



UNIVERSITY GOVERNANCE RECORD

The September meeting of the University Faculty will be held on Monday, September 13, 2004, beginning at 5:00 PM in the Langone Center Forum. Professor Martin Ligare will preside. If there are any amendments to the April, 2004 minutes, please send them to Andrea Halpern, Secretary of the Faculty, in advance of the meeting. Note that due to the fact that several items require early attention by the faculty, the order of items on the Agenda is different than it is for most meetings.

AGENDA

1. Amendments to April 2004 minutes

2. Announcements by the Chair of the Faculty

a. Revisiting the composition of the Faculty Governance Review Committee

To preserve an untenured slot, options are to i) add an untenured position to 4 divisional representatives or ii) return to original composition of 2 At-Large plus one untenured (see April 2004 minutes for background). Both options retain 3 positions from among nominations submitted by committees.

b. Nominations for committees

See below for ballot prepared by the Faculty Council. Nominations will be solicited from the floor, except where indicated. Please clear all nominations with the potential nominee.

3. New Business 1

a. Report from Committee on Instruction: Tom Cassidy Motion on merit scholarships (see below)

4. Announcements and remarks by the President and members of his staff

Introduction of new faculty and staff

5. New Business 2

a. Report from the Committee on Planning and Budget: Ben Marsh

1. Ben Marsh was elected Chair of Committee on Planning and Budget for this academic year.

2. The Committee recommends the acceptance of "*the adding of an in-network deductible [of \$250/individual, \$500/family] to the Highmark Enhanced Blue Shield Plan, effective for calendar 2005*", as described in the appended report from the ad hoc 'Campus Benefits Advisory Group'. Other plans are not affected. Changes affect all university constituencies; changes to Faculty plans will be implemented through the Faculty and Academic Personnel Committee.

b. Report from Committee on Personnel: Allen Schweinsberg
Report on Health Care (see below)

c. Report from Committee on Instruction: Tom Cassidy

Deans Garrett and Marosi, in consultation with COI and Don Stechschulte Jr. MD, have written the following policy for medical excuses from class. This policy will be communicated to the students by the start of Spring semester. Health Services will not be providing a doctor's note for every student visit, and we ask that your class attendance policies not require students to have a note from Health Services for every absence.

POLICY FOR MEDICAL EXCUSES FROM CLASS

Each professor has his or her own attendance policy, and if it's not printed on your syllabus, you should ask about it. It's your responsibility to know each professor's policy and what counts as an excused absence

If you are too sick to go to class, you should notify your instructor. If you go to Student Health Services and the doctor determines that you need to be out of class for more than three days, they will call the appropriate Dean's Office so that we can notify your instructors that you will be out. Please note that the deans will not be able to provide medical excuses to your professors unless we are notified by a doctor.

If you need to leave campus for treatment, please call the appropriate Dean's Office (Engineering or Arts and Sciences) to let us know when you are leaving and how long you will be gone. We will send a notice to your professors. Please have your doctor(s) at home contact Dr. Stechschulte so that he can keep important information about your medical history in your file here on campus.

If you need to leave campus for a non-medical reason such as a funeral, wedding, graduation, or family emergency, please call the appropriate Dean's Office so we can alert your professors.

Slate of Nominees from Faculty Council

Committee on Personnel (untenured):

Duane Griffin
Karl Voss

Committee on Staff Planning (Humanities):

Bill Kenny
Rosalyn Richards

Secretary of the Faculty (to take office after the November meeting)

Philippe Dubois (on leave 2006-2007)

Representative to the Board of Trustees: Educational Policy

Richard Crago
Sue Ellen Henry

Representative to the Board of Trustees: University Relations

Tammy Hiller
Richard McGinnis

Provost Search Committee

Engineering

Jeff Evans
Tom Rich

Humanities

Janet Jones
Leslie Patrick

Social Sciences

Abe Feuerstein
Amy McCready

Natural Sciences and Math

Warren Abrahamson
Ben Vollmayr-Lee

At-Large

Ghislaine McDayter
Dick McGinnis

Governance Review Committee (if the Faculty votes for an amended divisional representation)

Nominees from Standing Committees (3 positions). No nominations from the floor.

Tony Massoud
John Peeler
J.T. Ptacek
Jean Shackelford
Peter Stryker
Tim Sweeney

Untenured At-Large
Peter Judge
Roger Rothman

Engineering
Bill Snyder

Humanities
Helen Morris-Keitel
Jim Orr

Social Sciences
Debby Abowitz
Jan Knoedler

Natural Sciences and Math
Ben Marsh
Allen Schweinsberg

Note: If the Faculty votes to support the original composition of the committee, then all candidates in the divisional slots would compete for 2 At-Large positions.

Joint Report from the Committee on Admissions and Financial Aid and the Committee on Instruction on Proposed Changes in the Scholarship System.

CAFA and COI have reviewed a proposal to reorganize Bucknell's policies for awarding merit scholarships. Kurt Thiede (VP Enrollment Management) prepared this proposal in response to significant changes in the admissions environment over the past several years. The goal of the proposal is to increase the number of very talented students who accept Bucknell's offer of admission.

CAFA/COI Response to the Scholarship Proposal

CAFA and COI are sympathetic to this overall goal and to the new realities of the admissions environment. We have some reservations about the timing and specifics of this proposal. We recommend that any proposal forwarded to the trustees for approval address the following points:

1. The Rush to Get this in Place for the Next Admissions Cycle

CAFA reviewed this proposal on August 18th, COI did so on September 1st, and a full faculty discussion has not taken place. While we recognize Bucknell's need to match other universities competing for the same pool of good students, it is also true that the overall SAT score of our incoming class is continuing to rise. We would like all of the affected constituencies in this matter to get a chance to consider this proposal, especially since the merit system is a pilot project and not a well-established university policy.

2. Funding Merit Aid

Under this proposal, the money to fund merit scholarships for academically gifted students with low to moderate financial aid needs is coming from the money used to help average students with very high financial need. We recognize that donors want to see an institutional commitment from Bucknell before they commit their own money. We would like to see a commitment to restore the funds to the pool of average-ability high-need students. We support the goal of getting more first-rate students to Bucknell, but a properly worked out merit aid policy will require a detailed plan for funding that could anchor future fund-raising efforts. We are not sure that the need to get the very good students outweighs the short-term cost of doing so.

3. Revision Timetable

The current proposal says nothing about a timetable to study or revise this new merit aid policy. Whatever policies are enacted (this year or in the future), we urge that there be a clearly laid out timetable for evaluation and revision.

Motion from COI and CAFA: The faculty charges CAFA to review the merit scholarship process and results during 2004-2005 and report on this to the faculty in the Fall of 2005.

Report of the Committee on Faculty and Academic Personnel on Health Care

The Committee on Faculty and Academic Personnel endorses the addition of a \$250 single / \$500 family deductible to Highmark Enhanced PPO, as recommended by the Campus Benefits Advisory Group (CBAG), whose report is appended.

The campus has been asked to make a concerted effort to limit the growth in benefits costs, which are driven principally by health care. Adoption of the deductible would still leave Bucknell among the most generous of a group of twelve institutions surveyed concerning the nature of their health care options.* Six of nine of these institutions with a PPO have a deductible. Only two others, like Bucknell, have a PPO that provides In-Network/Out-of-Network coinsurance as high as 100%/80%. Almost all either contribute less to family coverage or have a coinsurance level for family members lower than our 100%/80%.

We also note that this addition of a deductible does not apply to the Geisinger HMO option; the Highmark Essential plan already has a deductible; the 80%-20% cost-share arrangement remains in effect; the actual costs of a deductible can be offset somewhat by use of a reimbursement account; and services for which one pays a co-pay are not included in the deductible.

The Personnel Committee reaffirms several principles that have guided Bucknell University's health care policies. The quality of Bucknell's benefits package and the costs to participants should be comparable to those of peer institutions. Bucknell employees should have a choice of health insurance providers and packages (e.g., Highmark and Geisinger, PPO and HMO). We should compute payroll costs to participants based on percentages of salary, i.e., costs to employees should not be regressive.

The Personnel Committee commends the Campus Benefits Advisory Group for its labors. The task of planning for benefits for active employees, for those about to retire, and for retirees is intricate and difficult. We urge CBAG to continue to report its recommendations to the Committee on Faculty and Academic Personnel and the Committee on Planning and Budget, and we urge it to do so in a timely manner that permits an unhurried response from those committees and the campus in general.

*(Colgate, F & M, Lehigh, Oberlin, Union, Villanova, Holy Cross, Lafayette, Middlebury, Trinity, Richmond)

**Status report from VP Surgala on deliberations of Campus Benefits Advisory Group,
forwarded to the Faculty by the Committee on Planning & Budget.**

**Status of the University's Total Compensation Effort and
Health Care Recommendation as of August 31, 2004**

It is the intent of the University to continue to offer an appropriately competitive total compensation package of salaries and benefits. Total compensation includes salaries, health and life insurance benefits, retirement and tuition programs and "quality of work life" issues. During the past eighteen months, the University has made measurable progress toward constructing a process to support its intent.

The University's efforts have benefited from the input of the following groups and committees:

- 1) The Campus Benefits Advisory Group (CBAG) that meets regularly to provide input regarding the University's benefit programs. CBAG's membership includes representatives of the following committees:
 - a. The University's Committee on Planning & Budget (P&B)
 - b. The Faculty and Academic Personnel Advisory Committee (FAPC)
 - c. The Administrative Personnel Committee (APC)
 - d. The Support Staff Personnel Committee (SSPC)
- 2) Professional external consulting firms, Charon ECA, Mercer HR and Towers Perrin
- 3) The Compensation Committee of the Board of Trustees

The data reviewed included, but was not limited to, the following:

- 1) Faculty Compensation Peer School Rankings - based on Higher Education Data Sharing Consortium (HEDS) data
- 2) Faculty Benefits and Compensation Peer School Rankings (HEDS data)
- 3) Staff Compensation Program – local, regional and national exempt and non-exempt staff salary data and market benchmarks - based on College and University Professional Association for Human Resources (CUPA-HR) salary surveys and a regional salary survey
- 4) A Peer School Benefits Analysis and Ranking - Bucknell commissioned

The current overarching results of the University's review are:

- 1) Per the Staff Compensation Program review, about 46% of staff salaries are somewhat under, and 54% are either at or somewhat over individual position market benchmarks. Most of the above market occurrences are not significant and many are due to longevity. The data suggests some resources are needed to address below market issues while some restraint may be necessary regarding the above market situations.
- 2) Per the Faculty Compensation Peer School Rankings, aggregate faculty salaries are in the center of the eleven school range, one position below the middle. The data suggests some resources are needed, particularly in the assistant professor category.
- 3) The data in the Peer School Benefits Analysis and Ranking found that Bucknell's major benefit plan designs are generally above the norm. The University's health care, particularly retiree health care, TIAA-CREF employer contributions and dependent tuition programs rank higher than the norm while long-term disability, life insurance, dental, prescription drug co-payments and the cost share percentage rank below the norm. The data supports some reduction and re-allocation of resources invested in benefits.

Overall University recommendations:

- 1) Financial planning for FY 2006 and beyond should incorporate a process to continue to implement the total compensation methodology for faculty and staff. This process should be designed to address specific areas where data substantiates that resources are required or over-applied.

- 2) For calendar 2005 some adjustment in health care offerings would be appropriate. Such an adjustment should be designed to return the program, which is the most resource intensive benefit, to one that is more comparable to the University's peer group and one that is more standard in the health care market.
- 3) Any adjustments in compensation or benefits should take into consideration the effect on Bucknell's total compensation methodology, and faculty and staff recruitment, retention and morale.

Specific health care recommendation:

Options considered for calendar 2005 health care changes include the following:

1. Adding a deductible to Highmark Enhanced, in-network
 2. Adding a co-insurance to Highmark Enhanced, in-network
 3. Adding both a deductible and co-insurance to Highmark Enhanced, in-network
 4. Increasing overall participant cost share from 20% to as much as 31.3 % in lieu of making plan design changes
 5. Implementing a policy of participant buy-up from some reasonable base level plan (often an HMO)
 6. Implementing a policy of employee only coverage with participant buy-up for dependents
- (Please see the available "Health Insurance Terms and Examples" memo for explanations of "buy-up, coinsurance, copayment, cost share, deductible, and aggregate deductible.")

CBAG discussions have centered on options 1-3. Options 4-6 are considered more significant changes than are currently necessary but might very well be further studied during expected future health care reviews.

Based on the knowledge gained over the past year through data review and discussion and after acknowledging the gravity of health care issues to faculty and staff; CBAG, at its August 31, 2004 meeting, unanimously adopted a motion to recommend the implementation of option one above, the adding of an in-network deductible to the Highmark Enhanced Blue Shield Plan, effective for calendar 2005.

The consensus of University's administration and CBAG is some health care change is unfortunately necessary for calendar 2005. CBAG further believes that other more dramatic options are not currently warranted and not as simple for participants to budget.

The University's administration and CBAG further recommend that participants investigate all of the University's health care offerings since the above recommended deductible only affects the Highmark Blue Shield PPO plans, and that participants consider the use of a Flexible Spending Account that may mitigate the effect of the deductible.

It should be noted that rising health care costs is a national problem that affects all organizations and individuals. This is not simply a Bucknell issue that can be solved by re-allocating budget resources. Although an organization's budget might be constructed to absorb 20% - 30% annual increases in one line item, such a path makes no attempt to rein in health care costs, educate the consumer to price pressures, or have the consumer participate in an effort to address the gravity of the issue.

Reasonable programs with financially prudent costs for both the sponsoring organization and the participants will not require above the norm resources. If uncontrolled health care inflation was allowed unfettered access into any organization's budget it would most certainly demand resources that would cause an organization to forgo other worthy initiatives.