Approved 12/11/12 FEBC #5

FACULTY ECONOMIC BENEFITS COMMITTEE

2012-2013

November 27, 2012

2:00 p.m., Federal 101

Present: D. Richards, J. Ryan, S. Shure, K. Bolinger, J. Park, N. Corey, M. Green

1. Approval of minutes Corey motion, Shure seconded. 5-0-0 approved.
2. Reports

D. Richards:

* 1. Report from the University Budget Committee
     1. Our state appropriation is going to be cut by $3 million over the biennium. Budgetary authority for the cuts is with the Provost, and about $780,000 will be cut from Academic Affairs for the 2012-13 school year. We should anticipate that this might happen again as state appropriations are in general on the decline and political sentiment is that the burden should be shifted to students and their families. We are assuming a 2% increase in enrollment and a 2.5% fee increase and an increase in retention with the budget numbers. There is a trend away from Tenure/Tenure Track hiring and toward three-year rolling contracts to remain flexible in our teaching needs.

1. Discussion of summer school compensation
   1. The President’s imperative has changed. The new goal is to maximize number of students that get summer school credits rather than net revenue to the University. There is a benefit to thinking of students meeting the 4-year or 30 credit guarantees because it is tied to our state appropriations .
   2. Two models are under discussion that could be used to encourage more summer offerings:
      1. Graduated pay for courses with smaller enrollments as proposed by K. Bolinger
      2. The model that R. Lotspeich of the Economics Department has been working on for a few years that attempts to pinpoint the enrollment break-even point for the University.
         1. The push back on this model is that there are fixed overhead costs besides instructor salary, and this model accounts only for salary cost.
         2. One response is that these costs are fixed and cutting sections has little effect on these costs.
      3. We could also combine the two models.
   3. There is more profit to be had in distance education courses, so focusing on the expansion of these offerings, particularly in foundational studies can increase enrollments and allow students to plan ahead with their schedules. We currently have a lot of lost enrollment opportunity because students are drawn away to Ivy Tech and Indiana Wesleyan.
   4. One potential problem with the compensation models is the wide difference between average salaries in different colleges and divisions.
   5. D. Richards volunteers to take both models back to the Economics Department to combine them, i.e. use Lotspeich’s analysis to tweak Bolinger’s model and move the thresholds for the changes in compensation.
   6. The committee will vote on a recommendation on this topic at the next meeting.
2. Discussion of Health Insurance Premiums
   1. The convention has been to charge premiums based on the lower-paid member of a household in which both partners are working for the University.
      1. M. Green will seek legal advice on this question.
      2. FEBC will make the initial recommendation that this policy be changed, but it wil eventually need to be signed off by the UHBC.
3. Discussion of Flexible Spending Accounts
   1. J. Park initiated a discussion about the possibility of adding a grace period for the spending of funds in FSAs. Previously excess funds could be used to purchase over-the-counter drugs and other medical supplies, but this is no longer allowed by law, so a lot of funds are forfeited at the end of the year. IU and Ball State currently have this grace period. J. Park will do some research to find out where the remainder goes. This topic will be reconsidered after the committee makes a recommendation on summer compensation.
4. **MOTION TO ADJOURN**: 3:00 p.m. (vote: 5-0-0)