

University of Washington
Faculty Council on Benefits and Retirement
January 26, 2015
2:30 pm – 4:00 pm
Gerberding 26

Meeting Synopsis:

- 1) Call to Order
 - 2) Review of the minutes from November 24, 2014
 - 3) Tuition Subsidies (Diem)
 - 4) Classification of Faculty Re-indirect Costs (Schaaf & Anthony)
 - 5) Good of the Order
 - 6) Adjourn
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1) Call to Order

Chair Emery was absent at time of the meeting's beginning. The council decided to hold unofficial discussion until Emery's arrival.

2) Review of the minutes from November 24, 2014

Review of the minutes from November 24th, 2014 was missed due to absence of council chair Emery; the minutes will be reviewed at the April 27th meeting.

3) Tuition Subsidies (Diem)

Carol Diem, (Director of Institutional Analysis, Office of Planning and Budgeting) was present to discuss tuition waivers for spouses, domestic partners, and offspring of faculty and staff. She noted that the Faculty Council on Benefits and Retirement had discussed this topic before, however, she explained the situation was very different at the university at that time. When it was discussed previously there were only a few varying tuition rates at the UW - at this time there are 37 different tuition rates. Diem noted she wanted to ask a number of questions to the council before going forward with the tuition waivers topic.

She noted to implement the council's ideas in the past, the plan consisted of requesting funds from the provost which may or may not have been granted, however, now, with Activity Based-Budgeting (ABB), tuition money flows to the schools and colleges. There are problems with tuition waivers when the student with subsidy is associated with one unit that their mother, father, spouse, etc. works in, but the tuition is being waived for another unit where they choose to study, hurting the latter unit.

She noted she had questions concerning who exactly falls into demographic categories. She asked if these are tuition waivers for undergraduate, graduate, or other varying programs. Finally, she pointed out how tuition subsidies might work in the university's current situation. She noted that because of Activity-Based Budgeting (ABB), and the tuition from students flowing to differing schools and colleges, there are problems with tuition waivers when one unit might be gaining tuition revenues, but the cost of this tuition is waived for another unit because of subsidies.

Diem further noted she wanted to know the populations, programs, and other factors the FCBR is thinking of for the implementation of tuition subsidies.

Dwyer explained instead of excluding any groups, she would like to break out the cost among varying groups for analysis. She added that her office could pull data on dependents and use that data to find tuition exemptions, to start.

The council discussed the fairness of implementing tuition subsidies. A few council members noted that faculty and staff with no children, or with very young children, were not in favor of tuition subsidies and many went as far to say it was discrimination of pay. Discussion ensued. It was noted that with the topic of childcare at the UW, the same issues arise. Benefits are provided for only a certain demographic of people (i.e. parents with young children, individuals with college-aged spouses or children).

Dwyer noted that at this point, politics only hinder the process of figuring out these tuition subsidy questions. Chamberlain noted it would make sense to look at other universities and any popular comparable subsidy programs and models.

Chair Emery entered the meeting at this point in the discussion. Quorum having been met, the council meeting became official at this time.

Diem reiterated how ABB creates issues within a tuition subsidy model for Emery's understanding and for getting up to speed on the discussion, she further explained how the council is currently pursuing solutions. She explained there are ways to work around the problems ABB creates.

Dwyer noted she pulled a list from the state showing all dependents for all university faculty and staff, and ran it against the student database to see who had a student at the UW – she explained this process will give a low-end estimate of the costs for implementing tuition subsidies. Diem added there is a simple method to do a maximum cost analysis which includes finding numbers for all university dependents of traditional school-going age.

To start, the council decided to limit the discussion to only focus only on undergraduate tuition. The council then tried to find an age limit for the subsidy, which was not decided upon, but limits of 22, 23, 24, and 25 years of age were mentioned. A member noted it might be a good idea to find the total maximum cost this program could encompass. To find this, the council could estimate cost, and multiply it by the approximately 30,000 benefits-eligible faculty and staff. Someone added this is not wise, as that number will be substantial, and likely to kill all serious discussion. Another member noted one merit of finding this number may be that the notion of "fairness" among benefits offered to faculty can be further analyzed.

A member noted it is prudent to understand the amount of tuition subsidy that will be given to each eligible student – will it be a full-tuition subsidy, or a piece of that number subsidized every quarter. Undergraduate resident tuition at the UW is \$11,305 per academic year, Diem explained. That number does not include mandatory fees which comprise an additional (approximate) \$1100 yearly.

It was explained the provost had convened a childcare committee to address the childcare issue at the UW. The provost noted that if large amounts of money went to childcare, than funds would be depleted for other programs. Provost Cauce iterated at that meeting that there are many faculty and staff benefit options that are pulled from the same funds.

Questions arose of how other schools handle varying benefits and their implementation. Kornberg (presidential designee) noted some schools limit money to \$5000 per child annually. This number is confined to tuition at the dependent's school. Moreover, it was noted the IRS does not allow only giving subsidies to faculty, while excluding professional staff, and staff - though confirmation on that is needed.

Dwyer noted the council will continue to break out the costs and conduct further analysis.

Some discussion on childcare ensued. There are four centers at UW which include 262 children. Kornberg noted the provost's office is working on ideas to convert existing buildings for childcare purposes instead of creating new buildings. She stated there is a real lack of quality childcare in the area surrounding the UW. The reason for this is because it is very expensive - the way the market works due to licensing (1 adult to every 4 children) renders a miniscule profit margin in most business models. The problem is ongoing.

4) Classification of faculty re-indirect costs (Schaaf & Anthony)

Due to the absence of one of the presenters, this item will be rescheduled for a later meeting.

5) Good of the Order

Attractive elements of the UW for recruited faculty according to Deans and Chairs

There was a question of what exactly entering recruited faculty find to be attractive about the UW's work environment, benefits, and so on, and what chairs say to these recruited faculty. It was noted this question could be directed to chairs who recruit faculty. Chair Emery noted it would be more prudent to go to Deans first for this information. A few council members noted they would go to their respective schools and colleges to glean some of this information.

Update on Legislative Session

Dwyer explained to the council that she would give a brief update on the legislative session. She noted the session has been quieter from a benefits point of view than it has been in the past. They are starting to look at reversing some of the retiree rehire limitations. She noted many individuals of the baby boomer generation are retiring. She explained that with new early retirement regulations, individuals who opt for early retirement are not allowed to work again until the age of 65. Although, many of these people have been out of their field for so many years that by the time they reach the age 65, they do not have any inclination to work again.

A question was asked concerning the underfunding of state pensions. It was noted PERS1 was closed years ago for this reason. PERS2 and PERS3 are pay-as-you-go, and are in a stable state.

New Salary Policy

Chair Emery asked the council how they feel about the new salary policy, which is being worked on within various faculty senate groups. Mittler noted there a variety of concerns within the Medical School, one being over the frequency of reviews postulated in the new policy. He noted in the medical school, the policy is not seen as an overwhelming success. Siegel noted the new policy is very rigid for fixed merit increases, and the Business school would prefer flexible system for pay responding to demand. He further noted the past is not a good indicator for a policy because the market changes. It was expressed that the 8% increase is too rigid to satisfy the demands of top-performing professors. It was noted that at Bothell, there are concerns about fairness and equity in correlation with different groups.

6) Adjourn

The meeting was adjourned by Emery at 4:00 p.m.

Minutes by Joey Burgess, jmbg@uw.edu, council support analyst

Present: **Faculty:** Robert Breidenthal, Ashley Emery (chair), Russell Fernandes, John
Mittler, Gowri Shankar, Stephan Siegel
Ex-Officio reps: Thomas Deardorff, Charles Chamberlain
President's Designee: Mindy Kornberg
Guests: Katy Dwyer, Carol Diem

Absent: **Faculty:** Gail Joseph, Susan Spieker
Ex-Officio reps: Alison Navarrete, Brady Begin