

Regular Meeting of the University Senate

October 20, 2005

Manchester Center, Hazard Board Room

Attendance

Law: Lazerow, Chair; Kelly

Arts & Sciences: Guerrieri; Lewis; Meter; Moran; Nadkarni; Nelson; Otto; Pachence; Pierson; D. Sullivan; Velo; Walsh; Williams; Wright

Business: Barkacs; Gin; Schubert; Worzala

Education: Perrakis

Nursing: Clark

Ex-Officio: Anvari; Cole; Cordeiro; Hardin; Lyons; J. Sullivan

Student Representative: Franz

Guests: Dobkin; Gardepie; Gump; Herrinton; Gregory Pogue

Lazerow, who called the meeting to order at 12:17 p.m., thanked Lyons for agreeing to address the Senate and yielded the floor to the President.

1. Dr. Lyons remarks and discussion

Dr. Lyons thanked the Senators for the invitation to address the Senate and thanked them for their efforts on behalf of the University. Lyons addressed six topics: academic excellence, the University High School property, the university budget process, ongoing administrative position searches, strategic initiatives, and cost plans for capital projects.

Academic excellence. Lyons said that there are signs that the university is improving its academic reputation, which was the focus of the recent Board retreat. There has been a gradual increase in the academic profile of the student body, including the professional schools. Although an increase in the number of undergrads admitted over the past two years contributed to a slight decrease in academic achievement, average GPA and admission test scores increased for the entering class this year. In faculty hiring, compensation adjustments have been made when possible to attract the best faculty available, but more progress is needed in the College, especially in recruiting high-quality tenure-track faculty. Fundraising efforts have targeted donor support for capital projects that enhance the academic mission, attract academically strong students, and support faculty research.

University High School property. The Diocese has accepted an offer for the property of about \$60 million from a developer. The property is in escrow, and a modified development plan will likely win city approval.

Centralized budgeting process. The provost, other vice presidents, and deans have discussed bringing to the budget process more transparency, predictability, and bottom-up construction. Adjustments to date have provided the deans a more predictable way to handle their budgets. The next step is to move from incremental budgeting to zero-based budgeting, which would help each area to put resources in line with priorities. J. Sullivan said she would experience the budget process for one year before suggesting modifications. A revised budget process developed in consultation with the President, vice presidents, and deans will be brought to the Senate.

Searches for deans and CIO. The A&S Dean search committee and J. Sullivan have interviewed 10 candidates and limited reference checking is underway, although the committee is keeping open the possibility of accepting late additions to the pool. The School of Law search committee and J. Sullivan have completed eight of 10 planned candidate interviews. On-campus interviews for both positions will begin in November.

Lyons stated that the search process for the founding dean of the School of Peace Studies would be unconventional, in part because the school will be interdisciplinary at its core and in part because there are no graduate schools of peace studies from which to recruit. In short, the job is not easily defined, and the position is not easily communicated. In addition to ads placed in a variety of journals, a recruitment strategy used so far will likely continue once a search committee is formally constituted – bring to campus individuals, both academics and non-academics from varied disciplines and backgrounds, who may have some interest in the position or who may help to identify others who would be a good fit for the position. The founding dean will be the visible face of the school and will need to: a) attract attention to the School to establish itself nationally and internationally; b) raise money to maintain and build the School's programs; and c) attract peers to the faculty. Catholic social teaching will be at the heart of the School's curriculum and programs.

The CIO search committee of seven members will be guided in part by recommendations made by a consultant who visited campus in September. Chief among these recommendations is that USD hire a CIO as soon as possible. Immediate problems, such as inadequate bandwidth, are being addressed. Other issues, such as under-staffing and inadequate financial resources, will be addressed when a new CIO is in place. The committee, working on an ambitious schedule, anticipates having three or four finalists on campus in December, and hopes to make an offer during January.

Strategic initiatives. Lyons referred senators to the Strategic Directions web site for information about the initiatives. Committees and working plans have been established for four initiatives – Catholic Social Thought, Internationalization, Integrated Learning, and Diversity and Inclusion. The strategic plan is a framework upon which USD will plan and conduct work to position the university at a higher level of excellence.

Cost plans and budgeting for the capital projects. USD, which has received a AA investment rating, has taken out \$93.4 million in bonds at a 40-year fixed rate of 3.466% to help cover the costs of the three capital projects underway -- SOLES, the UC expansion and renovation, and new and renovated residence halls. The SOLES building is expected to cost \$36.1 million, with \$9 million of donor money committed so far and \$16.1 million more in donor money anticipated. Groundbreaking is scheduled for April. The UC project will cost \$31 million, with \$15.5 million of that total covered by a combination of increased student fees and donor money. The residence halls projects are budget-neutral because the dorms will generate revenue to cover construction and renovation costs.

Lyons addressed the related topic of second-year residency, saying that there has been no decision about mandating second-year residency. Carmen Vazquez, Vice President of Student Affairs, will coordinate research that examines whether sophomore residency would be advantageous for USD. If so, then the requirement could be instituted as early as Fall, 2008.

2. Executive Committee report

A. Proposed changes to Benuflex allocations. Lazerow, inviting Lyons to stay for the discussion, said that in response to the proposal from Human Resources to redistribute Benuflex dollars in 2006, the executive committee distributed to senators a draft letter to the President providing rationales for and recommending approval of a resolution that states:

“We believe that no final decision should be made until the proposed policy is communicated to all employees and they are given the opportunity (perhaps two weeks) to comment on it;

“We recommend that any future changes in policy that have similar adverse effects on a group of employees should provide at least 6 months notice to employees;

“We therefore recommend that, if this policy change is implemented, USD should notify all employees adversely affected that hardship is a good reason for ameliorating or delaying these reductions, and that USD should appoint a responsible official to receive hardship applications and to decide fairly in individual cases how much amelioration or delay might be warranted.”

Kelly distributed an alternative draft letter written by Dobkin, arguing that, compared to the EC letter, Dobkin’s response is more concise and is more directed at the immediate problem with the HR proposal; that is, the proposal compromises the basic commitment USD makes to pay for employees’ full medical coverage for themselves if they choose the least expensive healthcare plan. The alternative resolution reads:

“The Senate endorses the lowering of the 2006 Benuflex contribution to employees who opt out by the amount needed to cover the projected premium increase of 8-10%.”

Pogue, Associate Vice President of Human Resources, said that the genesis of the proposed change in allocations rests in substantial premium increases for Blue Cross and Kaiser and the university’s decision not to increase its Benuflex contribution for 2006.

Herrinton said that the HR proposal is ethically flawed. Our current plan is based on two principles: a) equity – all employees receive the same amount of Benuflex money; and b) the university has had a commitment to cover the basic cost of health and dental care for all employees at the lower level (i.e., Kaiser plus dental). That important commitment has wavered in practice but in theory is still there. The HR proposal does not provide evidence to suggest that an imminent crisis confronts the Blue Cross portion of USD’s health benefits system.

Pogue said that, over time and given the norm at comparable universities, USD might end up offering no Benuflex money to those who opt out of medical coverage. The proposal suggests that, for now, a median figure -- \$120 – become the Benuflex contribution for those who opt out.

Lewis commented that the discussion in the past has focused on the university covering health care for dependents of employees. The university shouldn’t break the commitment that it has traditionally adhered to in providing basic health care to all employees.

Clark pointed out that we don’t have data on those who opt out and who will be affected most. Those who opt out need to be warned so that they may make adjustments in their budgets.

Herrinton said the advantage of gradually going down to \$0 for those who opt out is that the additional money can help to cover increased health care costs the next year.

Pogue said that the university’s claims experience is highly unpredictable. Last year, for example, there was the real possibility that we would be hit with a 35% increase in premiums. A bad claims year can result in a 30% to 40% increase in premiums. What is predictable is that our health care costs will continue to rise.

Pachence said that the Benuflex dollar amount has been pretty stagnant for the last few years.

Kelly said that one concern with the proposal for 100% coverage in the cheaper plan is that he would not want to send the message that we are so concerned about 100% coverage in the cheaper plan that, over time, that plan gets degraded and either doesn’t cover basic items or employees have to pay more for certain items.

Motion by D. Sullivan, seconded by Schubert, to: EXTEND THE MEETING BY 5 MINUTES.

Passed by voice vote.

Motion by Kelly seconded by Sullivan to: SUBSTITUTE THE DOBKIN RESOLUTION FOR THE EXECUTIVE COMMITTEE RESOLUTION.

Lazerow stated that there is a significant principle that given limited resources it is more important to provide full coverage in the lowest available plan than it is to try to manage the two plans so both will continue.

Dobkin said USD has a process and consultant for evaluating healthcare plans. Right now, however, we are faced with a situation about budget allocations and determining where our priorities are. To say that by making a commitment to providing coverage we are cheapening our plan is really a diversion from the issue of where our ethical commitments are.

Pogue said that a chief rationale for increasing by \$60 the Benuflex contribution for Blue Cross subscribers is to encourage comparatively healthy and younger employees to choose the Blue Cross option. Because Blue Cross premiums are experience-rated and USD's Blue Cross subscribers are, on average, five years older than Kaiser subscribers, actuarial tables project spiraling health care needs, and therefore much greater health care costs if the university does nothing.

Williams would like to see a commitment from USD to support both plans by making the suggested adjustments that continue to keep the Blue Cross plan -- or one like it -- viable. That needs to be considered as well as the equity issue.

Lazerow, noting that the President, Provost, and VP of Human Resources were present, asked senators to vote on whether they endorsed the gist of the substitute motion.

Vote: 12- Approve; 3 – Oppose; 7 – Abstain.

Lyons said that, taking to heart the Senate's deliberations and the information she's received on the issue, she would make a decision with some dispatch

The meeting adjourned at 2 p.m.

Submitted by,

David Sullivan
Secretary

Peggy Agerton
Recording Secretary