

**TCU Faculty Senate Meeting**  
**05 February 2015**  
**3:30 – 5:00 PM**  
**Faculty Senate Chambers**

**Minutes**

**Senators Present**

Argenbright, Kristi; Bedford, David; Begnoche, David; Chapa, Cynthia; Farmer, Billy; Friedman, Greg; Fry, Julie; Geider, Jeffrey; Gil, Dan; Gollaher, Timothy; Griffeth, Robin; Hammad, Hanan; Jenkins, David; Jimerson, Jo Beth; Kerstetter, Todd; Lahutsky, Nadia; Ledbetter, Andrew; Legatski, Ted; Lovett, John; Mann, Steven; McGettigan, Joan; Meier, William; Michaelides, Efsthios; Miller, Vanessa; Moeller, Thomas; Moore, Carrie; Moore, Jeff; Moore, Linda; Nugent, Hylde; Petrovich, James; Quesada, Janis; Sandell, David; Sawyer, Chris; Scherger, Michael; Schiffer, Adam; Scott, Krista; Shniderman, Adam; Simanek, Eric; Skinner, Michael; Stephens, Greg; Warrington, Patricia; Whitworth, Keith; Williams, Daniel; Wood, Barbara; Woodworth, Steven; Zhang, Qiao.

**Senators Excused**

Busbey, Art; Clinnin, Brian; Esposito, Phil; Jenschke, Monica; Kim, San-ky; Lim, Steve; Lockwood, Suzy; Ramasesh, Ranga; Schrodt, Paul; Shorter, Alan; Simpson, R. Eric; Neilson, Robert H.; Palko, Steffen; Spice, Loren.

**Senators Absent**

Castro-Balbi, Jesus; Krochmal, Max; McFarland, Dianna.

**Guests Present**

Provost Nowell Donovan, Bob Vigeland (Chair, Task Force for the TCU Promise), David Grebel (Director, Extended Education), Kelsey Ritchie (TCU 360), Ryker Thompson (SGA representative), Ed McNertney (Director, TCU Core Curriculum), Manny Reineke (Past Chair, TCU Retiree Association), and Emily Burgwyn (Member, TCU Retirees Association), and Leo Munson (Associate Provost for Academic Support).

**Call to Order**

1. Faculty Senate Chair Jan Quesada called the meeting to order at 3:30.
2. The minutes of the December 4, 2015 meeting of the Faculty Senate were approved as submitted.

**Old Business**

3. N/A

## New Business

4. Provost Nowell Donovan spoke briefly about the four vacancies for Deans, and the searches under way. The search for the Honors Program Dean has been deferred until next year, and Dean Robbins will continue as Interim Dean. Searches are well under way with strong candidate slates for the College of Fine Arts, the Schieffer College of Communication, and the Harris College of Nursing.
5. After a brief introduction from Chair Quesada, Bob Vigeland gave the final report from the Task Force for the TCU Promise. His PowerPoint presentation is available on the Faculty Senate Sharepoint site. The official report to the University is in the final stages of completion.
  - a. Healthcare costs have increased substantially in the last decade, an average (for family care) of 69%. Unfunded medical benefits are shown as a liability in TCU's annual report - the amount TCU would need to set aside today to pay for all future retiree medical benefit claims, a figure that is very difficult to determine in advance. Estimates for this liability were projected to exceed \$100 million by 2016.
  - b. After the change in the benefit plan that took place in 2013, that liability stands at about \$32 million, a very substantial reduction in the unfunded liability. That was the intent of the change, as a good faith attempt to deal with the liability. The task force also believes, though, that it came with some serious consequences.
  - c. Under the old "defined benefit" plan, eligible retirees could participate in the university's group medical insurance plan. Under the new "defined contribution" plan, eligible retirees receive \$203/month to purchase healthcare coverage. This does save TCU substantially in healthcare costs. The administration has pledged to annually review the contribution, but the task force believes increases are very unlikely, as they would defeat the purpose of the change. In TCU's annual report, it is stated that this amount is unlikely to change, and in the actuarial report, it is stated that it will not change.
  - d. The task force questions the necessity of acting now in such a dramatic way. TCU is in a very sound position financially. There is no evidence that the unfunded liability is causing problems for TCU in borrowing costs, bond ratings, or so forth. And, TCU has made lavish expenditures in other areas - construction, executive compensation, athletics, and in other ways.
  - e. We have been told that the Board of Trustees Audit Committee has been concerned for "years" but the task force see no evidence that the concern is justified, and even if it were to concede it, believes the steps taken are unjustified. The policy change appears to have been without regard to substantial unintended and serious consequences, to the retirees as well as to the TCU community in general - significant increases in prescription drug

costs, deferred retirement dates, and a sense within the TCU community of a breach of promise to those in the worst position to deal with higher costs.

- f. The task force questions why we, as a faculty and staff, were not more involved in the decision. They could identify no meaningful consultation with faculty or staff. There was no input requested from the Faculty Senate, the TCU Retirees Association, or other important constituents.
  - g. The problem has not been solved. The liability for postretirement benefits still exists and will continue to grow. This was a missed opportunity to involve the faculty and staff and retirees jointly and openly to produce a long-lasting, consensus-based, solution. Instead, trust between the TCU community and the administration has been damaged.
  - h. This is an urgent issue. Retirees are suffering. Perceptions of TCU as a great place to work are at risk. The task force believes that the administration did not get it right the first time, that it is time for a "mulligan," and for the administration to revisit the issue jointly and inclusively with the faculty, staff, and retirees, informed by the lessons of the last two years. Everyone should participate in achieving an effective and humane way to deal with the rising costs of medical benefits. No specific solution is recommended because we simply don't know enough yet, but it is clear that we need to do better and we can do better if we work together.
  - i. Questions were then fielded from the Senate. A related report from the TCU Retirees Association will also be forthcoming in about a month.
6. The Senate then entered executive session to discuss honorary degree nominations, and all visitors were excused.
- a. Two nominations were submitted and considered by the Senate.
  - b. The Senate voted to forward both nominations for consideration by the Board of Trustees.

The Faculty Senate adjourned at 5:00 PM.

Respectfully submitted,

Greg Stephens  
Faculty Senate Secretary