

Budget and Faculty Welfare Committee 2004-2005 Summary Report

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Vicki Allan, Science [07]	Irvin Nelson, Business [07]
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Dan Davis, Libraries [06]	Lori Roggman, Senate [07]
Kathryn Fitzgerald, Senate [06]	Gene Schupp, Natural Resources [06]
Ross Jacobson, Extension [05]	Blake Tullis, Engineering [07]

Meetings: 2004: March 22, April 12, September 28, October 26, November 30, 2004; 2005: January 25

Facts and Discussions:

The Budget and Faculty Welfare committee is concerned with budget matters, faculty salaries, insurance programs, retirement benefits, sabbatical leaves, consulting policies, and other faculty benefit and welfare issues.

The duties of the Budget and Faculty Welfare Committee are to: (1) participate in the budget preparation process; (2) periodically evaluate and report to the Senate on matters relating to faculty salaries, insurance program, retirement benefits, sabbatical leaves, consulting policies, and other faculty benefits; (3) review the financial and budgetary implications of proposals for changes in academic degrees and programs, and report to the Senate prior to Senate action relating to such proposals; and (4) report to the Senate significant fiscal and budgetary trends which may affect the academic programs of the University.

Main items discussed at recent meetings include:

1. Timing for our committee's financial review of changes to academic programs
2. The financial and resource impacts of several academic program changes
3. Medical Insurance – Present status, future cost increases, and new incentives
4. Domestic Partner Benefits proposal

The results of BFW Committee actions may be found in the committee minutes published within the USU Faculty Senate web pages. A short summary of our actions and findings are given below.

Changes in BFW operation

The biggest changes since last year's report is that BFW is currently receiving and commenting on information regarding changes to academic programs and changes to benefits and the Chairman of BFW now serves on the President's Health Benefits Committee to accomplish the latter.

Summary of academic program review

BFW Committee examined the financial implication of several new programs. The results of the BFW Committee discussions are being communicated to EPC or its representative. This seems to be a more efficient use of faculty senate time than having two reports to the faculty senate. In

addition, this consolidates a place where issues can be addressed by those proposing to add or change a program. The BFW Committee assumes that financial problems found by BFW would be addressed before being approved by EPC.

As a general point, BFW found that proposals for new or changed programs often do not address the financial or faculty teaching impact that these proposals would have in other academic units. We conceive of instances where a new program would use courses that would critically impact outside departments that have too few instructors to teach additional sections. Academic program changes in one department will always have some financial implications to other units, if only in staff required to teach core courses, advising, etc. It is difficult to assess this impact without input from all academic units concerned. Our main advice is that the units that will be impacted by new or changed programs be consulted before submitting the academic change proposal and that documentation of support from these affected Departments be included in the proposal.

Medical Insurance

USU's medical insurance seems to be in good health. This year's projection indicates that USU will have a fully-paid reserve fund and excess money. The reserve fund is a pool of money that is used to assure that the plan does not run into debt. It is not clear at this point how this excess will be used. The excess is projected to be about \$880,944, or about 3.4% of total revenues.

Employee-paid premiums represent about 4.7% of the total insurance revenues. There is concern regarding the premiums paid for the white-plan subsidizing those of the blue-plan. Blue-plan subscribers spend more per month than those enrolled in the white-plan. The difference is greater than the differential premium charge. The respective premiums should be changed to reflect difference between plan income and expense.

Domestic Partner Benefits Proposal

A groups of faculty, herein referred to as the "Ad Hoc Domestic Partner Benefits Committee," has done extensive research on the legal and ethical basis for extending benefits granted to spouses of USU faculty and staff to same-sex domestic partners. The issue of extending benefits to same-sex partners was first brought to the USU Faculty Senate Executive Committee in March 2004. Kermit Hall recommended that this proposal be presented to the USU Faculty Senate and sent to BFW for further research. Information on same-sex domestic partner benefits was presented at the USU Faculty Senate meeting in April 5, 2004 and at the USU Faculty Senate Forum in November 2004.

The BFW Committee discussed the proposal from the Ad Hoc Domestic Partner Benefits Committee in its September 28, 2004 meeting. Some of the committee members had polled their respective colleges or units. The results of those polls were 1) faculty were in favor of this action and 2) these benefits also should be offered to opposite-sex domestic partners. Two resolutions were passed at that time. The first motion that "The BFW Committee supports, in principle, the proposal to extend standard medical and dental insurance benefits to domestic partners as defined in the domestic partner ad hoc committee documents" was made and motion carried by a vote of 8 in favor to 2 opposed. A second motion was made that these same benefits be extended to opposite-sex domestic partners. The second motion passed unanimously.

Although the Committee supported the proposal, in principle, there was not enough data to determine what the impact of this policy would be to our benefits funds. Representatives from the Ad Hoc Domestic Partners Benefits Committee were asked to draft a proposal that would detail the impact and propose a means for domestic partners to declare partnership. Stephen Bialkowski agreed to represent BFW in helping the Ad Hoc Domestic Partner Benefits Committee get data for the new proposal.

In January, the Ad Hoc Domestic Partner Benefits Committee returned to BFW with a proposal addressing concerns expressed by BFW members in the September meeting. In particular, the revised proposal estimates the per-person cost to our benefits funds and gives a clearer indication of a plan and criteria for declaring domestic partnership.

The BFW Committee subsequently discussed the plan, direct costs, and indirect costs such as the tuition reduction benefit, etc. Our discussions touched on the USU non-discrimination policy, what peer institutions were doing or had done, what the national trends were, and other points that had been brought out in news articles that were distributed by the BFW members concerning domestic partner benefits (none the least of which was the recent Montana Supreme Court ruling that domestic partner benefits would be offered at Montana universities and that domestic partner benefits would be taxed as income). There were also mention of the potential impact to development and relationship with the state legislature. However hard data on these issues is lacking and subjective. BFW did not pursue moral or ethical implication issues outside of the discrimination policy.

A motion made to recommend the same-sex domestic partner benefit proposal for consideration by the USU Faculty Senate Executive Committee with the provision that an estimate of the number of domestic partners be included in the final draft was passed unanimously. A second motion to extend these same benefits to opposite-sex domestic partners was also passed.

The most-current versions of these two domestic partner proposals are attached as Appendices to this summary report.

Obstacles:

There has not been a change in BFW committee participation in the budget preparation process since the change that occurred when George Emert stepped down as USU president. Prior to that time, BFW was kept informed and the Committee was to gather information for budget decisions. At this point in time, BFW does not participate in the budget process and subsequently, faculty have no direct or certain input in this on budget preparation process. BFW cannot participate in the budget matters unless it is invited to do so by the university's administration.

Recommendations or actions needed before work can continue:

BFW Committee has previously stated that in order to be effective at "overseeing" items related to budget and benefits, we need to be represented on the committees that make these decisions and kept informed by the various administrative units. BFW now has representation on curriculum (EPC) and benefits (HB) committees but lacks input or information regarding the budget making process. The code specifically states that BFW "participate in the budget

preparation process” and “report to the Senate significant fiscal and budgetary trends which may affect the academic programs of the University.” One interpretation of these statements is that the BFW should serve as the conduit between the faculty, through the Faculty Senate, and the administration, who are ultimately responsible for budget decisions.

To remedy this situation, it is recommended that a mechanism where fiscal information and policy questions pertaining to the budgetary aspects of the university is shared with the BFW Committee. This information should be available in a time frame allowing BFW to inform the USU Faculty Senators and seek to information on items that may help achieve budget goals. Feedback could occur through the USU Faculty Senate or through standing committees. BFW would welcome an invitation to participate in the budget making process, to help gather information, and to reflect the concerns of the faculty through the USU Faculty Senate to the administration.