

**Draft Meeting Minutes**  
**Committee on Faculty Welfare – April 1, 2009 11:30 AM to 1:00 PM.**  
Drafted by: Ed Sanchez

Present: Richard Abrams, Priya Barnes, Jadwiga Hjertstedt, Judith McMullen, Charles (Steve) Melching, Bonnie O'Neill, Victoria Romans, Ed Sanchez.

Guest: Ed Fallone, Chairman, Subcommittee on Retiree Health Benefits

Steve Melching called the meeting to order at 11:30.

**February 25<sup>th</sup> Minutes were adopted. (Motion: McMullen)**

**Discussion of draft report of the Subcommittee on Retiree Health Benefits**

The Committee on Faculty Welfare (CFW) had several questions for Prof. Fallone regarding the draft Subcommittee report.

Q from CFW - This whole discussion shows why public policy should detach health insurance from employment. It is difficult to make a judgment on the proposals until we discover what exactly the financial savings from early retirement are (i.e., the money saved by replacing high-salary older employees with lower-salary younger employees). Without knowing that, the financial impact on the University of extending the health insurance to early retirees and retirees can't be known. It is potentially immense, and may not be sustainable. If (and only if) the cost savings on salaries come close to balancing out the increased healthcare expenditures for the university, then buy-outs including a provision for assistance for keeping retirees in the general health insurance pool might be an attractive option. Another factor to consider is does this proposal not involve something of a redistribution of income from younger people (who generally have less money) to older people (who generally have more money)?

A from Prof. Fallon– We're operating on the premise that MU cannot wait for national healthcare reform (NR). NR might result in those over 65 paying higher cost than currently is the case for retirees on Medicare and may put more pressure on employers to provide supplemental coverage (particularly for prescription drugs). We're looking at early retirees primarily. Feeling is that everyone will have to buy into a comprehensive change in MU's healthcare policy. Current employer based insurance typically means a higher premium, but benefit on backend, i.e. health benefit when you retire. Health Savings Accounts (HSAs) are an option for future saving, and could help MU step up for post retirement. Focus on current early retirees, caught by the change in health insurance coverage pools, was not a viable solution to the problem unless you address others who may retire early tomorrow. Need comprehensive review/adjustment of MU's current healthcare policy. Everyone will need to accept change to status quo.

Q – What about the phased retirement idea and buyouts?

A -- They have never really been pulled off perhaps because they have not been explained well to faculty. When tenured faculty stay on past 65, MU salary and benefits include increasing

healthcare and drug costs as opposed to younger, lower salaried employees. MU cannot force them to retire, that would be age discrimination and now people are not retiring because of the economy and healthcare – and so the age of our faculty on average is increasing. Phased retirement would potentially involve teaching fewer courses at a proportionally reduced salary, but remaining in the general health insurance pool.

Q – Members of the MU community should not find out at 59 that they will need \$30K+ per year for healthcare costs if they retire next year. Why is there no communication about this? Where is *cura personalis* in this?

Response: It is good that the Report is recommending a task force be created. A second issue not mentioned in the Report is: what about potential retirees who have younger spouses? This is another potential reason why someone may stay on longer. A third consideration involves an implied intergenerational compact. Someone paid taxes when I went to school. You pay for my kids; I pay for your kids. Some were still in the general health insurance pool and paid for a benefit for the generation before them that they now do not receive. Insurance is something you have that you hope you will never use. Two colleagues recently had heart surgery. There needs to be a sense of fairness across time. You have higher salary, pay more into Social Security but will get less than you put in compared to those who paid in less. This has to be put in front of Fr. Wild in terms of *cura personalis*.

In summary, the CFW is generally supportive of the Subcommittee's recommendation that an overall review of MU's health care policy is necessary. However, the CFW does not want the retiree health care issue to get buried in a review that is too big and too overarching to yield results. The CFW would like to see action on this matter as soon as possible and would also be supportive of a review of healthcare focused on retirees including consideration of phased retirement and buyouts.

### **Progress on Phased Retirement survey**

Marquette University tends to compare itself with other Midwestern Jesuit universities: Loyola of Chicago, Creighton, and Saint Louis University. Loyola and Saint Louis each has phased retirement programs. The Committee Chairman, Steve Melching, will find out the health insurance payment ratio (faculty member vs. university) at these schools. Lynn Melantine, Human Resources, will be asked to contact the members of the Association of Jesuit Colleges and Universities, who have phased retirement programs to determine how many faculty have taken phased-retirement do they have?

### **Discussion of Exit Survey**

An Exit Survey exists for non-academic staff. At the request of Provost Pauly, the CFW reviewed a draft Exit Survey for faculty developed by Human Resources. The CFW was unsure how the Exit Survey would be used and had several questions: Why are they gathering the data? Does it improve the quality of the educational institution? The CFW needs more info on how the Survey will be used to fully comment.

The CFW made the following recommendations on the basis of the information available:

- 1) Add diversity and gender equity as questions within the section on the department.
- 2) Should list status: Tenure Track or Other.

These are important because Dean and Chair reviews only happen every 3 years. An Exit Survey gives opportunity for shorter tenured faculty to provide feedback to the vice-provost.

### **Discussion of Part-Time Faculty issues (led by Priya Barnes)**

Priya met with Brian Truka, chair of the Subcommittee on part-time faculty. She reported two issues: (1) the Subcommittee has not been meeting regularly – not enough people for quorum. Need 5 for quorum. Not in a year. Issue is recruitment. Department Chairs and/or Deans should be contacted to appoint possible member for this Subcommittee or help the Subcommittee to recruit members. Mr. Truka got a list of Part-Time Faculty with no contact info. Steve will ask Bill Thorn, Chairman of the University Academic Senate for guidance. (2) Whole issue of communication and getting feedback. Received no feedback on first motions, salary, etc., they have put forward. Is there still a role for that group going forward?

6) **Other Business:** Steve needs to write up summary of our work this year by April 28<sup>th</sup>. We will do this over email.

If another meeting is needed Steve will contact the Committee.

The meeting was adjourned at 12:55 pm.

Respectfully submitted by Ed Sanchez.