

Faculty Assembly - March 19, 2013 - Minutes

Marie Schein opened the meeting at 3:30, indicating that the assembly is for the purpose of discussing future provision for employee benefits at TCU.

Chancellor was asked, at the beginning of the semester, to look at faculty and staff benefits, and in turn, asked the staff assembly and faculty senate to explore ways to involve the faculty and staff to participate in the dialogue. Shortly thereafter, the FSEC distributed a survey and opportunity for online commentary intended to begin a conversation about employee benefits. The result was a firestorm of angst and objection, based on the perception that benefits were about to be changed for the worse.

She then introduced Chancellor Boschini, who began by indicating that nothing is changing, nothing has changed, nor are their plans to change anything. All he wanted was to initiate a dialogue across campus, with the goal of looking for ways to be good (better) stewards of the financial resources of the University. We are currently in the best financial position TCU has ever been in, and that will continue for the next few years. However, it is inevitable that TCU will face financial challenges at some point in the future. We must be prepared.

A video (titled EPIC 2020, found on YouTube) speculating about the educational environment of the future was then shown, describing ways in which education as we know it might change dramatically. It highlighted such initial efforts as the Kahn Academy, Coursera, Mozilla "badges" (skill-based alternatives to certifications and degrees), Udacity (based on work begun at Stanford), MITx courses, TED-Ed, iTunes U, etc.

Chancellor Boschini noted that there is pressure to change the financial aid model, instead of giving to the students to go to school, rather giving it to institutions that will find ways to provide low or no-cost education to everyone. We may see that, or something like it, happen. Financial aid is, and will continue to grow as, one of the most important financial cost concerns at TCU, especially as we move into an increasingly expensive educational future. None of these expenses exist in a vacuum, though, and the University is looking for ways to reduce costs anywhere. He offered the example of lowering water costs by installing sensors that know when it is raining and turn off the water sprinklers.

Then he opened the floor to questions from those in attendance.

Question: Please talk to us about the change in the way retirement benefits are administered at TCU.

Chancellor Boschini explained that it was simply a change in accounting for the benefits on TCU's books, and that the only real change for retirees is that they can now pick their own health plan. The amount given them monthly by TCU is exactly the amount necessary for the "Cadillac" plan. If the retirees spend less, they keep the difference. There are about 80 plans available for retirees to choose from. Plans can be change every year, as health demands change.

Question: has the University begun a planning process or thought process about how to meet the challenges represented by TED-Ed, Udacity, and the like.

Yes, we are already exploring ways to deliver education remotely, electronically, etc. Nursing has made some advances in this regard. He indicated this is actually the far more important question than the question about benefits, as it speaks to the University's future viability.

Comment/Question: Appreciation was expressed to the Chancellor for his responsiveness to faculty and staff concerns, and encouragement that he continue seeking ways to make TCU better. concern was expressed that faculty live in a world of limited information, and that we hope to be kept informed as these discussions, plans, etc. continue. Concern was expressed about using the Big Twelve as a peer comparison group.

Chancellor disagreed that they are an inappropriate comparison group, but pointed out they are not the only schools with whom we are comparing ourselves.

Provost Donovan discussed "Operation Hope Not," the contingency plans the University has in the event of serious external or internal threats coming to pass. Operation Hope Not is still in draft form, undergoing changes almost daily (it will always be an evolving plan), but it's goal is to identify threats and possible responses (appropriate to the threat) that the University could make. Catastrophic threats are unlikely to come to pass, but it behooves us to think about the possibilities and prepare ourselves. Perhaps the most important threat to us is that in planning for catastrophe we might lose our momentum, or institutional morale, and destroy ourselves from within.

Question: In terms of the desired "conversation," what do you actually want from the faculty?

An awareness of the issues, the threats, of the sorts of challenges that will undoubtedly face TCU in future. We live in a bubble, of sorts, and we need to look outside our bubble and see what is coming.

Provost Donovan then discussed comparison data (on PP slides) regarding compensation across faculty ranks and comparison schools. His presentation slides will

be released soon. In a soon to be released study, the AAUP ranked all schools by total compensation (salary plus benefits), in five categories with one being best and five being worst. TCU was ranked a three.

The Faculty Senate has set up a blog faculty can access to continue the discussion on any of these issues.

Question: some years ago there was talk about addressing salary compression, but with the economic downturn, that talk went away. Are there plans to bring it up again?

Chancellor Boschini indicated that this has, in fact, been an ongoing concern and effort, to date mostly focusing on exempt and non-exempt employees so far. It also comes into play when we hire new faculty, because they won't come unless their salary is at market.

Question: Concern was expressed that the Board of Trustees is putting pressure on the Chancellor at every meeting about the richness of employee benefits here. Are there any forecasted benefits cuts built into the budget?

No, the pressure is on holding down cuts as much as possible, and benefits is a big part of the budget, so attention naturally goes there. It also goes to other things, though. There are no plans in budget forecasts to reduce employee benefits.

Question: There appears to be no plans to add faculty, yet some faculty are overworked at present. Are we really not going to go there?

In general, there are no plans to add to the employee base at TCU. We are scrutinizing staff positions more than faculty, and will always look more favorably on adding teaching positions than staff positions.

Question: You can't get something for nothing, so how is it that the cost of retiree benefits is going down, but benefits are not?

Our current plan operates as a self-insured medical plan. With the new plans, that piece (claims liability) will go away, reducing the liability to TCU.

Question: Concerned about retirees now being outside the protective envelope of TCU, such that if (when) insurance premiums go up, they won't have advocates for them in fighting back against the increases.

Look at the trends in academia...these retiree plans are going away, so good on TCU for continuing to provide them. Is it possible that retirees could be priced out of the market? Sure, but that is also a possibility for active employees. The

annual review will also help hold the line on costs to retirees. Market pressures will also help "encourage" insurers to hold the line on premium increases.