

VANDERBILT UNIVERSITY FACULTY SENATE
MINUTES OF MEETING
SEPTEMBER 12, 2002

SUMMARY

PAGE

Call to Order

Approval of Minutes of March 14, 2002 and May 6, 2002

Remarks by E. Gordon Gee, Chancellor
Response to Faculty Senate Recommendations of Academic Year 2001-
2002

Presentation by Patricia Marett, Assistant Vice Chancellor for Management
Services
Comparison of Health Care Benefit Plans - see attached

Report of the Executive Committee
Report on Faculty Senate Retreat, August 21, 2002

Introduction of Executive Committee, Committee Chairs, and new Senators

Adjourn

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Senators present: Benbow, Booth, Conklin, Denison, Dobbs-Weinstein, Ely, Farran, Fleetwood, Fogo, Galloway, Goldfarb, Goldring, Greene, Haselton, Hawiger, Heyneman, Horn, Hudnut-Beumler, Innes, Lind, Link, McCarthy, McCarty, McGill, Morrow, Neff, Osheroff, Paschal, Perkins, Pitz, Ramsey, Saff, Salisbury, Sasson, Shepherd, Simonett, Smith, Swift, Tellinghuisen, Thompson, Victor, Ward, Wcislo.

Senators absent: Bess, Bond, Christie, Clayton [regrets], Conway-Welch [regrets], Corbin [regrets], Ely, Gabbe [regrets], Masulis [regrets], Oates, Strauss, Summar, Syverud [regrets], Wait [regrets].

Ex Officios present: Brisky, Gee, Gherman, Hall, Schoenfeld, Tuleen, Zeppos.

Ex Officios absent: Jacobson [regrets], Limbird [regrets], Scott, Spitz, Williams.

The meeting was called to order at 4:10 p.m. by Chair Virginia Shepherd. After receiving several minor corrections to the Minutes of March 14, 2002 and May 6, 2002, the Minutes were approved as corrected.

Chair Shepherd began the meeting by calling attention to the slide on the screen which displayed the new Faculty Senate web page. She indicated the hope that by the next meeting, all materials would be available on the Senate web site for the members of the Senate to download. This will replace the printed packets that are currently hand-delivered. All of the Minutes will be posted on the web site. Currently there are already categories for "Officers and Members" that show the Executive Committee, the membership of all of the committees as they currently stand, as well as the charges to the Senate committees. Eventually, we would like to have a bulletin board-type aspect to the web site so that we can begin to post comments, if you will allow us to post your comments.

In response to a question, Chair Shepherd said that she envisioned this information being available to all faculty not just to members of the Faculty Senate.

Chair Shepherd: I want to welcome all of you here today to our first Faculty Senate meeting of the 2002-2003 academic year. Before I introduce our executive committee and new senators, I want to make a few comments.

Last year our Chair worked very hard to establish a collegial and positive working relationship with our administration. Last year was in some ways a year of preparation, getting ready for the major decisions that we will face this year.

The University is facing new challenges that have the potential to change Vanderbilt in more significant ways than we have seen in recent years. Our Chancellor is beginning his 3rd year, we have a new Provost and Vice Chancellor for Academic Affairs, a new Vice Chancellor for Student Affairs, and several new Deans. We are poised to begin implementation of Residential Colleges at Vanderbilt, dramatic changes have been proposed for our Graduate School and for Graduate education, and we have seen the beginning of major transinstitutional initiatives that will alter how we conduct research and educate our students. Today we are beginning our meetings as the elected representatives of the only transinstitutional body that represents all of the faculty - from all schools at Vanderbilt. We are the deliberative faculty body of Vanderbilt, we are the faculty voice. We have been invited by Chancellor Gee, Provost Zeppos and Vice Chancellor Jacobson to enter into discussions about the major decisions facing Vanderbilt. I feel that we are entering a unique and new era with respect to the role of the Faculty Senate in University governance. It is our goal and obligation to decide how we want to work with the administration to shape the future of Vanderbilt.

In response to this challenge, the leadership of the Senate - executive committee and committee chairs and representatives - met with the Provost and Vice Chancellor Jacobson in a half-day retreat on Aug 21. I will be presenting more details of that retreat later, and you have a copy of the report in your notebooks. What I want to stress is that we now must take the initiative to show that we are willing and able to participate in the decision making process, and we must decide within this body how we as a Senate are going to participate in the discussions and planning processes.

That said, let me say a few things about the Senate, how it is structured, and how we function during the year. First, we are led by a very able executive committee: working with me this year are Ellen Goldring, Secretary; Matt Ramsey - Chair elect; Dale Farran - Secretary elect.

We meet monthly with the Chancellor and also monthly in a joint meeting with Provost Zeppos and Vice Chancellor Jacobson. It is during these meetings that we raise issues of concern, discuss the work of the Senate that must be addressed, and generally talk about ways that we as the representative body will play a role in governance. From these conversations, you will hear today about the proposed Committee on Committees, and possible ways that the faculty can work with the administration in drafting a strategic plan for graduate education at Vanderbilt.

Each of you as senators has been assigned to a specific committee within the senate. It is really within these committees that the true work of the Senate gets done. These committees have very specific charges and issues that will be researched and debated, with a final report and/or recommendation submitted during or at the end of the year. This year we plan to meet on a monthly basis with the chairs of the committees. Your individual committees will meet on a regular basis, as determined by you and your chair. Your chair will then report at each faculty senate meeting. At this time I would like to introduce the chairs of our committees and ask that they stand:

Jay Clayton (A&S) - Academic Policies and Services

Jim Ely (Law) - Professional Ethics and Academic Freedom

Rick Haselton (Engr) - Student Affairs

Larry Swift (Med) - Benefits and Non Academic Affairs

Mary Ann Horn (A&S) - Senate Affairs

There are a total of 48 senators. Each of us serves for a term of 3 years. We therefore have 16 new senators every year. At this time, I would like to ask that each of the new senators introduce himself or herself and tell us your school and departmental affiliation.

Next on the agenda - Remarks by Chancellor Gee, and his response to the Faculty Senate Recommendations from May of 2002.

Addition to the agenda - I want to introduce Patricia Marett who will discuss briefly proposed changes in the Health Benefits Plan.

REMARKS BY E. GORDON GEE, CHANCELLOR

Chancellor Gee began his remarks with a welcome to returning and new Senators and expressed his appreciation for their service to the University through the Senate. He emphasized his willingness to work closely with the Executive Committee and stressed his appreciation of their diligent work. He spoke of this as a time of transition and one that he hoped would be a positive time of transition.

Chancellor Gee then responded to the list of three Senate recommendations which he had received from last year's Faculty Senate.

1. Recommendation: "Cafeteria benefits": a "basket" of a set amount of dollars per month employees may parse out to area they wish. (Some benefits would remain non-negotiable, and the tuition benefit, since not part of the basket, would have to be counted as a separate benefit.)

Chancellor Gee's response: "We are currently in the midst of a search for a new Associate Vice-Chancellor for Human Resource Services. One of this Associate Vice-Chancellor's first assignments will be to evaluate the option of a Cafeteria Benefits Plan while in direct consultation with the Business and Non-Academic Affairs Committee of the Senate. We must ensure that any such plan, if implemented, is neutral in its effects on our budget, especially since we face increases in cost in so many other areas of benefit, particularly health care. (More on that issue in a moment.)"

2. A new professional doctorate degree in Audiology (Au.D) to replace the Master of Science degree currently offered by Vanderbilt. The new program would be a cooperative effort of the Department of Hearing and Speech Science, the Department of Communication Sciences, and the Bill Wilkerson Center.

Chancellor Gee's response: "I fully endorse and concur with this recommendation, which I think represents very well Vanderbilt's emphasis on interdisciplinary centers and concentrations of study on campus. I applaud that recommendation and look forward to 'having it land on my desk'."

3. To co-ordinate University Standing Committees out of the Chancellor's Office, in order to centralize information, to initiate the process whereby such committees are appointed, to develop and implement a timeline for the appointment process.

Chancellor Gee's response: "One of the things that the Executive Committee and I discovered over our last two years is that we have a number of committees, standing and otherwise, that are working on behalf of the University. The problem is the fact that they don't communicate very well with each other, sometimes we have two committees doing the same thing, sometimes we have a University committee and a Senate committee - what we hope to do is do away with all of that conflict and potential conflict by developing a set of University and Senate committees which makes absolute sense. So, with the concurrence of the Executive Committee, I am going to establish an ad hoc committee that is charged with taking under advisement the general matter of University Standing Committees. This committee should produce an omnibus review that examines more extensively the relevancy, purpose, constituency, and administration of Standing Committees. I would expect this ad hoc committee to issue a report on the matter no later than April, the end of this academic year. I ask the Senate to present me with a list of faculty members to serve on this committee as soon as possible. I look forward to this, I think it will save a lot of time and energy and will develop clarity in terms of the committee structure of the University and make it a more powerful set of structures in which we can operate.

There are several other issues that I would like to address quickly: the Provost and Vice Chancellor for Health Affairs have sent out a draft memorandum regarding graduate education. I urge all of you to look at it and carefully review it. The faculty played such a large role last year in research and preparing the ground for our approach to this issue. Now, as a University, we must focus on our goal of transforming graduate education and execute that very goal. I have made it clear to all of you that I believe that this is our most significant challenge at this institution is the improvement of graduate education. It is also our most significant opportunity, because, clearly, in terms of undergraduate education and professional education, we are at the top of our game so to speak. But we certainly have a road to go in terms of improving the quality of graduation education in general clearly with the fact that we have a number of graduate programs that are distinctive and world-class and we continue to support and preserve those.

In my speech to the Faculty Assembly, I noted that this is a time of interesting challenge for the University. If one takes a look at the University's budget, I can tell you that the health of the University could not be stronger. In a report to the Board of Trust, in terms of the University's bottom line this year that we met and exceeded our expectations, the hospital continues to perform at a very high level, one of a few academic medical centers in the country that is not in the red, for which I am grateful and all of you should be grateful also. We are one of a few institutions in this country that had its bonding authority upgraded. As you know, this is not a time in which Moody's or S&P are upgrading anyone's bonding authority and certainly ours has been. Our fund raising is going very well in deed. We have had some of our best fund raising months in the history of the University over the last several months. So all of that sounds very good. The

one problem is the fact that there is tumult in the equity markets and we have a very large endowment and our endowment, like many others, has suffered somewhat from the vicissitudes of this market environment. We roll our pay out from our endowment over a three-year period. And as you know, for the first time in several decades, we had two years of a down market. We're potentially looking at a third year. That means, that next year that the pay out from our endowment will be somewhat less than what it has been this year. This does present us with a challenge. How are we meeting that? We are engaged in prudent review of all aspects of our University administrative structure to see how we can contain costs and save money. Our intent, and indeed my intent and that shared with the Vice Chancellors, is that we will continue to support and increase our support for the academic core of the institution, that being, of course, our students and our faculty and those programs that we have dedicated ourselves toward and those that we propose will continue to be supported. But it does mean that in a time of budgetary constraint nationally, we are going to have to be prudent in terms of how we deal with our resources.

And that brings me to the final issue which you are going to hear about today and that is the rising cost of health care. Vanderbilt University, and you will see this from Patricia Marett's presentation, has and will continue to have one of the best benefits packages in the country. I believe in that. We believe in that. We believe that all of us who work here are worthy of that. Saying that, our health care costs have started to rise again. In the early 1990's health care costs went up rather dramatically and then they flattened out for about four or five years. Then, all of a sudden, we have seen them spike again. Last year there was an increase of over \$11 million. We just simply ate that and said that we would not seek any increase in terms of contributions from faculty or staff. This year we see another dramatic increase. We have a proposal which will, hopefully, level out our health care costs and meet the needs of where we are. You must be clear that the University cannot continue to take up that portion of that health care cost without passing some of that along to its faculty and staff. That is not meant to be a warning, it is just meant to be a fact that we will have to deal with. But as I said to you at the beginning of this school year, as we look to the future, it's a chance for us to focus on the things that we do well, a chance to us to execute the plans that we have and, most importantly, it's a chance for us to continue as I said in my Faculty Assembly speech to be very predatory. This is an opportunity for us to snare great talent at the student level and certainly at the faculty level. Success in that area will answer many questions in terms of some of the other challenges that we have. Any questions.

Senator Hawiger: What specific impact of the equity market have on the budget next year? Chancellor Gee: I think that what we are going to have to do is probably, in terms of the administrative units of the University, going to have to look at funding of only about 97% of where they were. That means that we'll have some budgetary reallocations. We call it the reallocation support of our academic core. You will notice, that in a number of private institutions, that put

freezes on, cut back on hiring, cut back on a number of things. Fortunately, because we have been a conservative institution in the upside, we can be conservative in terms of the downside too. But we are being very prudent, we are doing that this year, not because we have to but because we want to try to make certain that we are in a very strong position. Hopefully by the time that some of these things happen, that the Dow will reach 30,000 and we'll all be very happy. Even if that happens, even if we have a major uptick in the markets because we had rolling three-year average, we've had two down years so no matter what happens in the markets next year, we will still have to deal with fewer dollars coming from our endowment over the next several years than we have had over the past several years.

Senator Ward: What is your view of tuition increases? Chancellor Gee: The way that we fund this University is funded through four or five bases - one is obviously through tuition. We have vast numbers of students who want to come here. The problem is that we attract the wealthiest of students - those who can afford to come here - they are also obviously very bright, but we need to make certain that we have students who come here because they can come here not because they can afford to come here. So we are going to have to be prudent in terms of our tuition increases. We have moderated our tuition increases as the Provost will tell you over the last several years. You know, we could cover any of these deficits by just simply raising the money and putting it on the backs of our students. That is not the way that we should run the institution so we're trying to balance that out.

Senator Link: Do you have a specific goal in mind about how much this shortfall might be passed on to the individual schools? Chancellor Gee: I don't believe in ETOB. We have a new integrated financial planning system. The truth of the matter is that our intent is to take the majority of any kind of shortfall that we have out of the administrative units, of which I am one. I'll be the first to give. We hope that this will be something that will be fairly non-visible. This doesn't mean that we are fat at this institution. In fact one of the things that I should have brought - and I didn't have time to show the Executive Committee - we take a look at all of the comparative costs of administrative structures among like kinds of institutions. Vanderbilt has about the third lowest administrative costs among the any of the institutions among the eight ivies - Stanford, Washington University, Tulane, Duke. We have a very low cost administrative structure so any time that we take money out of it we're squeezing ourselves. But that is our intent. I don't intend to do what Dartmouth did which was to announce that we are going to do all kinds of things and get everyone riled up about it. We don't need to do that.

Senator McCarthy: I personally am elated on all of the emphasis being placed on graduate education, I think it is long over due. But there is another side of me which continues to be interested in undergraduate education and one of the things that I noticed over the years is that undergraduate education

produces an income and graduate education consumes income. And so, while I'm elated at the prospects for the future, I'm wondering whether this emphasis on graduate education might lead to some tensions with the undergraduate mission of that income.

Chancellor Gee: In terms of budgetary reliance or just in terms of general academic tension? Senator McCarthy: That's just it - we have to be prudent in terms of investment of our resources and we need to continue to be competitive at the undergraduate level but at the same time the national and international profile of these students will rise in the graduate and professional level.

Chancellor Gee: I think that the answer to that is that our intent is to have a true balance between the undergraduate and graduate students. The faculty of this institution by and large in my conversations with all of you over the last two years is very unusual. Our faculty have absolute dedication in terms of the research and writing, laboratory work that they are doing. They have an unusual dedication to the undergraduate program. I think, by the way, that is what is going to differentiate us. And I think also that what we have been doing in terms of talking about our residential college system and a variety of other things, that we are trying to dissipate that natural tension that exists between teaching and research between undergraduate and graduate programs. So we no longer think of it as K through 12, then undergraduate and graduate. We think of it as K through life and that there is a seamless system. The integration, by the way, of our professional schools into our undergraduate programs and our undergraduate programs into the trans-institutional initiatives which are almost all graduate, means that those issues are going to be much less of a problem in terms of budgetary constraint and more of mutually supportive one. Now, I know that sounds a little "pie in the sky" - actually it's working here. Much of it is because many of the people here actually believe in that kind of an approach. It's an issue to monitor, not an issue to worry about.

Senator Paschal: Could you tell us about the Schulman Center and how it relates to the campus?

Chancellor Gee: The Schulman Center will be dedicated in October. The University was very instrumental in helping to create a center for Jewish life on this campus for two reasons. One is the fact that the Jewish community, both inside and outside of the University, came to us and said that they wanted have more of a presence on campus. Secondly, if one takes a look at the diversity of this institution, among the top 20 institutions, we had some work to do in terms of a number of our patterns of diversity. Although I will tell you today that the *Journal of Black Issues in Higher Education* just came up with a report that shows that we are the fifth friendliest institution in the country to African-American students. They did a very constructive way that they took a look at this - it wasn't a popularity poll or something else. The purpose of the Schulman Center is to be a center for Jewish life but also for University life. It sits next to

Branscomb, across the street from the Sigma Xi house, already because of the fact that they have a wonderful vegetarian buffet, it has been very open to the public. This is creating another way for us to integrate our social structure. Vanderbilt has many wonderful attributes. One of the things that we need to concern ourselves about is that our social structures tend to segregate our students more than they should and this is an opportunity for us to make a difference. The Center itself will have a very much of an integrated aspect in the institution. In fact the second floor is being rented to the University so that we can Student Life activities in, so it's going to be very much a part of the broader campus student life program.

Senator Sasson: Basically it's a matter of consciousness-raising. I think one of the most interesting things about Vanderbilt is that it is a place where people can enjoy and speak about the things that keep us different as well as the things that keep us the same.

Chair Shepherd: We have one addition to the agenda that you have in front of you. We have with us Patricia Marette who is going to give us a short report on proposed health benefit plan changes.

PATRICIA MARETT, ASSISTANT VICE CHANCELLOR FOR
MANAGEMENT SERVICES

Ms. Marette: I am here to tell you about the increased health care costs in 2003. This is not a good news story but it is an issue that needed to be addressed and we have tried to do so diligently.

What is the challenge? Health care costs at Vanderbilt have increased 32% last year, 21% the year before that and we are projecting another 31% for the coming year. This means that claims are expected to exceed premiums by \$10.2 million, even with us budgeting a 12% increase.

Why are our costs increasing? Pharmaceutical costs alone have increased at the rate of 20% per year, mainly spawned by good marketing campaigns for drugs like the purple pill and new drug therapies like Viagra. Technological advances in everything from organ transplants to artificial limbs are making great strides, but also create new health care costs. And as medical advances keep us alive longer, we require more health care, thereby increasing costs.

How do we compare? At Vanderbilt, faculty and staff currently pay 11% of the cost for employee coverage and that compares to 20% nationally. We pay 17% of the cost for family coverage, the national average is 30%. From a blended rate perspective, faculty and staff pay 13% of the cost of health care coverage and the national average is over 25%. So you see we have some room to move here.

So what do we do? In good Vanderbilt tradition we formed a committee - the Health Care Cost Containment Committee has met weekly and diligently for the last two months. The Committee is comprised of the following: Jim Bracikowski, Assistant Professor, Adult Primary Care; Nim Chinniah, Associate Vice Chancellor for Administration; Ken Galloway, Dean of Engineering; Deborah Janke, Director, Financial Planning & Budgeting; Patricia Marett, Assistant Vice Chancellor for Management Services; Richard McCarty, Dean of A&S; David Posch, Chief Operating Officer, VMG; Cathy Snyder, Senior Accounting Manager; Pat Temple, Clinical Professor of General Pediatrics; David Tuleen, Associate Provost for Administration; Rick Wagers, Senior Vice President, Finance and CFO VUMC; Mary Yarbrough, Director, Health and Wellness. The Ex Officio members are Jane Bruce, Director of Benefits; Jerry Fife, Interim Associate Vice Chancellor for HRS; Director, Contract & Grant Accounting, Student Accounts & Student Loans; and Donna Thomas, Senior Director, HRS.

The Committee recommended the following strategy to cover the shortfall: the biggest contribution to covering costs, \$8 million, came from changing the plan design by adding or increasing deductibles, changing co-payments, and co-insurance. Pharmacy costs were shifted to a three-tier formulary, which you will see when we look at the numbers. (Ms. Marett presented a slide which was represented in the hand-out distributed at the meeting and attached to these Minutes.)

The second source of cost reduction, \$1.6 million, came from increasing faculty and staff contributions from the current blended rate of 13% to 18%. Other savings of \$750 thousand were generated by consolidating our stop loss insurance.

Ms. Marett then referred to the hand-out which showed a comparison of the faculty and staff portion of the premiums in 2002 with the new rates for 2003. She noted that the decision was made to level the playing field between the plans and the rates for Blue Cross Preferred, United, and Vanderbilt Preferred are all the same. So for employee coverage, you will pay \$41 a month no matter which of the three plans you select.

Also, a new plan was added, Blue Cross Select, which is available at a significantly lower monthly cost, but as you will see has a different plan design and more out of pocket costs. The Blue Cross Select plan is not just catastrophic coverage. It does not limit medical care. It does have a smaller network of providers to choose from, and it has higher out of pocket costs, should medical care be needed.

Why did we neutralize the plans and make all of the premiums the same for the big three? In our current situation 73% of our population is enrolled in United Health Care. This leaves Blue Cross Preferred and Vanderbilt Preferred in what our consultants call a "death spiral." By leveling the playing field we

allow people to choose based on the network they prefer not based on cost. This also gives us a chance in the coming year to compare "apples to apples" and determine which plan works the best and is the most efficient.

We have kept the co-pay for well care, or preventative care, at \$15, in order to promote healthy behavior, such as immunizations for children, routine physicals, mammograms, etc. The co-pay for office visits is slightly less if you go to Vanderbilt in United Health Care and Vanderbilt Preferred. It's \$20 versus \$30 elsewhere. The co-pay for Blue Cross Preferred is \$25 in network - simply because they didn't have the technology to split it 20/30 as we requested. The new Blue Cross Select has a \$15 co-pay for preventative care but all other physicians' visits are charged directly to the deductible, until the deductible is satisfied, and then co-insurance applies.

Looking at deductibles and co-insurance, the biggest change you will notice here is that United Health Care now contains a deductible and has a provision for co-insurance. So, while you still have a co-pay for a physician's office visit, if you go into the hospital or have diagnostic work you must satisfy a deductible and then the insurance will pay 90% (in network) of the charges, until you reach your out of pocket maximum. The deductibles for in network and out of network are the same across the plans with a slight variation in Vanderbilt Preferred.

The same thing is true with co-insurance, with the plans paying 90% for in network and 60% for out of network, until you get to the new Blue Cross Select plan which pays 60% in network and only pays 40% out of network.

Again the maximum out of pocket is the same across the plans, \$2,000 for an individual or \$4,000 for a family in network, and \$4,000/\$8,000 out of network, with the exception of Blue Cross Select which has a higher maximum of \$3,000/\$6,000 in network and \$6,000/\$12,000 out of network.

All plans will now have a three-tiered formulary for pharmacy costs. (Note that Blue Cross Select also has a \$100 deductible that must first be satisfied.) For Retail purchases the cost is \$15 for generic or tier one drugs, \$30 for brand or tier-two drugs, and \$45 for tier-three or for what was explained to me to be designer or quality of life drugs. For Mail Order (and by the way you get a three month supply as opposed to a one-month retail purchase when you use mail order) the cost is \$30 for generic, \$60 for brand, and \$90 for tier three.

Where do we go from here? We keep working on it. We need to explore such options as medical management programs, for example where everyone with a chronic disease, say asthma, is enrolled in an on-going preventative management program that keeps them healthy and keeps costs lower. I learned at a meeting today that 19% of our population has a chronic disease and this accounts for 47% of our claims' cost. If we could better manage the care of

those with chronic illness, we would significantly reduce these costs not to mention improve the quality of life for people with chronic diseases.

You should understand that the changes this year, even though they are extensive, will not be a solution to the problem. Costs are projected to continue increasing and we will need to constantly watch and evaluate in order to continue providing quality care at an affordable cost.

Senator Link: What is the cap on the private medical accounts that we set up for ourselves? Ms. Marett referred this question to Ms. Jane Bruce, Director of Benefits, who responded that the personal spending account is \$3,600 a year. Senator Link: Will that be raised as a partial compensation for the increase in costs that we might incur? Is there some way that that could be adjusted upward? Ms. Marett: That's a good question but I think that that is federally mandated, is that right, Jane? Ms Bruce: It is not federally mandated but because it has to be treated like insurance it would be at an increased cost to the institution so at this time that has not been on the table. Ms. Marett: But that's a great point and something that the committee could take a look at.

Ms. Marett concluded her remarks by inviting everyone to go to the Human Resources' website for more specific information regarding individual questions.

REPORT ON THE FACULTY SENATE RETREAT

Chair Shepherd: The Executive Committee met with the Chairs or their representatives on August 21, 2002 with the participation of Harry Jacobson, Vice Chancellor for Health Affairs and Nick Zeppos, Provost and Vice Chancellor for Academic Affairs. The overall goal of this meeting was to define the role of the Faculty Senate in this time of dramatic change at Vanderbilt. The administration has expressed the view that they wish the Senate to be more actively involved in decisions facing the University. Just what this involvement implies and what issues the Senate wishes to tackle were the main topics of discussion. The retreat began with an overview of the three specific objectives for the retreat: to define the larger issues facing the University and the Senate, to assign specific projects for this academic year to the five standing committees, and to discuss the changing role of the Senate in the context of the dramatic changes occurring at Vanderbilt University and the directions that the University is taking. The Senate members met from 10:00-12:00, then spent two hours in conversation with Provost Zeppos and Vice Chancellor Jacobson. The Senate participants then concluded the session refining drafts of specific charges for each Senate committee from 2:00-3:00.

By definition the Faculty Senate is a deliberative body, which makes recommendations to the Chancellor and the Academic Officers of University Central and the Medical Center. The statement from the Code of By-Laws reads:

"The Senate may, under the Constitution, be vested with the power to review and evaluate the educational policies and practices of the University (including policies and procedures to be applied in cases involving conscience or academic freedom); to make recommendations concerning them to the Chancellor, and through the Chancellor to the Board of Trust; to discuss and express its views about any matter affecting the University to any individual, faculty, or other group within the University; and to facilitate communication among the faculties, the Chancellor, and assisting officers."

The University is currently facing some dramatic changes that will affect not only graduate and undergraduate education at the University, but how faculty interact. Our new trans-institutional initiatives demand cross-institution deliberations, discussions, and decisions. The Faculty Senate is the only trans-institutional body representing all of the faculty at Vanderbilt, and therefore is an important conduit for the administration in considering strategic directions and initiatives. How we interact with the administration in facilitating discussions and defining key directions for the future was the underlying theme of this retreat.

A number of strategic initiatives and subtopics were identified during the retreat. Both Provost Zeppos and Vice Chancellor Jacobson were in agreement with the Senators as to the major issues identified. It was suggested that the Senate prioritize these topics, with Residential Colleges, Trans-institutional Initiatives, Graduate Education, Faculty Life, and Process and Governance as the major initiatives to be deliberated this year within the Senate. The five specific topics and subtopics and Senate committee assignments are:

I. RESIDENTIAL COLLEGES

The administration now plans to have the first residential college completed for occupancy by the fall of 2006. The Provost's ad hoc steering committee on residential colleges will be focusing this year on planning this first college, which will probably be located on Alumni Lawn. The ad hoc committee will work in close liaison with the Senate's Student Affairs Committee. Topics for this Committee include:

- Faculty involvement, including faculty compensation, selection, rewards, junior versus senior faculty (the Student Affairs Committee will serve as a subcommittee reporting to the ad hoc steering committee)
- Student life, programming, facilities, and dining (the Student Affairs Committee will consult with the relevant subcommittees appointed by the Provost)

II. TRANS-INSTITUTIONAL INITIATIVES

Trans-institutional initiatives have become a priority at Vanderbilt University, as evidenced by the creation of a number of inter-school programs and establishment of a \$100 million Academic Venture Capital Fund (AVCF). During the first two years of this program, over \$20 million has been invested. The Academic Policies and Services Committee will work closely with the administration and relevant committees and task forces, with specific attention to the following issues:

- AVCF programs and initiatives

Role of faculty in selection of targeted programs
 Transparency of the application and review process
 Evaluation/assessment of "success" of programs

- Review of current strategic plans of the various schools and colleges, with specific attention to trans-institutional initiatives, and the practical implications of and key issues with regard to sustainability, cost sharing across schools, and the role of the faculty.

III. GRADUATE EDUCATION

Since the retreat, a memo has been circulated to all faculty from Provost Zeppos and Vice Chancellor Jacobson in reference to Graduate education at Vanderbilt. The memo calls for the creation of a Graduate Education Task Force to develop a detailed Strategic Action Plan by January 15, 2003. The Academic Policies and Services Committee will work closely with this task force as they define the future of graduate education at Vanderbilt.

Additional sub-topics include:

Potential new interdisciplinary programs vs current programs
 Quality of graduate and professional student life (Student Affairs Committee)
 Quality of graduate programs
 Faculty role in deciding future of existing graduate programs

IV. FACULTY LIFE

The current status of faculty life at Vanderbilt was viewed as a major issue, with reference to the following specific issues:

- Communication within faculty communities
- Retention, compensation, and support of current faculty
- Equity in compensation and hiring
- Morale

V. PROCESS AND GOVERNANCE

- It was emphasized in our discussions that the Faculty Senate should play a more substantive role in planning and selection of academic programs, policies, and initiatives. Definition of how the faculty and the Faculty Senate will work with the University administration was a constant theme. Specifically, the Academic Policies and Services Committee should function as a liaison with the administration, with the Graduate Faculty Council, and with all ad hoc and other committees relating to academic policies and programs.
- Last year the Senate Affairs Committee recommended that a Committee on Committees be formed by the Chancellor in consultation with the Senate to review the status of standing and ad hoc University committees (Senate Affairs). It is recommended that the Chair of Senate Affairs should be a member of the Committee on Committees. This committee will specifically examine the following:

The reporting structure and charge of each committee
Faculty Senate representation on all University ad hoc and standing committees to promote communication with the committee structure.

- When an ad hoc committee is formed and a charge is determined, the Faculty Senate should be notified and a liaison from Senate appointed (e.g. Strategic Health Care Cost Containment Committee).
- Enhanced communication between the Faculty Senate and the Faculty Councils of individual schools and the Staff Advisory Councils.

INTRODUCTION OF SENATE COMMITTEE CHAIRS

Chair Shepherd then introduced each of the Senate committee chairs who spoke briefly about the charges their committees would be studying this academic year.

Senator Rick Haselton, Chair, Committee on Student Affairs (StuAff), emphasized the importance of having Senator Matt Ramsey as the Executive Committee liaison to the StuAff Committee because of his involvement with the issue of residential colleges, which will be an important committee charge this year. He credited Senator Ramsey with laying the groundwork and history behind some of the previous discussions related to residential colleges at the Student Affairs Committee meetings last year and reiterated his pleasure at working with him and the StuAff Committee again this year. The StuAff Committee will take on the charge of defining Faculty Involvement in Residential Colleges, including faculty compensation, selection, issues related to promotion and tenure, etc. As a result of discussions during the Retreat, it is recommended that the StuAff Committee act as the subcommittee on faculty involvement for the

Residential College Initiative. Also, during the past academic year, it was recommended by the Senate that this committee continue to monitor the planning and implementation of residential colleges in the coming years.

The second major charge is on the issue concerning graduate education. StuAff is charged with looking at the quality of graduate and professional student life. I think that there was a number of us who felt like there was a lot of effort put into examining undergraduate issues, perhaps not so much effort put into graduate and professional life on campus. We thought that this was a very important factor in why students would choose Vanderbilt and continue their professional development here. I know it has a big impact on research and progress and other aspects of the University and we felt that this was very important to consider.

Senator Mary Ann Horn, Chair of Committee on Senate Affairs (SenAff): I was present at the Faculty Senate Retreat which turned out to be more fun than I expected for a 5 hour meeting. This year I will be chairing the Senate Affairs Committee which is concerned with matters that pertain basically with the functioning of the Senate. There were a number of things that came up out of the Retreat, part of them based on some of the things we had looked at last year. One of them was the issue of Senate Committee Structure. With the University revisiting the idea of committees with their committee on committees, we thought that one of the things that we really need to review the current set-up of the standing committees and their charges. We would like to revisit what issues each committee is supposed to look at, maybe reassign issues, and maybe add or even create another committee to handle another set of issues that come up that don't seem to fit into one particular category.

The other issue that came up last year was the voting status of the deans. The ex officio membership is very closely related to the voting status of the deans. Last year, one of our recommendations in the SenAff Committee was to consider a change in the Charter, in part because it was felt that representation on the Faculty Senate should be limited to elected faculty - at least voting representation. And also that the deans voting membership seemed inconsistent with the fact that the Chancellor has no vote. We want to go back and look at that issue again in consultation with the deans and with other faculty among the Senate. The ex officio membership comes up because of tremendous increase in administrative positions and, on occasion, it seems that some of them are given ex officio membership without an actual vote of the Senate. So we want to revisit who should really be at the Senate and involved with the Senate.

We have some standing charges including tracking attendance, seeing if people are actually involved in the Faculty Senate, tracking motions, recommendations, and resolutions for the year. And the SenAff Committee also deals with things like constitutional issues that come up during the year.

Responding to a question as to who may attend a Faculty Senate meeting, Senator Horn indicated that there is no regulation that says that the Senate can't have non-Senators attend. And she mentioned that, last year, several people were invited to attend who would not typically be at a Senate meeting.

Chair Shepherd interjected that the Senate meetings are open to all faculty and that the Chair of the Senate can, in fact, call Faculty Assemblies at any time. The Chancellor would preside at these meetings. So, while there is one (assembly) in the fall and in the spring, in fact there could be others during the year. If we pass something that calls for a faculty vote, then, of course, we would call a Faculty Assembly.

Senator Ramsey: We are also engaging in an outreach plan. We are planning to ask the deans of each of the schools which have faculty councils to allow a representative from the Senate to come on a regular basis and talk about what is going on in the Senate. One result of that, we hope, will be more awareness of what is taking place here and possibly a somewhat larger turn-out. We have also talked about inviting the chairs of the faculty councils to come and attend our meetings. We hope this will have a snowball effect in making people more aware of what is happening.

Senator Larry Swift, Chair, Committee on Business and Non-Academic Affairs (BNAA): Continuing on a recommendation from last year, the BNAA Committee this year believes that a cafeteria-type benefits plan offers great potential benefits for the faculty and we encourage Human Resource Services to elaborate a plan for cafeteria-type benefits in consultation with the BNAA Committee. The BNAA Committee will work closely with Human Resources on the proposed increase in health care benefits cost and will communicate on a regular basis with the University Benefits Committee and appoint a liaison to meet with that committee.

Senator James Ely, Chair, Committee on Professional Ethics and Academic Freedom (PEAF): I would like to give you a brief preview of the committee's work this year. First, I should note, I will be chairing the committee in the fall semester. I will be on leave in the spring semester and so Senator John McCarthy will be chairing the committee. The primary responsibility of PEAF is to act as a grievance committee. But it is important to bear in mind that a few years ago, the jurisdiction of PEAF was significantly altered. It now hears faculty grievances that do not pertain to questions of promotion and tenure. As a result, we have a not insignificant but still a diminished jurisdiction over faculty grievances. I should point out that there were several potential grievances last year. I believe that a few of them have, in fact, now been resolved. There is one outstanding grievance matter that the committee may have to deal with at some point in the relatively near future. Thus, as I say, our primary responsibility is as a grievance committee.

In addition, the Conflict of Interest policy for the University is still under deliberation, and will probably come before PEAf this year for further review.

Because the duties of PEAf were, in a sense, diminished by contracting the area of grievance responsibility, one of the recommendations that came out of the Faculty Senate Retreat was that perhaps the duties of this committee should be extended to include certain issues of Faculty Life, such as retention policy and faculty morale and equity in compensation. These matters have already been alluded to however, and at this point, they would seem to be within the purview of the Senate Affairs Committee that would ultimately be establishing a new charge for this committee. I don't believe that PEAf should be in the business of establishing its own jurisdiction.

Lastly, I should point out that the responsibilities as officially stated in the relevant governing documents are a bit out of date because they contemplate that PEAf will be acting as a grievance committee to handle tenure matters and appointment matters which they no longer handle and I would certainly recommend that the Senate Affairs Committee bring in a revised statement of our jurisdiction.

During a brief discussion following Senator James Ely's presentation of the charges to be studied by the Professional Ethics and Academic Freedom Committee (PEAF) this year, the question was raised why the purview of the PEAf Committee includes faculty retention but not faculty promotion and tenure. Senator Ely responded that as far as the promotion and tenure business, that spoke to the committee's grievance capacity. Provost Burish changed the handling of grievances pertaining to those matters some years ago. It was simply a recommendation growing out of the Faculty Senate Retreat that the jurisdiction of this committee is perhaps somewhat underutilized and therefore some issues might be referred to them that fall within their purview. It seems to me that you could suggest that faculty retention issues might speak more to questions of morale and compensation as distinct from complaints with respect to how tenure and promotion issues are handled. But I realize that we are not drawing a bright line here.

With regard to another question regarding promotion and tenure, Senator Ely replied that they were moved to an entirely new committee framework, a University committee, which is established directly under the Provost's office. As I understand it, and I can only speak from experience having served once on this committee, there is a more or less permanent chair of that committee and then members of the committee are appointed on an ad hoc basis through the Provost's office in consultation with the chair of that committee to serve on grievances dealing with tenure and promotion. It has been removed as a Faculty Senate function.

Chair Shepherd: The chair serves for two years and it's a December to December period of time and I, in consultation with the Provost and Vice Chancellor and Chancellor, will come up with a recommendation for chair this December. The chair and the committee members are not known.

Senator Conklin: Was that change made in consultation with the Senate?

Senator McCarthy: I served on the PEAFF Committee the year this change occurred but the committee had a lot of work to do so my memory is blurred on this. What I do recall is that it was deemed to be not a clean way of dealing with tenure and promotion cases which involved some factors which really needed to be dealt with in great confidentiality, even more so than was possible through PEAFF, and so it was consolidated in the Provost's office.

Senator Conklin: I think we are all aware of the dangers in appointing ad hoc committees on a case by case basis. I wonder is this an issue that the Senate might want to study?

As it was explained, since there is no standing committee for promotion and tenure grievances, Senator Conklin proposed a **MOTION** which requested that the PEAFF Committee study the issue of how grievances of promotion and tenure are handled at this institution. The **MOTION** was seconded.

Senator Fogo: I would like to make a point and ask a question. I think that the key issue is who chooses the members of the ad hoc committee. If the chair of the grievance process is chosen with consultation and real input by the Chair of the Faculty Senate with the other administrative leaders, and that chair is empowered to make choices of the membership, then I think it could be a very valid process and we could avoid the problem of having permanent members who might be severely in conflict with the person who is doing the grievance. I know that it might be very difficult to have a permanent membership that would adequately be removed from the very difficult grievance process. I think that is the key information that I would like to know.

Senator Ramsey: The Chair of the Senate helps to choose the chair of the process. The chair of the process forms the ad hoc committee in consultation with the Provost for University Central or the Vice Chancellor for Health Affairs in the Medical Center, unless one of them is a direct party to the grievance.

Senator Fogo: Then I think that that process seems to be very fair and thoughtful since it is a person who the faculty here through its Chair of the Faculty Senate supposedly would approve of - it seems to me from what you said, that if the Chair of the Faculty Senate strongly opposed or vetoed a person as not being capable of handling that delicate task, that that person would not be appointed.

Senator Sasson: Perhaps all of these issues can be discussed within the PEAFF Committee.

Senator Ely stated that he would be very happy to raise that issue with the PEAFF Committee at a meeting, but he suggested that, what with the change only recently having been made, he was not optimistic about the University's reception. **THE MOTION WAS PASSED BY A VOICE VOTE.**

Senator Jay Clayton, Chair, Committee on Academic Policies and Services (APS) was unable to attend this meeting. Senator Denison spoke on his behalf after expressing his gratitude for Professor Clayton being willing to again undertake the duties of the chair of this committee for another year.

Senator Denison: After giving a brief description of the various concerns of the APS Committee, he went on to present the charges for the committee this year. The APS Committee are (1) to review strategic plans from University Central, the Medical Center, and individual colleges, (2) to review the status of Graduate Education. There were reports last year from a select committee as well as a good discussion at the end of the year of the issues of Graduate Education. This is still an open policy and we have all received a memo on Graduate Education which outlines many of issues that came from those reports. But this is still clearly a very important and ongoing issue and we will be reviewing that. The nature of that review will be interactions with other committees concerned with graduate education and the nature of that review has yet to be determined. And finally, the Academic Venture Capital Fund - how this is going to interact and what committees it will interact with is not yet clear but to review current programs funded through the Fund, to look at future programs and directions and the role of the faculty in selection of targeted programs, transparency of the application and review process and evaluation/assessment of "success" of programs.

Senator Dobbs-Weinstein raised a question with regard to the memo circulated by Provost Zeppos and Vice Chancellor Jacobson to which Senator Denison responded "I've reviewed it and the document mainly and elegantly reiterates the major areas of concern that have been raised. I think what we will be looking at are those issues and the practical implications and implementations of those programs. I think it is at the stage now of the transition from recommendations to looking at which ones can actually be implemented and in what sequential fashion. I think that is the nature of the plan that would be derived.

Senator Sasson: Actually, isn't it much more advanced than that because it says right here we will soon be announcing some initiatives. It seems like it's a done deal.

Senator Ramsey: The original charge to the APS Committee was written before anybody on the faculty, including the Executive Committee, had seen any version of this proposal so yes, it does change the terms of conversation.

Chair Shepherd: I didn't get a chance to show this but I'll go ahead and do this now. There is a strategic task force that has been appointed including the people listed here. This task force is charged with preparing an action plan by January 15. The Executive Committee of the Senate would, upon recommendation of Vice Chancellor Jacobson, meet with the task force co-chairs, Deans Benbow and McCarty and with Dr. Jacobson and Provost Zeppos to discuss the role of the Senate in preparation of this document or this action plan. So it's not clear yet how we will interact. It is certainly a role in which the Faculty Senate will be very engaged throughout the process.

Senator Denison: So are you suggesting that we as a committee will be involved in that conversation because you are saying that this is the Executive Committee of the Faculty Senate? Chair Shepherd: The Executive Committee is only meeting initially to discuss how the Faculty Senate will work with the strategic task force to develop this plan. Senator Denison: Our committee does not like to undertake empty initiatives or spend our time on things that we do not need to discuss. So we would like more specific recommendations to make sure that we are doing something that helps the Senate and helps the institution.

Senator Greene: I understand that the trans-institutional idea is very important part of the capital funds. Are there any plans to make an analogous sort of fund that would fund projects or centers that would lie within one's discipline?

Senator Denison: I can't address that, I know what the nature of this one is. Can anyone address this? Senator Ramsey: This is a subject that has come up in various conversations and it's within the purview of the deans of each school to develop funds as appropriate for programs.

Senator Greene: So right now there is not - if research happens to lie within one's discipline there is not a way to - I for one would like to see it considered at least if that might be made possible.

Senator Hawiger: What has happened to the University Research Council which was the support financially for projects?

Associate Provost Dennis Hall: Yes, my office has those funds. My office engineers a Discovery Grant Program which accepts proposals that are entirely within one research area. The corresponding program is the Research Scholar Grant Program which, in fact this week an announcement went out for the new round of competition, has five categories of funding within that program.

Senator Hawiger: So there is a mechanism set up for faculty - Associate Provost Hall: Absolutely, and most of the money is given out through two annual competitions. But there is always some opportunity to bring a request forward outside of the competition and see if there is money remaining and a case can be made.

Dean Benbow: I just want to add that Richard (Dean McCarty) and I have asked that you meet twice a month with a group from the Faculty Senate about the task force and the charge to that committee.

Senator Sasson: Would it make sense to have members from the Senate or from a specific committee as part of this task force?

Senator Ramsey: These are issues that are going to be discussed at the meeting between the Senate Executive Committee and the administration. We will report back to you.

Chair Shepherd: I would encourage you to e-mail Professor Clayton or myself with comments or suggestions related to any of these issues and in particular, Graduate Education and trans-institutional issues. We will be discussing these through the year and any suggestions that you wish to e-mail to us, please do.

Senator Denison: I'd like to just make the comment that I appreciate this opportunity to do this. I think that this makes for a very good start to the year and I think that all of the committees are very interested in knowing what each other is doing and what other committees within the institution are working on similar issues so that the work that we do is really both timely and useful and that we can increase the usefulness of the Senate.

Chair Shepherd then called for any old or new business or good of the Senate. Hearing none, she invited everyone to join her in the Living Room of the School of Nursing for a reception in honor of the new Senators. The meeting was adjourned at 5:45 p.m.

Respectfully submitted,

Ellen Goldring,
Secretary

EG/cs

Attachment: Health Care Benefit Plans Comparison