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## Faculty Senate Executive Committee Agenda, February 23, 2004

Utah State University

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**Faculty Senate Executive Committee**  
**23 February 2004**  
**3:00 - 4:30 p.m.**  
**Champ Hall Conference Room**

AGENDA PACKET

3:00 Call to Order

[Approval of minutes of 26 January 2004](#)

Announcements

The next FSEC lunch with Pres. Hall will be this Wednesday, Feb. 25th, 2004

3:05 Information and Consent Agenda Items

[EPC Business](#)  
[Budget and Faculty Welfare Committee](#)  
[Academic Freedom and Tenure Committee](#)  
[Calendar Committee](#)  
[Health Care Administrative Costs](#)  
Student Health Insurance

Joyce Kinkead  
Stephen Bialkowski  
Lance Seefeldt  
Sydney Peterson  
Terry Hodges  
Stephanie Kukic

3:30 Key Issues & Action Items

Course Evaluations on the Web  
Committee on Dual Career Issues

Craig Simper  
Kevin Kesler

4:00 University Business

Administration

4:30 Adjournment

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**Faculty Senate Executive Committee Meeting Minutes for January 26<sup>th</sup>, 2004**

**Attendance:**

Senators:	Janis Boettinger (4026)	Tom Kent (1189)	Marv Halling (3179)
	Kevin Doyle (4025)	Ed Heath (3306)	Carol Kochan (2676)
	Dean Miner (801-370-8469)	Dale Blahna (2544)	Bruce Miller (2232)
	Vance Grange (2702)	Chris Coray (2861)	
Presenters:	Ken White (2149)	Rob Morrison (1477)	Joyce Kinkead (1706)
	Heidi Beck (3734)	Ruth Struyk (2223)	
Administration:	Stan Albrecht (1167)		
Visitors:	Dennis Welker (3552)		
Excused:	Kevin Kesler (0930)		

### **Call to Order**

Janis Boettinger called the meeting to order at 3:07 pm.

### **Minutes:**

Carol Kochan moved to accept the minutes of November 17th. The motion, seconded by Bruce Miller, was passed.

### **Announcements:**

The next FSEC Lunch with President Hall will be held on Tuesday, February 10th, at noon in Champ Hall.

### **Committee Reports:**

#### Athletic Council

Ken White presented the Athletic Council annual report. He covered the main points of the report. USU has been invited to join the Western Athletic Conference, which will take place in the Summer of 2005. The NCAA has strengthened their academic standards. The 96-97 cohort of student athletes graduated higher than the student body, and was the 6th highest in the nation of all division 1 institutions. The increase of the 95-96 to 96-97 cohort was the second highest in the country. The newly formed women's basketball program is underway. The Department of Athletics have outlined certain parameters which USU must comply with relative to the new requirements of division 1 institutions. He then explained the status of the athletics budget. Kevin Doyle moved to place the Athletic Council report on the Consent Agenda. The motion, seconded by Dale Blahna, was passed.

#### Mediation Program

Rob Morrison explained the new Mediation Program. The board of mediators have completed training, and they are starting to participate in a few cases already. Their job is to help parties come to a mutually agreeable conclusion to their conflict. Mediators are faculty but not judges and do not impose solutions, but discuss unresolved conflict with both parties, and help them to come to their own resolutions. The process is strictly confidential, and is an attempt to avoid taking the conflict to a grievance, but that is still a valid step if the mediation process is not successful. Chris Coray moved to place the Mediation Program report on the agenda as an information item. The motion, seconded by Ed Heath, passed.

#### EPC Business

Joyce Kinkead listed the latest items that have passed the EPC. She also explained the proceedings of the Academic Standards Subcommittee. The main issue considered there is that of professors still conducting quizzes during no test week. It was determined that the policy wording should be changed to "no major examinations" during test week, which would exclude quizzes. Carol Kochan moved to place EPC Business on the Consent Agenda. Chris Coray seconded, and the motion passed.

### **Key Issues and Action Items:**

#### Grading Policy

Joyce Kinkead next explained the efforts that are being made to clarify the grade submission schedule to the faculty. A Question and Answer document will be drafted, as well as a set calendar and schedule that can be posted on the USU website for reference. Joyce covered some of these questions regarding the 96 hour after individual finals are completed when grade submission is due. Heidi Beck then further defined the reasons why the 96 hours was set. One of the biggest reasons behind this new policy is because without it, there has been an overload of faculty submitting grades at the end of the previously defined due date, which bogged down the servers. This new system will smooth out submissions, allowing for better computer response. Dale Blahna moved to place the Grading Policy as an Information Item, in addition to placing links to the Grading Q&A and Schedule online for faculty access. The motion, seconded by Ed. Heath, passed.

#### Course Evaluations on the Web

Ruth Struyk presented the latest business in the Faculty Evaluation Committee. Discussed in the latest FEC meeting was placing the faculty and course evaluations on the internet, and looking at the evaluation form itself. Some considerations include having the evaluations administered online, and placing incentives for students to complete the online evaluations. Carol Kochan moved to table the issue to the next FSEC meeting. This would give time for the FEC to discuss further the issue of keeping the evaluations online. The motion, seconded by Vance Grange, passed. It was decided to invite the University Attorney to bring the legal wording to help resolve the issue.

### **University Business:**

Provost Stan Albrecht gave a rundown of the latest happenings with the Legislature. The reports made by USU administration focused on student outcome, preparations, and retention; institutional restructuring within budget constraints; and implementation and accountability of performance measures. Among the major issues on the agenda were the Governor's budget recommendation, which includes a 2% salary increase for Higher Education; articulation and barrier restricting credit transfer between institutions; and full disclosure of instructional costs. Discussions regarding Tier II tuition with students are underway. Also being considered is the issue of benefits for domestic partners.

### **Adjourn:**

Janis Boettinger called for adjournment. The meeting adjourned at 5:10 pm.

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## **Introduction: Educational Policies Committee Report for Faculty Senate 3/1/2004**

Joyce Kinkead-Chair, Stanley Allen-Agriculture, Duke DiStefano-ASUSU Pres., Todd Crowl-Natural Resources, Karla Petty,-ASUSU Acad VP, Richard Cutler-Science, Jan Roush-HASS, Stephanie Kukic-GSS, Scott Hunsaker-Education, David Olsen-Business, David Luthy-DEED chair, Weldon Sleight-Extension, Cheryl Walters-Library, Jeffrey Walters- ASC Chair, Paul Wheeler-Engineering

### **Meeting Dates:**

September 8, 2003, October 2, 2003, November 6, 2003, December 4, 2003, January 8, 2004, February 5, 2004, March 4, 2003, April 1, 2004.

### **Curriculum Subcommittee**

In February meetings, the Curriculum Subcommittee approved the following program changes:

- [Request to discontinue the inactive Physical Education/Coaching Teaching minor in the Department of Health, Physical Education and Recreation.](#)
- [Request to discontinue the inactive Health Education Teaching minor in the Department of Health, Physical Education and Recreation.](#)
- [Request to discontinue the inactive Physical Education minor in the Department of Health, Physical Education and Recreation.](#)
- [Request to discontinue the inactive Community Health for Nurses emphasis within the Health Education Specialist major in the Department of Health, Physical Education and Recreation.](#)
- [Request to discontinue the inactive School Health Education emphasis within the Health Education Specialist major in the Department of Health, Physical education and Recreation.](#)
- [Request to discontinue the inactive Health Education Specialist minor in the Department of Health, Physical Education and Recreation.](#)
- [Request to change the name of the Biotechnology Center to The Center for Integrated BioSystems.](#)

### **Recommendations**

EPC recommends approval of above changes by Faculty Senate.

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## **Report of the Budget and Faculty Welfare Committee for Academic Year 2003-2004 February 16, 2004**

### **Membership**

Stephen Bialkowski, Chair; Senate

Dan Davis, Library

Jim Bame, HASS  
Adrie Roberts, Extension  
Kathleen Riggs, Senate  
Gaylen Chandler, Business  
John Kras, Education

Kathryn Fitzgerald, Senate  
Jeanette Norton, Agriculture  
Gene Schupp, Natural Resources  
Kathryn Turner, Science  
Paul Wheeler, Engineering

### **Overview**

The Budget and Faculty Welfare (BFW) Committee has not met frequently this past year. The reasons for this reflect upon the low morale arising from low budget. In addition, administration structure changes have affected the role of faculty members and their representative institution, the Faculty Senate, can have in university governance. Decisions regarding salaries and our health are being made with less input. University governance is shifting from traditional committee-based decision making to a central administration-based "business model".

The university operating budget has apparently been under funded for the past several years. Faculty have not had cost of living adjustments or merit in pay raises for three years. The growing shortfall in medical benefits was inevitably paid by charging all employees monthly premiums. Although the administration was able to retain certain senior faculty by making counter offers, about 5% of the faculty have left. Faculty replacements probably increase average salary levels since new faculty members are hired at national competitive salaries. E&G money surplus from open positions has apparently been used to cover operating expenses and wages for temporary employees.

Nonetheless, without money and without being aware of major university finances issues, the committee feels that there is little to do. This feeling also merges with a sense of frustration. Recommendations from this committee, and also the Faculty Senate, are largely ignored by the administration. This is illustrated in the recent recommendations made by this committee and the faculty senate concerning health benefits.

Another reason for our low enthusiasm is current trend to use of *ad hoc* committees to perform duties that BFW should at least be consulted and/or made aware of. There are now health benefits, compact planning, new programs, etc. committees, all dealing with budget and welfare items, and all without having any representation from the faculty senate or this committee. These committees are engaged in budget planning and are making policy changes that affect our welfare and our academic budgets.

For example, over the past few years, the Health Benefits Committee was created. This committee unilaterally and without seeking input from the faculty senate or this committee, instituted monthly premiums, restructured medical benefits, dropped benefits, changed co-pays and prescription coverage, and moved to increase the "reserve", a fund used to cover costs in the event of an emergency. Money was taken from salaries without option or opinion, and put into a reserve fund which we have no control over. Instead of increasing the medical benefits budget, monthly "premium" charges, deductibles, etc. were instituted. We believe that this was an administrative policy decision. The university had funds to start new programs, hire new faculty, and build new library over the same period. We want to avoid getting into the details of the origin of these funds. But, the fact remains that there seems to be ways to get funds for desired items.

As a consequence of what this committee perceives as ineffective communication between the faculty and the administration, it seems appropriate that we look at the committee description, and modify it as appropriate. An alternative would be to disband the committee altogether. Although a vote was not taken, my sense of that meeting was that we should not disband. The committee will continue to gather faculty views regarding budget and welfare items. We intend to communicate these to the administration. This could be most effectively accomplished if the role of this committee were

recognized and accommodated by other faculty senate committees, and the administration. Suggestions are given in this report.

### ***Budget and Faculty Welfare Description***

The Faculty Senate Handbook gives the description of the Budget and Faculty Welfare Committee as:

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

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.

### ***Detailed Look at Duties***

#### ***(1) Participate in the budget preparation process.***

The Budget and Faculty Welfare (BFW) Committee did not participate in the budget preparation process this year. At first thought, it may seem impossible for this committee to do so. On the other hand, there are apparently several ad hoc committees that review budget items and report directly to the university administration. These committees often have faculty serving on them. There is at least some faculty input in the budget preparation processes, though these persons do not necessarily represent BFW, the Faculty Senate, or faculty interests.

The BFW discussed this issue in our February meeting. It was felt that the committee should continue to make attempts to participate on the budget preparation process. The committee could represent *faculty* views with regards to salaries, health and retirement benefits, and academic programs and operating expenses.

Faculty Senate President Kevin Kesler is aware of the problem this committee faces in trying to get involved in this process. He has been talking to the university President and Provost about ways that the faculty could have a voice, through this committee, in the budget preparation process.

This is an ongoing task.

#### ***(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.***

Faculty Senate President Kevin Kesler and BFW Chair, Stephen Bialkowski, recently talked with Terry Hodges, Human Resources Director about potential faculty participation in decisions related to faculty health and retirement benefits. Terry Hodges said that these types of decisions were administrative and affected all employees. Thus faculty representation would necessitate representation by staff, etc. Terry Hodges acknowledges that faculty should have access to benefits information.

BFW members were recently invited to talk to the new TIAA-CREF fund representative to discuss the health of our retirement funds and changes to the administration structure. There are no problems gathering information regarding the TIAA-CREF retirements.

*(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.*

The BFW Committee did not review changes in academic degrees and programs this past year. The committee has not been in a loop to obtaining this information. Paul Wheeler will ask that program information given to EPC be routed through BFW for input on the budget implications. This should remedy this oversight.

*(4) Report to the Senate significant fiscal and budgetary trends which may affect the academic programs of the University*

The amount and variety of on-line budget, financial, and assessment information has grown in the past few years. The BFW committee does not have any problems getting information regarding budget, faculty numbers, etc. trends. In addition to public information, the Controller's Office has been helpful and cooperative in sharing budgetary information with this committee.

The move toward more "transparent" administration and finances is a national trend. Public corporations have made budget and management information available to shareholders for years. The new trend is for all organizations to follow suit. This is part of the national vogue to apply the so-called "business model" to governance of all organizations. The new data allows faculty, staff, and even the public at-large the opportunity to inspect and make recommendations regarding governance. This may lead to more efficient governance since recommendations can be focused toward top-level management. It may also reduce liability of the organizations and their administration in the event of management errors, fiscal or otherwise. This places additional burdens on individual faculty and staff. Faculty members now have the responsibility to read and understand the operation of different units, and to make recommendations regarding administration operations. This new task may be well outside of faculty areas of expertise.

Another business trend is a move toward more choices. We saw this exercised last year with the institution of "blue" and "white" medical benefits plans. In general, the increased flexibility places addition burden on the faculty to research and understand the choices presented. The decisions we make may not always be the best and may cost us more money in the end.

Examples of the trend toward management transparency and more flexibility in individual choices are given below. Coincidentally, both of these trends require more personal and/or professional time.

### ***Health Benefits***

There are presently two issues pertaining to health benefits; the amount faculty members are spending out of pocket for health care and the proposed cost increases by Regents Blue Cross Blue Shield.

This year faculty and staff were presented a choice in health care plans. There about even numbers of persons enrolled in blue and white plans. The plans differ in deductibles and copayments. Information regarding these plans is on the USU web at <http://personnel.usu.edu/healthoptions.html>.

A summary of the out-of-pocket expense increase is shown in the table below.

	<b>Old Plan</b>	<b>White</b>	<b>Blue</b>
<b>Hospitalization</b>	Member paid 10%	Member pays 30%	Member pays 20%
<b>Surgery</b>	Member paid 10%	Member pays 30%	Member pays 20%
<b>Deductible</b>	None	\$250/person \$500/family	\$150/person \$400/family

<b>Copayment</b>	\$15/visit \$50/incident	\$25/visit \$75/incident	\$20/visit \$50/incident
<b>Prescriptions</b>	30% copay \$857 max. annual	35% copay \$1200 max. annual	30% copay \$1000 max. annual
<b>Major Medical</b>	\$1000/person/year \$2000/family/year \$1M/person/lifetime	\$2000/person/year \$4000/family/year \$2M/person/lifetime	\$1500/person/year \$3000/family/year \$2M/person/lifetime
<b>Employee cost</b>	\$0/month	\$17/month	\$57/month

The employee cost was figured based on an average base salary range of from \$30,000 to \$50,000 and 3 or more persons insured per employee. The later is consistent with the rule of thumb figure of roughly 3,000 employees and 10,000 insured.

Insurance pay out data for the first quarter (starting July 1) of the last three plan years are shown in a table below. The first year shown is 2001-02. This plan had no deductible and relatively low copays. The University implemented a \$100 deductible the following year. Then in 2003-04, the University implemented White and Blue Plan options. Approximately 50% on the employees chose the White Plan, 50% in the Blue. This cost analysis does not include prescriptions.

As predicted based on medical premiums plus co-payment and deductible increases, the amount of money being spent out-of-pocket has increasing under the plans. This is most apparent by examining the "Patient Coinsurance, Deductible, etc. as % of Eligible Charges" row. In the 2001-02 plan year, patients paid 8.7% of the eligible charges. In the current year, patients are paying 17%. This constitutes about a factor-of-two increase in the eligible charges that the insured has to pay out-of-pocket. This figure does not include the monthly premium, which all employees pay out-of-pocket as well. With half of the employees in White, the other in Blue, the average per month premium is \$37 per employee. Employees thus paid about \$366,300 into the plan this same quarter.

In terms of out-of-pocket employees' expenses for medical, employees spent \$576,439 for deductibles, etc. in 1st quarter 2001-02. They spent \$1,100,273 for the first quarter of the current year. That constitutes a 91% increase alone. If the amount paid for premiums is added, the total comes to \$1,466,573 or a 154% increase in out-of-pocket medical expenses in two years.

In addition, the total charges submitted against the plan have decreased. This would suggest that the monetary penalties imposed on the faculty are sufficient for them to avoid health care. First, if you look at the details of the two plans relative to that in place in the 2001-02 fiscal year, copayments for routine visits, hearing, vision, etc. tests, and especially laboratory tests, have increased substantially. Now look at the top row labeled "Charges Submitted against the Plans". Charges submitted against the plan actually decreased by 3% from 2001-02 to 2003-04. This is in sharp contrast to the prediction that medical costs would increase by 11% per year.

It is also interesting to look at the "Total PAID by PLAN" row. This shows that the insurance has paid out less and less each consecutive year. Yet, the E&G budget shown in the tables below shows that the amount of money put into medical benefits has increased by 16.3% over the same period that Total PAID *decreased* by 14%.

Excess money is apparently going to increase the "medical reserve." The medical reserve is a fund that is held in case of emergency. The University plan includes insurance that will pay if we have charges over that are over 25% that predicted for the year. To cover the gap in cases of emergency, our current medical plan has a "reserve." The target for this reserve fund is four months expense, or 33% annual. At the present rate of accumulation, the reserve will be at \$5.2M by the end of this fiscal year. The target



four-month reserve is \$6.8M.

Terry Hodges invited the BFW Chair to participate in discussions regarding how the university should respond to an increase in Regents Blue Cross Blue Shield charges to administer our health insurance. Regents Blue Cross Blue Shield will raise administration costs to USU by about 135% over the next three years. Administration costs are fixed. This will cost each employee about \$25 per month. There was some discussion about the course the university administration might take on this. We could lower some costs by raising cut-off points for catastrophic injury insurance, etc. But it is too premature to tell what the outcome of these discussions will be.

In the absence of substantive additional benefits funds, this will have to be taken from either our insurance, by decreasing coverage, or our paycheck, by increasing monthly premiums.

To summarize, it appears as our health benefits have degraded over the last three years. Out-of-pocket costs have increased and the amount paid out by the insurance has decreased. Fewer costs are covered. Also during this same period, E&G benefits funds have increased. And money brought into this university by the faculty for research support has increased as well. The increased research support should bolster medical insurance funding through faculty using support to pay their summer salary. They pay benefits on this additional salary as well. All the arrows are in the right direction for having a healthy surplus in medical insurance funds. But the money does not appear to be there.

The faculty were not represented on the committee who formulated the present medical insurance plan. We are not represented in the present committee to address cost increased proposed by Regents' Blue Cross Blue Shield. BFW feels that this committee duty to be involved in the budget preparation process *should include* budgets for faculty benefits.

### ***Retirement Benefits***

BFW members were recently invited to talk to the new TIAA-CREF fund representative to discuss the health of our retirement funds and changes to the administration structure. This took place in the backdrop of rather recent news regarding how over 100 national retirement funds went bankrupt last year, and the large fraction (over 300) of Fortune 500 corporations that only have about 20% of future retirement liability in hand.

TIAA-CREF is restructuring. It has more mutual fund investment options, institutional retirement funds, and individual retirement accounts options. The client base is expanding to the public at-large. It is also increasing consulting services. A permanently-staffed office is going to be opening in Salt Lake City to be more accessible to us when we have questions regarding the management of our accounts.

TIAA-CREF now offers IRAs and mutual funds, in addition to managing retirement accounts. TIAA-CREF manages three different types of funds; institutional retirement funds, IRAs, and mutual funds. Each type is managed differently, though the overall makeup of the individual funds may be similar. Institutional retirement funds, which make up our retirement, are managed for maximum profit. Since there are no taxes involved in moving these funds, the fund managers have great flexibility and actively manage these accounts. On the other hand, since taxes are paid when transferring mutual funds, these funds are managed less aggressively.

The TIAA traditional annuity is the only fund guaranteed to have money when we retire. This fund does not grow very fast owing to the modest interest of about 7% per year on average over the last 10 years. On the other hand, some of CREF funds had high growth performance. For example, CREF Growth funds had over 300% growth (4x) in the five years leading up to fall 2000, while TIAA grew a modest 50% (1.5x) over the same period.

Most CREF stock funds have outperformed traditional TIAA annuity even with the huge losses in value these stock funds over the last three years. But CREF funds are not guaranteed. They could go broke if

there was to be a number of bankruptcies, like those of the recent recession, or the recent devaluation of the dollar on global markets.

A couple comments are in order. First, one may wonder how much the new services will cost. Second, one should question how shifting emphasis from strictly managing institutional retirement funds to managing a broad range of investments will affect the performance of institutional fund management. We have no answers to these questions nor did we receive guarantees from the TIAA-CREF representatives on these issues.

Some TIAA-CREF television commercials have recently been seen on educational channels. They show professors and researchers working while a narrator says something to the effect that 'we worry about your retirement so you don't have to'. These are misleading. In fact, the increased flexibility of having several different TIAA and CREF funds to choose from comes with increased responsibility on the part of the employee. It is no longer the case that one can expect the retirement funds to be managed for them. It is no longer the case that one can expect a retirement account to be waiting for them when they retire. Increased flexibility also comes with commensurate decreased accountability on the part of fund managers. One could lose or minimize their money if they make judgment errors.

It would seem prudent, therefore, to inform faculty of these changes. Faculty and staff need to be more active in managing their retirement accounts. It is apparent that the recent economic conditions coupled with changes in the way TIAA-CREF is being managed, requires people to watch over their retirement funds with greater caution.

### ***Budget Trends***

The university has substantially increased the amount and type of information available to the public. This on-line information reports the number of employees, budgets, sources of funds and expenditures, and trends in "dashboard" metrics, such as; number of faculty employees, student-faculty ratios, tuition, salaries, etc. Many of these are ranked relative to our peer institutions.

There are several important trends illustrated by these data. First, the faculty are paid 8%-11% less (compensation) than our peer institutions. This has not improved over the past several years. Of course faculty and staff have not received cost of living adjustments or merit pay raises for two years. The state of Utah issued cost of living increases of 4% in FY 2000 (July 1999-June 2000), 4% in FY 2001, 4% in FY 2002, 0% in FY 2003, and again 0% in FY 2004.

Real performance increase is apparent on the part of the faculty. Research funding is up as are the number of patent applications. However, graduate student numbers are declining.

The following figures and tables illustrate some trends in national health care costs, retirement fund performance, university budget, and E&G (state) budget.

## Consumer Price Index Trends

<http://www.bls.gov/>



An often reported trend is the raising costs to health insurance funds. The state of Utah reported health and dental costs increases 11.2% for Fiscal Year 2003, and 11.48% for Fiscal Year 2004.

(<http://www.dhrm.utah.gov/>). This is in contrast to the U.S. Bureau of Labor Statistics Consumer Price Index reports. According to the US BLS, prescription of medical supply costs are up from 3% to 5%, medical care services are increasing about 5% per year, and total medical costs are at 4% inflation this past year.

It is speculative to say why realized health care costs have risen by about 11% per year in Utah. This trend appears to be national. Nonetheless, the discrepancy it might due to an aging population that is accessing health care more often and for more costly services. Another reason might be due to increases in administration costs.

Health Benefit Claims Data  
Comparison for 1st Quarter Each Plan Year

	2001-02	2002-03 <sup>1</sup>	2003-04 <sup>2</sup>	% Change 2001-02 to 2003-04
Charges Submitted Against the Plan	\$7,496,643	\$8,016,119	\$7,246,579	-3%
Administrative Savings	\$865,676	\$824,969	\$782,263	-10%
Eligible Charges	\$6,630,967	\$7,191,150	\$6,464,316	-3%
Provider Savings	\$1,616,792	\$1,937,992	\$1,561,874	-3%
Subtotal	\$5,014,175	\$5,253,158	\$4,902,442	-2%
Patient Coinsurance, Deductible, etc.	\$576,439	\$968,582	\$1,100,273	91%
Other Carrier Savings	\$324,330	\$390,151	\$250,185	-23%
Total PAID by PLAN	\$4,113,406	\$3,894,425	\$3,551,984	-14%
Admin Savings as % of Total Charges	12%	10%	11%	
Provider Savings as % of Eligible Charges	24%	27%	24%	
Patient Coinsurance, Deductible, etc. as % Eligible Charges	9%	13%	17%	
Total Paid as % Eligible Charges	62%	54%	55%	
Total Paid as % Submitted Charges	55%	49%	49%	

Notes:

- 1: In the 2002-03 Plan year, the University implemented a \$100 up-front deductible.
- 2: In the 2003-04 Plan year, the University implemented the White and Blue Plan options. Approximately 50% of employees selected each of the options.

Above data EXCLUDES RxData present by Terry Hodges, Director, USU Human Resources.

Historic Trends in TIAA-CREF Retirement Funds

<http://www.tiaa-cref.org/>



Trends in our retirement accounts can be seen in the figure. Major CREF and traditional TIAA annuity fund performances are shown from January 1995 through January 2004. This figure shows share values, in dollars of a share bought for \$1 in January 1995. Starting from data with the highest value in 2000 and working down, the funds are; CREF Growth, S&P 500, CREF Stock Market, CREF Global Market, CREF Bonds and CREF Money Market funds. The only fund to outperform the Standard and Poor 500 index (S&P 500) over this time period was CREF Growth. Significantly underperforming the S&P 500 were the CREF Bond and Money Market accounts, and TIAA traditional. The TIAA traditional performance is estimated based on the 10-year average interest rate of nearly 7% per year. It is shown as blue diamonds.

Data from the USU web site  
<http://aaa.usu.edu/FactsFigures/>

Revenues, FY 2003	Amount
Tuition and Fees	\$47,356,409
Contracts, Grants, and Federal Appropriations	\$155,467,675
State Appropriations	\$124,048,756
Private Gifts	\$8,304,180
Auxiliary Enterprises	\$32,625,680
Other	\$30,938,673
<b>Total USU</b>	<b>\$398,741,373</b>

Expenses, FY 2003	Amount
Salaries and Wages	\$173,141,870
Employee Benefits	\$57,507,585
Scholarships and Fellowships	\$16,251,503
Depreciation	\$20,613,153
Other	\$120,232,117
<b>Total</b>	<b>\$387,746,228</b>

E&G Budget Data from USU Controller's Office

Summary Schedule of Budgeted E&G Funds For Years Ending June 30, 1995 Through 2004						
Fiscal Year	Salaries	Wages	Benefits on Salaries and Wages	Benefits as Percentage of Salary & Wage	Other Current Expenses	Total
1994/95	\$56,486,000	\$3,518,200	\$18,963,600	32%	\$16,627,600	\$95,595,400
1995/96	\$59,816,100	\$3,604,100	\$20,660,900	33%	\$18,625,700	\$102,706,800
1996/97	\$61,929,500	\$3,774,500	\$21,860,100	33%	\$18,063,400	\$105,627,500
1997/98	\$63,994,600	\$4,561,300	\$22,785,600	33%	\$18,269,200	\$109,610,700
1998/99	\$67,594,800	\$5,224,700	\$23,507,200	32%	\$18,767,900	\$115,094,600
1999/00	\$69,473,200	\$5,526,000	\$24,091,300	32%	\$19,403,300	\$118,493,800
2000/01	\$73,399,800	\$5,600,100	\$25,446,400	32%	\$19,283,400	\$123,729,700
2001/02	\$77,497,400	\$5,234,500	\$26,535,100	32%	\$21,269,800	\$130,536,800
2002/03	\$79,600,600	\$5,207,400	\$29,116,500	34%	\$22,826,800	\$136,751,300
2003/04	\$80,477,500	\$4,703,800	\$30,850,700	36%	\$23,287,700	\$139,319,700

Summary Schedule of Expended E&G Funds Years Ending June 30, 1995 Through 2003						
Fiscal Year	Salaries	Wages	Benefits on Salaries and Wages	Benefits as Percentage of Salary & Wage	Other Current Expenses	Total
1994/95	\$52,205,900	\$4,708,900	\$19,620,400	34%	\$19,947,800	\$96,483,000
1995/96	\$55,787,300	\$4,908,300	\$20,214,700	33%	\$20,296,000	\$101,206,300
1996/97	\$58,747,800	\$5,274,400	\$21,113,400	33%	\$20,041,800	\$105,177,400
1997/98	\$61,579,600	\$6,047,900	\$22,471,500	33%	\$21,470,500	\$111,569,500
1998/99	\$63,838,700	\$6,196,700	\$23,135,600	33%	\$22,853,000	\$116,024,000
1999/00	\$65,933,700	\$7,102,800	\$24,325,300	33%	\$22,675,000	\$120,036,800
2000/01	\$69,336,000	\$8,178,200	\$25,369,900	33%	\$22,704,900	\$125,589,000
2001/02	\$73,371,000	\$6,807,900	\$27,190,500	34%	\$24,765,300	\$132,134,700
2002/03	\$75,901,900	\$7,173,800	\$29,017,000	35%	\$24,328,900	\$136,421,600

E&G Funds Difference; Budgeted less Expended						
Fiscal Year	Salaries	Wages	Benefits on Salaries and Wages		Other Current Expenses	Total
1994/95	\$4,280,100	-\$1,190,700	-\$656,800		-\$3,320,200	-\$887,600
1995/96	\$4,028,800	-\$1,304,200	\$446,200		-\$1,670,300	\$1,500,500
1996/97	\$3,181,700	-\$1,499,900	\$746,700		-\$1,978,400	\$450,100
1997/98	\$2,415,000	-\$1,486,600	\$314,100		-\$3,201,300	-\$1,958,800
1998/99	\$3,756,100	-\$972,000	\$371,600		-\$4,085,100	-\$929,400
1999/00	\$3,539,500	-\$1,576,800	-\$234,000		-\$3,271,700	-\$1,543,000
2000/01	\$4,063,800	-\$2,578,100	\$76,500		-\$3,421,500	-\$1,859,300
2001/02	\$4,126,400	-\$1,573,400	-\$655,400		-\$3,495,500	-\$1,597,900
2002/03	\$3,698,700	-\$1,966,400	\$99,500		-\$1,502,100	\$329,700
Totals	\$33,090,100	-\$14,148,100	\$508,400		-\$25,946,100	-\$6,495,700



## E&G Budget Trends; 1994-95 through 2003-04



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**TO:** Senate Executive Committee

**FROM:** Lance C. Seefeldt  
Chair, Academic Freedom and Tenure Committee

**RE:** AFT Annual Report 2003-2004

**DATE:** February 16, 2004

The Academic Freedom and Tenure Committee, as represented by each of its hearing panels, is an administrative hearing body, with jurisdiction in matters related to academic freedom, tenure, and promotion, dismissals and other sanctions, and actions alleged not to be in accordance with the adopted standards, policies, and procedures of the university. In relation to these matters, the committee may hear both complaints initiated by the university against a faculty member and grievance petitions brought by a faculty member. The Academic Freedom and Tenure Committee consists of the following 13 members: (a) eight faculty members, one elected by and from the faculty in each college; (b) one faculty member elected by and from the faculty in Extension; (c) one faculty member elected by and from the faculty in the Library; and (d) three faculty members appointed from the 50 elected faculty senators by the Committee on Committees.

### **Grievances:**

Two grievances were filed with the chair of AFT this past academic year. Hearing panels were appointed for both cases, and a pre-hearing was held for one case. Both cases were settled before a full hearing was held.

### **Sanctions:**

One case of sanctions against a faculty member is currently being contested with AFT. A pre-hearing meeting is scheduled for the next few weeks. Every attempt will be made to hold a full hearing before the end of the semester to avoid the delay until August when the next term begins.

The identities of the involved faculty members and the specific nature of the cases that were discussed with the Chair of AFT, or that are to be heard by a hearing panel with members selected from AFT is held in confidence.

**Officer Election:**

New officers (Chair and Vice-Chair) will be elected at a meeting of the Committee this spring.

ACADEMIC CALENDAR 2004-2005				
Possible Changes to Accommodate Commencement				
		Less Instruction Days	Begin Semester Earlier	Begin Semester Earlier
Spring Semester 2005				
	Current Approved	70 instruction days	72 instruction days	71 instruction days
	73 instruction days	5 test days = 75	1 interim day	1 interim day
	5 test days = 78		5 test days = 77	5 test days = 76
Classes Begin	January 10 (M)	January 10 (M)	January 5 (W)	January 6 (Th)
Dr. Martin Luther King, Jr. Day	January 17 (M)	January 17 (M)	January 17 (M)	January 17 (M)
Washington and Lincoln Day	February 21 (M)	February 21 (M)	February 21 (M)	February 21 (M)
Spring Break	March 14-18 (M-F)	March 14-18 (M-F)	March 14-18 (M-F)	March 14-18 (M-F)
Classes End	April 29 (F)	April 26 (T)	April 25 (M)	April 25 (M)
Interim Day			April 26 (T)	April 26 (T)
Final Examinations	May 2-6 (M-F)	April 27-29 (W-F), May 2-3 (M-T)	April 27-29 (W-F), May 2-3 (M-T)	April 27-29 (W-F), May 2-3 (M-T)
Close Out Students		May 4-6 (W-F)	May 4-6 (W-F)	May 4-6 (W-F)
Graduation	May 6-7 (F-S)	May 6-7 (F-S)	May 6-7 (F-S)	May 6-7 (F-S)
Semester = approximately 15 weeks, may include examination days				
Other options include: end semester later, shorten spring break, finals on Saturday				

**Health Insurance**

**Proposed Administrative Rate Increase from Regence BlueCross BlueShield of Utah**

Regence BlueCross BlueShield of Utah is proposing a 123% increase over the next three years in the fees they charge for the administration of the University's self-funded medical and dental plans. BlueCross BlueShield currently charges a per employee capitation rate of \$21.03 per month to administer the programs. The proposed increase over the next three years would result in a \$46.96 per employee per month charge. A little over one million dollars would be required to fund this increase. The central administration is actively engaged in negotiations with Regence management in an effort to

reduce proposed increase. Consideration will be given to the provider discount bargaining power of Regence, as well as the excellent network of providers. However, the University is prepared to go out to bid for a new administrator in the event the results of the negotiation are unsatisfactory.