

UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON BENEFITS AND RETIREMENT (FCBR)
January 30, 2007

The Faculty Council on Benefits and Retirement met in Gerberding Hall, room 36, on Tuesday, January 30, 2007. Bowen, Chair for the Committee, called the meeting to order at 2:00 p.m.

Synopsis:

1. Approval of Agenda/Minutes/ Introductory remarks
2. Draft Resolutions on Retirement Contributions
3. Kate Quinn, Project Director and Special Assistant to the Executive Vice Provost, on Balance@UW
4. Proposal to support a) Childcare and b) Tuition Exemption initiatives
5. FCBR Mission and Goals
6. Director of Benefits and Work/Life
7. Update by Vice President for Human Resources
9. New business
10. Next month's agenda:

1. Approval of agenda/Minutes/Introductory Remarks (Bowen)

Bowen welcomed all and asked the group to review the minutes from the November 22, 2006 meeting. Everett said that he did attend the November 11th meeting. Group accepted this change. The vote was approved and seconded. The December 15th meeting was canceled due to inclement weather.

2. Draft Resolutions on Retirement Contributions (Dwyer)

The issue for new hires:

By failing to contribute to retirement in their first two years of employment, new faculty loses 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 'optin' 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 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 fails to immediately 'opt-in' to increasing 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.

Henley would like to see data on the numbers. How many people are in the opt-in period? Thinks it's a good idea regardless.

Dwyer stated that a previous task force has already looked at this and looked at the financial repercussions. The cost at that time would have been over a million dollars. Bowen would that the University take the money and put it in people's pockets, rather than spend it on launching an educational campaign. Would it be possible to make faculty fill out a form on whether they wanted to opt in or not before they could get paid? Dwyer does not feel that this would be a good option because there are 450 payroll departments collecting forms and sees trouble with this idea. Has anyone surveyed the faculty to see what it is they would like to have happen?

Kornberg will bring this issue to the attention of the Provost.

Action Item: Katy to send the group data on the how many people would fall into this category.

3. Introduction and update, on *Balance@UW* (Quinn)

Kate Quinn, Project Director and Special Assistant to the Executive Vice Provost, on, *Balance@UW*, which "is a comprehensive package of policies and programs designed to support UW faculty in balancing productive academic careers with satisfying personal lives."

This new initiative in 2006 gave \$250,000 to the program to accelerate their activities. A lot of people are not aware of the policy and they are trying to make the faculty aware. The program supports flexibility of faculty careers and groups for faculty parents similar to what Work/Life (W/L) HR is doing. Goal is to increase Child Care, policy analysis and recommend changes.

Boxx asked why just the moms and not the dads? Quinn said they heard more feedback from women. Next quarter they will work with Work/Life. This is just in the pilot stage. Eventually it will include adoptive mothers, not just faculty moms, but at this time not wives of faculty, only faculty.

Bowen commented that when one is a faculty member and the couple is having problems, the program would benefit both to help retain a faculty member.

Everett stated he was in the military and said there were demands made on military spouses and they were offered support to both partners.

Quinn will consider this and take back to group.

Dougherty said her eldercare experience was similar.

Quinn said they are also looking at pre-mom education, post partum group, only biological moms for paid leave, father's and adoptive parents.

Bowen stated that faculty sick leave is structured differently than staff sick leave. Shelley (?) was going to contact KD about prostaff leave for bonding. Demorest asked what else the group will be doing. Tuition remission? How do we retain productive faculty? Bowen said that tuition remission is not part of this. Kornberg said another sub group is dealing with this.

4. Proposal to support a) Childcare and b) Tuition Exemption initiatives (Bowen)

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.

Bowen states that we compete in an academic market and many competitors provide tuition remission. Faculty wants to stay at Universities because of this benefit. Demorest, Dwyer, Constantine and (Gail)? made a proposal in August 2004 to the administration. Handout was presented by Bowen.

Bowen asked if we should jump back to where we were in 2004 or have a more modest proposal. The 2004 proposal included the children and spouses of eligible staff. In the spirit of the supporting the children's movement we could revise the proposal and scale it back.

One argument against it is that some faculty/staff don't have children and never will. That's why the spouses were added.

Bowen thinks that this may be an issue in the faculty senate because that is where it died before because of the no children issue. This is a significant amount of money. Previously it died in the Executive committee. How do we know what the faculty wants? Executive committee wouldn't even put it to a vote. Demorest said we are community and we should propose it as such. His comment was that he does not use health benefits as much as the senior faculty.

Everett commented that at Cornell all tuition is waived and if a dependent chooses to go elsewhere they still pay 50% so the faculty is loathed to leave because of it.

Public institutions do offer this, not just private sector. Kornberg stated that child care is for the young faculty and tuition remission is for older faculty. Two distinct groups of faculty. Duke paid 75% of the tuition. Coupling these two at the same time is a good idea. Package it – think strategically. How do we get the bright and keep them? Demorest states that new parents are saving for college now because the costs are so high.

Gray asked are there any limits? There are maximums – only one family member at a time.

Bowen asks if the group should prepare a new version of this? If so, put it together for the March meeting? If we were to get the legislature to fund this, perhaps the pilot then UW would have to figure it out from there. Extra two million, why not spread it around as salary instead? Deans thought the faculty would choose raises. We should fold it into the LCVI.

Kornberg will be rolling out the progress on the LCVI, so it's a good idea to address this now. Provost is considering all of this.

Having some way to use pretax dollars for GET?

Dwyer said that we should be doing it here.

Boxx said that Demorest worked on the proposal and she didn't see anything wrong with it. Don't see any reason to rework, except for numbers.

Kornberg will forward on to Provost Wise. She was interested in the white paper, but is struggling with where the money will come from. She's looking at the broader picture- what do the faculty want?

Action Item: Bowen to update numbers/minor tweaks. Mindy to talk to Provost.

Kartsonis brought up condo's for faculty. Kornberg said that the story in the paper is not factual. There are no condo's being built.

Demorest asked about including children of classified staff – are we going to still include this. Dwyer stated that if you don't offer to everyone it's not tax exempt – it needs to be bargained.

Bowen wants to run it for faculty only.

Dwyer will run numbers. What we don't have is a tool that lays out a chart that shows who's involved – chart of what's on the table based on costs, etc.

Hess asked if faculty could choose what they wanted-cafeteria style. Dwyer said state law would have to be changed to allow this.

Kornberg states were counting on 80% of the population being healthy and 20% using the benefits. Cafeteria plan is prohibitively expensive and is mostly in the private sector.

Everett asks what are the other state Universities doing.
Cafeteria style is not on the table.

5. FCBR Mission and Goals

Bowen says there is some lack of clarity about what this committee is about. He would like to approve the mission and goals in the March meeting. Boxx says that the faculty code has a mandate that should be included. That sentence should be added to the mission statement.

Benefit considerations should be related to the market.
Bowen thought it was important to say that we don't endorse the same benefits.
Boxx said that we should avoid saying classified staff – sometimes you get weird emails from the union. They don't want to be in this group.

We are interested in the UW as a whole, but we are representing faculty.

We should work on replacing the bottom 2 bullets.
Boxx says on task list #3 we should add work life concerns. On the last task we should broaden that and comment on or provide directions on legislation. It should say senate legislation.

6. Update by Director of Benefits and Work/Life

Dwyer said they had an audit of the VIP account and there were 70 people that over deferred last year. We contacted them and some were very unhappy. They will have to back out contributions and then will have to pay taxes on these funds. No penalties to employees. We are working on a database. This is a difficult task and it all has to be done by hand.

Meeting adjourned: 3:30 p.m.

Next meeting: March 2, 1:30 p.m. – 3:30 p.m.

Present: *Professors:* Bowen, Boxx, Breidenthal, Demorest, Hess, Kartsonis
 Ex-officio: Dougherty, Everett, Gray, Henley
 President's Designee: Kornberg
 Guest: Dwyer, Quinn
Absent: *Professors:* Brock, Gallucci, Stowitschek, Constantine
Minutes: Mason