FACULTY COUNCIL MINUTES
250 Student Union
January 14, 2003

Ed Lawry called the meeting to order with the following members present: Achemire, Arquitt, Bays, Bear, Bilbeisi, Binegar, Comer, Damicone, Gasem, Gelfand, Greiner, Henderson, Holcombe, Lavery, Lehenbauer, Masters, Moder, Mokhtari, Morgan, Mott, Murray, Peeper, Van Delinder, Veenstra, Weiser. Also present: T. Agnew, B. Barfield, D. Bosserman, C. DeYong, S. Harp, L. Jones, D. Kletke, C. Meador, E. Mitchell, V. Mitchell, J. Vitek, N. Watkins, J. Weaver, A. Williams, and C. Williams. Absent: Ebro, Lamphere-Jordan, Redwood, and Wetzel

HIGHLIGHTS

Peeper moved acceptance of the December 10, 2002, Minutes. Bays seconded. The Minutes were approved. Moder moved acceptance of the January 14, 2003 Agenda. Henderson seconded. The Agenda was approved.

SPECIAL REPORT: Future of Retirement at OSU – Camille DeYong

The following outline information contains the details of the presentation. The outline is followed by questions and discussion.

Interim Report to OSU Faculty Council

Retirement Subcommittee of the Flexible Benefits Compensation Committee

Subcommittee Charge

To develop a retirement program that will serve as a competitive advantage to recruit and retain OSU employees, including faculty, staff and A&P.

Committee Chronology

- 7/2000 Flexible Benefits Compensation Committee identifies retirement as an issue in need of further study
- 8/2001 Retirement Subcommittee appointed
- 11/2001 Retirement Subcommittee meets
- 11/2002 Committee presents interim report to Flexible Benefits Compensation Committee

Subcommittee Membership

- Bill Barfield (Faculty)
- Brad Barnes (Staff)
- John Dalton (Staff)
- Camille DeYong (Faculty)
- Greg Fox (Staff)
- Sheila Harp (Staff)
- Sally Henderson (Branch Campus, OKC)
- Darrel Kletke (Faculty)
- Terry Lehenbauer (Faculty)
- Ken Morris (Branch Campus, Okmulgee)
- Bob Oehrtman (Faculty)
- Louisa Payne (Staff)
- David Peters (Staff)
- Fran Stromberg (Emeriti)

Need for Change

- Recognition of significant impact of program changes on OSU family
- Implementation of a phased uncapping process on OTR compensation
- Modifications to retirement calculation formulae
- Need to provide a more competitive retirement plan for recruiting and retaining Faculty and Staff

Materials and Methods

- Document Review
- Interviews
- Institutional Comparisons
- Mathematical Modeling

Document Review

- TIAA/CREF Publications
- OTR Publications
- Current and Past OSU Publications
    - 7/11 Program Change Documents
    - OSU Retirement Guide
    - OSU Retirement at a Glance
- Previous OSU Consultant and Committee Reports
- Publications from Peer Institutions
- Literature Review

Interviews

- Focus Groups
    - Faculty Council Executive Group
    - Staff Advisory Council Executive Group

  - Lawsuit Plaintiffs
- Harry Birdwell – Former VP for External Relations / Business and Finance
- Anne Matoy – OSU Human Resources
- Barbara Wells – OSU Human Resources
- John Dalton – OSU Human Resources
- Tommy Beavers – Oklahoma Teacher's Retirement System
- Darrel Kletke – Agricultural Economics, Previous Retirement Committee Chair
- OSU Branch Campus representatives
- OU Faculty and Staff Council Executive Groups

Institution Comparisons

- John Dalton and Angie Boring of OSU Human Resources developed comparisons of retirement programs for 18 institutions which the committee identified as peer institutions
- In September 2000, the AAUP Committee on Retirement co-sponsored a survey on faculty retirement programs with the TIAA-CREF Institute, the American Council on Education, the College and University Professional Association for Human Resources and the National Association of College and University Business Officers

Current Retirement Program

Current Program Overview

- Must work one year and be age 26 to receive OSU retirement contributions
- Retirement funds available are based on 7% of salary up to $11,520 and then 11% on remaining salary
- Defined benefit plan (OTR)
  - Mandated for Faculty and A&P Staff
  - OTRS Member Contribution (Paid by OSU if requirements met) - 7% of total compensation (salary + retirement + health + life)
  - Employer Fee (Paid by OSU) - 7.05% of total compensation (salary + retirement + health + life)
- Defined contribution plan (TIAA/CREF)
- Additional tax deferred annuities
- Oklahoma Law Enforcement Retirement System
- Federal retirement plan
- Funding variations

Proposed Retirement Program

Desired Characteristics

- Fixed (flat) contribution percentage across entire salary range for all employees
- Drop age 26 restriction and drop one year waiting period before OSU contributions begin
- Vesting after 2 years of service for all benefits eligible employees
- More vendor choice for defined contribution plan
- Portability if desired (retirement program goes with employee)
- Strong employee education program

Assumptions Used in Calculations

- OTR optional for those currently mandated in
- Primary retirement program will be TIAA/CREF (DCP)
- TIAA//CREF replacement ratio of at least 100% at 35 years of participation in OSU retirement program at age 67 from Social Security and TIAA/CREF

- 50/50 split between TIAA and CREF
- Investment return of 9% from CREF
- Investment return of 6% from TIAA
- Salary increases of 3% annually
- Retirement income figures estimated using current TIAA-CREF life and income growth expectations

<u>The Program We Are Recommending</u>

- Remove one year and age 26 requirements for OSU contributions.
- Does not include OTR as a mandated program.
- Current OTR participants will be given opportunity to exit OTR.
- For employees not participating in OTR:
  - 7/11 plan will be changed to 12% of salary is contributed towards retirement
  - University will match one-to-one employee contribution of up to 2%.
- Employees participating in OTR will have 11% contributed towards retirement.
- There will be a two-year vesting period. Employees not completing two years of service must forfeit the retirement funds that have been contributed in their behalf.
- Program will be phased in over a period of five years with a 0.5% increase each year.
- Additional tax deferred annuity options including a 457b plan.
- Large replacement ratios to provide for obtaining retirement healthcare.

<u>Program Recommendation *If OTR-Optional Goal Is Not Met*</u>

- Remove one year and age 26 requirements for OSU contributions.
- Move from current 7-11 contribution to flat 11%.
  - All employees will have 11% contributed towards retirement.
- There will be a two-year vesting period. Employees not completing two years of service must forfeit the TIAA-CREF retirement funds that have been contributed in their behalf.
- Additional tax deferred annuity options, including a 457b plan.
- *Recommend a "Grandfathering" option be made available*

<u>Changes in Retirement Benefits from Adopting Proposed Program</u>

<u>Replacement Ratios</u>

- Current and proposed programs are compared using replacement ratios.
- Replacement Ratio: Proportion of high five-year average salary that a retiree will receive in the first year of retirement.
- A replacement ratio of 1.68 implies that a retiree will receive a retirement income in his/her first year of retirement that is 68% higher than the employee's high five-year average salary.

<u>Comparability of Before and After Retirement Living Expenses</u>

- Normally expect after retirement living expenses to be about same as during work years.
- Exception: <u>Health Insurance</u> Health insurance is paid for employees but not retirees. As result, employees must pick up health care premiums upon retirement.
- Until a retiree is eligible for Medicare at age 65, the retiree must pay a premium somewhat greater than what OSU has paid for the same insurance during employee's working years.
- After age 65, the retiree must pay for "medigap" insurance, that is, insurance that covers health care claims between what Medicare covers and what present policy currently covers.
- Expected future increases in health insurance costs will have a big impact on "actual" replacement ratios, particularly for lower paid employees.

Replacement Ratios

- Lower paid employees have higher ratios than higher paid employees
- Reward for working additional years relatively small. For an employee with a beginning salary of $60,000, the range is from 1.17 for an employee working 25 years to 1.46 for an employee working 40 years.
- The proposed program also has higher replacement ratios for retirees who worked at lower salary levels than retirees who worked at higher salary levels.
- Reward for having longer career is greater for the proposed program. An employee beginning at $60,000 and working for 25 years has a 1.11 replacement ratio while a 40-year employee has a 1.76 replacement ratio.
- Employees with short careers would prefer the current program to the proposed program.
- Employees retiring after 35 years at age 67 will have slightly higher replacement ratios with the proposed program.
- With current program, the replacement ratio decreases over time because OTR benefits cannot be counted on to increase each year. There are increases occasionally, but they are determined by the legislature.
- An employee with a starting salary of $60,000 begins with a replacement ratio of 1.34 for the first year of retirement. 15 years later when 82, the replacement ratio will be 1.05 assuming no benefit increases from the legislature.
- Because it is assumed that TIAA and CREF will continue to grow at 6% and 9%, respectively; the replacement ratios will remain much more stable throughout retirement with the proposed program.

Education Program

- Education program is a fundamental aspect of the committee's recommendation
- Employee education is closely linked to program satisfaction
- Complex decisions must be made by individual employees
- Uninformed employee choices can have dramatic effects on retirement income

Post-Retirement Healthcare

- OU does provide a post-retirement healthcare benefit. However, OU requires that the employee pay the OTR member contribution
- Committee considered providing healthcare options
- Decided to provide an alternate mechanism
  - Unknowns in future costs of healthcare
  - Challenge in tracking addresses and status of retirees
  - Increased employee choice
  - The proposed program provides an enhanced replacement ratio to assist employee in purchasing adequate coverage

Recommended Changes to Current Retirement Program

Deferred Compensation Plan (457b)

- Subcommittee has recommended implementation of a Deferred Compensation Plan (457b)
- No significant increase in administrative costs since tax deferred annuity plans are already offered

Sick Leave Accounting
Subcommittee recommended that OSU maintain a tracking system for sick leave balances above the 1600 hour cap for retirement purposes

Recommendations to OTRS

The comprehensive universities (OSU and OU) should not be required to have new employees participate in OTRS, and current employees should be given a one-time option to exit or remain in OTRS. New employees should have the option to enroll in OTRS and/or a portable retirement system, such as TIAA-CREF.

Recommendation for those employees whose compensation is always below the cap
For those OTRS members from the comprehensive universities whose compensation is always below the cap, the benefit calculation formula should be the same as the formula for members from the non-comprehensive universities since OTRS has already received payment for OTRS coverage on the comprehensive university member's total compensation.

Recommendations for Employees Whose Salaries Have Been Consistently Above the Cap

- For those employees whose regular annual compensation exceeds the cap in each of the fiscal years 1996-2007, it is recommended that the following formula be implemented for calculating retirement benefits:
- For those members who joined the system prior to July 1, 1992, the average of the high three consecutive caps on which the highest contributions to OTRS were paid during fiscal years 1996-2007 times 2% times the number of years of service during the capped period.
- For those members who joined the system after June 30, 1992, the average of the high five consecutive caps on which the highest contributions to OTRS were paid during fiscal years 1996-2007 times 2% times the number of years of service during the capped period.

Consider an OSU/OU employee making $100,000 in 2001. The lifetime contribution to OTRS by a Common School Employee at the same salary level exceeds the LIFETIME contribution by an OSU/OU employee by $27,964 but the Common School benefit is $17,250 more per YEAR than the benefit to the OSU/OU employee. An employee at the same salary structure at one of the non-comprehensive universities in the state contributes $24,514 more over his/her LIFETIME to OTRS, but receives $15,330 more per YEAR than an OSU/OU employee.

Recommendations for Employees Whose Salaries Have Changed From Above the Cap to Below the Cap During 1996-2007
For those employees whose regular annual compensation changes from above to below the cap between 1996 and 2007, a change in the statutory formula is recommended. OTRS should specify the year that an employee becomes uncapped as the year when regular annual compensation equals or remains below the cap. OTRS will then calculate retirement benefits for comprehensive university employees having regular annual compensation equal to or beneath the cap exactly as done for the non-comprehensive universities for the period after going below the cap until retirement. For all years where an employee's compensation is above the cap, the procedure used for those employees above the cap above should be used to calculate benefits.

Consider an OSU/OU employee making $60,000 in 2001. The lifetime contribution to OTRS by a Common School Employee at the same salary level exceeds the LIFETIME contribution by an OSU/OU employee by $1,542 but the Common School benefit is $5,975

more per YEAR than the benefit to the OSU/OU employee. An employee at the same salary level at one of the non-comprehensive universities in the state contributes $629 more over his/her LIFETIME to OTRS, but receives $5,186 more per YEAR than an OSU/OU employee.

<u>Recommendation For Those Employees Who Retired Between 1996 and the Present Time</u>
It is recommended that OTRS recalculate benefits for those employees of the comprehensive institutions who have retired between 1996 and the current time using the appropriate calculation procedures specified in preceding recommendations, depending on where their salaries were relative to the caps.

<u>Recommendations for Employees Hired in FY96 at the Comprehensive Universities</u>
For those employees hired in FY96, the benefit calculation formula should be the same as it is for common education since OTRS received the same payment for OTRS coverage from employees hired that year, regardless of who their employers might be.

For example, an employee at OSU or OU hired in FY96 with a total compensation package of $50,000 and whose five-year average compensation package climbed to $150,000 by retirement at 2030 would receive $2000 a year less than an employee in common education who contributed the exact same amount each year.

<u>Recommendation – Buy Back and Uncapping Options</u>

- For employees whose salaries are above the caps, as specified in statute, at any time between 1996 and 2006, the OTRS should institute a buyback program whereby comprehensive university employees can retroactively make contributions and subsequently have OTRS calculate benefits for those years as an uncapped retirement benefit using the same procedures as currently used for the uncapped, non-comprehensive university employees. It would be desirable for employees to have the choice to buy back an uncapped retirement benefit and/or to request that their salary be uncapped immediately without buying back an uncapped retirement benefit from 1996 to the present.
- It is further recommended that employees who have retired between 1996 and the present time be afforded the same buy-back opportunity, with benefits recalculated to reflect the additional contribution.

<u>Conclusion</u>

- Proposed plan is:
  - Competitive
  - Equitable
  - Easy to understand and communicate
  - Provide a reasonable standard of living post-retirement
  - Recognizes funding challenges
  - Provides for employee education

<u>Questions?</u>
Weiser requested more information on the “Rule of 80” and the “Rule of 90.” Since equitability is a concern, will the difference in those two rules be equalized? DeYong responded that those are OTR rules. If OTR is not a part of the retirement plan those rules would go away. Weiser asked a second question about why the retirement ratio decreased as salaries increased. The

higher ratio at low salaries is due to the contribution from SS. The retirement to salary ratio includes OTR, SS, and other retirement accounts, like TIAA-CREF.

Lawry asked if the recommendations to OTRS were actually recommendations to OTRS or were they recommendations to the University so that the University could make those recommendations to OTRS. The recommendations to OTRS have not been made in a formal manner to OTRS or directly to Tommy Beavers. DeYong described that some of the recommendations would actually need to go the legislature since their actions defined the role of OTR. Lawry wanted clarification about whether the recommendations had been made or would be made to OTRS. Barfield indicated that the information has been gathered and shared with the University, OTR and others. Whether or not the legislature and others will utilize these recommendations is not known. Hopefully this information will be used in the legislative process. Barfield explained that the committee's report was public, but had not gone through a formal public release with, for example, approval from Faculty Council. Kletke indicated that an interim legislative study committee is looking at some of these issues and these recommendations have been shared with them, as well. If that committee acts on some of these issues then there is a higher probability that some of these recommendations might be followed. Kletke reminded everyone that some of these recommendations were long standing. His records indicated that the first time Faculty Council recommended to the University to get out of OTRS was in 1974. DeYong states that the time is right to consider the situation in a new light. The sensitivity to the issue has been heightened and the knowledge about the issue is higher than it has been in some time.

Barfield described the process of how the recommendations were shared with various parties as they learned that the committee was gathering evidence. He indicated that a better process would have been through Faculty Council. Lawry stated that he was not overly concerned with the fact that the recommendations did not come through Faculty Council but his concern was that the recommendations had not been shared fully with the constituent groups in Oklahoma City who were working on the issue. DeYong indicated that communication with OU could be a very significant role for Faculty Council. She related that it was her personal perception that the two universities were going to have to generate a truly united front about the OTR issue for progress to be made.

Damicone posed a question about why the payment to one's retirement made by the University would be 14% if the employee chose to stay in OTR, but the actual contribution to retirement for the employee from the University is only 11%. Where does the 3% difference come from? DeYong answered by saying that the true cost to the University for an employee to be in OTR is the 7% individual contribution and the 7.05% employer contribution. The total cost per employee to be in OTR is 14.05%. Kletke added that 7.05% of an employee salary was paid to OTR in addition to the 11% of an employee salary that is dedicated to retirement. The true cost for someone to be in OTR is about 18% of salary. For someone who is not in OTR, the new program would have a 14% cost of salary for retirement. Over the years the 7.05% has never been viewed as a benefit to an employee. It has been considered as a fee for OTR, but it still contributed to the total cost per member. Barfield added that the OTR benefit to the employee was definitely more than the 7% cost to the individual. Under the new plan if an individual chose to stay in OTR it would cost the University more than if the individual opted out. Moder described that when the University compares our benefit program to other benefits programs they say that we have a great benefit program, but it is because so much contribution money is put into the program, not because the individuals receive so much benefit money on the other end.

Lawry wanted to verify that the phasing in at 0.5% per year would also be for the 2% matching money. It is the case that the employee contribution that is matched by the University would be phased in at the rate of 0.5% per year.

Murray asked if funds can be transferred. Once you are vested in a system then the funds are transferable. DeYong stated that with OTRS you have to work 10 years to be vested. If you leave before your ten years then you only have your employee contribution to take with you. With the TIAA-CREF money, the defined contribution money, you are vested immediately. If you only work for a month you would still be able to move those funds with you when you moved. Barfield interjected that the purpose of the two year vesting period in the recommended plan was to offset some of the costs by using the two years of money that the University has invested in an employee that does not stay past the two year time to cover some of the expenses such as elimination of the age 26 rule.

Weiser asked if the recommended plan was put into place how would the transition work for someone who has just become vested versus someone who is not quite vested. DeYong explained that if the recommended plan was actually put into place, then a scenario analysis would need to be developed so that people can address the question of what would be the best to do in each of their individual situations. Barfield added that the preliminary indications that we have from Tommy Beavers is that he would prefer that it not be a decision that would be have to made immediately. Beavers has indicated that he did not want the decision to be a one-time deal. He wants people to have plenty of time to consider the decision. Moder stated that the longer people stay in OTRS the better it is financially for the system. Henderson clarified that it is not likely that it would be a decision that we each had a six-month time to decide. Weiser questioned if people could opt out at any time wouldn't people wait until they were vested and then opt out.

DeYong continued by saying that even if the OTRS changes did not occur, the age of 26 rule and the one-year top are not insignificant.

Gelfand asked about the differential in costs between the plans. DeYong stated that there were more costs initially, but over the long run, once we've paid the price to get out of OTRS and we are at a "steady state," then the costs are actually less.

Barfield wanted to again consider the recommendations to OTRS. He stated that it is reasonably clear to most people who look at the current OTRS system that this is not equitable. Beavers is very much in favor of taking care of the lower paid people who are always under the salary cap, but he does not illustrate as much support for the higher paid employees. **The system lacks equitability though not because higher salaries support lower salaries, but because the same salaries at different educational institutions do not result in the same benefits.** Kletke is currently working on a spreadsheet to compare two people who arrive in the system at the same salary level at the same time but in the different areas of common school, OSU/OU, or other higher education institutions. What are the contributions and benefits of two such people? An equitable system would result in the same contributions and benefits for such persons.

The web address associated with this information is www.FCBC.okstate.edu.

REPORT OF STATUS OF FACULTY COUNCIL RECOMMENDATIONS:
President Halligan and Vice Presidents

01-04-01-BUDG	***Market-Driven Salary Increase to Tenured and Tenure-Track Faculty:*** Funds not available at this time. Recommendation referred to University Budget Committee for consideration. (As reported at the Sept. 11, 2001, Faculty Council meeting).
01-05-01-CFSS	***Parking Policy:*** Pending response from Faculty Council Committee on survey results. Geary Robinson presented the survey results from the HES Bureau of Social Research to the Campus Facilities, Safety, and Security Committee on October 30. The committee will submit a written commentary regarding the survey to the OSU Parking and Traffic Rules Committee.
01-09-01-BUDG	***Formalization of the University Raise Program:*** Acknowledged. Dr. Keener reviewed the budget implications of this recommendation with Pres. Halligan, Harry Birdwell, and Joe Weaver. Raises for faculty and staff remain a high priority for the administration; however, other mandatory increases must also be considered. (As reported at the Nov. 13, 2001, Faculty Council Meeting.)
02-02-01-BUDG	***Athletic Department Deficit Reduction:*** To Dr. Birdwell. President Halligan met with the Athletic Council regarding the Athletic Department's plan for deficit reduction and Athletic Council is studying this issue. Included as part of Dr. Birdwell's annual goals.
02-04-01-LRPIT	***Information Technology Policy:*** Pending discussion with Faculty Council Committee. Dr. Vitek reviewed the proposed policy, including input from CIS representatives and others. Discussion with FC Long-Range Planning and Information Technology Committee occurred twice and a follow-up session will be scheduled for early December.
02-12-01-ASP	***Policy on Final Exam Schedule for Distance Delivered Courses*:** Pending. Recommendation will be reviewed by Dr. Ivy and the Student Academic Services Directors and then by Dr. Gates and members of the Instruction Council.
02-12-03-RES	***Regents Distinguished Research Award:*** Pending. Previously approved by the Deans Council on February 14, 2002, and by the Research Council.
02-12-04-RFB	***Maternity/Family Leave Recommendation:*** Pending review by administration.

REPORTS OF STANDING COMMITTEES:

FACULTY — Jean Van Delinder
All the segments for the Appendix D Video have been taped with the exception of Dr. Schmidly's part. The next step will be to edit the segments so the total length of the video will not exceed twelve minutes. The committee is also reviewing university policies regarding bullying in the workplace and invite any faculty member who has ideas or information to share on this topic to contact a committee member.

LONG-RANGE PLANNING & INFORMATION TECHNOLOGY — Birne Binegar

In the Spring of 2002, the LRPITC brought forth a resolution before Faculty Council recommending the adoption of an IT policy document that would:

- Separate policy doctrines from procedural implementations and,
- Establish a means for rapid review and implementation of procedural responses to IT problems and developments.

This resolution was passed unanimously by Faculty Council. It also received the unanimous endorsement of the Staff Advisory Council. Since the Fall of 2002, the LRPITC has been collaborating with Dr. Jack Vitek (IEVP) to refine the LRPITC policy document to an official Policy and Procedures document. Attached to the January 14 Faculty Council Agenda was a state of the IT policy document on December 20,2002 (copy available for view on the Faculty Council website). They are now seeking feedback from faculty, staff and administrators so that they can prepare a final draft. This final draft will then be submitted to the President, who will, hopefully, recommend to the Regents that it be endorsed as an official OSU policy.

RESEARCH — John Damicone

The Research Committee received proposed guidelines from the Vice President for Research for formalizing the distribution of University "Start-Up" funds that support new faculty positions. The purpose of these funds is to supplement start-up funds for new faculty provided by departments and colleges. Currently there are no established guidelines for distributing these funds. The proposed guidelines were attached to the Dec 2002 Faculty Council Agenda and have been distributed via list serve for faculty comment. The committee is in the process of collecting faculty input and will use it in developing a recommendation to Faculty Council.

RETIREMENT & FRINGE BENEFITS — Sally Henderson

Henderson presented the following recommendation to Council entitled, "Changes to the Employee Compensation Package:"

The Faculty Council Recommends to Administration that: the following changes be made to the OSU employee compensation package:

Elimination of the age minimum to become eligible for OSU retirement contributions

Elimination of the length of employment minimum to become eligible for OSU retirement contributions

Elimination of the capping of sick leave accrual

Implementation of a deferred compensation plan (457b)

Rationale:

As demonstrated in the interim report prepared by the Retirement Subcommittee of the (University-wide) Flexible Compensation Benefits Committee, the changes recommended above would enhance the OSU employee compensation package. These changes could be integrated into the existing system and be carried over into any future compensation package. Further, according to the calculations provided by the Retirement Subcommittee, the implementation of these changes would not significantly impact the institution's budget.

Henderson noted the Rationale was small because she felt the presentation earlier in the meeting well explained everything herein. Moder had a question regarding the two-year vesting for TIAA-CREF which, presumably in the larger recommendation, pays for the one-year, 26-year differential and asked if there was a reason why this was not included. Henderson replied because it was felt that vesting was a substitution for the current vesting and stated Moder was correct, that would be paying for the difference. However, with OTRS the amount of TIAA-CREF contribution was so small that she did not know if it would make that much difference. Moder stated that she imagined it would make quite a difference with respect to the fact that if you are not paying any benefits at all now for a certain subset of employees and you have to pay those benefits for them under this new plan, she thought it would cost some money. They might not get as much back from the two-year vesting as they would otherwise, but they would get something back. Darrel Kletke, Retirement sub-committee member, said the data they had indicated the cost or elimination of the one year of service and age 26 guidelines that are currently in place costs approximately 2.6 million dollars per year. Those are still recommendations of the Retirement Task Force; however, there are other parts of the overall recommendation to offset those costs. That is how they were able to justify it as being something feasible to do with some of the other changes that would help to support the costs associated with those two changes. Moder asked, "like what?" Kletke replied, "for example, the two-year vesting with TIAA-CREF. If we were able to opt out of ORS." Moder said what she was suggesting were the things selected out of the recommendation did not include the things that are going to help pay for some of this and so what is actually being recommended is that an additional 2.6 million dollars be paid into the retirement system which is primarily going to go to first year employees and people younger than 26. Henderson said she thought that basically the reason it is not in the recommendation is because it did not seem to be of benefit to the individuals involved. That is an institutional compromise. Moder added, "that was right but as Faculty Council we might well wonder whether we want 2.6 million dollars a year for that particular group of individuals as opposed, to say, a raise program or grandfathering people into the old system." She added, "the price was about the same and no one has found that 2.6 million." Arquitt asked Henderson if some of the colleges and departments weren't paying it anyway. Henderson replied that and it seemed very inequitable and arbitrary. Kletke said that a good point had been made in regard to the OTR gross sum amount being talked about is already being paid by some departments. Gelfand said in the proposed plan after two years the TIAA-CREF would vest, but anyone that stayed less than two years that money, not the OTR money, would come back to the university. Presumably that would offset some of the 2.6 million. But how much? If it is not going to offset the entire 2.6 million than how much because the 2.6 million includes the OTR that will not be received back. It will just be a percentage. Masters said it would have to be known what percent of employees leave within a two-year time frame and at what level contributions were being made for those employees. Barfield said Kletke had the number that he calculated and it was somewhat less than the cost of the two changes. Gelfand thought it would be significantly less. Moder added, "particularly if we were not out of OTRS." Henderson said in the larger presentation of the whole study, probably the one on the web site, there is a cost to the institution of these people now. Moder wanted to know how much was it offset by the two years. Henderson asked if it was suggested that the recommendation be tabled and further committee discussion be held about reconsidering adding a fifth proposal. Moder said she would like to at least have an idea as to what the budget implications of the recommendation were before it was voted. Henderson asked what the justification was for that. Moder replied, "because it was a priority issue. In an ideal world, if there were lots of money it would be nice. But, this is not an ideal world and so if we are spending 2.6 million dollars on this it is not being spent on something else." Moder moved the recommendation be tabled. Gelfand seconded. Lawry called for a vote to table and it passed unanimously.

RULES & PROCEDURES — Brad Bays

Bays announced that Faculty Council elections are forthcoming and the first step in that procedure is placing two nominations for Vice Chair on the ballot. At the February meeting Council members will be asked to come prepared to nominate two candidates. Moder said to make sure you talk to individuals and find out whether they are willing to serve, etc. These nominations are critical to the Faculty Council. She added to also be thinking about general Faculty Council members to serve.

REPORTS OF LIAISON REPRESENTATIVES:

Emeriti Association – Larry Jones

Because the fundraising drive by the Alumni Association has apparently been quite successful, the Alumni Association hopes to begin construction on the facility by the summer of 2003. This was mentioned because the Emeriti Association will have office space in the facility. Actually, they will have an office, a library/lounge, a small kitchen and storage space and they are very excited about this. They had a Fifteenth Anniversary Celebration dinner on January 3rd with slightly over one hundred in attendance including Dr. and Mrs. Vitek. State Senator Mike Morgan was the speaker at their January meeting held in the auditorium at the OSU Wellness Center. The meeting was well attended and Senator Morgan's comments were of considerable interest to the members. The Association has formed a committee which will meet monthly with Vice President Vitek to explore and discuss ways that members might make contributions of time, talent and energy to activities on campus. Lawry ask who would be deciding what other groups might have office space in the new Alumni Center. Dr. Vitek said to contact Jerry Gill.

Staff Advisory Council – Chris Williams

The Staff Advisory Council is continuing to work on the Child Care Facility Recommendation

Women's Faculty Council – Jean Van Delinder

The Spring 2003 Women's Film Festival will begin Tuesday, January 28th. The film "Jane: An Abortion Service" will be shown as part of a special forum on the 30th anniversary of *Roe v. Wade*. The next meeting of the Women's Faculty Council will be Friday, January 17 at 12:30 in Student Union Room 419. They are soliciting information about the feasibility of setting up an information clearinghouse about employment opportunities for faculty spouses. There seem to be a number of problems/issues academic couples face when moving to Stillwater. If you are unable to attend the meeting, please email Jean Van Delinder at <jlvan@okstate.edu>if you have any information you would like to contribute.

OLD BUSINESS:

Masters said the Faculty Council web site is continuing to be developed and has been useful to present draft documents to get them to a wider audience for consideration and it has also been useful to post the Minutes and the Minutes of committees. The Minutes are also going out as a plain text file in e-mail so faculty that do not choose to go to the web site or do not have the correct software to view those files are able to read those also. Lawry urged faculty to visit the web site often.

NEW BUSINESS:
Lawry announced that the Spring General Faculty Meeting will be held Tuesday, April 15, 3:00 p.m., Student Union Little Theater and the topic will be Faculty Governance. Council has been trying to think of possible alternatives to the faculty governance system on campus now. This is not something that should be taken lightly because there are by-laws, history, etc., that have been in place for some time. Nevertheless, there has been enough discussion about the possibilities of changing the system so that it would serve the faculty better. Also, discussion on how Faculty Senates differ from Faculty Councils and perhaps even some commentary about unionization. If you have any ideas or are interested in participating in the discussion please send them to him.

Earl Mitchell said he had extra copies of the AAUP red book which is a good guideline for faculty governance. If anyone is interested contact Dr. Mitchell to borrow a copy.

In other New Business Dr. Moder raised an issue of faculty concern regarding downloading class lists from the SIS system. She said the English Department was unable to use the Internet to download their class lists between Friday and Sunday (before classes started) and when they finally could on Monday morning, they had to print on three printer pages, because of the way the file prints, as opposed to one piece of paper that use to come from the Registrar’s Office. When they complained on Friday they were told there was a problem and they were aware of it and working on it. She did not know who this was to benefit but it certainly was not departments or faculty and made the first day of class much more difficult. Several other Councilors agreed and decided more evaluation of the problem should be conducted. Lawry asked Andrea Arquitt, Chair of the Academic Standards and Policy Committee to look into this matter further.

The meeting adjourned at 4:30 p.m. The next regular meeting of the Faculty Council is February 11, 2003.

Brenda Masters, Secretary