

FACULTY SENATE
January 26, 2011
LEO JOHNSON 346
4:10 PM – 5:00 PM
MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA
Minutes

Members Present: Bessen (IID), Caton (COB), Cherry (Math), Eitle (Soc/Anthro), Fisher (PPSP), Kaiser (EE), Lansverk (English), Lawrence (Biochem), Lockhart (Ed), Lynch (Psych), Engel (LRES), McClure (Micro), Neumeier (Physics), Reidy (Hist & Phil), Rossmann (Libraries), Schachman (Nursing), Sobek (M&IE), Sowell (AR Science), Zhu (Computer Science)

Others Present: Doug Young, Larry Carucci, Hugo Schmidt, Joe Fedock

Chair Lansverk called the meeting to order at 4:10 PM. A quorum was present. Chair Lansverk introduced MSU's new Provost, Martha Potvin, to Faculty Senate.

Announcements/Updates

- Chair's Report
 - Chair Lansverk announced that FS members should have received an online course proposal email. The deadline for course submissions is March 1st and workshops are scheduled on February 2nd, 3rd.
 - The memo explaining the retroactive distribution for the 2008 merit pay has been distributed. There is \$180,000 to be distributed among 2500 eligible faculty and adjuncts. The process for awarding the merit pay entails faculty writing a one-page justification for why they believe they are eligible and the dept head and the primary review committee for the P&T processes within the department are the entities involved in the vetting and recommending those who should receive the money. It was noted that this is not a formal process and currently there is no formal structure for this process since the bargain matches, more closely, what Missoula does. Faculty should communicate to their union reps whether or not they like this process.
 - A FS member queried how the departmental review committees review their own applications.
 - It was noted that the process varies from department-to-department.Chair Lansverk recommended that further questions be directed to Vice Provost Fedock.
 - The member assembly and officer elections for the MEAMFT will take place on March 30 at 4:00. Chair Lansverk contacted the union about the conflict of time with Faculty Senate. The MEAMFT meeting time raises significant questions about whether FS members might, or might not, be able to participate in elections. It was suggested that FS members email the union and suggest they change their meeting time.
 - Legislative updates – Chair Lansverk reminded the senate that he is always trying to improve communications with the legislators and the BoR: Where is there an opportunity for FS members to get their voice in even though there is lobbying going on in your behalf?
 - Dennis Jones is coming to Bozeman on February 16, 11 am – 3 pm, thanks to a special invitation by the COHE. He will be interacting with MSU faculty, but his visit will be broadcast around the state, as his visit is for the entire MUS. The

Faculty Senate Steering Committee is discussing how best to utilize his presence by conducting a forum.

- The Planning Council has a sponsored event on Friday, January 28, 2011 in the Animal Bioscience Building. Discussions will focus on the mission of the university and how to go about getting a planning process moving forward. Chair Lansverk and Marci McClure will attend.

New Business

- **Presentation on MUS Benefits – Doug J. Young, Emeritus**

- On behalf of the system-wide Inter Units Benefits Committee, Dr. Young presented what the MUS health insurance outlook will be for 2011-2012. MUS is self-insured which means revenues should equal expenditures (costs) over a few years' time. Like other insurance, we maintain reserves for unexpected events. The main message is that the outlook for the next year is increased premiums and reduced benefits. Why is this happening?
 - Higher provider charges.
 - Federal Health reform (PPACA) – This entity accounts for 25-30% of the increase and is several million dollars. Mandates that certain benefits be provided to certain people without charge.

The Inter Units Benefits Committee are balancing premiums and co-payments; co-insurance; out-of-pocket charges, increases in providers' charges, federal laws, dwindling state revenues. People at the bottom of the earned income level will get impacted the most.

- The employer contribution is not likely to increase and will, most likely, remain at \$733/month for FY's 2011-2013 where the employer pays 80% of the costs and the employee pays 20%. This decision will not be definitive until the legislative session has ended however, if the state doesn't kick in more money it will be the first time in 15 years this has happened. Possible changes (but not yet decided) might include:
 - Additional premium increases.
 - Increases in deductibles, co-payments, co-insurance.
 - Changing to biennial versus current annual enrollment for dependents (unless a life-changing event happens such as death, severe illness, etc.).
 - Combining indemnity Plans A and B.
 - Identifying cost-effective insured-product alternatives for retirees.
 - Additional wellness and disease-management programs.
- Numerous things contribute to the rising costs of the plan.
 - Well Check charges employees \$30 for a blood test and the plan pays for \$25. However, if the employee chooses to have a blood test at another location, it costs the plan more and they have to pay.
- If nothing else changed, and if all that happened is that premiums were raised, employee and retiree premiums would increase 26% in 2011-2012, and 84% in 2012-2013. Premium increases may be moderated, however, by increasing deductibles, co-insurance, etc.
- An arcane accounting procedure, GASB 45, is a Montana law that requires accounting for future liabilities associated with retirees, both current and current employees when they retire. These liabilities reflect the difference between the retiree premiums and costs and, affect financial statements (bond ratings/borrowing) are reported in IPEDS and are of legislative concern.
 - Those retiring at 65 may purchase, secondary to Medicare, an additional plan that they pay for themselves through the university plan without any subsidy.

- Those retiring before 65 are the most expensive retirees for the MUS to subsidize since they are not yet eligible for Medicare.
 - The IBC (union reps are on the committee) makes recommendations to the Director of Benefits, Connie Welsh, and she works directly for the COHE, who makes the final decision about health insurance.
 - Our recent strategies for lower medical costs have included the new URx program (saved 15%), spouse/dependent and retirees premiums have increased with reduction in family subsidies, wellness and disease management programs are helping to control and prevent costly claims.
 - Our plan reserves are acceptable levels, but are declining.
 - There are many educational venues that advise and help employees concerning their health benefits and participation in healthy life styles. A FS member suggested more pragmatic information be disseminated to employees, such as going to Urgent Care versus the emergency room in a hospital.
 - Discussions ensued:
 - *Would an outside insurance provider be cheaper?* MUS hired outside insurance carriers years ago, and by MUS engaging in self-insurance, we are going the least expensive route.
 - *The bills received, for example, for surgery, the employee gets numerous bills from the surgeon, anesthesiologist, nurses, and medicine. I've never had a bill like that; usually I've had one bill that I pay.* You have to be a consumer and research what you are buying, just as you would a car. Most of our deductibles are least expensive as compared to surrounding states and other places in Montana.
 - *How much are we paying for severe illnesses or traumas?* I can't remember the exact number, but in any given year, 5% of the people will account for 56% of the costs because something bad happens. *And this is where we, as an MUS family, are taking care of these people because private insurers will not necessarily do it.*
 - Our primary goal is to insure that the healthcare is available to people. So far as possible to prevent financial catastrophe. It doesn't mean it will be cheap; it will be more expensive. It will cost you thousands and thousands of dollars.
- **First Reading: Proposed New Regents Professor Policy – Larry Carucci, Chair, Faculty Affairs.**
 - At the invitation of the President Cruzado and because MSU does not have a policy, Faculty Senate has been charged with the task of crafting a Regents Professor policy. Chair Carucci made a couple of points:
 - Faculty Affairs looked at other policies across the nation and crafted the current policy based on their research.
 - Currently, 3% of our faculty population is eligible for Regents Professor, about 13-15.
 - The monetary award is a stipend that is added to your paycheck.
 - Faculty Affairs believed this title should not be used as a recruiting device.
 - The title could be reneged upon. Once you have given up the title, however, you may not get it back.
 - When faculty retire with the title, they no longer receive the stipend, but they may retain the title.
 - A FS member asked if a Regents Professor was campus-based position. Vice Provost Fedock believed it was.
 - A FS member believes that this would be a good tool to retain faculty.
 - Chair Lansverk stated that he wasn't sure which points of this policy FS would be able to deliberate.

- Chair Lansverk would like to begin the next FS meeting with continued discussions about this policy.

The Faculty Senate meeting ended at 5:00 pm, as there was no further business.

Signature

Marvin Lansverk, Chair

Signature

Gale R. Gough, Secretary