

EXECUTIVE COMMITTEE MINUTES

Present: Anaya, Berg, Fech, Flowers, Franti, Lindquist, McCollough, Nickerson, Shea, Stock

Absent: Konecky, LaCost, Schubert

Date: Wednesday, May 19, 2010

Location: Faculty Senate Office, 420 University Terrace

Note: These are not verbatim minutes. They are a summary of the discussions at the Executive Committee meeting as corrected by those participating.

1.0 Call to Order

Lindquist called the meeting to order at 3:01 p.m.

2.0 Professor Deb Hope

2.1 Report on University-wide Benefits Committee Meeting

Professor Hope reported that there was a great deal of discussion at the University-wide Benefits Committee on a variety of topics. She noted that there was a long discussion on the health care reform and what it will mean to the university. She pointed out that Varner Hall does not yet know what the full impacts will be from the reform.

Professor Hope reported that the University-wide Benefits Committee voted to keep the current deadlines for the reimbursement account, pending no objection within 30 days of the meeting. Professor Hope is reporting back to the Senate Executive Committee within that 30 days in case they would like her to object. Vice President Keith Dietze provided the promised data on the health care reimbursement account. She stated that the account handles approximately \$6.4 million a year across the university system. She noted that the Executive Committee had previously requested that the deadline date for submitting claims to the reimbursement account be extended into the following year per federal regulations so people could use the entire amount they contributed during the year. She reported that the administration is not interested in extending the deadline date because some money needs to remain in the account. This money is needed to cover those people who use the account but leave the university before they have made their full contribution to the account.

Professor Hope reported that this year \$53,000 was left in the account. The average person participating in the health care reimbursement account left less than \$50 in it. She stated that approximately \$22,000 was needed to cover the costs incurred by people who left the university. This left a remaining balance of approximately \$31,000. She reported that the average forfeiture per participant was about \$8. All of these figures are based on the report provided to the University-wide Benefits Committee by Vice President Dietze.

Professor Hope stated that Varner Hall is worried that if the deadline date for filing reimbursements is extended that it could put the account into a deficit. She noted that the health care reform would reduce the maximum amount of contribution to the program from \$5,000 to \$2,500 and so it is unclear how usage of the account will change. It may not make sense to extend the deadline while all of the health care reform changes are being worked out. Certainly any one person will have lower potential amount that is abandoned in the account.

Lindquist asked what happens with the remaining balance in the account. Professor Hope stated that, according to Central Administration, this money is reinvested. Lindquist noted that if the remaining balance is somewhat consistent over a ten year period, there should be approximately \$310,000 in the account. Professor Hope stated that this money goes into the health care trust fund. Fech noted that the health care trust fund offsets the cost of our health care premiums. Franti pointed out that if there is a health care trust then this money should be used to help cover the cost of any deficit, not people's leftover money in their health care reimbursement account.

Professor Hope stated that the average contribution to the account is \$1600 per person but some people do put \$5,000 into the account.

Shea asked what the complication is for extending the deadline date. Professor Hope stated when this was raised at the committee, the administration expressed concern that there could be some confusion if money contributed the previous year should be used for reimbursement claims made in January or February of the following year. Lindquist pointed out that this could easily be done by someone checking to see if there was any remaining balance in a person's account. Shea stated that the account balance information could be easily put into a spreadsheet and monitored. Professor Hope also said that the Committee was told that other universities who use the extended deadline tend to outsource the reimbursement account, which we do not. Some universities have experienced difficulties with losing money in the account with the extended deadline.

Lindquist questioned whether the remaining balance goes back into the trust. He pointed out that if it does, it benefits all who participate in the university's health care plan. He stated that an argument could be made that we are not close to being in the red with the account, so why not let people have an extended filing date for reimbursement claims. He suggested that the Executive Committee could insist that we push for the extended deadline date. Fech stated that at the least, Central Administration should monitor the account in 2010 and 2011. Nickerson stated that this is a reasonable request which would allow Central Administration to see what the impacts are of health care reform. Lindquist stated that the Executive Committee would like to see the data on the account next year. Professor Hope noted that most of the health care changes will not occur until 2013. Professor Hope agreed to inform Vice President Dietze that the Executive Committee would like to see a similar report next year to monitor the situation, but there was no objection to leaving the policy as is for now.

Professor Hope reported the other major issue discussed was medical disability. She noted that the faculty members at UNO who first raised the issue, have not responded to the information that was provided by Central Administration as far as she could determine. She stated that the question that was raised was whether disabled employees could be moved back into the active pool. She pointed out that currently disabled employees are moved into the retiree pool. She stated that previously the retirees and disabled employees were in the same pool as the active employees, but this resulted in much greater costs for the active employees. She stated that several years ago the insurance pool was split into active and non-active pools. She pointed out that the law requires employers to show on their books the liability for future health care costs and including retirees in the active pool jumps the liability costs into the billions for the university. As a result, the retirees and disabled employees were moved into a separate pool. She noted that this is the way most universities are now dealing with their health care plans. She stated that one of the pieces of this issue is that there appears to be a subtle shift from family to individual coverage.

Fech asked what a disabled employee would do if they are the sole provider of health care coverage but are not eligible for Medicare. Professor Hope stated that if an employee is medically disabled they could get Medicare and COBRA is available when the application for Medicare is pending, but she does not think there would be coverage for the family.

McCollough asked if there were other models of health care programs that were successful with incorporating the retiree pool back into the active pool. Professor Hope noted that many retired university employees cannot afford university health care because it is too expensive so they seek other, less expensive coverage.

Lindquist noted that the issue of changing the current health care policy to include retirees was raised at the last April Senate meeting. He stated that it is his understanding that combining the pools will create much higher premiums for the active employees.

Nickerson asked what the status is for part-time faculty members. He noted that some people are transitioning into partial retirement. Professor Hope stated that as long as they are active employees they can remain in the active pool. Griffin stated that she believes a person must have .50 FTE to be eligible for health insurance. Nickerson asked if there are any efforts to push the half-time employees out of the active pool. Professor Hope stated that she has not heard anything about this because there are just two pools, the active pool and the retirement/disabled pool.

Shea asked if there is a cost differential between the pools. Professor Hope stated that she did not know this information but from the document that she had seen at the committee meeting, it appears insurance can go up to \$2000 a month for an individual when they retire. She noted that people on disability can extend COBRA coverage for a period of time. It appears that if it is handled correctly, disabled employees can avoid the high costs that appeared in the UNO cases. If someone is in this situation, they should

work carefully with the benefits office to determine the best course of action for their own situation as it is complicated and potentially very costly.

Shea wondered if the university is trying to move as many people as possible off of the university health insurance. Professor Hope pointed out that it is a self-supporting policy and healthier retired people usually go elsewhere for coverage.

Shea noted that if there was just one pool the cost for retirees would go down but the cost for active employees would increase. He stated that he thinks there is support for having one pool. Professor Hope suggested having a discussion with retirees to see what their options are when they retire. Anaya pointed out that even if the pools were combined now, this could change again later on. Lindquist wondered how much extra it would cost active employees to combine the pools and how much of a benefit it would be to retirees. Stock stated that he would like to get information from the Emeriti Association about what the options are for retirees and he would like a poll of the members to see how they feel about the issue.

Nickerson asked who has the power to make the decision to have one pool for health insurance. Lindquist stated that the Senate could pass a resolution stating that it supports having one pool for insurance but ultimately it would be the Board of Regents' decision.

Shea pointed out that having a better insurance plan for retirees might encourage more people to retire. Nickerson stated that we should reconsider combining the pools since it was done some time ago, but more information is needed before any action is taken. Lindquist suggested inviting Vice President Keith Dietze to meet with the Executive Committee to discuss the issue.

Fech noted that there is a Nebraska law that allows a dependent student to remain on a parent's health insurance plan until the age of 29 with an additional premium applied after age 24. He asked if there will be problems with this when the health care reform bill is enacted. Professor Hope stated that the Nebraska laws will be in conflict with the federal law.

Professor Hope reported that the university has decided to hire a firm that will undertake an audit of employees that claim dependents to verify that the dependents are eligible for coverage. She noted that currently no proof has to be provided to insure dependents. She stated that more than likely, marriage licenses and birth certificates will probably need to be shown to prove someone is a dependent. She noted that the cost of conducting this audit is about \$100,000, but the services will be rendered for free if the firm does not recover at least \$100,000 in fraudulent claims.

McCollough asked if the university recognizes common law marriages. Professor Hope stated that it does not. Fech noted that changes in federal tax laws now require proof for dependents being claimed.

Professor Hope stated that there will be an amnesty period and if people admit that they have claimed dependents falsely, they will not be charged for back benefits. She stated that the biggest complaints in the change are the likely to be the difficulty some people may have in locating the needed certificates.

Professor Hope stated that the University-wide Benefits Committee decided to continue meeting only twice a year, in September and April.

Professor Hope stated that she read in the minutes of the Executive Committee the discussion about supporting domestic partner benefits. She stated that she would be happy to help the Executive Committee on this issue. She pointed out that this issue has been raised to the University-wide Benefits Committee in the past but there has not been any success in getting this provision.

McCollough asked why there is no support in the University-wide Benefits Committee for domestic partner benefits. Professor Hope reported that the administrators say that the financial implications of including domestic partners are unknown. She stated that she made a motion in a previous meeting to support domestic partner benefits but was unable to get a second. She stated that she can bring the issue up again and the Senate could make a recommendation to the Board of Regents to provide benefits for domestic partners. Lindquist stated that it needs to be put to the Board of Regents directly. Fech noted that Varner Hall is keenly aware of issues that the Board of Regents supports. He thinks this is a non-starter issue for the Board and this could be a reason why it is not being advanced by Varner Hall.

Professor Hope noted that the GLBT website has a history about actions taken by the university on domestic partner benefits. She understands that UNO passed a resolution on it. Lindquist stated that he did send an email message to the other Senate Presidents about having a motion supporting domestic partner benefits. He stated that he would like to have all Senates pass a resolution requesting the Board have a discussion on domestic partner benefits.

Anaya asked how many other institutions offer the benefit. Hope stated that all but two of our peers offer the benefit on one list she saw. She stated that most have what is called a +1 program which allows someone to put another person on their health care policy.

McCollough asked if we have to have Blue Cross/Blue Shield. She wondered if there was a better company for the university. Berg asked if the same company is used for other state employees. Fech noted that the university is self-insured and Blue Cross/Blue Shield just manages the insurance. Members of the Committee pointed out that the state health care coverage was just recently changed.

3.0 Announcements

3.1 Thank You Note from UAAD

Lindquist reported that the Senate Executive Committee received a thank you note from the UAAD Executive Committee expressing appreciation for supporting UAAD's

participation in revising the budget reduction procedures and for the Senate's support of including a UAAD representative in the budget reduction procedures.

4.0 Minutes of 5/5/10

No major changes were made to the minutes

5.0 Unfinished Business

5.1 Policy on Suspending Pay

Lindquist provided a draft charge to the Academic Rights & Responsibilities Committee (ARRC) calling for the ARRC to draft a policy on suspending pay for refusing to perform assigned duties.

Nickerson asked if the Executive Committee will have veto power over what the ARRC develops should it be needed. Lindquist stated that the Executive Committee would generally be allowed to comment on the policy and it would need to be approved by the Senate before it can move forward.

Nickerson stated that he thinks it is reasonable for a chair to give more teaching to someone who is not doing much research. Stock stated that this should be decided by the appropriate department committee. Lindquist pointed out that procedures for apportionment of duties is college specific. Nickerson stated that having a policy in place would prevent abuse by administrators. Franti pointed out that even with a policy in place, abuse could happen. He stated that a policy would need to be very general because it is difficult to distinguish who is not doing their work in the areas of extension and research, compared to teaching, where it is easily known if they are not in the classroom.

Lindquist pointed out that he specifically used the word "refuses" in the charge because there is a difference between not performing up to the standards of one's position and refusing to do assigned work.

McCullough noted that there is currently an appeals process in place if a faculty member does not agree with his/her apportionment of duties.

Shea stated that the Chancellor's request for a policy seems broader than what the Executive Committee is discussing. Anaya pointed out that the policy needs to be clear that it is dealing with cases of refusal to perform a task and not confusing it with not performing up to standards. Lindquist noted that he specifically addressed this in the charge he is giving to the ARRC.

Nickerson stated that a Chancellor can use the policy whenever he wants and it could possibly be used as a cover. Lindquist stated that this is the reason why we really need to have a well written policy. Franti suggested that the charge include language regarding duties that have been agreed upon by the faculty member and the chair. Lindquist stated that this language is already covered in the bylaws. Stock noted that in his department a faculty member signs an agreement on the apportionment of duties.

6.0 New Business

6.1 President's Designee to the Academic Planning Committee and Other Committee Appointments

The Committee discussed appointments to the various campus committees.

6.2 VC of IANR Candidate's Interviews

The Committee discussed their impressions and views on the candidates for the Vice Chancellor of IANR.

6.3 UNL Bylaw 1.2

Lindquist reported that he received a copy of a letter from General Counsel Joel Pedersen responding to the Chancellor's request to change UNL Bylaw 1.2. He noted that the change in the Bylaws refers to changes made in the Academic Planning Committee's operating procedures. Basically the changes update the procedures to coincide with what is currently being done and make the vice chair, not only the chair elect for the committee, but also chair of the long range planning subcommittee. The changes also allow the APC to ask previous members to attend a summer meeting if a quorum cannot be achieved with the current members. Lindquist stated that he has not received a copy of the Chancellor's letter requesting the change. The Committee agreed to discuss the issue after it sees the Chancellor's letter.

6.4 Faculty Compensation Advisory Committee (FCAC) Salary Recommendations

Fech reported that the FCAC is having discussions with the Chancellor regarding the recommendations made on salary increases. In particular there has been a lot of discussion about giving salary increases to those faculty members who are paid through grants. He pointed out that salary increases are built into the grants, but the Chancellor seems reluctant to approve these increases.

Flowers stated that he did not understand why the Chancellor would object. Lindquist stated that an argument could be made that athletics should not receive any salary increases either because they are self-supporting like grants are. He noted that the Chancellor is considering the issue. Fech pointed out that people on grant money have a contract with the agency providing the funds and this contract should be upheld. Nickerson stated that there could be concern for long term expectations for people on grant money returning to state funds at a much higher salary.

Lindquist stated that any salary increases will become formal after the June Board of Regents meeting when the Board makes its decision on salaries.

The meeting was adjourned at 4:55 p.m. The next meeting of the Executive Committee will be on Wednesday, June 2 at 3:00 pm. The meeting will be held in the Faculty Senate Office. The minutes are respectfully submitted by Karen Griffin, Coordinator and Pat Shea, Secretary.