



The University of North Carolina at Chapel Hill

MEETING OF THE GENERAL FACULTY AND THE FACULTY COUNCIL

October 20th, 3:00 p.m.

*** The Pleasants Family Assembly Room in Wilson Library ***

Chancellor James Moeser and Professor Sue Estroff, Chair of the Faculty, will preside.

AGENDA

Type	Time	Item
DISC	3:00	<i>Call to Order. The Secretary of the Faculty.</i>
DISC	3:00	Chancellor's Remarks and Question Time. Chancellor James Moeser invites questions or comments on any topic.
INFO	3:20	Remarks by the Chair of the Faculty. Professor Sue Estroff.
ACT	3:35	Resolution 2000-12. Amending the Faculty Code to Allow Faculty in Phased Retirement, if Otherwise Qualified, to Serve on All Faculty Committees and as Secretary of the Faculty. (Second Reading). Presented by the Committee on University Government.
ACT	3:40	Memorial Resolution for Robert Dana Langdell, Professor of Pathology, Emeritus. Prof. J. Charles Jennette, Chair of the Department of Pathology & Laboratory Medicine.
DISC	3:45	Annual Report of the Faculty Hearings Committee. Professor Stephen Allred.
DISC	3:50	Annual Report of the Committee on Instructional Personnel. Interim Provost Richard L. Edwards.
INFO	4:00	Reports on Faculty and Staff Benefits Issues. Kitty McCollum, Associate Vice President for Human Resources (UNC System) Laurie Charest, Associate Vice Chancellor for Human Resources (UNC-CH) JoAnn Pitz, Director of Benefits (UNC-CH) Professor Steve Bachenhelmer, Chair of the Faculty Welfare Committee (UNC-CH)
DISC	4:20	Discussion of Faculty and Staff Benefits Issues.
DISC	4:40	Open Discussion of Topics Raised by Council Members.
ACT	5:00	Adjourn.

Joseph S. Ferrell
Secretary of the Faculty

KEY:
ACT = Action
INFO = Information
DISC = Discussion

All documents pertaining to meetings of the Faculty Council are posted on the Faculty Governance website:
<http://www.unc.edu/faculty/faccoun/>



The University of North Carolina at Chapel Hill

Resolution 2000-12. Amending *The Faculty Code of University Government* to allow faculty in phased retirement, if otherwise qualified, to serve on all faculty committees and to serve as Secretary of the Faculty.

Presented by the Committee on University Government.

The General Faculty resolves:

Section. 1. Section 4-9 of *The Faculty Code of University Government* is rewritten to read:

§ 4-9. Faculty Hearings Committee. The committee is composed of five faculty members ~~with permanent tenure; holding permanent tenure~~ when elected, serving five-year terms. The committee performs functions assigned to it in the *Trustee Policies and Regulations Governing Academic Tenure*.

Sec. 2. Section 3-2.(b) of *The Faculty Code of University Government* is rewritten to read:

(b) The secretary of the faculty shall serve for a term of five years and shall be eligible for re-election. The Advisory Committee shall nominate one member of the faculty ~~having permanent tenure~~ to the Faculty Council, which, after opportunity has been given for nominations from the floor, shall proceed to elect a secretary of the faculty.

Sec. 3. This Resolution is effective upon adoption.

October 3, 2000
Faculty Hearings Committee
Annual Report

Members: Chair, Stephen Allred (Institute of Government, 2002) (Chair for Fall Semester 2000); S. Elizabeth Gibson (Law, 2000), Barbara J. Harris (Women's Studies, History, 2003); Lawrence Rosenfeld (Communication Studies, 2004); Beverly W. Taylor, (English, 2001) (Chair for Spring Semester 2001).

Report prepared by: Stephen Allred (Chair) with review by full committee

Committee charge: According to *The Faculty Code of University Government*, the Faculty Hearings Committee is composed of five faculty members with permanent tenure, serving five-year terms. The committee performs functions assigned to it in the *Trustee Policies and Regulations Governing Academic Tenure*. Those duties include conducting hearings (a) on the request of a faculty member who has been notified before the end of his or her tenure or term of appointment that the University intends to discharge him or her, and (b) on the request of a faculty member for review of a decision not to reappoint him or her upon expiration of a probationary term of appointment. In the case of a discharge hearing, the committee's duty is to determine whether one of the following permissible grounds for discharge has been established: A misconduct of such a nature as to indicate that the faculty member is unfit to continue as a member of the faculty, incompetence, and neglect of duty. (*Trustee Policies* section 3.a.) With respect to review of nonreappointment decisions, the committee is limited to determining whether the grounds for such action are impermissible under section 4.a. of the *Trustee Policies* or whether the decision was affected by material procedural irregularities. (*Trustee Policies* section 4.c.)

Previous Faculty Council questions or charges: None.

Report of activities: During the 1999-2000 academic year, one faculty member requested review by the committee, pursuant to section 4.c. of the *Trustee Policies and Regulations Governing Academic Tenure*, of an academic unit's decision not to grant tenure to the member. This request was an appeal from a previous remand to the school following an opinion by the committee finding that the faculty member's denial of tenure had been affected by procedural irregularities and recommending corrective actions that should be taken by the faculty member's academic unit. The committee granted a review on one issue, but the matter was settled by the member and the academic unit before a hearing was scheduled.

Recommendations for action by Faculty Council: None.

Respectfully submitted,

Stephen Allred, chair
S. Elizabeth Gibson, chair
Barbara J. Harris
Lawrence Rosenfeld
Beverly W. Taylor

ANNUAL REPORT OF THE
COMMITTEE ON INSTRUCTIONAL PERSONNEL
OCTOBER 3, 2000

This report covers the activities of the Committee on Instructional Personnel for the academic year 1999-2000.

For personnel matters the Committee on Instructional Personnel operates through two subcommittees: the Subcommittee for the College of Arts and Sciences chaired by the Dean, and the Subcommittee on Professional Schools chaired by the Provost. All recommendations from the Schools or departments and curricula in the Division of Academic Affairs involving tenure track appointments of any kind and all reappointments at the rank of lecturer or above were reviewed. In making these reviews both subcommittees sought to ensure uniformity of procedural practices and consistent attention to the respective roles and missions of each of the appointing units.

The Committee also considers minimum stipends for teaching assistants with full responsibility for a course, and the academic calendar. The Committee is also responsible for some appointments to the Advisory Committee on Undergraduate Admissions.

Respectfully submitted,

Wayne Christiansen
Richard Cole
Connie Eble
Glen Elder (through 6/30/00)
Richard Edwards, Chair (effective 7/1/00)
Jaroslav Folda
Madeleine Grumet
Michael Lienesch (effective 7/1/00)
Joanne Marshall
Gene Nichol
Risa Palm
Richard Richardson, Chair (through 6/30/00)
Michael Smith
Robert Sullivan

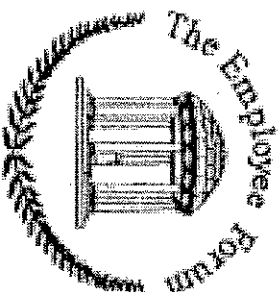


The University of North Carolina at Chapel Hill

Office of Faculty Governance

Information Item

The Employee Forum is hosting a Fall Community meeting on October 26th, 2000 from 9:30 a.m. until 11:30 a.m. in Gerrard Hall. All faculty, staff and students are invited to come listen and meet Chancellor Moeser.



COMMUNITY AWARD

Purpose: The Employee Forum Community Award (also known as the Three Legged Stool Award) is designed to recognize distinguished contributions by individuals who work to promote cooperation and collaboration among Faculty, Staff and Students.

Eligibility: Any member of the Faculty, Staff or Student Body of the University of North Carolina at Chapel Hill is eligible.
(Current members of the Employee Forum Executive Committee are not eligible.)

Criteria for nomination: Nominees should be individuals who inspire creativity; promote harmony and partnerships within the University community; inspire teamwork, cooperation and participation; demonstrate new approaches to current processes; encourage, mentor and build bridges; form alliances to work collectively; or any other significant community building activities.

Administration: Nominations (not to exceed 250 words) will be accepted from any member of the University Community. When submitting nominations, please include the name of the nominee, how to contact the nominee (campus address, phone, CB #, or email address), your name and contact information, and the specific reasons you are nominating this individual.

No official nomination form is required.

The Executive Committee of the Employee Forum is responsible for reviewing the nominations and selecting the recipient. The Award will be presented at the monthly Forum meeting scheduled for December 6, 2000.

Nominations should be submitted before November 10, 2000 to:

Joanne Kucharski, Executive Committee Chair
01-F Hanes Hall, CB# 2100 Campus Mail

Past winners include: James Percock, Paul Hardin, Rachel Windham,
Elson Floyd and Laurie Charrest

State Retirement Plans

The Wisconsin Study provided the following information:

- Employee contribution rates
- Benefit formula multiplier used in calculating the retirement benefit
- Vesting period
- Post-retirement increase information
- Employer-provided health care costs for retirees

State Retirement Plans

Employee Contributions:

- 11 out of 68 public retirement systems surveyed do not require any employee contribution (Wisconsin Study).
- 48 out of 68 systems surveyed pay less than the TSERS rate of 6.0% (Wisconsin Study).

Based on the Buck Study, of the 56 retirement systems surveyed, the average employee contribution rate was 4.39%, and the median rate was 5.0%.

State Retirement Plans

Benefit Formula Multiplier (Wisconsin Study):

- 24 of the 68 systems surveyed have a benefit formula multiplier that is higher than TSERS (1.8%).
- 20 of the 68 systems surveyed have a benefit formula multiplier that is 2.0% or higher.
- Of the 68 plans surveyed, the average multiplier is 1.81%.

Buck Study reports the average multiplier of the 56 plans surveyed is 1.78% (median of 1.79%).

State Retirement Plans

Vesting (Wisconsin Study):

- Immediate vesting - 1 system
- 3-year vesting - 2 systems
- 4-year vesting - 5 systems
- 5-year vesting - 29 systems (including TSERS)
- 8-year vesting - 3 systems
- 10-year vesting - 24 systems
- Graded or varied vesting - 3 systems

State Retirement Plans

Buck Study reports:

- TSERS ranked tied for 1st with regard to adhoc cost of living allowances that have been granted in excess of the CPI for many years.
- North Carolina ranked 21st among 56 systems in employer-provided health care costs for retirees.

Optional Retirement Programs

TIAA-CREF provided the following information:

- Employer contribution rates
- Employee contribution rates
- Vesting period

Optional Retirement Programs

Employer and Employee Contributions:

- The average employer contribution rate for peers of the 15 UNC campuses is 7.96% (current UNC ORP rate is 6.84%, ranking 23rd out of 31 peer institutions providing system-wide optional retirement programs).
- The average employee contribution rate for peer institutions is 4.70% (current UNC ORP rate is 6.0%, ranking 19th out of 31 peer institutions providing system-wide optional retirement programs).

Optional Retirement Programs

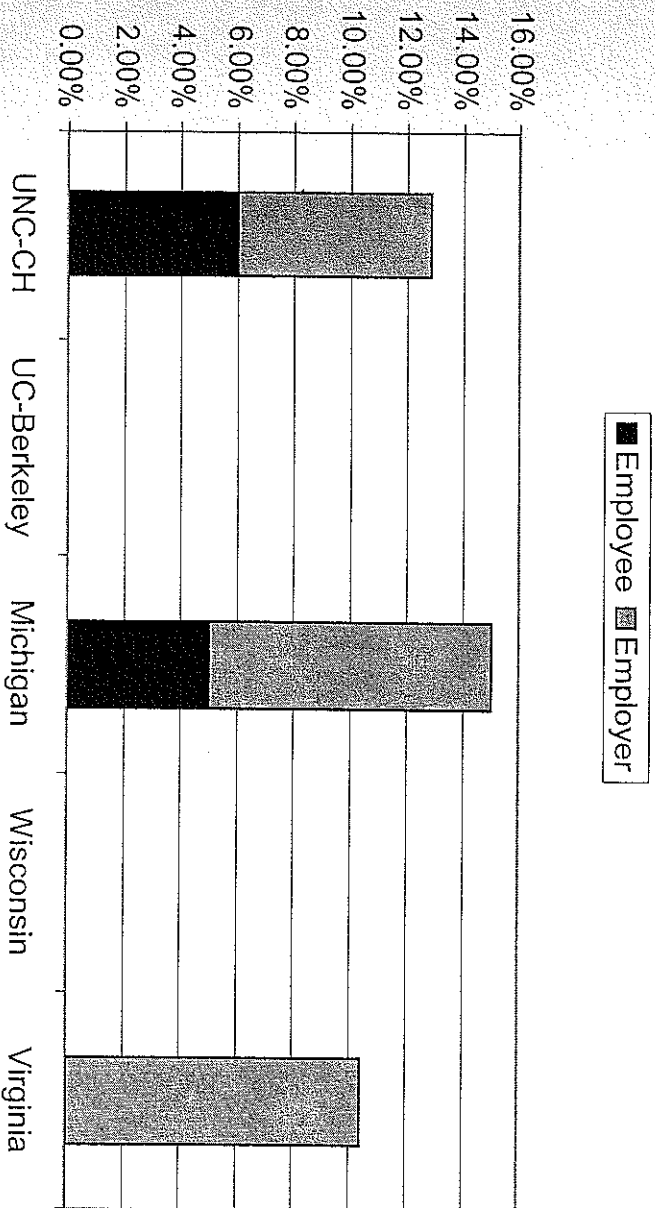
Vesting of Employer Contributions:

- Immediate vesting - 166 ORPs
- 1-year vesting - 22 ORPs
- 13 months vesting - 8 ORPs
- 5-year vesting - 11 ORPs (including UNC ORP)
- Varied vesting periods - 5 (based on institutional policy)

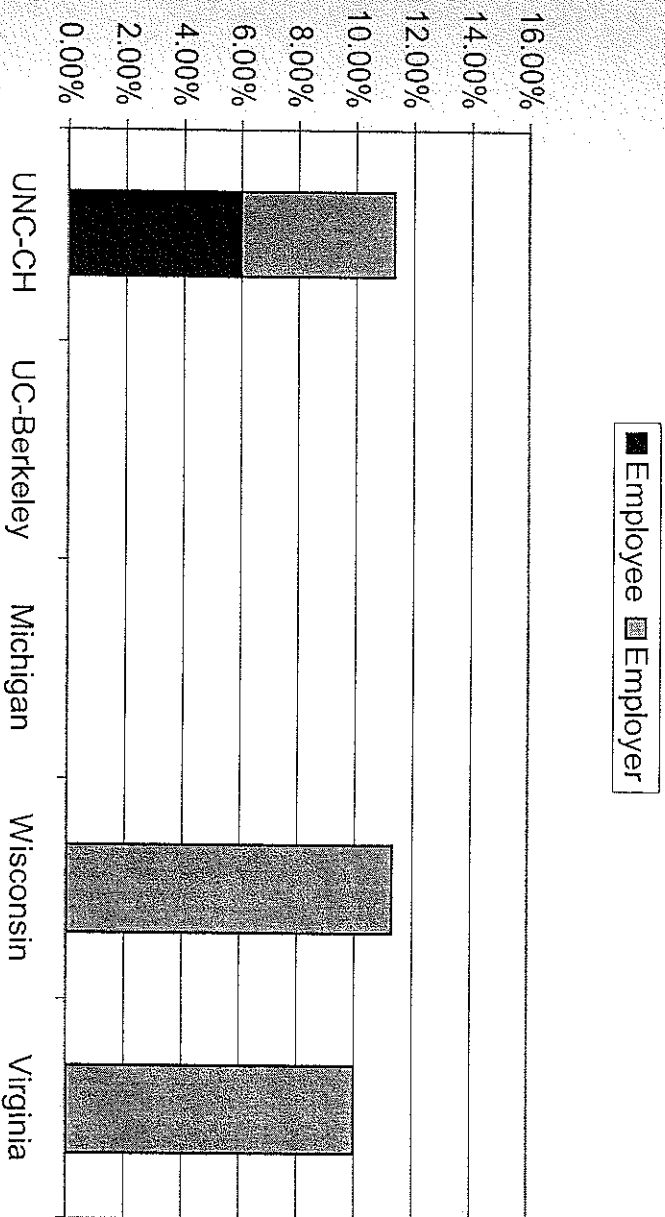
Salaries and Total Compensation at Research I and AAU Institutions 1999-2000

Institution	Professor				Associate				Assistant			
	Salary		Total		Salary		Total		Salary		Total	
	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average
UC-Berkeley	13	108,700	13	136,800	18	69,600	13	90,500	14	60,100	12	78,800
UC-Los Angeles	17	106,100	16	133,400	24	67,400	21	87,500	18	58,300	14	76,300
Univ. of Virginia	21	101,200	24	122,900	21	68,900	24	86,100	36	53,700	33	67,600
Univ. of Michigan	22	100,900	25	122,800	14	71,800	16	90,200	19	57,700	18	73,700
UNC-Chapel Hill	30	93,800	44	109,100	25	67,400	40	79,600	28	55,200	41	65,300
Univ. of Wisconsin-M	54	84,500	53	104,00	33	64,800	33	82,100	27	55,400	24	71,300

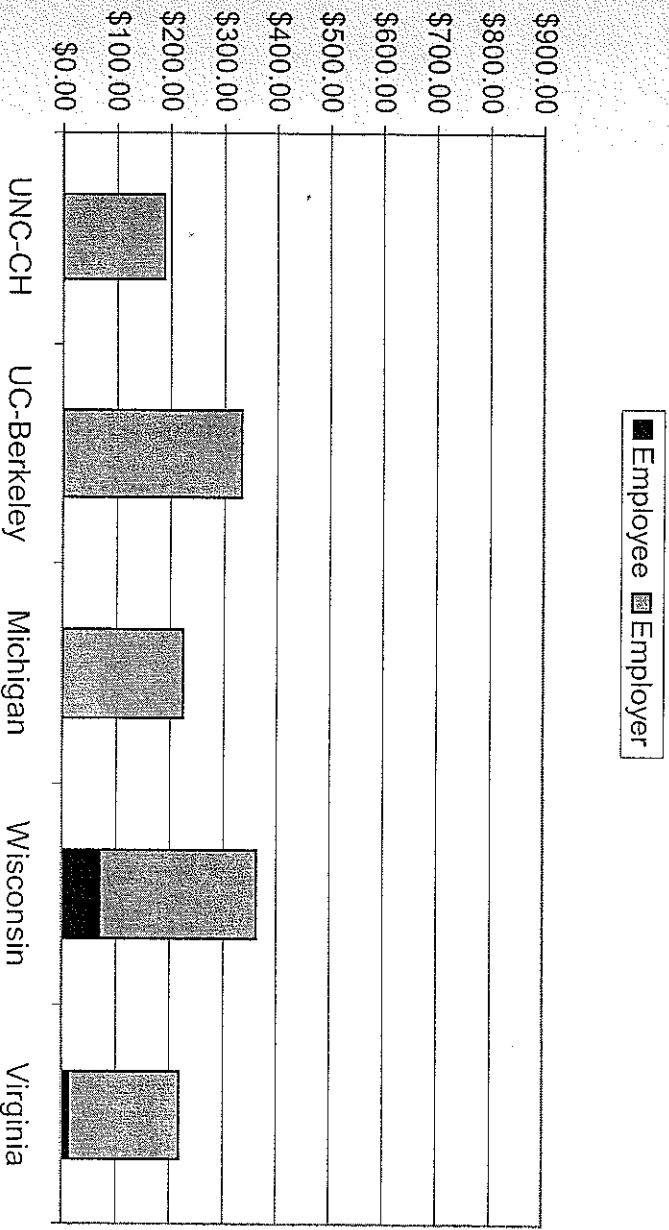
Defined Contribution



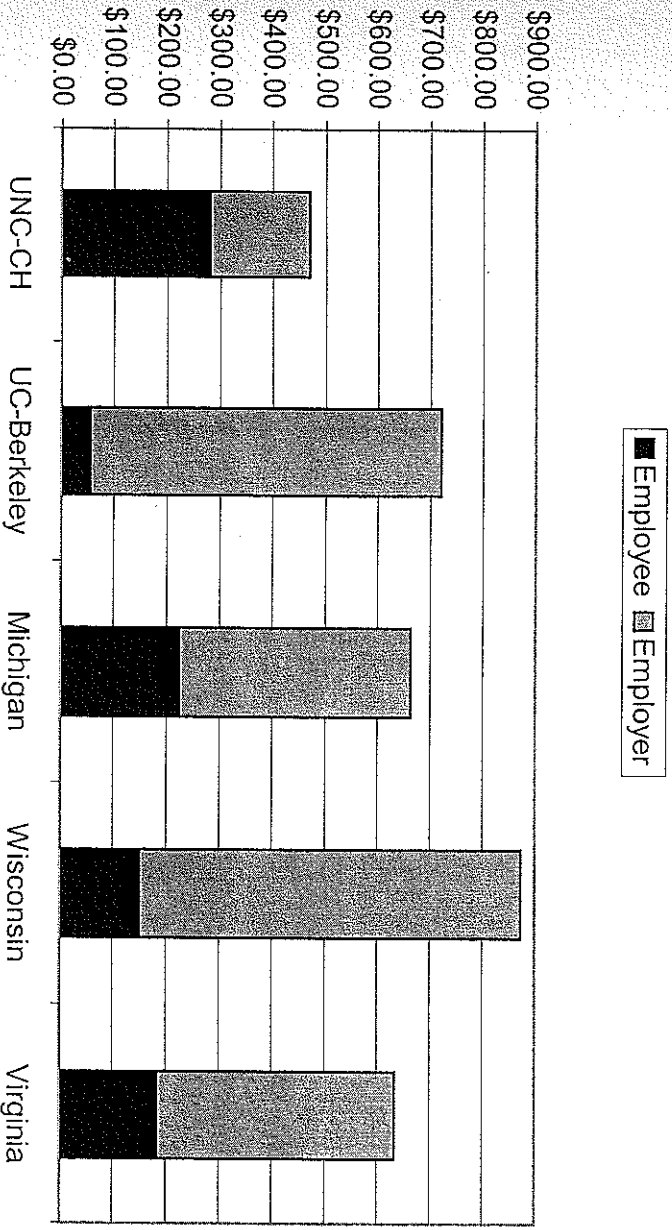
Defined Benefit



Employee Only Premiums



Family Premiums





The University of North Carolina at Chapel Hill

MINUTES OF THE GENERAL FACULTY AND FACULTY COUNCIL October 20, 2000, 3:00 P.M.

Attendance

Present (55): Allison, Ammerman, Assani, Bell, Bender, Bolas, Bollen, Bynum, Chenault, Cotton, Crawford-Brown, Daye, Dominguez, Elvers, Fishman, George, Henry, Huang, Janda, Kagarise, Kessler, Ketch, Kupper, LeFebvre, Lester, Lybker, Ludlow, Madison, Meece, Metzguer, P. Molina, Moran, Moreau, Nelson, Panter, Pfaff, Plante, Postema, Raab-Traub, Raasch, Reinert, Rosenfeld, Savitz, Sekerak, Slatt, Smith, Steponaitis, Straughan, Strauss, Sueta, Taff, Tauchen, Walsh, Weiss, Williams.

Excused absences (27): Adler, Angel, Blackburn, Bowen, Boxill, Bromberg, Carelli, Clegg, Cordero-Stone, Drake, Files, Fowler, Granger, Grossberg, Kaufman, Kjervik, Kopp, McCormick, McKeown, Meehan-Black, Meyer, A. Molina, Oley, Rao, Regester, Vaughn, Werner.

Unexcused absences (4): De La Cadena, Gilland, Graham, McQueen.

Call to Order

Prof. Joseph Ferrell, Secretary of the Faculty, called the meeting to order at 3:00 p.m. He introduced the Chair of the Faculty, Sue Estroff.

Resolution 2000-12. Amending the Faculty Code. (Second Reading)

Professor Estroff called up on second reading Resolution 2000-12. Amending the Faculty Code to Allow Faculty in Phased Retirement, if Otherwise Qualified, to Serve on All Faculty Committees and as Secretary of the Faculty. There were no questions and no debate. Resolution 2000-12 was adopted unanimously on its second reading and will be incorporated in the *Faculty Code of University Government*.

Chancellor's Remarks

Chancellor James Moeser reported from his first meeting as the representative of the University of North Carolina at Chapel Hill at the Association of American Universities (AAU). This was the AAU's centennial meeting and it was held at the University of Chicago where the original organizational meeting took place. In addition to the usual business meeting of the Board of Directors and an Academic Symposium, there were presentations by Nobel Laureates in chemistry, biological sciences, humanities and social sciences. One of the most interesting topics was the best mode and method of training Ph.D.s in the 21st Century. This grew out of a discussion of inter-disciplinary research, especially in the sciences. The question was posed whether a research project designed and undertaken by one candidate resulting in a dissertation written and defended by that candidate alone is the most appropriate model for scientific disciplines that are becoming increasingly multi-disciplinary and team-oriented. Could there be such a thing as a dissertation defended by a group? In such a context, how would individual merit be measured? These questions may also have relevance to the appointment and evaluation of young faculty. How can we know that we are fairly evaluating work that is being done at the margins of the traditional disciplines? Chancellor Moeser suggested that this might be one of the questions put before the committee he would be appointing to look at our policies and procedures governing tenure and promotion. This is also an issue that the Graduate School should be addressing as we consider how graduate education should be structured in the 21st century. The Chancellor gave reassurance, however, that the traditional model of the individual scholar who works, in some cases, in isolation remains appropriate and viable.

Chancellor Moeser announced the appointment of Nancy Sutfenfield as Vice Chancellor for Finance and Administration (effective 11/20/00); and Robert Shelton as Executive Vice Chancellor and Provost (effective 2/1/01).

He would like to find a way for the Provost to react directly with the Faculty Council. He intends to place major responsibility on the Provost for academic leadership.

The search for the position of Vice Chancellor for Research and Graduate Studies is well underway. The chancellor encouraged the faculty to make nominations or encourage colleagues to apply. He said it was a critical position, a facilitator of research on the campus, who would help relate to the major funding agencies in Washington, and who would help in assembling large research teams, especially those that need to span the traditional academic boundaries of the departments and schools and colleges.

Chancellor Moeser thanked the faculty who organized and participated in the Centennial Celebration of Thomas Wolfe, especially Professor Joseph Flora, who chaired the University's Centennial Committee for the celebration.

The chancellor noted that 126 finalists from North Carolina, other states, and the United Kingdom will be visiting the campus during the weekend for final interviews for the Morehead Scholarships. There will be 70 scholarships awarded. For North Carolina students the scholarship is valued at \$64,000 over four years, and for non-residents the value is more than \$100,000.

Chancellor Moeser thanked everyone who had a part in the festivities surrounding University Day. He said it was a wonderful experience for himself and his family.

The University has received approximately 60 faculty positions from enrollment growth funds allocated by to this campus by General Administration. Eighteen new positions will support our initiative in genomics. Another 18 positions are allocated to the College. All other academic units are receiving at least one position. The chancellor anticipates another allocation of new positions in the coming academic year.

Prof. Abigail Panter (Psychology) asked how the new spousal hiring policy differs from the prior policy. Chancellor Moeser said he did not know the details of the prior policy, but the new policy addresses sharing of costs when there is a need to find employment for a "trailing spouse" when recruiting for faculty positions. When the "trailing spouse" is not in the same appointing unit as the person being recruited, the primary appointing unit will attempt to place the trailing spouse in what is called for this purpose a secondary unit. If the secondary unit agrees to make the appointment and pick up one-third of the salary, the primary unit will pick up one-third and the Office of the Provost will pick up the remaining one-third. We are also entering into conversations with Duke, N.C. State, and N.C. Central to explore the possibility of similar inter-institutional arrangements.

Prof. Rachel Rosenfield (Sociology) asked for clarification as to whether the policy includes domestic partners as well as married couples. Chancellor Moeser said the basic issue here is the placement of the primary faculty member being recruited. When that person is in a committed relationship that needs accommodation, the legal nature of that relationship is not of concern to the University.

Prof. Richard Praff (History) asked about faculty parking security in the evening and hoped this would be addressed. Chancellor Moeser said it would be addressed and he would refer this concern to the Vice Chancellor for Finance and Administration.

Prof. Steven Bacheneheimer (Microbiology and Immunology), Chair of the Faculty Welfare Committee, said that the Faculty Council had previously addressed the matter of spousal hiring and, among other things, had asked that the Provost's Office would report back to the Faculty Council on the success or failure of the efforts. He wondered if that was happening. Chancellor Moeser said he would ask the Provost to make periodic reports to the Faculty Council on this matter.

Chair of the Faculty's Remarks

Professor Estroff, on behalf of the faculty, thanked the staff in Special Events and the Provost's Office, for their work that helped make such a success of University Day. She complimented the Chancellor for his address and for the visionary calls to the faculty.

Prof. Estroff noted that the recently distributed policy on Research Compliance Regulations had raised concerns among some faculty because of the stringent language and questions about its applicability in some disciplines. Three new members have been added to the compliance committee representing disciplines in social science, qualitative methods, and behavioral science. A subsequent memorandum qualified some of the points in question. She asked if there were continuing concerns about the new policy. None were voiced.

The Chancellor's Committee on Faculty Appointment, Promotion, and Tenure is being constituted. Its charge is as follows: The Committee will review practices, procedures and policies regulating faculty appointment, promotion, and tenure. The goal of the Committee is to ensure that these practices, procedures, and policies are those that best support the educational, scholarly and service mission of the University and that are equitable to faculty. The

Committee will consult widely with the University community in formulating its recommendations. The Committee will report its recommendations to the Chancellor.

Professor Estroff reported several long-term projects:

- Efforts are continuing to adjust the academic calendar to facilitate cooperation with peer institutions in the area.
 - Efforts are being pursued to gain faculty representation and presence at meetings of the Board of Trustees.
 - ECFC has recently renewed our commitment to have a focused and affirmative effort for the presence and well-being of faculty and students of color on this campus. The committee reviewed the minority affairs report from last year and have re-committed ourselves to moving forward with it.
 - Faculty members are urged to respond to E-mail messages seeking volunteers or nominees for service on faculty committees.
 - The Agenda Committee asks that reports of standing committees include more analysis and disclosure of the committee's work product.
- Prof. Ronald Strauss (Dental Ecology) presented an album of photos taken by his wife and himself of the Horace Williams Tract to the Chancellor, adding that the tract is a precious resource which should be protected.

Memorial Resolution

Prof. J. Charles Jennette, Chair of the Department of Pathology & Laboratory Medicine, presented a memorial resolution for Robert Dana Langdell, Professor of Pathology Emeritus.

Annual Report of the Faculty Hearings Committee

No one from the committee was present to present the report, which was therefore received without question or comment. Professor Estroff remarked that she had hoped to ask whether the committee believes that the hearings process is working effectively.

Annual Report of the Committee on Instructional Personnel

In the absence of Interim Provost Edwards, Associate Provost William Smith offered to respond to questions. Professor Estroff noted that one of the committee's tasks is to set stipends for teaching assistants. She asked for comment on that matter and whether the stipends need to be improved. Professor Smith responded that the issue was discussed regularly, and would be brought up again in the spring. Professor Estroff asked for comment from the Council as to the adequacy of the stipends.

Prof. Abigail Panter (Psychology) said we are losing the best teaching assistants every year to other institutions because they are underpaid. She said that in her department there should be a minimum increase of \$2,000 to make the scale at least \$12,000 for a full-year teaching assistantship. Professor Smith said that stipend set by the Committee on Instructional Personnel is the amount to be paid for teaching one course, which is currently \$4,100. The Committee does not regulate pay for other duties. Prof. Rachel Rosenfeld (Sociology) agreed that her department is also losing teaching assistants to other institutions because they pay higher stipends.

Reports on Faculty and Staff Benefits Issues

In her earlier remarks, Professor Estroff framed the discussion on faculty benefits. She said that it is not beneath the dignity of the faculty to talk about benefits and remuneration of their work. She articulated her vision of the workplace as one that:

- Anticipates and responds to the faculty's needs as workers;
- Is an efficient and innovative organization, whose conduct as an organization reflects the principles and values of the people working at the University;
- Is an organization in which workers have a profound and presumptive voice in all decisions and directions;
- Is a place in which the availability of benefits does not hinge on loved ones and lifestyles; and
- Is an organization and workplace that takes pride in its generosity as an employer.

Prof. Steve Bachenheimer led off the discussion with an overall view of salaries and compensation at UNC-CH in comparison with peer institutions. He said that President Molly Broad had convened a systems task force in 1999 to look into the issues of faculty benefits, with the idea of developing recommendations that she might take to the General Assembly. Professor Bachenheimer summarized the two major legislatively-authorized benefits programs: health insurance and retirement. Faculty members may choose between the North Carolina Teachers and State

Employees Retirement System (TSERS) or the University of North Carolina Optional Retirement Programs (ORP). The former is a "defined benefits" plan while the latter is a "defined contribution" plan. In both plans, both employer and employee contribute, but the employer contribution rate for TSERS (5.33%) is lower than for ORP (6.84%). Faculty may choose between two health insurance plans. The State Health Plan provides traditional health insurance coverage under which the employee is free to choose any provider. Blue Cross/Blue Shield is the claims processor. The alternate plan offers limited choices among HMOs. This year, only a few HMOs are participating in the plan, with the result that many faculty and staff are returning to the traditional plan.

Prof. Bachenheimer distributed and discussed a table comparing salaries and the dollar value of benefits at UNC-CH with peer institutions. The data show that we rank at or near the bottom in all categories. He said this will have serious consequences in the future hiring of faculty.

Ms. Kitty McCollum, Associate Vice President for Human Resources (UNC System), went into more detail about the two retirement plans—TSERS and ORP. TSERS is offered to all State employees and public school personnel while ORP is offered only to faculty and senior administrators in the 16 institutions of the University System. She pointed out that the employer contribution rate to both plans is set by the General Assembly and cannot be modified without legislative authority. Ms. McCollum said that General Administration plans to ask the General Assembly to make improvements in ORP.

Ms. Laurie Charest, Associate Vice Chancellor for Human Resources (UNC-CH), discussed health insurance. The State currently pays 100% of the cost of employee-only coverage but does not contribute toward family coverage. This fact accounts for much of the disparity between UNC-CH and peer institutions. She also noted that HMOs participating in the State plan have shrunk from twelve to two and there is doubt whether the remaining two will survive. Thousands of State employees all across the State are switching to the State Health Care Plan. The constantly rising cost of health care is the major contributing factor to the turmoil. The General Assembly has made some attempts to lower costs by limiting or excluding coverage for certain "life-style" drugs and procedures. North Carolina's provision of health insurance coverage for retirees is good. Ms. Charest said that Jack Walker, Executive Director of the State Health Plan, is very open in asking for feedback and comment regarding the health insurance system, and for discussion of trade-offs. She said the faculty need to be clear about their preferences and to communicate them to Mr. Walker. For example, if one has to choose between higher costs or lowered benefits (such as increased deductibles), which would it be?

Professor Estroff commented that the University is not competitive with comparable institutions with respect to benefits. She asked about the composition of the Board of Trustees for the State Health Plan and whether University faculty are represented. Ms. Charest replied that the Governor, the Speaker of the House, and the President Pro Tempore of the Senate each make appointments to the Board. Professor Estroff said the faculty needed to be represented on the Board of Trustees and that she plans to speak to President Broad about that concern.

Prof. Vincas Steponaitis (Anthropology) said the there has been much discussion in recent years about how UNC-CH is falling behind our peer institutions in faculty salaries, but when the value of benefits is added to the equation the disparity is dramatically worsened. He asked if conversations with the General Assembly focused purely on salaries, or on total compensation including benefits. He felt it should be the total compensation. He asked if the University has authority to make improvements in the ORP independently of the legislature. Professor Estroff added the question of who was speaking on behalf of the faculty.

Chancellor Moeser said the University is hard at work on the matter of improving benefits. These issues will be discussed with the Legislature, and they need to be presented by all sixteen campuses as a united front.

Mr. Ridley Kessler (UNC Libraries) said the faculty should work together with other state employees on issues of health insurance.

Prof. Dennis Williams (Pharmacy) asked if there has been discussion of allowing employees to opt out of the State Health Plan and use some of that money to enhance retirement benefits. Ms. Charest responded that there has been discussion of the "cafeteria" benefits plan, but the statutory authorization excludes health care dollars and retirement funds. She thought the "cafeteria" concept is highly desirable but will require legislative authorization.

Prof. Douglas Crawford-Brown (Environmental Sciences and Engineering) said that in pressing for improved benefits, the faculty should bear in mind that other trade-offs would have to be made in the stiff competition for funding through the State budget.

Prof. Charles Daye (Law School) spoke to the need to develop hard data as to the consequences of our relatively low benefits. He asked whether we conduct exit interviews with faculty who leave for employment elsewhere.

Prof. Fleming Bell (Institute of Government) asked whether the dramatic decrease in HMO availability is due to local factors or is a national trend. Ms. Charest responded that we are experiencing a major realignment in the health care industry. The State has stringent requirements for participating HMOs, and, frankly, employees who have chosen the HMO option have tended to require more care than those who chose the traditional plan. Professor Estroff noted that any HMO bidding for participation in state employee coverage has to offer no less than the benefits provided by the State Health Plan.

Prof. William Smith (Mathematics) said one place to focus attention should be the matter of family coverage. In the next several years, we will be hiring large numbers of young faculty. Family coverage is especially important to families with young children. We will be competing with other institutions who provide much better benefits in that regard. He felt that this issue is more important at the moment than retirement benefits insofar as faculty recruitment is concerned.

Prof. Bachenhelmer said one approach would be to allocate some of the money available for salary increases to improve benefits instead. Ms. Charest said the legislative leadership has the impression that most employees prefer salary increases rather than benefits enhancement. When money is available, there are strong advocates for salary increases. Advocacy for better benefits has not been as strong.

Prof. Ronald Strauss (Dental Ecology) warned that choices in the "cafeteria" style might not be the best choices for future benefits. He considers the State Health Plan to represent the base minimum coverage. Prof. Bachenhelmer said that the State Health Plan is basically a good plan, but the problem is how it is financed. The same thing could be said of the Retirement Plan.

Prof. Pfaff asked if there could be an arrangement for the lowest paid employees to have higher paid health benefits. Ms. Charest said that would require statutory change.

Professor Estroff asked how the faculty might go about expressing preferences for different plans. Ms. Charest said Jack Walker would be very open to discussion and would come to the campus.

Chancellor Moeser urged the Faculty Council to express its view that total compensation is important. He said he would be pleased to transmit a resolution of the Council to those who make the decisions.

Prof. Ferrell observed that TSERS and the State Health Plan provide rather good benefits for employees who come to work for the University or the State at a relatively young age and remain with us until retirement. We continue health insurance coverage for retirees, and TSERS benefits are invariably increased commensurately with increases for active employees. Our benefits system does, however, present a serious problem when we are recruiting young faculty, who do not necessarily assume that they will remain with this institution until retirement.

Interim Vice Chancellor for Finance and Administration Jack Evans said that the most effective strategy would be for the faculty to position itself so that we show that we want something different rather than just something more.

The fact that there will be many new faculty hired in the near future, and many of the present faculty retiring soon, is a truly compelling argument for the future of North Carolina education.

Prof. Bell said reliable statistics will be the highly effective in talking with the Legislature, and the University needed to start compiling these numbers.

Adjournment

The business of the day having concluded, the Council adjourned at 5:00 p.m.

Joseph S. Ferrell
Secretary of the Faculty