

JOURNAL OF THE FACULTY SENATE

The University of Oklahoma (Norman campus)
 Regular session - November 11, 1991 - 3:30 p.m.
 Conoco Auditorium (Neustadt Wing, Bizzell Library)

The Faculty Senate was called to order by Professor Jay C. Smith, Chair.

PRESENT: Bennett, Boyd, Breipohl, Cornelius, Cozad, Cross, Dillon, Fonteneau, Foote, Harper, Harris, Havener, Hill, Hilliard, Hinson, Hopkins, Jaffe, Johnson, Kenderdine, Kidd, Kuriger, Kutner, Latrobe, Levy, Livesey, London, Nelson, Norwood, O'Halloran, Paolino, St. John, Schlegel, Schnell, J. Smith, P. Smith, Striz, Swisher, Swoyer, Vehik, Vestal, Wallach, Whitecotton, Whitmore, Willinger, Zaman

Provost's office representative: Bystrom

PSA representatives: Barth, Scott, Spencer

UOSA representatives: Acree

ABSENT: Christian, Curtis, Harm, Stanhouse, Sullivan, White

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APPROVAL OF JOURNAL

The Senate Journal for the regular session of October 14, 1991, was approved.

ANNOUNCEMENTS

At the October 14 Faculty Senate meeting, Chair Smith announced that a search committee was being formed for the position of Dean of the College of Business Administration. The committee will consist of College of Business Administration faculty, a faculty member-at-large, one student, one staff member-at-large, and the committee chair. After soliciting nominations from the Faculty Senate members, the Senate Executive Committee nominated Professors Gustav Friedrich (Communication) and Gary Green (Educational Leadership and Policy Studies) for the faculty member-at-large position on the committee.

Following consultation with the Faculty Senate Executive Committee, the Academic Regulations Committee recommended the following policy to Interim Provost Richard Gipson.

During the summer session, if a final exam is to be given, it must be administered during the final regular class period, or the final two class periods if additional time is required, as long as the final exam does not exceed two hours in length. The University-wide policy on multiple final exams will also apply for the summer sessions.

During the summer session classes must meet for all scheduled periods.

The UOSA sent the Senate office a copy of a resolution dated November 4 about the class attendance policy at the University. They pointed out that they were not recommending an attendance policy, but that they would like for the Faculty Senate to consider the present attendance policy and to try to look into why it is that the students do not understand it or why it is misused or abused or not even used. Chair Smith will refer that resolution to the Academic Programs Council and the Academic Regulations Committee to look into the problem and report back to the Faculty Senate.

Student Congress will consider a proposal for a Fall holiday to replace the OU-Texas Holiday. The Senate Executive Committee talked to the President and requested that the Faculty Senate receive a copy of the data from the experiment tried this fall (holiday on Friday instead of Monday) to see how students and faculty liked or disliked the experiment. He assured the committee that the data would be sent. Now, however, there will be a counter-proposal to the OU-Texas Holiday in the form of a Fall holiday.

The resolution passed in the last meeting concerning Anita Hill was sent to all the members of the Senate Judiciary Committee and both U.S. Senators and received fairly wide distribution to the media within the state and the nation. Two OU Regents notified the Senate that they were in favor of the resolution and believed it was the right thing to do. Letters were also received from the two senators. Professor Smith said, "Perhaps the most important response of all was from Anita Hill who was very appreciative of the resolution."

Vice-President Daniel O'Neil (Research Administration) was unable to make a presentation at this Faculty Senate meeting; however, he has scheduled to be at the next Faculty Senate meeting in December to talk about his plans. A sub-committee of the Executive Committee met with him to express the faculty's concerns about not knowing what is going on. Professor Smith reported, "We said we anticipated his coming and our campus doing better in research, but we were also very curious about how all that was to be done."

Prof. Smith also talked to Vice-President Roland Smith (Student Affairs), who expressed his interest in coming to the Faculty Senate.

DISPOSITION BY THE ADMINISTRATION OF SENATE ACTIONS

In a memo dated October 22, 1991, President Van Horn responded as follows to the Senate's resolution opposing any change in current enrollment minimums without the input of the faculty (10/91 Journal, page 6): "Interim Provost Gipson did not change the minimum enrollment required for classes at the graduate, upper-division, and lower-division levels. He identified a range for review. The range will serve as a tool to aid deans, department chairs, and directors in planning course offerings and sequences over the next several years. Enrollment trends and class sizes are studied carefully to understand better our effectiveness and efficiency in serving our students. Departments may continue to offer courses at the unchanged minimum figures provided the need is justified to the dean."

SENATE CHAIR'S REPORT, by Prof. Jay Smith, Chair

"One of the sometimes troublesome aspects of representative forms of government is that it does take time to work. Such is as true of faculty governance as the governance of states. Your Chair has heard criticism from some administrators and some faculty during the last month that the Faculty Senate was "not doing anything." At the risk of sounding more defensive than necessary, I'd like to answer that opinion by sharing with you a progress report of the important work now being done by faculty. All of the work reported is fact-finding, deliberative in nature, and all work will likely come to the floor of the Faculty Senate for discussion, debate and action. I'll make the additional observation that the issues now being studied and considered are likely to have a direct impact on the kind of University we are and will be, as well as a very direct impact on our professional and personal lives as faculty members at the University. In the "bean-counting, managerial efficiency world" in which we now seem to be living, the issues being studied are such that both the University and the faculty would be ill served by actions taken without the kind of deliberate and studious work now being done. In this regard, former Chancellor of Higher Education for California Clark Kerr states that faculty senates serve as the institution's balance wheel, "resisting some things that should be resisted, insisting on more thorough discussion of some things that should be more thoroughly discussed, delaying some developments where delay gives time to adjust more gracefully to the inevitable. All of this yields a greater sense of order and stability."

"Some of the topics now under consideration include:

- (1) This month's Faculty Senate agenda has attached to it two important proposals — (a) the Extended Care Leave Proposal (under old business) and (b) the Review and Analysis of the University Retirement Plan (under new business). The Extended Care Leave Proposal has been under study by the Faculty Welfare Committee. These two issues, as well as a third concerning child care, are obviously important to you and to the faculty you represent. The Chair of the Faculty Welfare Committee is Senator Trent Gabert (from whom we will hear more about these issues later in this meeting).

(2) The kind of future regular faculty appointments we will have at the University, i.e., the question of continuous year, non-tenure-track faculty and, if we have them, how many of them, and under what conditions they will serve, are questions being considered by a special ad hoc committee chaired by Professor Larry Canter (Civil Engineering and Environmental Science). This issue goes to the very heart of what faculty do on this campus--teaching, research and service--and to the questions of how that work is evaluated and by whom (professorial ranks) and how it is protected (tenure).

(3) Paul Bell, Associate Provost for Undergraduate Education and Programs and Registrar, is chairing a Committee to develop a "plan for implementing at the University of Oklahoma the four-tier assessment policy recently approved by the Senate Regents for Higher Education." That policy has been approved, fees for the assessment are being collected from students, and something will be done. What will be done and how it will be done was a topic of much concern recently expressed to the Faculty Senate Executive Committee by the Executive Committee of the Oklahoma State University Faculty Council. Our OSU faculty colleagues are concerned about how undergraduates would be tested, what such tests would really measure, and the fact that those test results would be reported to the State Regents for Higher Education. The faculty on the OU Committee are listed in the October 14 Faculty Senate Journal. It is not entirely clear how the Faculty Senate will be involved in the work and decisions of this committee (discussions are underway concerning this); however, Faculty Senator Patricia Smith is a member of that committee and has expressed her willingness to at least keep us informed of the work of the committee.

(4) Professor Ken Wedel (Social Work) is chairing an ad hoc committee to review, simplify, and revise, as appropriate, all appeals processes on the Norman Campus. The recommendations of that committee will come before this Senate. My personal opinion is that a University needs a "fair to all parties involved" appeals process, i.e., one which follows due process, is easily understood, is confidential, and is credible. Ideally such a policy is one that is in place but rarely used. Something is wrong. Without breaching confidentiality, I can report to you I believe we are having too many appeals, that there are too many convoluted aspects of the processes that are now in place, and that some faculty are clearly losing confidence in the working of that now in place. Whether the problems have to do with the appeals policy and procedures or the way it is being used are questions under consideration by the committee.

"All of us have an interest in the work now being done by these committees. I've talked with the Chairs of the committees and, to a person, they have expressed not only a willingness to accept faculty thinking and ideas but are anxious to receive such help. The foregoing is often stated but somehow it does not often get translated into action.

"One final thing I want to report is a discovery I made this past month which was very interesting to me and which I believe may be of equal interest to you. During the past few years I've heard various faculty make statements such as, "I know we have new faculty, but I can't see that they are making any difference in terms of the work to be done." This year is a reapportionment year for the Faculty Senate and we, again this time as we did three years ago, have asked Professors Al Schwarzkopf and Gary Copeland to work the statistics and follow the formula to do that. A recommendation for reapportionment of the Faculty Senate will be presented to you in December. Senate Administrative Coordinator Sonya Fallgatter and I have been collecting faculty counts for that work, and what we have found is

interesting. The tenured and tenure-track faculty head count on the OU Norman Campus, as per the Office of Institutional Research, October 21, 1991 Payroll was 731. In 1985, the Faculty Senate was reapportioned using the number of faculty at 729, which would indicate that between 1985 and 1991, there was an increase in faculty members of 2. Now, that is not to say that new faculty have not been hired. The number of faculty reported for the 1988 reapportionment was 625. So, from 1988 to 1991 there does seem to have been an increase of 106 faculty, which does put us two faculty over the count used to reapportion the Senate in 1985. And some people think we haven't made progress!"

FOCUS ON EXCELLENCE: Adult Fitness Program, Presented by Prof. Susan Vehik, Chair-Elect

"This month's Focus on Excellence is about the Adult Fitness Program that is operated through the Department of Health, Physical Education, and Recreation. Serving both the University and the local community the program has grown rapidly to include almost 700 people ranging from college freshmen to 80-year old retirees.

"The Adult Fitness Program is self-supporting and non-profit. It offers approximately 38 classes per week. The basic program includes combination hi-low aerobics, low impact aerobics, benchstepping, a walking club, and water aerobics. Tai Chi classes and a weight training seminar are available separately.

"While serving a variety of interests the Adult Fitness Program also meets the University's teaching, research, and service functions. For most people the program provides the means to attain better health and well-being and to have fun while doing so. That it achieves this goal very successfully is indicated by rapid increases in enrollment. The program has almost exhausted the amount of space available for its classes.

"For HPER and other students, the Adult Fitness Program provides training in the instruction of rhythmic aerobics. This begins with a one-hour credit class and a period of apprenticeship before becoming a qualified instructor. Instruction training emphasizes not only technique but more importantly leadership and problem solving. Most Adult Fitness Program aerobics class instructors are University students. Program fees provide support for several half-time Graduate Assistants who work within the program. That the program has been successful in these goals is indicated by the high demand for its graduates.

"In regard to research the data base provides observation for programming, adherence, and fitness changes across the wide spectrum of the lifespan.

"This month's Focus on Excellence congratulates the Adult Fitness Program and its coordinator Arlene McCurdy."

ELECTION, COUNCILS/COMMITTEES/BOARDS

The Senate approved the Senate Committee on Committees' nomination of Professor Robert Shalhope (History) to complete the 1989-92 term of Professor David Etheridge (Music) on the Faculty Awards and Honors Council.

EXTENDED CARE LEAVE

Prof. Smith asked the Senators to solicit the opinions of their colleagues on extended care leave and retirement. The Senate will vote on the extended care leave proposal next month. The vote on retirement could be postponed if the Faculty Welfare Committee has not had time to study the issue.

At its May 7, 1990, meeting, the Faculty Senate endorsed draft #4 of an extended care leave proposal developed by the Norman Campus Faculty Welfare Committee (then chaired by Prof. Vehik) and the HSC Faculty Affairs Committee. Prof. Gabert, this year's Chair of the Faculty Welfare Committee, said a subcommittee of the Employment Benefits Committee (EBC) reviewed the proposal (draft #7) and recommended a counter-proposal (Appendix I). The University governance groups have been asked to provide input by December. He pointed out that the EBC represents both faculty and staff. Prof. Gabert then discussed each recommendation.

Recommendation 1: The faculty group was specific about providing child bearing leave separate from sick leave. A primary care giver would be eligible for six to ten weeks of paid extended care leave. The EBC said sick leave or short-term disability should be used for a period not to exceed ten weeks. Prof. Vehik is concerned that there should be a separate provision in addition to the extended care leave benefit to provide the primary care giver a semester of paid leave for maternity or adoption.

Prof. Foote wondered how many people would take advantage of the 6-10 weeks. Prof. Gabert said he did not know. Prof. Vehik commented that a woman would only have enough time to get pregnant twice. Prof. Foote noted that a proposal for free tuition for faculty and staff dependents was defeated by the Faculty Senate some years ago because of the argument that differential benefits would be provided. He asked who would cover the classes and pay for someone taking a semester off. He said most faculty do not take sick leave, so the time should be available. Prof. Gabert said one of the primary purposes was to recruit female faculty. Usually someone will cover the classes of faculty who need to take a semester off. Prof. Foote asked how many faculty had taken disability leave. Prof. Striz said for someone to take disability leave it would have to be a catastrophic illness. Prof. Vehik said the faculty proposal was based on policies at comparable universities and was initiated because of complaints that OU was losing out on female faculty to institutions that do have plans. Prof. Kenderdine noted that the department would not lose money under the tiered plan. Prof. Schnell contended that not many people would use this benefit, but that is one of the arguments to have it. Prof. Nelson observed that it would apply to a broader group because adoption is included. Prof. St. John explained that because pregnancy is defined as an illness, a woman can only take six weeks, even though she might have more time built up, yet a semester is sixteen weeks. Prof. Vehik said it takes a doctor's permission to take off extra time.

Recommendation #2: The EBC recommended five days of accumulated paid leave.

Recommendation #3: The EBC recommendation extended the plan to include staff.

Prof. Foote said he saw no reason to limit the plan just to faculty. Prof. Vehik explained that it was written from a faculty standpoint because two faculty groups worked on it. Prof. Kenderdine asked about the distinction between paid leave for maternity or adoption and unpaid leave for elder care, etc. Prof. Vehik said recommendation #1 applies to the primary care giver; recommendation #3 was believed to cost too much. Prof. Kenderdine suggested that primary care givers should be able to draw from the pool for any of these reasons. That would get around the argument that maternity leave is for a limited segment of the University population. Prof. Foote said eventually the University would have to draw the line somewhere. Maternity leave is a significant distinction from the other kinds of care. Prof. Dillon said it is possible that the primary care giver could be a cousin, aunt, uncle, or someone not necessarily related to the child. Prof. Foote said that was not really clear. He commented that it is all tied up in costs.

Recommendation #4: There is not much difference.

Recommendation #5: The original proposal was not limited to the primary care giver.

Recommendation #6: The EBC recommendation includes staff.

Prof. Gabert encouraged the group to look at the differences. The proposal will be discussed and voted on at the next meeting.

Prof. Breipohl commented that someone would have to make a decision if the Faculty Senate recommendation is different than that of the EBC. Prof. Gabert said the Senate would be making the recommendation to the EBC and the EBC in turn to the President. Prof. Whitmore suggested that the Faculty Senate make a recommendation to the administration and bypass the EBC. He said the EBC, which represents both faculty and staff, would not tend to recommend differential benefits for faculty and staff. Prof. Smith said the faculty proposal was originally sent to the President, who sent it to the EBC for a recommendation. Prof. Smith assured the group that he would communicate the issues that are important to the Senate to the administration. Prof. Kenderdine mentioned a recent article in the Wall Street Journal about a male state employee from Oklahoma who was able to take off twelve weeks to be home with his newly born child because of a new state law or policy. The thrust of the article was that states are taking the lead on policies on maternity leave. Prof. Vehik offered to check into that. Prof. Wallach pointed out that maternity leave is probably more important to staff since faculty can adjust their teaching schedules. Prof. O'Halloran commented that it also is important for tenure-track faculty because they are expected to do research, and that is difficult to do at home.

RETIREMENT

Prof. Gabert explained that the retirement plan was under review because of some changes being mandated by the Internal Revenue Service, the Oklahoma Teachers' Retirement System (OTRS) actuarial deficit, OU's budget problems, and the interest in having a more portable plan. It is estimated that in twenty years, an additional 6% of the salary base will be needed to adequately fund OTRS. Prof. Gabert noted that the document from President Van Horn (Appendix II) was very general and that he hoped the Senate could have longer than until December 20 to review it.

Noting that retirees now are provided health insurance through OTRS, Prof. Kenderdine asked how much of the OTRS shortfall is due to projected increases in medical costs. He suggested that there might be other less expensive ways to handle a shortfall. Prof. Gabert said he would find out. Prof. Kutner said he thinks the President is trying to disguise a loss in retirement benefits through small increments in current salary. Raising take home pay will take money directly from retirement. The concept of the administration is that employees are receiving much more in retirement than they are going to need. When asked by Prof. Kutner about the issue of removing immediate vesting for TIAA-CREF, Prof. Gabert said he thinks the plan will be to lower the vesting age (from 30). Prof. Kutner responded that the money then would be locked into a lower yield until the benefit vests.

Prof. Havener said the proposal would make it harder to recruit people because it would reduce portability. The last sentence under "Vesting Retirement Benefits" says that for new employees, "... the employee is not granted the option of transferability until the benefit vests." In other words, if you leave, you lose it.

Prof. Kenderdine said the arrogant tone of some statements on page 3 makes it an offensive document: "Thus, hourly staff are foregoing current income to participate in OTRS ..." and "...retirement incomes in excess of 100 percent of final working salary." The President is passing judgement on the reasonableness of one's retirement. What else will he decide to pass judgement on?

Prof. Breipohl said he was alarmed by the sentence on page four that says, "A maximum percentage of salary should be established as the University's retirement contribution." Referring to that sentence, Prof. Whitmore added that the administration was justifying a reduction in retirement benefits on the grounds that it makes more available for current salaries. He said the whole document is conspicuously absent of numbers, and there is no way the Senate can vote without some sort of quantification.

Prof. Smith said he was disturbed by both of these proposals because he thinks they can be divisive between faculty and staff in one instance and between older faculty and new faculty in the other instance. He reminded the Senators, "We are a faculty with common interests and common aims, and a sure way for things not to become accomplished is if we become divided in the way we approach things. We don't need an us vs. them."

CHILD CARE CENTER

Prof. Gabert reported on the status of a child care center for the OU community. He explained that the University had received two bids for a child care center on the South Campus; one was considered the best in terms of quality of care. The Child Care Committee is trying to keep the cost comparable to the average in the community while maintaining quality. A document will be released soon that gives the name of the company and numbers. The goal is to have the center operational by Fall 1992. Prof. Jaffe asked whether the fee schedule would be responsive to the needs of the students. Prof. Gabert said there had been discussions about providing fee waivers and scholarships. Prof. Jaffe said his question referred also to being available at odd times. Prof. Smith noted that Student Affairs has been involved in the project, so that has probably been taken into consideration.

STATUS OF ISSUES AND CONCERNS IDENTIFIED BY FACULTY SENATE

Prof. Foote asked whether Prof. Smith had received any additional responses to the list of Faculty Senate issues. Prof. Smith said the list was sent to all of the executive officers. The President went over them one by one in a staff meeting. As a result of that discussion, there has been some activity. Prof. Breipohl asked, "Do you expect to get a response?" Prof. Smith said he did not expect a formal response, and a lot of the items on the list can be taken care of by administrative action. He commented that Prof. Andy Magid, 1989-90 Senate Chair, had suggested in his last address to the General Faculty that issues such faculty working conditions should be handled by a union because those things take up an inordinate amount of time in the Faculty Senate, and the Faculty Senate should be more concerned with things of an academic nature.

ADJOURNMENT

The meeting adjourned at 4:45 p.m. The next regular session of the Senate will be held at 3:30 p.m. on Monday, December 9, 1991, in the Conoco Auditorium.

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Draft #7 . Extended Care Leave Proposal August 7, 1990

At the time when the University declares its goal to be academic excellence, as measured against a national ranking, efforts toward attracting and retaining quality faculty members should be a high priority. The growth in the number of women faculty members and the increased emphasis upon shared parental responsibilities between working spouses directs the University's attention toward its extended care leave benefit policies. Do present policies meet the needs of current faculty members and do they portray a compelling picture of university support for new faculty candidates?

The Faculty Affairs Committee of the Health Sciences Center Campus and the Faculty Welfare Committee of the Norman Campus reviewed the pregnancy, maternity, and family leave policies of this University and compared them to other universities' policies, to the American Association of University Professors policies, and to current trends in the public sector of this country. As stated in the 1973 AAUP Bulletin, the purpose of family leaves for child-bearing, child-rearing, and family emergencies are "to assist faculty members with parental responsibilities in meeting their obligations both to their professional careers and to their families, and to prevent the loss to the institution and to the academic community of substantial professional skills." AAUP encourages institutions to be flexible with the options offered to faculty in meeting these needs. Flexibility includes offering such alternatives as longer-term leaves of absence, temporary reductions in workload with no loss of professional status, and maintaining full-time affiliation throughout such leaves. With this in mind, the recommendations from this joint committee effort are for the consideration by both Faculty Senates for a comprehensive maternity and health care leave benefit policy for the University of Oklahoma.

Recommendation 1:

The University should separate child-bearing leave from sick leave as a distinct policy and terms should be broadened to include adoption:

A primary care-giver of a newly born or adopted child under two years of age shall be eligible for six to ten weeks of paid extended care leave beginning at the time of delivery or adoption of the child.

Recommendation 2:

The University should separate supportive leave for child-bearing from emergency leave as a distinct policy:

The faculty member with a pregnant wife or significant other, the spouse or significant other of a primary care-giver of a newly adopted child under two years of age, or the grandparent of a newly born or adopted child shall be eligible for five days of paid leave to assist in the immediate transition period of the child into the home.

Recommendation 3:

The University should offer a period of unpaid extended care leave for such purposes as child-rearing or the health care needs of elderly parents, spouse or significant other, children, or other dependents:

A faculty member who is:

- a primary care-giver of health related needs resulting from severe illness, disease or accident for a child, spouse or significant other, or elderly dependent or
 - a primary care-giver for newly born or adopted child
- shall be eligible for an Extended Care Leave of Absence without pay for a period of no more than one year upon written request with approval of the academic unit, Dean, and Provost. During the period of absence, the faculty member is responsible for maintaining benefit coverage through payment of premiums.

If a tenure track faculty member takes paid or unpaid extended care leave for the birth or adoption of a child, or health care needs, the probationary period prior to a tenure decision may be extended for one year at the written request of the faculty member with approval of the academic unit, Dean, and Provost. After the leave, the faculty member is entitled to return to the same position or a position of similar rank and pay. Probationary extension may be requested more than once contingent upon approval of the academic unit, Dean, and Provost.

Recommendation 4:

The University should offer an option of a reduced percentage FTE to faculty members as an alternative to or in combination with periods of unpaid leave:

A faculty member who is a primary care-giver for a child, spouse or significant other, or elderly dependent shall be eligible to convert to a reduced percentage FTE for one year; extensions of this reduction may be approved by the academic unit, Dean, and Provost; a tenure track faculty member may extend the probationary period prior to a tenure decision by an amount proportional to the period of such reduction.

Recommendation 5:

The University should grant extended leave policies to all faculty members employed 0.5 FTE or more; policies addressing extension of tenure periods shall apply to all tenure-track employees.

Recommendation 6:

The University should prepare a clearly and plainly written brochure outlining and explaining the new policies to current faculty members and for recruitment materials for prospective faculty.

REVIEW AND ANALYSIS OF THE UNIVERSITY RETIREMENT PLAN

In the Spring of 1990 TIAA/CREF adopted four new provisions, which require action by the institution. Two of the provisions permitting greater investment flexibility (social choice and bond fund investment options) were adopted by the Board in April 1990 and two provisions were deferred for further consideration (cashability and transferability of CREF accumulations). The following report describes issues involving the University's Retirement Plan that should be addressed. Your comments, suggestions and advice regarding each issue are invited.

Goal Statement

A statement of the goal of the University Retirement Plan should be adopted. The following statement may serve as a starting point for further discussion.

The goal of the Retirement Plan is to allow University retirees and their families to maintain an adequate standard of living following retirement.

The University of Oklahoma provides a competitive compensation package to attract and retain competent faculty and staff. The University provided retirement benefit is one component of total compensation. The current University Retirement Plan consists of the following elements: (1) The University purchase of a portable retirement annuity; (2) combined payments made by the University and employee to Social Security; and (3) voluntary or mandatory employee payments to the Oklahoma Teachers' Retirement System.

The University offers employees much flexibility in choosing retirement benefits. To achieve the plan goal an employee should have at least 25 years of University service or have participated in an equivalent plan elsewhere. Other employee savings also should be a part of each employee's retirement planning.

Transferability of CREF Accumulations

To provide people greater flexibility to manage their retirement funds, the University can adopt the TIAA/CREF option permitting transferability of CREF accumulations. This means that funds may be transferred from CREF to other investment companies. Additionally, people may direct initial contributions to vendors other than TIAA/CREF. The University has IRS and legal responsibilities to oversee the manner in which companies handle employee tax deferred annuities that are part of the University Retirement Plan. The University effectively can manage only a limited number of vendors. Proposals will be solicited from vendors that appear capable of incorporating the University Retirement Plan into their contracts. Broad input is needed to insure that the request for proposals addresses the needs of all employees.

Cashability of CREF Accumulations

TIAA/CREF offers some options permitting withdrawal of CREF accumulations. If the University chooses some percentage for withdrawal -- zero to 100 percent -- IRS requirements and tax consequences must be considered.

Some urge total flexibility for withdrawal. They believe the employee should have total flexibility and responsibility to manage his or her retirement funds. Individual circumstances and financial needs will vary for each retiree. Some retirees wish to pay off mortgages, purchase retirement homes, provide for dependents or make other financial decisions. Cash withdrawal provides the necessary flexibility.

Others urge greater restraint on cash withdrawals. They feel cashability is not consistent with a retirement program. The University retirement contributions should provide a retirement annuity, not to provide a means by which estates may be built. The University should insure that the University sponsored plan provides retirees with an adequate standard of living and therefore should not permit cash withdrawal.

A middle ground may minimize poor spending or investment decisions and yet provide retirees with some flexibility. Such a plan would permit retirees to withdraw 10, 20, 50 or some other stated percentage of the CREF (or similar) accumulations.

Vesting Retirement Benefits

In addition to providing a competitive retirement program, an implicit retirement plan goal is to encourage long-term employment. The University's retirement plan goal can be achieved with the current level of University contribution over an expected working career of 25 years. With the expectation of retirement at age 65, retirement contributions made from age 40 can achieve this goal. Longer service enhances retirement income. In order to focus scarce resources on long-term employees and maintain more competitive salaries, retirement benefits should not vest immediately. The University could choose a vesting period for new employees of three, five or seven years.

To administer vesting, the University would require a new annuity contract for all new employees. The University purchases a retirement annuity but retains the annuity in the University's name until the benefit vests. The annuity is invested in a CREF Money Market Account, and the employee is not granted the option of transferability until the benefit vests.

AGE THRESHOLD - TIAA PARTICIPATION

A perceived inequity is in our current rules for participation in the TIAA/CREF program. Current participation requires that the employee be 30 years old, employed for three years with the University or have participated in a TIAA/CREF program with their previous employer. The perceived inequity of a 30 year age threshold is that one employee holding a job with responsibility similar to another could earn greater total compensation (salary plus retirement contribution) simply because of age. On the other hand, the age 30 threshold insures that everyone receives contributions over the same length of time, for example, 30 to 65.

As the age threshold is reduced, resources that otherwise would be available for salary increases are diverted for retirement contributions. As the period over which contributions are made increases, retirement incomes increase. In essence, employees accept a lower initial salary with the promise of a higher retirement income. Retirement contributions from age 30 or less push retirement incomes in excess of 100 percent of final working salary.

For the University to be competitive in the recruitment of faculty and staff, the current policy could be modified to reduce the age threshold. This provision must be coordinated with vesting requirements.

Retirement Plan for Hourly Staff

Currently, hourly staff may voluntarily join the OTRS. In so doing, they become eligible for the University's TIAA contribution. Less than one-half of the eligible hourly staff participate in this plan. For the balance of hourly employees, the six percent contribution to OTRS is financially prohibitive and, therefore, they have no University retirement program. For most participating hourly staff, the aggregate benefits from OTRS, TIAA, and Social Security result in a retirement income greatly in excess of what is needed to maintain their standard of living. Thus, hourly staff are foregoing current income to participate in OTRS, and the University is making an annuity contribution in excess of what is required to fund a reasonable retirement program. This reduces funds available for wages.

Any proposed change in the current plan should not penalize current hourly employees. All current hourly employees who voluntarily joined the OTRS, remain a member and receive a University contribution to TIAA/CREF should be able to continue participation in that program on the same basis as faculty and other staff.

In order to create a more realistic retirement plan for other current and new hourly staff, the University should adopt a plan which focuses on the same outcome-oriented goal as the plan for other employees. One proposal is to purchase a retirement annuity on behalf of hourly employees. Another proposal is to develop a single integrated plan to include all employees.

OTRS

Currently all employees mandated by statute are required to pay six percent of the first \$25,000 to the Oklahoma Teachers' Retirement System. An optional program requiring an additional 11 percent employee contribution up to \$40,000 is available. The University now is required to pay OTRS what in essence is a tax of 1.5 percent of salary, up to the maximum if the employee elects that option. The University payment is scheduled to increase to 2½ percent over the next two years. The University payment is not credited to an employee's account.

In order to meet the future retirement needs of OTRS members, it is likely that the current salary cap will be increased or removed. The OTRS also has substantial actuarial funding deficiencies that must be considered over the next 10 to 20 years. These two issues will force the University, the employee, the state or all three to make additional payments to the OTRS. The amount of funds available for employee salary or take home pay will be reduced.

When aggregated with Social Security benefits, the University purchased retirement annuity provides an adequate retirement income for employees. Greater contributions to OTRS mean the deferral of current income for promised retirement income. Not only will current incomes be decreased, retirement incomes will be greater than necessary. At some point, neither the University nor the employee will be able to afford participation in both the TIAA/CREF program and an uncapped OTRS program.

Many agree that portability of a TIAA/CREF like program is essential to the University's national recruitment of new faculty and staff. While the state based OTRS may be a less attractive program, total elimination of the OTRS as a component of the University retirement plan may not be desirable for everyone. Optional OTRS participation may best serve the University and the employee. Some current and future employees may wish to participate in both TIAA/CREF and the OTRS programs. Optional OTRS participation will permit employees to withdraw from OTRS and increase take home pay, or continue participation and increase retirement outcomes. The downside to optional OTRS participation is that the University and employees lose their relative share of future legislative support of OTRS if the plan is not funded from University or employee contributions.

The development of a more effective retirement plan requires two actions: (1) The University should press for optional OTRS participation by current and future employees, including those whose membership now is mandated. (2) A maximum percentage of salary should be established as the University's retirement contribution. Payments may go to the OTRS or a retirement annuity.

EXTENDED CARE LEAVE POLICY

September 17, 1991

Recommendations of the Sub-Committee

William T. Whitely, Chair
Linda Smith
Natalie A. Essary
Marilyn Gottshall

The recommendations of the sub-committee are outlined below. They correspond in numerical order to the recommendations of the Faculty Affairs Committee of the Health Sciences Center Campus (FAC-HS) and the Faculty Welfare Committee of the Norman Campus (FWC-NC) (Draft #7) dated August 7, 1990. For comparison purposes the recommendations of FAC-HS, FWC-NC are included.

RECOMMENDATION #1

Benefits Sub-Committee

FAC-HS, FWC-NC

The faculty or staff member who is the primary care-giver of a newly born or adopted child under two years of age shall use their paid sick leave and access their accumulated short-term disability leave beginning at the time of delivery or adoption of the child. When paid sick leave or disability leave is exhausted the faculty or staff member will go on unpaid leave for the remainder of a period not to exceed ten weeks.

The University should separate child-bearing leave from sick leave, as a distinct policy and terms should be broadened to include adoption: A primary care-giver of a newly born or adopted child under two years of age shall be eligible for six to ten weeks of paid extended care leave beginning at the time of delivery or of adoption of the child.

RECOMMENDATION #2

Benefits Sub-Committee

FAC-HS, FWC-NC

The faculty or staff member with a pregnant wife or significant other, the spouse or significant other of a primary care-giver of a newly adopted child under two years of age, or the grandparent of a newly born or adopted child shall be eligible for five days of accumulated paid leave to assist in the immediate transition period of the child into the home.

The University should separate supportive leave for child-bearing from emergency leave as a distinct policy: The faculty member with a pregnant wife or significant other, the spouse or significant other of a primary care-giver or a newly adopted child under two years of age, or the grandparent of a newly born or adopted child shall be eligible for five days of paid leave to assist in the immediate transition period of the child into the home.

RECOMMENDATION #3

Sub-Committee

FAC-HS, FWC-NC

Same except limited to faculty members.

Approval procedure extended to include those relevant for staff members.

The University shall offer a period of unpaid extended care leave for such purposes as child-rearing or the health care needs of elderly parents, spouse or significant other, children, or other dependents to a faculty or staff member who is a primary care-giver. The primary care-giver shall be eligible for an Extended Care Leave of Absence without pay for a period of no more than one year upon written request with approval of the supervisor, budget head, head of academic division or department, Dean, and Vice-President or Provost. During the period of absence, the faculty or staff member is responsible for maintaining benefit coverage through payment of premiums.

If a tenure track faculty member takes an extended period of leave for the birth or adoption of a child, or health care needs, the probationary period prior to a tenure decision may be delayed for one year at the written request of the faculty member with approval of the division or department head, Dean, and Provost. After the leave, the faculty member is entitled to return to the same position or a position of similar rank and pay. Probationary extension may be requested more than once using the same chain of approval.

RECOMMENDATION #4

Sub-Committee

A primary care-giver for a child, spouse or significant other, or elderly dependent should be able to exercise one option among several options. These options may include flexible hours, shifted hours of class, more than half-time but less than full-time or other work schedule as an alternative to or in combination with periods of unpaid leave for a period of up to one year. The primary care-giver may propose an alternative to the division or department head, or supervisor who should make a substantial effort to accommodate the needs of the care-giver. If no accommodation can be made, alternative placement may be an option. Extension of the reduced or modified schedule for up to one year may be requested by the faculty or staff member with the approval of the supervisor, budget head, head of academic division or department, Dean, and Vice-President or Provost. A tenure-track faculty member may have their probationary period extended prior to a tenure decision by an amount proportional to the period of a reduced work schedule of .5 or less which extends over a period of six months to one year or more.

FAC-HS, FWC-NC

Provides a more limited set of options for the primary care-giver.

RECOMMENDATION #5

Sub-Committee

The University should grant extended leave policies to all primary care-givers employed 0.5 FTE or more. Policies addressing extension of tenure periods shall apply to all tenure-track employees. Staff members extended leave shall be tied to the six month probationary period such that the person cannot take paid accumulated leave until after the probationary period has been satisfactorily completed.

FAC-HS, FWC-NC

Limited to faculty members and not couched in terms of primary care-givers. Linkage to other policies, specifically probationary period, required when extending coverage to staff members.

RECOMMENDATION #6

Sub-Committee

The University should prepare a clearly and plainly written brochure outlining and explaining the new policies to current faculty and staff members and for recruitment materials for prospective faculty and staff.

FAC-HS, FWC-NC

The same except limited to faculty members.