

**Marquette University
Committee on Faculty Welfare
Meeting Minutes**

September 17, 2008; 11:30 A.M. to 1:00 P.M.

Present: Richard Abrams, Todd Hernandez, Iga Hjertstedt, Judi McMullen, Bonnie O’Neill, Vicky Romans, Charles Melching

Dick Abrams called the meeting to order; there was no written agenda for the meeting, and he said that the primary goal of the meeting was to select a new Chair for the Committee.

A discussion ensued based on the Motions for Action that our Committee approved and submitted to the University Academic Senate last spring [copied below as a part of these minutes], and the fact that there had not been any action on the motions by the Senate.

A discussion on election of the Committee Chair was held, and Charles Melching was nominated by Judi McMullen, and seconded by Bonnie O’Neill. The vote was unanimous, and he was elected Committee Chair.

Charles Melching mentioned that he had been asked to serve as a member of a newly established committee to look into the health insurance for retirees under age 65. As he now will be Chair of this Committee, he asked if a member of our Committee would be willing to replace him on the new Committee; Bonnie O’Neill generously volunteered her time for this position.

Charles Melching stated that he would be contacting Kristy Neilson to get some movement on the motions that our Committee submitted last year. He also stated that he would be contacting the Chairs of the two subcommittees that are under our committee, and notify them that he is now the Chair of this Committee.

There was some discussion about the fact that our Committee was “short” two members, due to resignations. It was agreed that Charles would contact the Chair of the Subcommittee on Part-Time Faculty, as well as the College of Health Sciences to find new committee members.

The next meeting of the Committee will be Wednesday, October 22, 2008, at 11:30 AM., in a room to be determined.

Respectfully submitted,
Richard A. Abrams

MARQUETTE UNIVERSITY

Committee on Faculty Welfare

The Committee on Faculty Welfare has passed several motions that need to be reviewed and addressed by the University Administration in order to have these motions become a reality. In the past, decisions were made unilaterally by the Administration with little or no input from others in the University. The new system of University shared governance envisions active faculty participation in decision making with the University Academic Senate and its subcommittees.

Therefore, the Committee on Faculty Welfare has listed several motions below, and is respectfully asking the Administration to work actively and personally with our Committee in an attempt to bring these motions to fruition. The Committee on Faculty Welfare has been diligent in meeting Committee obligations and is looking forward to working with the Administration to resolve these, as well as other, issues.

The Committee on Faculty Welfare is requesting that the University Administration designate specific administrators to collaborate with our Committee towards successful resolution of these motions.

RETIREE UNDER AGE 65 HEALTH INSURANCE MOTION:

“We move that Marquette University retirees and their currently enrolled family members under age 65 be placed in the same risk group as active employees so that retirees’ health and dental insurance premiums will be identical to premiums paid by active employees. It is understood that retirees’ will pay 100% of their health insurance premium.” [The Committee on Faculty Welfare passed this motion unanimously at its February 12, 2008 meeting.]

BRIEF BACKGROUND

For many, many years, retirees were included in the same risk group as active employees, with retirees paying 100% of the premium for their health and dental insurance. For years, both active employees and retirees under age 65 paid health/dental insurance premiums that were identical. Three years ago, the Marquette University Administration independently decided to change that system, creating a situation where retirees under age 65 face health insurance premiums at draconian and exorbitant levels. This is due, entirely, to the fact that the Marquette University Administration unilaterally decided to move retirees under age 65 into their own, separate health insurance risk group. There are so few people in this group [because many retirees just cannot afford the premiums] that normal market-place/actuarial dynamics are skewed, creating premium levels that simply are unaffordable. Moving retirees under age 65 back into the risk group where they traditionally had been, is the just and humane thing to do – especially since Marquette University is a Jesuit institution and prides itself on their credo of *cura personalis*.

Before the change to the current plan, a standard premium was charged to both employees and retirees. In this scheme, the active employees were subsidizing the retirees [a situation described as an “implicit rate subsidy” in governmental accounting literature]. However, a growing number of those active employees who paid a portion of the cost of retiree health care have retired [or are approaching that time]; with two separate pools, these individuals are not receiving any subsidy at all. This, of course, means Marquette, through its current use of two

separate health plans, is, in essence, subjecting this generation of retirees to a form of “double taxation.” This current generation of retirees was required [at least if they decided to use a Marquette health insurance plan] to subsidize an earlier generation of retirees throughout much of their Marquette career. Under the current situation, this generation of retirees is not receiving equal consideration now that they have retired.

Under the current dual plan situation, Marquette’s only financial responsibility with retirees is fiduciary in nature -- to bill them an amount based upon an actuarial study and the cost of stop loss insurance [a commercial insurance policy which is purchased, whereby the insurance company agrees to pay premiums above an agreed-upon amount] and submit the amount collected to Wausau Mutual. All of the processing is handled by Wausau, the same company that handles insurance for active employees. [There might be a payment the University makes on behalf of both plans; if they do, it seems to be their only financial involvement with the retirees.] The reference to SFAS 106, footnote 14 [which Steve McCauley sent to the Committee on Faculty Welfare by email on February 11, 2008] does not apply, since the retirees are paying all future costs of their own health insurance plan; the University presently does not have a financial obligation to its retirees.

With a self-insured plan, if the actual experience differs from actuarial assumptions, the following year’s premiums are adjusted. This situation affects the current employees [and Marquette’s finances]; thus, next year’s premium charges are based upon prior year experience and an actuarial firm’s estimate of future costs. The same changes will take place in the retirees’ fund, except that Marquette has only the aforementioned fiduciary [but not financial] responsibility.

No accounting requirement states that separate pools must be used for retirees and active employees; electing to do so was purely an Administrative decision. A return to a combined pool could cost Marquette additional resources [its share of the additional amounts charged to active employees]. However, the retirees would return to the situation that existed when they elected to join Marquette 30 or so years ago. These people helped Marquette grow to its current stature. Requiring current retirees to subsidize a prior generation of retirees and not to receive a comparable benefit when this generation chooses to retire is totally inequitable, and we request that Marquette eliminate this “double standard” it has imposed upon its current retirees. Considering that Marquette’s Administration constantly emphasizes *cura personalis* and service to others, it would be wonderful to see it actually in practice with retirees.

Health Insurance Costs for Retirees under Age 65 at Other Catholic/Jesuit Colleges:

The Committee on Faculty Welfare thought it would be helpful to see what other Catholic/Jesuit colleges provide for retirees, so it decided to look at a few. As can be seen below, Marquette University’s health insurance premiums are FAR higher than the other colleges. Considering that Marquette prides itself on its motto, *cura personalis*, the Committee on Faculty Welfare wonders how and why this large discrepancy exists. The costs/premiums listed below all are for 2008.

Alverno College

Spoke with Cindy Meyer in Human Resources, and she said that Alverno has three types of coverage for retirees: Gold, Silver, and Bronze, with Gold having the best coverage and highest premium, however, Bronze coverage still is very good. Alverno pays 70% of the premium and the retiree pays 30%. The monthly premium for the Gold coverage for retirees under age 65 for single people is \$1,010 and for married people: \$2,463 – however the retiree pays only 30% of

these premiums. Thus, the actual cost for a single retiree will be \$303, and for married people \$738.90.

Cardinal Stritch University

Spoke with Sabrina Hooks, who would not disclose the precise numbers, but said that retirees can keep their health insurance and the premium would be about what it would be if the retiree were using COBRA. Under COBRA, and employee can keep their health insurance and would pay 102% of their prior premium.

Notre Dame University

[<http://hr.nd.edu/benefits/documents/RetireeGuidebook2008.pdf>]

Their entire website is available on line and one can see all their retiree benefits. Depending on the plan selected, the monthly premiums for health insurance for retirees under age 65 for single people range from \$310 to \$362, and for married people range from \$620 to \$725.

Georgetown University

[<http://www1.georgetown.edu/benefits/benefitsretirees/medical/14097.html#Plan%20Options>]

Again, their online website has all the retiree benefits listed and discussed. For retirees under age 65, who worked for Georgetown over 25 years, the monthly premiums for single people are \$31.21, and for married people \$343.30. For employees who had 15 to 24 years of service at Georgetown, the monthly premiums for single people are \$93.63 and for married people \$405.72.

Marquette University

[<http://www.marquette.edu/hr/2008RetireeInsuranceRates.shtml>]

For single retirees, the monthly premiums range from \$1,165 to \$1,314, and for married retirees, the monthly premiums range from \$3,085.85 to \$3,611.37. Marquette also has a plan with an EXTREMELY high deductible [\$5,000 for single and \$10,000 for married], and the single person monthly premium is \$815.56 and for married people is \$2,141.19.

EMPLOYEE SUMMER TUITION REMISSION AT MARQUETTE MOTION:

"We move that all college-enrolled children of employees eligible for tuition remission be allowed to receive this remission for summer study at Marquette, regardless of whether they are attending Marquette, a FACHEX affiliate or another college or university." [The Committee on Faculty Welfare passed this motion unanimously at its February 12, 2008 meeting. The motion originated from the Subcommittee on Equity.]

BRIEF BACKGROUND

Until recently, employee children enrolled in a college or university other than Marquette were eligible for summer tuition remission at Marquette. Summer tuition remission for these students was a popular benefit for all Marquette employees and has been an effective recruitment strategy for faculty.

Policies recently were changed, and dependent children now are required to pay full tuition for summer courses taken at Marquette when not enrolled at Marquette during the prior academic year.

Because we believe this benefit is unlikely to be a significant financial drain for the University, and because of its attractiveness and effectiveness for recruiting employees, we believe that suspension of this policy without proper discussion and consideration is inappropriate.

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TUITION EXCHANGE PROGRAM MOTION:

“We move that the University resume membership in the Tuition Exchange program. It is understood that the University would continue its current participation in the FACHEX system.” [The Committee on Faculty Welfare passed this motion unanimously at its February 12, 2008 meeting.]

BRIEF BACKGROUND:

Since August of 1998, Marquette University had a tuition remission policy that included both the current FACHEX system as well as membership in the Tuition Exchange program. This Tuition Exchange program was discontinued for unknown reasons in 2004.

The Tuition Exchange program is a nonprofit association of colleges and universities currently representing 586 private and public participating institutions in 47 states, DC, and the UK representing the diversity of higher education in the United States. In addition to private and public schools, many Catholic schools participate in the Tuition Exchange program. The cost to Marquette for participation in the Tuition Exchange program is extremely modest: there is a \$350 initiation fee, the annual dues are \$400, and the annual cost for each Tuition Exchange scholar sponsored by Marquette is \$35. There is no actual exchange of money between participating colleges when participating students are enrolled at participating colleges.

As Marquette tries to recruit new faculty and staff, reinstating the Tuition Exchange program would allow more faculty/staff children to participate in tuition remission as well as provide many more schools and more diverse opportunities for dependents. Additional information about the Tuition Exchange program is available at their website:
<https://www.tuitionexchange.org>.

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PART-TIME FACULTY ACADEMIC RANK/SALARY MOTION:

“Develop, utilize, and promulgate a part-time academic rank system that will be routinely followed by the University Administration.” [The Committee on Faculty Welfare passed this motion unanimously at its meeting on March 25, 2008. This motion originated from the Subcommittee on Part-Time Faculty.]

BRIEF BACKGROUND

The Subcommittee on Part-Time faculty submitted this motion to the Committee on Faculty Welfare in an effort to achieve a uniform, equitable, and transparent compensation scale for part-time faculty.

Under request from the Committee on Faculty Welfare, the Subcommittee on Part-Time Faculty was entrusted to determine present pay policies for part-time employees and discover any potential or existent inequities that are in place. To this end, our inquires revealed a two-fold concern for pay determination, both of which stem from the August 2007 Lectureship Stipend Schedule memo from the Provost [see memo below].

The Provost’s memo attempts to categorize part-time faculty into four ranks with each rank comprising a particular pay range; one matching the appropriate criteria is grouped with the respective rank to determine their deserved pay rate per course hour. Herein lies the Committee’s first concern – the criteria outlining the various ranks is ambiguous. The *Instructor* rank was explained as the rank that includes those part-time faculty members lacking a terminal

degree. Likewise, the *Assistant* rank is ascribed to faculty members that have a terminal degree yet lack sufficient experience. The move from the *Assistant* to *Associate* rank and, likewise, *Associate* to *Professor* rank involves a promotion process requiring the Provost's approval.

The opacity resides with three factors. Firstly, it is unclear what comprises a terminal degree for the various teaching positions. Different colleges, reasonably, have different requirements, yet how these requirements translate into the possession of a terminal degree, as opposed to lacking sufficient qualification, was not explained to the Committee. Secondly, an objective measure for determining one's level of experience is not present. For example, does experience solely comprise classroom experience or is work experience also considered and/or equivalently measured? Further, how many hours of experience afford one a pay advancement within one's rank or, ideally, a promotion to the next highest rank? Without a clarified measure, it is difficult to know appropriate placement within ranks as well as warranted performance for advancement. Lastly, the Provost appointment process itself is not defined. Whose responsibility is it to precipitate the motion for advancement, and what are the steps to be taken to undertake the process? For part-time faculty and colleges alike, the Committee feels that the ranking process requires further explanation and transparency.

The second, and perhaps most significant, concern rests in the fact that the above ranking system, even if it were precise and apparent, is but a guideline; the above ranks and corresponding pay rates are only mere suggestions; when requested, no definitive criteria for pay was provided by the Administration, only the stipend guidelines. There is a lack of uniformity, it seems, when deciding a part-time faculty member's rank. Furthermore, pay rates, both for and within each rank, may vary among colleges or within the same college. Thus, it is feasible for two equally qualified individuals of comparable experience to have not only varying rates of pay in a given rank, but also, find themselves placed in entirely different ranks.

This lack of standardization and this opacity of pay procedures carries obvious difficulties, particularly, the strong possibility for pay inequities among fellow part-time faculty, obfuscating grounds for advancement among proven faculty, as well as hindering the colleges themselves by eschewing clarity of policy when incorporating part-time faculty to their department.

The Committee recognizes the challenges inherent in creating the requested motion, and, thus, would be grateful to offer any advice or service to the Administration to solve this problem.

Respectfully submitted by Committee on Faculty Welfare, April 30, 2008:

Dr. Richard Abrams, Chair
Dr. Todd Hernandez
Dr. Jadwiga Hjertstedt
Professor Jacqueline Kazik
Professor Judith McMullen
Dr. Charles Melching
Dr. Bonnie O'Neill
Ms Victoria Romans

**Marquette University
Office of the Provost**

TO: Deans and Department Chairs
FROM: Dr. Madeline Wake, Provost
DATE: July 1, 2007
SUBJECT: STIPEND GUIDELINES

The schedule of lecture stipends for part-time faculty for the 2007-2008 academic year is listed below.

The per credit salary rate, effective August 21, 2007 will be as follows:

<u>Rank</u>	<u>Range for 2007-08</u>
Instructor	\$884- \$1040
Assistant	\$1040-\$1195
Associate	\$1195- \$1351
Professor	\$1351- \$1611

cc: Ms. Suzanne Abler