland State	72.5	9	56.9	8	45.2	9

ATTACHMENT C (sent separately as Excel file)

PROPOSED ANNUAL CONTRIBUTION & % OF PRE-TAX INCOME

ATTACHMENT D

SCENARIO:

3% ANNUAL RAISE WITH HEALTH CONTRIBUTIONS: MONETARY & REAL EFFECTS

(annual effect, assuming average for salary band, and 2.2% inflation)

Health Choice	Ee		Ee+Sp		Ee+Ch		Ee+Sp+Ch	
	%Raise		%Raise		%Raise		%Raise	
	Net	Net real	Net	Net real	Net	Net real	Net	Net real
Trad. Indemnity	1.16	-1.1	-0.2	-2.22	.6	-1.6	-1.9	-4.1
PPO	2.6	.4	1.7	-.5	2.3	-1.0	.6	-1.6
HMO	2.75	.5	2.0	-.2	2.5	.3	1.3	-.9

OPTION 1: 1.65% SALARY POOL (3%, BUT JAN 2002) & HEALTH CONTRIBUTIONS JAN 2002

Health Choice	Ee		Ee +Sp		Ee+Ch		Ee+Sp+Ch	
	%Raise		%Raise		%Raise		%Raise	
	Net	Net real	Net	Net real	Net	Net real	Net	Net real
Trad. Indemnity	1.08	-1.1	.1	-2.1	.45	-1.75	-.75	-2.95
PPO	1.45	-.75	.9	-1.3	1.3	-.9	.45	-1.75
HMO	1.52	-.68	1.1	-1.1	1.4	-.8	.8	-1.4

**The University of Akron
Group Benefit Selection - Finalist Bid Summary
Estimated Costs**

	Current Annual Liability	Contract Period	
		1/1/02 to 12/31/02	1/1/03 to 12/31/03
1. Traditional Indemnity Medical	\$ 3,777,325		
* Medical Mutual of Ohio		\$ 5,389,685	\$ 5,389,685
GenAm		\$ 5,939,673	n/a
United Healthcare		\$ 6,633,925	n/a
2. Preferred Provider Organization Model	\$ 4,588,081		
* Medical Mutual of Ohio		\$ 5,563,890	\$ 5,563,890
GenAm		\$ 4,495,167	n/a
United Healthcare		\$ 5,576,307	n/a
3. HMO Medical (Akron General Networks)	\$ 1,659,444		
Hometown		\$ 1,710,113	\$ 1,710,113
* Anthem		\$ 2,617,593	n/a
4. HMO Medical (Summa Health Systems Networks)	\$ 1,677,128		
* SummaCare		\$ 1,061,247	\$ 1,220,434
Kaiser Permanente		\$ 968,576	\$ 968,576
5. Indemnity Dental	\$ 1,350,704		
* Medical Mutual of Ohio		\$ 1,237,782	\$ 1,237,782
Metlife		\$ 1,178,006	\$ 1,178,006
6. Managed Vision (100% employee contribution)	\$ 13,208		
MMO		\$ 4,542	\$ 4,542
* Vision Service Plan		\$ 14,155	\$ 14,155
7. Long-Term Disability (includes base plus optional)	\$ 371,315		
* Liberty Mutual		\$ 366,416	\$ 366,416
Anthem		\$ 290,016	\$ 290,016
8. Life Insurance	\$ 953,440		
Liberty Mutual		\$ 953,440	\$ 953,440
* Hartford		\$ 1,430,160	\$ 1,430,160
9. Accidental Death and Dismemberment	\$ 18,355		
Liberty Mutual		\$ 18,355	\$ 18,355
* Hartford		\$ 24,126	n/a
10. Employee Assistance Program	\$ 30,000	\$ 30,000	\$ 30,000
Gross Charges	\$ 14,439,000	\$ 17,620,299	\$ 17,779,486
% Increase		22.03%	0.90%

Notes:

- a. * indicates current university carriers.
- b. The bids of the recommended carriers are indicated in bold and italicized print.
- c. Medical Mutual of Ohio is also recommended for COBRA administration as well as flexible spending account administration.

PLANNING & BUDGETING COMMITTEE
September 20, 2001 Report to Faculty Senate

Per the direction of Faculty Senate in its September 6, 2001, meeting, the 2000-01 membership of the Planning and Budgeting Committee met on Monday, September 10, at 10 a.m. in the McCollester Room, Buchtel Hall. At that time, the group received a copy of FY 2001-2002 Budget Recommendations dated August 29, 2001; a copy of Vice President Hank Nettling's recommendations to President Proenza for group benefit selections dated August 26, 2001; an overview of proposed adjustments to balance the FY 2001-02 Approved Budget; and a Schedule of Health Plan Costs vs Proposed Employee Contributions for the contract period 1/1/02 to 12/31/03.


A discussion of the budget situation followed, and the PBC unanimously approved the following motion:

***Motion:** In response to the Faculty Senate's request, the 2000-01 membership of the Planning and Budgeting Committee recommends the following:*

- 1. The PBC reiterates as its highest budgetary priority for 2001-02 the funding of a full year 3-percent merit pool for University faculty, staff, and contract professionals. We understand that this may now be possible due to higher-than-budgeted enrollment and we urge that this measure be adopted by President Proenza and the Board of Trustees in recognition of the campus community's overwhelmingly positive response to the enrollment enhancement imperative. The cost of a full year raise is estimated at \$3.2 million, compared to the \$1.6 million slated for a January 2002 raise pool in President Proenza's list of potential budget adjustments presented to the Board in August.*
- 2. At this time, it appears that net new revenue from increased enrollment may be sufficient to cover the full year raise pool. In the event that tuition collected is insufficient to cover the full raise pool, we understand and recommend that any shortfall be covered by additional budget reductions (beyond the \$2.65 million recommended to the Board in August).*
- 3. We acknowledge that our first priority for the retroactive salary increase will likely require some reasonable new employee contribution to health care costs. Given the information available to us at this time, we do not see other options for covering the projected \$750,000 shortfall identified by the University Wellbeing Committee.*

This information was shared with the University Wellbeing Committee at a meeting on Tuesday, September 11, 2001.

Respectfully Submitted,



Charlene K. Reed, Ph.D.
2000-01 Vice Chair

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