

## Item #1

### UNIVERSITY OF WASHINGTON FACULTY COUNCIL ON BENEFITS AND RETIREMENT (FCBR)

#### November 22, 2006 Meeting

The Faculty Council on Benefits and Retirement met in Gerberding Hall, room 36, on Wednesday, November 22, 2006. Bowen, Chair of the Committee, called the meeting to order at noon. The minutes are more terse than usual as our usual notetaker was not available.

#### **Synopsis:**

- I. Approval of agenda; minutes of October 2006 meeting
- II. Nomination of a representative to the UW Retirement Plan and Voluntary Investment Program Fund Review Committee
- III. Update by Director of Benefits and Work/Life
  - Benchmarking survey
  - Impact and process of changing UW retirement contributions from “opt-in” to “opt-out”
- IV. New Business

#### **I. Approval of agenda; minutes; announcements (Bowen)**

**Action Item:** The minutes of the last FCBR meeting (October 16, 2006) were approved unanimously.

Bowen stated that the FCBR is in the position to directly affect faculty and staff; a very “exciting” task “worth pursuing”. The process will include advice, through the Faculty Senate and leadership, via Kornberg and Dwyer.

#### **II. Nomination of a representative to the UW Retirement Plan and Voluntary Investment Program Fund Review Committee (Bowen)**

Jon Brock was nominated to be the FCBR representative on the UW Retirement Plan and Voluntary Investment Program Fund Review Committee. Jon discussed his related experience with other organizations.

**Action Item:** The nomination of Jon Brock was approved unanimously.

#### **III. Update by Director of Benefits and Work/Life (Dwyer)**

##### ***A. Survey data comparing UW benefits to those at peer institutions***

Dwyer handed out and reviewed benchmark data on UW benefits compared to select peer institutions. She discussed limitations of the data including the absence of a faculty versus staff breakdown and selective reporting by Universities. It was noted that all of the reporting institutions (except UW) provide benefits to the spouse and dependents of a deceased

employee. After some discussion, it was decided to revisit the data at a future meeting with the hope of identifying areas worth pursuing.

***B. Comments on process to change UW Retirement contributions from ‘opt-in’ to ‘opt-out’***

Dwyer explained that there were administrative costs to switching from the current ‘opt-in’ system for retirement contributions to an ‘opt-out’ system a) upon initial employment and b) at age 50 when employees are eligible for a 10% University match. Dwyer recommended that the proposed change, if recommended by the Council, be implemented with other changes prepared for the annual review by the Board of Regents. Council members generally agreed that this would be fine. It was agreed to vote on a resolution to recommend a change to ‘opt-out’ at the next meeting.

**IV. New Business (Bowen)**

**Do University Athletic Department actions undermine faculty/staff loyalty?**

Bowen brought up a potential issue of interest to the Council around the role of mutual loyalty between the University and faculty and staff. Bowen argued that one role for collegiate athletics is to build loyalty and affiliation with the University. Reduced ticket prices and long term loyalty ‘points’ are long standing benefits to UW faculty and staff. However, it appears that the UW Athletic Department has reduced this benefit over time without consulting the faculty. UW Athletic Department policies in at least two major sports (men’s football and basketball) undervalue faculty/staff loyalty.

Using basketball as an example, Bowen explained that, when popularity surges, new money comes in and displaces those who have been loyal to the University over the long-term. Long-term fans are threatened to “show the money” (via additional contributions to the Athletic Department) if they want to stay in the building. Even when University employees elect to make ‘voluntary’ contributions to the Athletic Department, they are not treated equally because many outside donors have a corporate match that is unavailable to UW employees. In short, Athletic Department policies allow new money to displace long-term loyalty. This is especially hard on loyal faculty and staff and undermines their affiliation with the University.

Committee members suggested that Bowen raise this issue with the Faculty representative to UW Athletics, Patrick Dobel.

Meeting adjourned: 1:30 p.m.

**Present:**        *Professors:* Boxx, Bowen, Gallucci, Breidenthal, Brock, Demorest, Hess  
                      *Ex-officio:* Henley, Gray  
                      *Guest:* Dwyer, Dougherty

**Absent:**         *Professors:* Stowitschek, Kartsonis  
                      *President’s Designee:* Kornberg

**Minutes:**      Bowen

### **Item #3**

#### **Faculty Council on Benefits and Retirement**

#### **Draft Resolutions on Retirement Contributions**

*Draft for discussion only by Robert Bowen, Chair*

#### **The issue for new hires**

By failing to contribute to retirement in their first two years of employment, new faculty lose the University's matching contributions. The cumulative future value of these lost contributions at retirement can be substantial. In our experience, many new faculty fail to 'opt-in' to the retirement system not because of a conscious decision but rather because they are overwhelmed by all of the competing demands of starting a new job. Further many new faculty are unaware of the compounded monetary effect of failing to begin retirement contributions from the first day of employment.

#### **Resolution #1**

The Faculty Council on Benefits and Retirement urges the administration to move as quickly as reasonable to an 'opt-out' system for the retirement contributions of new faculty, librarians and professional staff who are subject to the University's defined contribution retirement system.

#### **The issue for faculty turning 50**

In our experience, some faculty also inadvertently fail to immediately 'opt-in' to increase their contribution to 10% at age 50. Again, this is typically an oversight rather than a conscious decision.

#### **Resolution #2**

The Faculty Council on Benefits and Retirement urges the administration to move as quickly as reasonable to an 'opt-out' system for the retirement contributions of faculty, librarians and professional staff turning 50 who are subject to the University's defined contribution retirement system.

#### **Item #4: *Balance@UW* Announcement**

The University of Washington is pleased to announce a new initiative to increase the flexibility of faculty careers. *Balance@UW* is a comprehensive package of policies and programs designed to support UW faculty in balancing productive academic careers with satisfying personal lives.

By supporting faculty through the various stages of life, *Balance@UW* will enhance the ability of the UW to recruit and retain the best and brightest faculty, and enhance the ability of faculty to perform their best teaching and research.

*Balance@UW* began with the UW receiving a 2006 Alfred P. Sloan Foundation “Flexible Faculty Career” Award. For the first round of this competition, the University administration completed a survey of policy availability and utilization. After advancing to the second round, UW tenured and tenure-track faculty were asked to participate in the Faculty Survey of experiences with flexible policy options, while the administration drafted a proposal that detailed eight goals to improve the family-friendly climate at UW and to increase the use of flexible policies by faculty by the year 2008. The Flexible Faculty Career award provides a \$250,000 accelerator grant to implement the “Eight by ‘08” goals. The goals include:

1. Pilot a paid parental leave policy for faculty
2. Expand leadership development workshops for chairs and emerging leaders, which were developed as a result of a National Science Foundation ADVANCE grant, to all university departments to increase both awareness of policy merit and availability, and chair support of policy utilization by faculty
3. Increase the number of faculty using these policies by making deans and department chairs accountable for the work-family climate of their respective colleges and departments
4. Create a tracking mechanism for policy use and faculty career outcomes
5. Use flexible policy options as a faculty recruitment tool
6. Assess the ‘fit’ between faculty eligible to use a policy and those actually choosing to do so and, if needed, improve faculty perception of the family-friendliness of the university
7. Create a peer support group for ‘new mom’ faculty members
8. Increase the number of infant and toddler childcare slots available to faculty

An advisory team has been formed to oversee this initiative. Members include:

Cheryl Cameron, Vice Provost for Academic Personnel

Ana Mari Cauce, Executive Vice Provost

Rhonda Forman, Director of Academic Human Resources

Daniel Friedman, Dean of Architecture

Marcia Killien, Professor of Family and Child Nursing

Mindy Kornberg, Vice President of Human Resources

Jovan McCoy, Outreach and Recruitment Coordinator, Office of Minority Affairs

Steven Olswang, Interim Chancellor of Bothell

Eve Riskin, Associate Dean of Academic Affairs, College of Engineering

Randi Shapiro, Assistant Director of UW Benefits and Work/Life

To accomplish the goals over the next two years, we will analyze the existing flexible policy options and work with the Faculty Senate to enact recommended changes. We will work with deans and chairs to transform departmental climate and culture. We will work with faculty to measure project effectiveness and to identify future directions for improvement.

Project status reports will be posted to the initiative web site:

<http://www.washington.edu/provost/initiatives/balance/>

Questions and comments about this initiative may be directed to Kate Quinn, Project Director and Special Assistant to the Executive Vice Provost.

**Item #5**

**Faculty Council on Benefits and Retirement**

**Draft Resolutions on Support for Childcare and Tuition Exemption initiatives**

*Draft for discussion only by Robert Bowen, Chair*

**Childcare and Tuition Exemption**

The Childcare initiative has the attention of the Administration and it is appropriate for this committee to provide advice. Child care and Tuition remission programs can help retain faculty as it a) makes UW more competitive with other Universities and b) raises the cost to leave for faculty already receiving benefits.

**Resolution #3**

The Faculty Council on Benefits and Retirement urges the administration to provide additional cost-effective childcare support for faculty, librarians and professional staff.

**Resolution #4**

The Faculty Council on Benefits and Retirement urges the administration to provide tuition relief for the children of faculty, librarians and professional staff.

**Or alternatively, a Combined Resolution**

The Faculty Council on Benefits and Retirement urges the administration to provide a) additional cost-effective childcare support, and b) tuition relief for the children of faculty, librarians and professional staff.

## Item #6

### Faculty Council on Benefits and Retirement (FCBR)

#### Statement of Mission, Assumptions and Goals

*Draft for discussion only – 12/11/06<sup>1</sup>*

*Please do not share this draft document outside our committee*

#### **MISSION STATEMENT**

The mission of the Faculty Council on Benefits and Retirement (FCBR) is to help the University of Washington (UW) maintain and improve its position as one of the best publicly supported universities in the World. The University's broader mission is accomplished in large part by making UW among the best places to work in academia by ensuring the best possible benefits and retirement programs.

#### **ASSUMPTIONS**

- The University's performance, reputation and quality are directly affected by the quality of its people. University human resource (HR) policies should support University aspirations.
- In a competitive academic marketplace, benefits are part of the total compensation package that affects the University's ability to hire and retain outstanding people.
- In order for the University of Washington to maintain and improve its quality over time, total compensation must be competitive with other world-class academic institutions. Total compensation is composed of salary, benefits (including retirement benefits), and intangibles related to the work/life environment.
- Faculty and staff quality are key drivers of Department, School and University quality.
- The consequences of failing to hire or failing to retain key faculty, librarians, and professional staff can be negative and severe.
- The FCBR is the primary forum for faculty, professional staff and librarians to discuss concerns and opportunities about benefits, a key part of compensation and the work/life experience.
- Differing markets exist for hiring and retaining faculty, librarians, and professional staff than for hiring and retaining classified staff.
- While the University will normally strive to have equitable benefits across faculty and staff, it may occasionally award selectively different benefits to faculty or to staff when it finds that such differences are appropriate to the marketplace and in the best interest of the institution. Thus, there may be differences for any specific benefit.

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<sup>1</sup> This discussion draft was prepared by Robert Bowen (rbowen@u.washington.edu), Jon Brock (jbrock@u.washington.edu) and Paul Constantine (pjc6@u.washington.edu).

## **FCBR GOAL**

To provide advice, counsel and recommendations regarding retirement and benefit programs that support long-range plans to reach and maintain a work/life environment consistent with the University's mission.

## **TASKS**

FCBR tasks generally include:

- Serve as a think-tank and advocacy group for issues related to benefits, retirement and the work/life experience
- Advise Faculty Senate and University leadership on how benefits and the work/life experience can influence the University's mission
- Provide a forum for faculty, professional staff and librarian concerns
- Assist the University in improving communication regarding benefits
- If needed, propose legislation to forward to Faculty Senate Leadership