

**Minutes**  
**Indiana University**  
**UNIVERSITY FACULTY COUNCIL**  
**February 11, 2003**  
**1:30 – 4:30 pm**  
**Peterson Room**  
**Indiana University Foundation**  
**Bloomington, Indiana**

**Summary of Actions Taken:**

**Agenda**

1. Presiding Officer's Business  
(Interim President Gerald Bepko)
2. Agenda Committee Business  
(Professors Robert Eno and Mary Fisher)
3. Question/Comment Period\*  
(President Bepko and Professors Eno and Fisher)
4. Reviews of Upper-Level Administrators  
(Professors Eno and Fisher)
5. Implications of the SIS Project on Student Records and Faculty Policies  
(Interim Associate Vice-Chancellor Becky Porter)
6. Constitutional Designation of the UFC Presiding Officer  
(Professors Eno and Fisher)
7. Update on Health Care Benefits  
(Associate Vice-President Daniel Rives, Human Resources)
8. By 3:45: Executive Session: Honorary Degrees to Be Awarded  
(Professor Abhijit Basu, Honorary Degrees Committee)

\*Faculty who are not members of the Faculty Council and who wish to address questions to President Bepko, Professor Eno, and Professor Fisher should submit their questions to the Faculty Council Office three days in advance of the meeting. UFC bylaws require non-members to have advance permission from the Agenda Committee in order to speak during the meeting. UFC meetings are open to the public.

We are no longer mailing paper copies of our documents. Our documents are on the World Wide Web at this address: <http://www.indiana.edu/~ufc>

The next UFC meeting will be held on March 11 on the Indianapolis Campus.

### ATTENDANCE

Members Present: Gerald Bepko, Bruce Bergland, Anne Allen, Simon Atkinson, James Baldwin, Abhijit Basu, Julie Bobay, Polly Boruff-Jones, Donald Coffin, Jeffrey Dean, Robert Eno, Deborah Finkel, Mary Fisher, Michael Foos, Janice Froehlich, Ann Gellis, Laura Ginger, Marilyn Kintzele, Anna McDaniel, Michael Nusbaumer, Mary Popp, Vandana Rao, John Ross, Al Ruesink, Kizhanipuram Vinodgopal, David Vollrath, Kim Walker, Enid Zwirn

Members Absent: Sharon Brehm, David Fulton, Sandra Patterson-Randles, Ruth Person, William Plater, Una Mae Reck, George Walker, Michael Wartell, Richard Carr, David Daleke, Peter Iadicola, Mark Pescovitz, Cynthia Roy, Barry Rubin, Roy Schreiber, Dennis Senchuk, Sarita Soni, Rosann Spiro, Robert Tarver, Jeffrey Watt, Patricia Wittberg, Nanci Yokom, Judd Arnold, Bill Gray, Josh Runyan

Members Absent with Alternates: Elizabeth Johnson for Moira Smith; Marty Spechler for Richard Ward

Visitors: Julie Knost (University Affirmative Action, IUB); William Wheeler (Mathematics, IUB); Laurie Sullivan; Becky Porter; Dan Rives

### **AGENDA ITEM#1 Presiding Officer's Business (Interim President Gerald Bepko)**

BEPKO: I want to introduce myself, some, most of you know me, I'm Gerry Bepko, faculty member for 31 years and I have the privilege of being the Interim President until the ... can find and appoint a new president which I hope fervently will be effective July 1<sup>st</sup>, 2003, I have a sure-timers calendar in my office and I mark off each day, but not until the end of the day and I have a big red circle around June 30 at 3:30 in the afternoon. I thought I'd say a word with the approval of your co-leaders to say just a couple of things, just a word or two about the interim administration. Just some general points about what I think about this interim administration, how I'm approaching what I'm going to do, and am doing. First of all, we don't have any new agenda, we have a very good agenda in place. The university has progressed well during the Brand years, I think we've accomplished a great deal and we don't need to reinvent anything at this point. We will take the current agenda and all pending activities are being continued. There will be an emphasis during the interim administration, I think it's important to have an emphasis on teamwork and collegiality. I think Indiana University has outperformed expectations and has achieved more than the resources we get from the state of Indiana would indicate because we've had a spirit of collegiality and cooperation, mutual support, friendship, honesty, candor among colleagues, and I think that is a very important part of our university culture and it's even more important to emphasize that during an interim administration as the temptation may prevent itself from time to time in an interim administration for people to position themselves for the new administration. We want to emphasize teamwork and collegiality. The agenda I think includes our triad of activities-student learning, research, especially this year, a year where's Myles Brand started off the academic calendar by making research the focus of his state of the university

message and announcing the appointment of reconfiguration of the work of the Office of Research and the University Graduate Studies. That certainly will be an important point of emphasis and always in this era we will focus on our engagement with the larger community, communities that we're a part of in the state of Indiana and beyond. Of particular importance is the planning process that's underway for the Bloomington campus; this is maturing right now, many of you I know are involved in that planning process. This is something very important for the whole university, not just the Bloomington campus and that will occupy some of the time of this interim administration, as it should gather the attention of everyone within the university family. Of course we'll all spend some time working to make the best case to the 2003 Indiana General Assembly. You know what the stakes are, you know how dire the state's financial condition is, in fact I've been out of town the last few days and in the weekend edition of USA Today I was feeling a little home-sick for Indiana so I looked up in the state by state section in the USA Today where they have a little news commentary from each state and of course you would know that from Indiana there was news that the state had yet again missed revenue target and we're about 80 million dollars off of the month that was being reported. The situation is dire and I think that we have to put forth a special effort to make sure that the people in the state government fully understand the importance of higher education and are willing to take some risks to make sure that the investment in higher education is not impaired. Of course, we also have the focus on the recruitment of the new president. As I was saying to the Agenda Committee before this meeting convened as I've said to a number of people. We're in the process of dusting furniture and cleaning the floors and putting our things away so that we can put our best face forward for the candidates that come in. I don't think that we're going to have any problem attracting candidates, I don't mean to suggest that in any way, in fact we have hundreds of candidates, you probably saw the reports of the discussion of the search at the Trustees meeting last week and the reported included the fact that of the 150 or so people that have indicated an interest in the job, fully 90 of them are either sitting presidents or chancellors at other institutions. Getting 90 presidents or chancellors to be interested in any 1 thing is extraordinary and I think that's an indication of how powerful a magnet Indiana University is. However, what I'm talking about when I say that we have to put the best face forward for the institution is that what we really want is one of the top 2-3 people who would be willing to consider a job like this nationwide and when it comes to those types of people who are well ensconced, very happy, doing extremely well in whatever job they have now...when it comes to luring them away, getting them interested in a new position, every little thing will be important and we want to make sure that we clean up as many problems as we can within the administration and put our best face forward. And that's another thing that occupies our time. I think that this search will go well though and as I said before on June 30<sup>th</sup> we'll have a new president, July 1<sup>st</sup> we'll have a new president in place and we'll be on our way to another new era of success, progress, and the destiny of greatness which is special for IU. So, I think I'll have a chance to answer questions, but I think that would...yes?

SPECHLER: Gerry, I'd like to ask you about how much rumors that the University intends to buy the University Hotel in Indianapolis as a way of solving the food problem on that campus. Strikes me as it's struck a number of people I've talked to that that kind of talk doesn't comport very well with our reports of budgetary stringency and needs elsewhere in the university, together with other rumors that tuition will go up double-digits next year. I know the food

problem is difficult but none of us are starving...what do you have to say about that? Surely it would be possible to solve this problem in some less expensive way.

BEPKO: Well, I don't know if the quote that you're referring to was accurate. I don't think that there's an interest in buying the hotel to solve the food problem. The food problem is a derivative of much deeper issues and I think that they're very complicated but I think it can be understood best if you go back to the beginning when the hotel was built. The developers of the hotel believed that the university made a commitment in 1985 to build an office building and a hotel on the order of what had been built in downtown Indianapolis that was first called Merchant's Plaza now National City Plaza I think...a hotel, conference center, office building combined. The hotel was supposed to be part of a larger complex in other words and it was all done by this developer; now that's what the developer believes. The hotel was built without the office building and probably that was done because the hotel was relevant to the Pan-American games that were being held in Indianapolis in 1987; this was in 1985 and they reckoned that if they waited until they could build both the office building and the hotel and all the other things that may have been a part of this they would not have been ready, the hotel would not have been ready for the Pan-American Games. So, the hotel was built. The developers claim that the office building should have been built shortly thereafter; the office building was not built shortly thereafter and that's the essence of the concerns that have been raised about the developer that have made them be so sticky about food service on campus. I think that the hotel would never be purchased just to solve the food service problem, but one way of addressing this original problem that started in 1985 would be to buy the hotel, but not at a price that would be disadvantageous to the University. This would have to be able to pay for itself; it could not cost any general fund money.

SPECHLER: Would we have to go to the legislature for bonding authority to do that?

BEPKO: I'm not sure, it's possible though yes. But it would not be bonding authority in the kind that we normally go for which presumes that the bonds would be paid by appropriations of the state; this would be fully funded by revenue and it would not be a fee-replacement bond.

BEPKO: OK, let's move onto Agenda Committee business.

**AGENDA ITEM #2: Agenda Committee Business  
(Professors Robert Eno and Mary Fisher)**

ENO: Very short Agenda Committee business today. We have a handout sheet that we're going to circulate around. This is the RSVP sheet for lunch with the Trustees on March 11<sup>th</sup>. As you've all heard by email the Trustees would like to get together with the UFC members to have lunch prior to the UFC meeting up at IUPUI on March 11<sup>th</sup>. The lunch would begin at 11:30 and last until about 1:15, give us time to get to our meeting after that. This is a model the Trustees have used on the two large campuses before I think one time each and it's, in my experience, it's worked very well to foster some conversation, reduce the distance between faculty and trustees. The Trustees are particularly concerned to try to accomplish that on the regional campuses and it's very hard to figure out how to do this without having separate meetings on each campus. It's

not expectation that you could attract multiple campuses to one meeting if it were not centrally located and at IUPUI this seemed to be the best opportunity to accomplish that goal. So, we're going to circulate this around because we need to get a count of the number of people who are planning to come. This will help us keep the list short of an email follow-up because they were unwilling to drive through just an itchy-bitsy amount of snow to get to this meeting today. We appreciate all of you who did drive through snow, and those of you in Bloomington, for shoveling out your driveways to get here. I don't know of any other Agenda Committee business. Is there anything else that you have in mind, Mary?

FISHER: No, not other than the agenda.

ENO: So we can move on from there to the formal question/comment period.

**AGENDA ITEM #3: Question/Comment Period  
(President Bepko and Professors Eno and Fisher)**

BEPKO: Yes, I was saying at the end of my brief comments that I'd be answering questions later and Martin got his question in right away but we do have some more time for questions if anyone has a question we'd be happy to entertain that question now. This is like...Martin?

SPECHLER: Let me go back to this presidential search which I hear is attracting a lot of attention as well it might considering that the salary being brooded around is \$600,000, twice what Myles Brand took down in his last year. At that rate I'm so surprised that we've had dozens and dozens of sitting presidents interested in our university and it's obvious overflowing treasury. We have wonderful administrators at all levels who work very, very hard for a fraction of \$600,000. Why do we have to pay these rates?

BEPKO: I don't think we have and I'm not sure who said that. I think it may have been the consultant that said that this is the range of possibilities that may exist and I think probably that's true if you look at nationwide if you look at compensation levels of university presidents some have gone up into that region. Whether Indiana will have to pay that in order to recruit a new president I'm not sure, but I think it's all speculative at this point. I think it was only a consultant and I'm not sure which comment you're thinking of Martin but I saw one quote from our consultant Jerry Baker who is...

SPECHLER: Well the figure has been widely discussed Gerry, and I just wonder when you get some self-respecting person in here who you say has had success elsewhere and now you offer him less, or her, less than \$600,000 and that's quite aside from how it looks to our tax paying supporters in view of everything else that's going on. I think that kind of loose talk doesn't do us any good.

BEPKO: Yeah, I don't disagree with that.

ENO: That remark occurred in an open meeting. I don't think that Jerry Baker understood that this was an open meeting available to the press at the time and it was in response to a series of questions. He was trying to put the context in terms of salary, CEO salary rates that have been

published by the Chronicle of Higher Education just about that time. I agree with you, Martin. I think it was unfortunate that that became a focal point of public point that sort of sets a range and if we don't offer in that range candidates may feel that we're insulting them. I don't know how candidates may react to it and I'm mindful that this is also in the minutes of the public meeting but I think that there's a general consciousness that this was simply ballpark discussion of where salaries are now falling nationally in response to a Trustee question and is no commitment on the part of the University to what it intends to pay. It's hard to take back statements once they've escaped from your mouth, in a public setting, we just have to deal with it.

BEPKO: Let me mention one other point to answer a question Martin had...I didn't answer before about tuition. The Trustees have made no decisions about tuition for 2003-2004 in general. The Trustees did adopt the plan to implement a special tuition charge for new students dependent on which campus you're talking about as far as the amount was concerned. But that is the only thing the Trustees have done and there may be lots of speculation about what tuition may be but that speculation has been by others, not by the Trustees. And I think the Trustees are weighing these matters very seriously right now and are very conscious of the concern of high tuition increases that has been a matter of discussion in the public arena for quite some time.

SPECHLER: Well apparently that speculation, irresponsible as it is, has reached the General Assembly because there are people talking about setting a cap on tuition at Indiana University and that would be if not unprecedented very new and very unwelcome.

BEPKO: I agree it would be altogether unwelcome and new as far as legislation is concerned, but not new as far as discussion of that kind is concerned. That's been a part of the dialogue in the General Assembly for a number of years not only here in Indiana but elsewhere. I think it's probably gone further in other states than it has in Indiana. It's a natural concern. I think it's a public concern, that's why legislators are mentioning it. But it's been...we hope it will continue to be not a matter of legislative action. Other questions? If not, we have other agenda items.

#### **AGENDA ITEM #4: Reviews of Upper-Level Administrators (Professors Eno and Fisher)**

BEPKO: We have other agenda items...number four is Reviews of Upper-Level Administrators and Bob are you going to lead it?

ENO: This is a discussion that we briefly touched on before in the Council and it's time for us to begin getting into deeper discussions. Let me lay out the background on this so everybody's reoriented. You all have an email that I sent you that you had an opportunity to overlook and I'll go through the categories of that email as well. The reason that we're discussing reviews of upper-level administrators is because the Trustees accepted a recommendation that came out of, it originated in the Bloomington Faculty Council Agenda Committee last year, that when they revised their mandatory retirement policy in the Academic Handbook in order to conform to the findings of an EEOC complaint concerning the existing policy. Then they revised the mandatory retirement policy they agreed to sunset that policy, any faculty members, I think on most campuses are uncomfortable with mandatory retirement policies which are a form of age discrimination, the age discrimination laws do permit certain types of mandatory policies for

bona fide decision makers, we learned last year is the phrase that's used. The retirement policy for IU was reconfigured so that the people who fall under that policy seemed more likely to fit that legal definition. Our mandatory retirement policy now covers the president, vice presidents, chancellors and vice chancellors and deans and also the president of the alumni association. The goal was to phase this out over a five-year period. Most institutions overwhelmingly, most educational institutions, do not have mandatory retirement policies, they view it as age discrimination. And, in fact, I understand and I may be wrong, that IU is in fact the only one that has so robust a mandatory retirement policy. The Trustees would like to get rid of it but in order to do that they feel they need to have review procedures for the administrators covered by that policy in which they can have confidence in the sense that when administrative reviews are done or reviews of academic or nonacademic administrators are done that the results will be reliable enough that non-reappointment decisions or reappointment decisions can be made with confidence so that they'll be no sense that we need a backup measure that if none of the reviews have worked at least when you get to a certain age we know that you'll be out of there. In order to do that, the Trustees did put a sunset provision in, they added to the sunset provision at Myles' insistence, a clause that says if no review procedures had been developed than the provision won't be sunsetted. We have a five-year window to do this. The schedule for making progress was accelerated when Myles announced his departure from IU and we realized we were entering a presidential search where we really had a mandatory retirement policy which no longer fit the realities of the ages at which people retire and which could hamper us in considering candidates. There are reasons why it may be perfectly possible consistent within our retirement policy to bring someone on board who is just two or three years away from the mandatory retirement age. It can be waived by the Trustees; there are certain conditions that have to be fulfilled which might not be able to be fulfilled but on the whole it would be better if we could solve the problem of administrative review procedures quickly and dispense with the mandatory retirement policy as soon as possible. For that reason the Agenda Committee began talking with Myles last term about how to develop a set of procedures in which everybody would have confidence. The Agenda Committee last November appointed a subcommittee of its group to look into this in more detail. The subcommittee met once for an afternoon up at IUPUI to discuss this in more detail and has come back with some preliminary ideas to the Agenda Committee. We want to circulate those ideas, get some feedback from you right now on which of these ideas really does not seem attractive and which ones seem most promising. We focus on the level of chancellors because we figure if we can solve, come up with a good model for chancellors it will be possible to adapt it up and adapt it down most easily. In the email I sent you I noted five or six areas, I guess there were five, no six areas that we really would like to get some feedback on. Not all of these areas really require intensive feedback. Three in particular are of importance. I will just run briefly through them; we think that it's appropriate in most cases, perhaps in all cases, at the chancellors' level to include in the review process a site visit by a peer reviewer. For example, a chancellor at a comparable campus, not an IU campus. To come make a site visit, contribute a report to the review committee, and to have a chance to review documents associated with the review committee. I should note before I go any further in our Agenda Committee meeting today I was advised that the first thing I should do is to review where our review procedures are right now, where are they and what are we now doing. I said well, I'll have to cram before we meet and I forgot that there was a test and I forgot to cram. The review procedures are in the Academic Handbook and they do have such basic provisions that we're all used to as faculty majorities on the review committee and procedures for the appointment of the

faculty majority that involve nominations from a faculty source and so forth but I don't have all those procedures in my mind to give you a baseline. I don't want to read the Handbook out to you because I want you to stay awake. Peer review would be something that would be new. It's in fact been practiced in one or two instances in the past; it may have been practiced more than I know. But it would be new to build into procedures and it would give reviews a chance for us to triangulate with a second type of look different from what the review committees' look might be and the administrators look might be. A second feature of potential revised procedures would be to use consultants and this has occasioned a lot of discussion; we just had a lot of discussion in the Agenda Committee about consultants involved in reviews. The consultants we are talking about could in many cases be academics from outside the institution who consult with the review committee. Rather than coming in as a peer reviewer and then coming back out and sending a report they would be, they would sit with the review committee either repeatedly or if time only allowed them to come occasionally then occasionally. They would report to the chair of the review committee and their work would be again to get a different triangulation, a different perspective on the success of the administrator under review. In addition to the possibility of academic consultants it might also be possible, and this is something to talk more about, and in some cases the cases would be professional consultants; consultants whose field is higher education who often take part in review processes such as these where consultants are built into the procedures who might give a different kind of perspective again from what we might get from an academic consultant. We've considered the value, or we are considering the value of consultants being built into the process; one thing we feel is important is to make sure that the decision whether or not to have a consultant is one in which the review committee itself is involved and that the consultant report to the review committee. A third area where we've had discussion concerns surveys. And since this is faculty procedures these would be faculty surveys of administrators and we've talked about various forms of these surveys and certain things have emerged as kind of consensus ideas and one is any survey that's used... first of all there's a sense that surveys have a useful role to play, second any survey that's used should be prepared in consultation with and administered by a professional survey organization and we have campus-based or university-based centers for survey research that we typically use. Another feature is that the survey should be designed in part by a body such as the UFC including questions that are universal in the case of chancellors, universal for all campuses and equally applied unless the questions are changed for everybody after five years or six if they could be approved. Also leaving some room for the individual campuses or other levels, units, to design appropriate questions as well also in consultation with a professional survey agency. One of the most difficult parts of our discussion so far about the use of surveys concerns the degree to which the surveys will include not only multi-opt responses but also the opportunity for anonymous comments—whether anonymous comments should be included in the survey and what the distribution of the anonymous comments should be. We recently had an experience down in the Bloomington campus of finding that the procedures we had designed which allowed for a fairly wide distribution of anonymous comments, that is to both the review committee and to the policy committee of the unit, we were working on the campus level, appeared in the eyes of university council to be too broad to withstand legal challenge by an administrator under review; we felt that was inappropriate and we redesigned our procedures, right now on the Bloomington campus those anonymous comments are collected but they are sent only to the administrator under review and the appointing administrator, to nobody else. I think the most difficult issue for us is the issue of confidentiality. The reason you have anonymous surveys in part is because you want



people to express what's on their minds and you're concerned that they may not be willing to do that simply by saying submit a document it will be kept confidential, right your name sign it, but it will be confidential. If people trusted that process completely we would not need anonymous surveys at all we'd be flooded with messages with people, signing their name, well I'm not sure that's true but messages would come in with people signing their name. Experience shows that faculty involved in reviews often feel doubtful that their negative comments or perhaps their positive comments will be kept confidential by the review committee, by those who are interviewing them or receiving their letters. We're trying to think through how we can maximize the confidence that faculty have in the integrity of the review process, confidence in the confidentiality. The last, I'm going to skip over a point that I think we're all going to agree on which is that a review should have, what's termed as 360 range in terms of the attention it pays to those who are both above the reviewee in the hierarchy, below in the hierarchy, and lateral. I think that that's something the committee's agreed and expects everybody agrees is integral to any review. And just add one last point the subcommittee feels it would be very useful if it became part of our normal procedure that when there are review outcomes that include significant negatives or significant questionable or problem areas as deemed by the review committee that a procedure will be in place that will trigger a focus review. That is a shorter term re-review, not waiting five years, waiting no more than three years that will review whether or not the areas that were targeted as potential problem areas have been remediated. I think that's all I want to say and that's enough. Why don't we open it up to discussion on any of these areas that you have concerns about or ideas about or opinions about.

SPECHLER: Bob, we of course discussed this at least a couple of times before and I'd like to be clear that what you're proposing is enhanced review procedures from the beginning to the end of the administrators' career. That is, this is not an enhanced procedure for people who are at the normal retirement age but not for younger people.

ENO: Oh no. This is for our standard review procedures; rewriting the standard review procedures.

FISHER: Every five year process.

SPECHLER: Otherwise, clearly that would be a kind of subtle age discrimination that we don't want to engage in.

BEPKO: It would be illegal

SPECHLER: Thank you. The other thing is that clearly the Trustees have been unhappy with the reviews up to now. They were unhappy with the reviews of administrators near the normal retirement age and I suppose they were also unhappy with reviews at a younger age. Can you tell us, Bob, in what way this meets the objections of the Trustees that will enhance their confidence in the review?

ENO: I'm not sure it's true to say the Trustees are dissatisfied with the reviews that have been conducted. I think they have been dissatisfied with some reviews that they have regarded as so problematic that they reveal weakness in the review structure and thus they are not confident that

reviews that the reviewing administrator is getting are accurate, are trustworthy or reliable to make non-reappointment or reappointment decisions. The Trustees have not specified any specific objections. There has been informal discussion of some problematic cases and one of the things that we're doing on the subcommittee is we're revisiting some recent problematic cases; cases where either the review was very difficult because of the substance of the matters under review or where the outcome seems not to have been the right outcome or seems to have been a problematic outcome one way or another...to try to see if we can determine where the particular weaknesses in those cases might have been remediated by other procedures. We don't have those answers and we don't have a specific list from the Trustees of what it is that they're looking for. I think that certain areas in here, such as the use of consultants are things that the Trustees are hoping to see in a revised procedure...things that they would point to and say "well, we're glad we're going to have that in. That will give us more confidence because we have a second line of perspective on a review" I think if we can find ways to improve the issue of confidentiality and trust in the integrity of reviews and I'm not really all that optimistic that we can do this. Review procedures have been around a long time and I haven't heard of magic pills for them. But I would really be interested in addressing that. I think if we can I think we'll all feel that we've produced something that is significantly better for the university and we'll replace that crutch of the retirement policy.

FISHER: I would like to speak to the focused-review clause that we're considering...that came out of IUPUI and we last fall passed a motion, a resolution, based on the fact that we have faculty review and enhancement that we should also have administrative review and enhancement with the idea of improving administrative practices if there are issues in a particular review. And so that resolution basically calls for a shortened time frame and focused review on those areas that have been deemed concerns and also that the administrator who that person reports to would be working with that review person to develop a plan for improving the practice, whatever the issue is. And so, you know that is basically where that came from. We're still working on what that's going to look like within our own campus but I think that the Trustees will see that if we have faculty review and enhancement we certainly should then on a parallel basis have administrative review and enhancement.

SPECHLER: I'm glad Mary said that because it raises a very interesting point which Bob merely touched on...the idea that the review committee could call in a consultant if the review appeared to problematic, but perhaps not otherwise. And, I like that very much, that's very parallel to the IUPUI faculty enhancement where not every faculty member is gone over with the full armament because it's simply too expensive in time and money to do that and bringing in consultant, boy, that's going to be very expensive in time and money and I like very much, Bob, the idea that the review committee could say "well, in this review looks like there are no problems, we don't need a consultant" but in other cases, problems have arisen on a survey we do need a consultant. And that way we can save money and time.

ENO: This is actually a new idea, Martin. I don't think we've considered consultant mid-process but that's an interesting idea.

ZWIRN: Thank you. I was very impressed by the multi-focal nature of this review process and I want to speak in support of it. Given the pivotal position of upper-level administrators I certainly

don't think it's excessive even if, and I would not support only bringing consultants in if there was a perceived problem, I think an academic from another institution or professional consultants as was described are very much appropriate for an upper-level administrator as one of the factors as he/she is being evaluated and I support the faculty majority of the review committee, the peer review, the consultants, the surveys. I think it's very well done. I think it's pragmatic and very [one word lost].

JOHNSON: Bob, has the subcommittee consulted with University Counsel on any of these issues?

ENO: No, we want to think of more illegal things first. Give them something to do. Do you have something particular in mind Elizabeth?

JOHNSON: It seems to me that one of the built in tensions here is whether or not this review process, or to what extent this review process must be kept somewhat under the raps because it is basically a personnel matter and that seems to be the basic tension in this and I think it's one of the leading issues in the business of ensuring the integrity of the review because I'm not sure that issues of confidentiality and issues of confidence are really the reasons why people are particularly wanting to be involved with the [one word lost] of faculty. I think it has more to do with what difference does it make...we don't ever really get to see what happens with this and I think people are more likely to want to participate either anonymously or with assurances of confidentiality if they also feel that the trouble they go to in the end makes any difference whatsoever. And if the policies and procedures result in a review process that is too secretive because it is a personnel matter then it's very difficult for faculty to understand what their role in the process is.

WALKER: First of all I want to thank Bob because I think these are exactly the sort of items that need clarification, we get a lot of calls about part of the process and what the process is and they want a lot of clarification and it's just not easy to find. In particular, this uncertainty of confidentiality everybody's going to wrestle with it. There's no perfect process, but I think it's very important that these things are hammered out. I don't know if you're going to review your different questions one by one or if you just want comments. We're talking about bringing outside involvement I think the selection process is going to be a critical part; how do you determine someone who is neutral and with the experience to actually comment on a given situation and I'm not even sure that I could craft that [one word lost]. I think as much as the idea which we might all agree on in this room the selection process is something that needs hammering out in the end. This whole idea of academic professionals versus professionals in a given field we do the same thing with tenure, we do the same thing when we hire people we get outside letters so I don't see that that's anything but a positive suggestion, again. The kind of questions that we run into a lot are the confidentiality of the discussions of the administrative review committee and the anonymity of signatures and all the contents of any letters outside of the committee and then the treatment of the documentation of all that information. Where does it go and the role and status of any signed letters or emails, interviews, anything solicited by the committee as well as unsolicited materials and how do you handle all of these issues. So as this gets more and more specific I think this will be very helpful in dealing with the problem cases as they're called today. But, with all of that, do signed letters stay within the committee? As well as

confidential information? These are the kinds of reasons people don't want to speak up or won't come forward because there are leaks, but when there's a policy and process I think it's clearer when it's written out. The committee often there are quotes from letters or interviews and this gives us a sense about the range of what people have said; anybody who's any good is going to have somebody who loves them and it's usually the range that will give us the information. So how is that [one word lost]. These are all the specific nitty-gritty questions...I don't know how specific this policy will get but I encourage you to deal with all those matters. Also the preservation of the materials. I am sure you discussed all about this and then of course the accessibility. But those are the questions that came to my mind when I read your document. I thank you for tackling this one.

ENO: We haven't actually got to the issues of documentary security and the storage. We do have these procedures generally in place now in review committees and I'm sure we'd draw on those. Before anyone thanks me again I want to let you know who the subcommittee is because it's certainly not just me: Vandana Rao, Vinod, Dave Vollrath, Mary Fisher, and I are the subcommittee and everybody's been contributing to it. Other comments?

[End of Tape 1, Side A Some Eno conversation lost]

ENO: I'm not sure how much farther there is to go yet to travel, it would be nice if we came up at least with a pretty firm outline by the end of the academic year because we always lose steam and we don't want to start over again but we'll keep you informed. The hope is in the April meeting we may be able to come up with some actual handbook language; that's the hope I don't know if we'll get there. If we do that then we can send that to the Trustees and if they were able to feel comfortable considering it, they liked it, than we could have this done before June 30<sup>th</sup>.

BEPKO: Any other comments on the reviews of upper-level administrators? We have Julie Knost here who is the university wide expert on discrimination matters. We were talking about age discrimination before and she may have a comment I'm not sure.

KNOST: I think that...my only comment is that Bob and I differ because from a legal point of view I wouldn't call the exemption for executives discrimination since by statute it's exempt so it can't be discrimination...that's just my legal side.

ENO: I no longer call it a loophole.

KNOST: Yeah, that's right. You don't call it a loophole. I think to separate out the issue. There's some discussion that we're going to eliminate the mandatory age requirement anyway. I think that you need to separate out that issue because you need to do your review procedures anyway and that is that one isn't dependent on the other.

**AGENDA ITEM #5: Implications of the SIS Project on Student Records and Faculty Policies  
(Interim Associate Vice-Chancellor Becky Porter)**

BEPKO: Good, now we move to Item 5, the implications of the SIS project on Student Records and Faculty Policies. And, Becky Porter is here to talk about that.

PORTER: I will point out that it wasn't my title...

ENO: Gave you the option of the other one, Becky.

PORTER: Well I want to thank you all for giving me the opportunity to be here. Really the purpose of this is to provide a quick snap-shot of where we are in the implementation of the new student information process. We've had the opportunity to talk with faculty groups on the Indianapolis campus and the Bloomington campus; we haven't had that same opportunity to reach out to all the regional campuses so this was a request so that the faculty throughout the system would have the opportunity to receive the information and ask questions if there were questions. I'm going to give you just a little bit of background information, if it's not adequate please ask questions. I'm here presenting this because I'm one of the co-chairs for the SIS Executive Committee. Don Hossler is the other co-chair. I'm responsible for enrollment services on the IUPUI campus; Don's responsible for enrollment services on the Bloomington campus. Don would have been here but he is in Indianapolis meeting with a legislative committee so we kind of traded groups. The other individual who is here who will answer, if you have detailed questions, is Laurie Sullivan. Laurie why don't you come up at least come up to the table. Laurie has the responsibility for the implementation of both the HRMS, the human resources component of PeopleSoft and the SIS, the student information system component of PeopleSoft. So she has the more detailed information. To step back just to look at what was the mission, why did we undertake the SIS project. The intent is to deploy a high quality student information system that will deliver our core functionality and will set the foundation for the expansion of services. We know that when we start off, we're going to start off without having all the bells and whistles that eventually we will have. There is the challenge. What is the minimum level that we can implement and still maintain the integrity of the system and do what it is that we need in order to deliver appropriate student information systems. Why are we concerned about defining that minimum level? Well, because there are costs involved and we can move to the bells and whistles but that's additional cost. And the intent of everyone working on the project is to be very fiscally responsible particularly in these times where dollars are tight. I'm not going to go through the entire timeline but the current components to think about. There was a process that was called the "Fit-Gap Analysis" and that was to look at the PeopleSoft product and determine what parts of it fit very well with what we do at Indiana University and where were there gaps. In the process of looking at gaps I think it created a lot of anxiety because there were a number of gaps that were initially reviewed. What I found is that the remarkable thing that's happened since the Fit-Gap analysis ended is that the teams that are working on this have gone through and found an amazing number of ways to get the system to do what it is that we want to do. And so we're really down to, in comparison, it was probably less than a quarter of the original what we thought were going to be problems. We're very fortunate that the project teams are made up of individuals from UITS and individuals from the functional enrollment services offices. And those people have worked very hard and have I think have been exceedingly clever in coming up with ways to get the system to accomplish what we want. The prototyping phase where they were figuring out how to make it work has just ended and now we've moved into the phase

where the executive committee is looking at what are the recommended, you may have heard them called, customizations or modifications. I think it's a better terminology to talk about them as adaptations. If we can't get the system to do exactly what we want how are we going to adapt it to meet our needs. And those decisions need to be made by the end of February in order for us to stay on schedule. There's a couple reasons that we're very concerned about costs. One is not only the initial cost of making the adaptations, but like any software product there are periodic upgrades and changes in the PeopleSoft product and the more we make adaptations the more we know we'll be incurring ongoing costs because every time there's an upgrade you have to go back and either reinstitute the adaptations or at least check to make sure that those adaptations work with the new upgrade. So, it really, there are excellent reasons to try to do things the way the PeopleSoft product thinks. Let me talk about some of the categories of the adaptations that we're looking at. We looked at those adaptations that had academic merit. The assumption was made at the beginning that we would try to minimize the impact on academic policies. One of the issues that you might have heard about was the calculation of the grade point average. Within the IU system we really work on two grade point averages: there's the university grade point average which is the GPA that shows up on the transcript. This GPA is calculated based on XF policies and the extended X or the BX, CX adaptations of FX. It's calculated the same way throughout the entire system and shows up on the transcript. Because of other policies that have been enacted at various levels we also have a GPA that's used within the academic unit. And your academic unit might have decided that it wants to implement a grade forgiveness policy or it may handle repeated courses in a particular way so that's the academic unit grade point average. And this is the one that you probably use to determine whether or not somebody's going to graduate because it may be different than the transcript GPA. PeopleSoft was designed with the logic that there was one grade point average; it didn't understand our system. And so we went through considerable discussion about what should we do and how should we go about handling this. It was an interesting process to go through in that as we went back and reviewed the policies that various faculty governance units had passed we found that there were interesting debates on what they really meant. And we heard, "OK, it really means this" and "Oh, no, it really means that!" And, who has the authority because of my background in faculty governance and I got really intrigued in all of the conversations and then had to step back and say well wait a minute I'm not in that kind of debate... what are we going to do about the implementation of the software? And, the decision was made that we aren't going to wait for these questions to be resolved. What we'll do is that we'll do the adaptations necessary so that we can calculate the two grade point averages. So, we'll basically replicate the same system to the extent that we can. I don't know that we know all of the permutations that individual academic units have and whether or not we can replicate all of them but I think we'll at least get the majority ok. Those who want to do something different can still use processes similar to what they're using now. We have a category of adaptations that are necessary because of state regulations. It shouldn't be surprising that a nationally vended product is not going to know what's required by the state of Indiana. So, for example, state financial aid has particular regulations and requirements; we have to make the software meet that. State of Indiana decided that residential campuses need to track information on immunization status of students; we need to be able to figure out if the students' haven't put that in how are we going to co-opt their registration so we can get them to turn in the information. So those kind of things where you would predict that you would have to make some adaptations. We also have some adaptations that are required just because of our internal business practices. We need to make our student information system talk to the general ledger

because we're tracking student financials, payment of fees, and tuitions and those kind of things within PeopleSoft and that information has to get into the IU general ledger so that's an adaptation that occurs. There are other adaptations that will be made because it's more expensive not to; for example, at Bloomington with University Division, and probably also at IUPUI with our University College, when students move out of those units into the academic units we need to do a reassignment. It would be very difficult to do that manually, we need to be able to put the process in place to do these transfers on a more automatic basis. The intent is to begin rolling out the new modules, we've already implemented the components of the student information system that deal with prospective students and with admissions. We'll begin rolling out the next phases in July of 2003 and we'll conclude in December of 2004. Once we start that 18 month roll out it's sort of the point of no return. Once you start beginning this we need to make sure we can carry it through. There will be a number of challenges during that time period because in essence we'll be operating with information within two systems. We will have some information that's still in the Legacy system and we'll have some information that's going in within the Student Information System. So it's a complex process. Let me talk just about a couple of the items that have impact on faculty. One of the things that I've been amazed is that there aren't a whole lot of these that have direct impact on faculty. I've talked about the calculation of the grade point average. Depending on your campus and your academic unit you may as the faculty member have advising responsibilities. We need to make sure that individuals who are providing academic advising to students can get at the information. It's not that...PeopleSoft is delivered, it's not quite as user-friendly as what we're used to. It takes more clicks to get to all of the information and so we're looking at how we need to make adaptations to consolidate information so that you don't have to go through 53 screens to get all the information that you might need. Another area that you might have heard about or that potentially has impact is the employee fee courtesy. Again we're looking at how to do that rather complicated calculation for fee courtesy and have been talking with the individuals in human resources to determine is there a different way that we could calculate fee courtesy that would have the same financial benefit to faculty and their dependents and yet would be less complicated for the PeopleSoft and those discussions are going forward. That would save us from having to do adaptations within the PeopleSoft product. There may be a conversation coming out dealing with midterm grade processing. PeopleSoft as delivered does not allow us to do midterm grade reports the same way as those campuses that are using it, I believe that's Bloomington, Kokomo, South Bend, and Southeast. IUPUI has moved to a different way of handling looking at students at midterm using deficiency reports. If you're from one of those campuses I don't mean to cause you alarm we will be back and talking to you we just don't know yet we're going to have to talk to you. All we know is that this is not an easy thing to do within the product. The PeopleSoft product is based on the premise that faculty will enter their own grades or a faculty proxy will enter their grades. Rather than filling out a piece of paper and submitting it we're looking at a way that faculty will key them in. We also realize that's a concern in terms of if you have a very large class, what's the...the complexities of having to key in each of those grades. We're investigating looking at being able to import grades via Oncourse since a number of faculty are now using Oncourse. We're also looking at if you don't keep your grades via Oncourse but use some other kind of spreadsheet or grade book...can we give you a common format so that you can then import the grades. Just recognize that each time we make these adaptations you can hear the cash register ringing. The determination has been made in terms of fee assessment to do fee assessment based on the student attribute rather than the course attribute which translates to me...if I'm a graduate student

taking a undergraduate course I will be paying graduate fees. On some of our campuses that's the current practices, on some of our campuses that is not current practice but that will be the standard process throughout Indiana University. Final one that I might mention that faculty might be interested in is the waitlist option. If you're familiar with waitlist it means that as a student if I can't get into a course I can put myself on the waitlist saying "hey if there's an opening please let me in" an opening comes up and the student is slotted within waitlist. PeopleSoft does have a waitlist function; it's not quite as robust as what we currently have and again we're looking at the levels of adaptations that we can make to try to replicate the processes currently in place. It is probable that in our first implementation we will have most, but not all, of the waitlist options. So we may lose the ability to waitlist courses by time saying I want this course but only if it's in a particular time slot. I was at a presentation at Bloomington Faculty Council where somebody asked, which was really a great question, they asked so what are the advantages? And what we've found is that we've been focusing so much time on what are the problems that we'd forgotten to really think about what were all of the advantages. It was excellent because it really did make us step back and say oh you know what there are good things about this product. A paper is being constructed, and I don't know whether Bob and Mary have seen it yet, I think it got sent out this morning and eventually will be available broadly. Unfortunately as a faculty member I don't think you're going to go "WOOHOO" over most of the things that are seen as advantages because they really deal with those back office kind of activities that student services individuals are excited about like "Oh wow we no longer have to go in each year and program the changes in federal regulations on delivering financial aid." I know that makes your heart beat rapidly! PeopleSoft will deliver that to us...that's a major advantage, it's a cost savings. We will be able to do other things with money that we would have spent doing that. For faculty some of the things that will be advantageous is as we're looking at the course catalog we have more opportunities to define courses, to give more attributes to courses. Whether or not we end up wanting to do this there was a discussion at IUPUI in one group...would it be advantageous to be able to indicate that a course was taught through distance education? Those...or is it a hybrid course where some of it's at distance and some of it's on site. Those kinds of course attributes we can assign. Whether PeopleSoft project is fully implemented the self-service options for the students are much wider than are currently available. What we find in student services is that students want to do things when they want to do that...that is not necessarily in that 8-5 or 8-6 time frame. In particular on the campuses that have a robust student population on the weekends it's problematic how you give them access. The self-service functions to take care of what they need to take care of whenever they want because they can do it electronically. There will be better options for example in searching the schedule of classes so that the students can find classes more easily. Let me stop with that kind of quick look through various options and then ask if you have some questions that either Laurie or I can answer.

FISHER: You talked about the schedule of classes. Would you foresee that we'll get rid of the written schedule of classes because often that written schedule is so wrong before it's every printed and it causes a lot of concern.

PORTER: Yeah, that discussion about the schedule of classes is really...we can separate that out from the SIS project because we're currently having those discussions about the schedule of classes is online...is there a need to print? And, I don't know if that has been totally decided yet but you're true that is one of the questions...how important is it that I be able to put my hands on



it or are students moving to the level of sophistication where they would actually prefer to have it online and searchable.

BOBAY: You talked about the Executive Committee and I thought it might be useful to hear about the advising groups that are working very hard on all of these issues.

PORTER: Thank you that's an excellent question to talk about kind of the decision making structure. Let's start at the broad base and move up. Each of the different module areas, let me see if I can get all five of them...admissions, student financials, financial aid, student advising, and student records. So those are the five areas and each of those have what's called an LIT---a local implementation team---the local implementation team really has broad representation within a campus and across campuses. Some of these are 40 or 50 member kind of groups that are really designed to make sure that questions are asked and answers based on the people who are the end users and who are providing information to help shape. We have the Project Team that has individuals from both the UITS side as well as the functional office. We have an SIS Steering Committee which again is made up of individuals from all campuses who are used to provide information who give us input on the relative importance of decisions. And then we have the SIS Executive Committee which is really the group that's charged with making the hard final decisions. Right now what we're wrestling with is what adaptations we will and will not be able to make. There are a couple other committees that come into play who are providing important advice. One of those is the Academic Priorities Committee that was authorized by UFC, who the Executive Committee has been using for academic policies because we knew that we weren't going to always have enough lead time to always ask UFC for their opinion. So the APC has representation from throughout the system and we've spent some time helping them be knowledgeable so that we can go to them and they can provide us input on ways of looking at academic merit...Bill Wheeler is one of those individuals.

SPECHLER: Becky, is it possible for students to have a link to find out who their prospective instructor is? How much experience they have? What qualifications they have and so on? Can you link the new bulletin of courses to web pages so that students can find out who their instructor might be?

SULLIVAN: I don't want to give you an answer without doing a little bit of research because yes we can add links, certain of our self-service pages for students. But if we are talking about every course that we offer to have to provide a link to that somehow I think there would have to be more organization in place to accommodate that. But we can add links to these web pages.

SPECHLER: Well, I think that would be important. Well, permit me to ask another technical question. We both had some experience with this, Becky. On our campus and elsewhere faculty have a lot of leeway, a lot of flexibility about giving a "W" or an "F" or and "Incomplete" grade. With all the advantages of PeopleSoft are we going to have less flexibility or the same degree in allowing students to withdraw at any time for example from a course where they're doing poorly.

SULLIVAN: I can say that we have not prototyped those details up to this point. But I think our intent is to implement the policies that are in place today concerning the withdrawals, so I think the policies that are in place are our guideline for how we want to make the software work.

SPECHLER: Laurie, you probably know, the written policy wherever that is and whoever has read it and the actual practice, which could be more flexible, as the students know. So, if we're going to stick to the written policy then I think we need to tell the students up front that they can withdraw only through the third week of the course because they're used to withdrawing at any time.

PORTER: Martin I suspect that what we'll do in developing the software package is that it will be developed according to policy that's technically how we handle things now. Does that mean that there aren't occasions that faculty process something and take it to the registrar and say we've authorized this particular grade and the registrar implements that...absolutely. And those are still...nothing...just because you have a software that runs in a particular way it doesn't mean that you can't override it, it doesn't mean that you can't make those human decisions. We all know that we have to make human decisions when dealing with students. What we hope is that we have a software that makes the large decisions that effect lots of people happen more automatically.

BALDWIN: One of the things that came up a couple of years ago when we were talking about transfer courses was prerequisites. Is that question now solved? Does the system check for prerequisites?

PORTER: Does the system check for prerequisites?

BALDWIN: When a student is asked for a prerequisite for a course when they try to register for enrollment.

SULLIVAN: I am fairly certain that PeopleSoft handles prerequisites probably the same, we did put some of that prerequisite processing in our registration today. I know at one point that was not a part of our Legacy student process, we did make some changes, I don't know if we accommodated all prerequisites for all campuses but there were some courses that were added. In PeopleSoft I know it handles prerequisites, do I know the details on that at this time? No, but we can get you a follow-up on that.

BALDWIN: One of the things that needs to be discussed is the fact that courses on different campuses are considered to be equivalent even though they don't have the same numbering. So often times a second-year language course in Indianapolis might have a prerequisite of the first-year language course in Indianapolis...but somebody who took the first year language course in Bloomington and transferred in would certainly be admitted even though it's not the same number.

PORTER: One of the complications is going back and programming in all of these rules that take place, the degree audit rules are going to take a significant amount of time for the individual academic units to provide the information, to input the information into the system so we are looking and we've tried to alert the chancellors' to really begin looking because when we get down to putting in degree audit rules, that's going to require...nobody knows it except that department and they're going to have to have individuals to provide that information.

BASU: My question relates to this question as well as to the waitlist question. Is there any possibility of adding more than one...for example the four identification marks that we have for courses now...mathematics, one is M211. Is there any way that we can increase that to six-digits or six spaces or seven spaces such that there will be adequate parts for, for example, prerequisites or section numbers. In which case the wait listing by section is not possible because, as I understand it, PeopleSoft requires a course with those one alpha numeric and three numbers. Suppose you had six spaces or seven spaces...you could certainly say M211 and 1, 2, 3, 4 or 01, 02, or whatever that identifies a section number

PORTER: Well we have, there was considerable conversation about the course identifier because PeopleSoft did not handle the way we talked about English W131 it was problematic. However, the solution was one that I think will be invisible to all of us because in essence it's disassociating the letter from the three digits so it will be English W, pause, 131...which will only show...you know literally we'll all talk about it the same way. It'll look the same way, I thought it was a very elegant solution. I think that the weight list...we know how to solve the waitlist issues, it's a resource issue right now. What we do know is that those things that don't get done in this first implementation phase, in that first eighteen months go on a list of things to be done in the next phase. So, just because we didn't get it done the first time through doesn't mean we aren't going to do those future adaptations to continue to better the product.

ZWIRN: A weird little question, Becky, only in light of what you said. You said that fees would be assigned based on the status of the learner rather than the level of the course. When you said, that an undergraduate were to take a graduate course [PORTER: If a graduate student is taking a undergraduate course they will be charged as a graduate student]. Does the reverse hold true? If an undergraduate were to take a graduate level course he/she would be charged as an undergraduate?

SULLIVAN: That's correct.

ZWIRN: Now that has...in your list of how that affects faculty that has some bearing on how one might advise a very competent upper-division major who has the opportunity to take a graduate or an undergraduate class as an elective or to meet a programmatic requirement he/she might very well be encouraged then, or advised to take the graduate level course, still as an undergraduate because the fees would be less.

PORTER: It affects us at IUPUI because we weren't used to that. There are other campuses within the IU system where...

ZWIRN: Where that's commonplace?

PORTER: Yes.

ZWIRN: Thanks.

SPECHLER: One final thing Becky. An issue that's often led to slip-ups and that's the incomplete. I think it would be useful if near the end of the time to replace an incomplete if the student and the associate faculty member would get an email notice saying you must replace this incomplete by May or else it becomes something else. Because right now we forget, the student forgets...I don't know, there's just a lot of slip-ups on that.

PORTER: There is the option to do some automatic notice kind of things within PeopleSoft. In general, I don't know that that's been looked at yet. We're not at that level of detail yet, I mean that's what we're moving towards but we'll certainly carry that forward as a suggestion.

ENO: I just want to...two quick comments. One concerning when you raise the issue of the "W" Marty. The SIS project team has been very careful to try always to replicate anything that is a policy matter that is a faculty set policy, even if the policy is hair brained because they are not licensed to make policy and this has been at some cost. Becky referred to the unified GPA matter. There is considerable cost in deciding to replicate the policy that now allows campuses to have different grade forgiveness policies and units to apply that in various different ways. One of the results of having made the decision to go ahead and spend that money to do that is that this body is not going to spend two or three months wrangling over who has the authority for each part of that policy and how are we going to adapt the policy or not adapt the policy. Because this was all a matter that the SIS team could not on their own decide. It's all covered by faculty policy and if you look at the Constitution you can't figure out which unit faculty has control of which part of these interlocking policies. So, the team took the very prudent cost of not holding up the whole project to wait while our mainframe computer keeps charging us month by month when it's going to charge to simply take that charge up front, spare us all an awful lot of pain in this body and in our local faculty councils for which I'm enormously grateful.

PORTER: We were planning on taking a holiday while it churned away in faculty councils but decided maybe we'd keep on going. There is a real push to get this done as Bob indicated. The mainframe is scheduled to be retired. It's a million dollars a year, in the general neighborhood, to keep it going, there's a real incentive to try to keep this on target. At the same time, we're very concerned about the adaptations that are scheduled to be made that are viewed as being essential...where those dollars are going to come from. We haven't found the rainbow nor the pot of gold to finance it.

BEPKO: Other comments or questions? Thanks, Becky. Thank you very much. I'd like to change the order in deference to Dan Rives' schedule. Let's move Dan up and take the update on Health Care Benefits now.

[End of Tape 1, Side B]

**AGENDA ITEM #7: Update on Health Care Benefits  
(Associate Vice-President Daniel Rives, Human Resources)**

RIVES: When Bob and Mary first sent me the agenda, excuse me my throats a little dry...when we first talked about this topic we first put the word "issue" out there and when I saw the agenda

today I was glad to see the word “update” as opposed to issue, even though I think perhaps it is an issue and will be an issue for some time to come. I have a couple slides and I know it’s dangerous sometimes to do PowerPoint slides, but I have a couple slides, I have some numbers and if we can talk from those it will save me my voice a bit and we’ll see what questions there are.

COFFIN: Are these slides going to be available some place where we can download them instead of trying to take notes off this?

RIVES: I think we can have somebody do that. Whomever with the faculty council office can take care of that. This material, some of it’s not even new it’s been around for some time. Before we talk about health care plans just a little picture of the size of Indiana University, what we do for healthcare. We cover over 14,000 employees for health care plans. There are about 490 cobra participants, those are individuals who have left IU and still stay in our health care plans for certain periods of time. I think more importantly though is the number that says over 32,000. we don’t think of health care in terms of employees, we think of health care in terms of employees, spouses, and children so that’s really the number we look at most. Another interesting number up there is the number of eligible employees versus those that are enrolled. So we have almost 16,000 eligible employees of which only 14,400 or so actually take our plans. There’s a couple reasons for that. Let me run forward a moment to talk about the plans; it would be inappropriate to say that we are self-funded. Some of our plans are insured, we pay premiums to HMOs like M-Plan, Partners HMO. Then we have other health care plans which are mostly self-insured. So we today are a combination of self-insured and insured for our health care plans. Ah, the big number up there, Fiscal Year 2002-2003, and this is just Indiana University’s expenses, this does not take into account employee premiums or employee co-payments and deductibles. Indiana University will spend 74.2 million for this fiscal year for health care plan contributions. And I guess if there was one issue today it would be around the topic of cost or really the allocation of resources. That’s really what I want to get to. The slide I skipped over simply said we have comprehensive plans, some have carve outs for prescription drugs, organ-tissue transplants and so forth. This is a little status update for 2003. As we went into the year 2003, the most significant change if you will were the discontinuation of certain plans. So at the bottom of that slide there are two plans that were quite significant in the Indianapolis area: the IU Health Care Plan was one of our practice plans, they’re HMO licensed and they had a commercial product, not only with Indiana University but also with other employers discontinued doing business on the commercial level. I believe they are still doing business for Medicaid customers but not for employers if you will. It went out of business if you allow me to say it that way. That was around 2000 employees. The other very significant plan was in Bloomington. We called it the IU Precision POS Plan using a local based network. That network went out of business at the end of the 2002. So we had essentially 6000 employees that had to choose other health care plans. The other note up there next to the IU PPO Choice since we started the calendar year, this is a plan in the Richmond area using a Sagamore network. The plan enrollment went down so low that we actually discontinued the plan after the year started and we asked those 35 or 40 employees to choose other health care plans. And if you’re from Richmond I apologize we don’t have a lot of choices in Richmond. It’s a community that has very few choices for health care plans, very few choices for health care networks. The other numbers that are up there are the premium increases as we entered the year for 2003 and you can see the variation from M Plan around 12.3 percent.

Now M Plan changed that by also raising co-payments and deductibles. If they had not changed there plan coverages they may have seen larger premium increase. And then you can see some of the other changes. The IU PPO/900, a very popular plan across the state, 15.7% and the PPO Plus plan, again a popular plan across the state, Anthem network, low deductible or no deductible, 26.8%. Those are very high percentage increases though I have to tell you this is not new, we've had these percentage increases for the last couple years. Pretty quickly let me begin to build some base here. Another very significant policy that Indiana University installed back in 1993 or 1994 time frame was a defined contribution approach to how we'd allocate university dollars to our health care plans. So we have a fixed contribution amount; those numbers are up there by dental and by medical and we apply that to all healthcare plans and the employees pay the difference between the plan they choose and the total premium for that plan. There is some variation though and it does vary by membership level so at the employee-only level the value is around \$3400 for medical, almost \$3500. At the family level the value is higher it's almost around \$8000 dollars. That was built back in the mid-1990s and it replicated the contribution scheme that we had at that point in time. And every year we've been growing that contribution level, either indexing it or growing it, by the weighted average increase of all the plans. So it actually grew from 2002-2003 by approximately 18.4%, don't hold me to the decimal places. And you get the idea of how it works. While this chart indicates the weighted average change of the university's health care plans it does resemble the same chart you'd see on a national basis. You'd see in the very early 1990s, 20-30 percent increases. Back in those years we were debating whether it was health care or 18/20 was the priority. Health care was a priority and we spent some serious hours and work trying to develop some initiatives that would give us some value. And we introduced managed care and carved out mental health-chemical dependency and we've done a number of things over the years. Then health care costs began to drop in the mid-1990s and in the latter parts of the 1990s you can see where health care costs are today. And there's a rated increase if you will. A little dip there for 2003, I just wouldn't get too excited. I'm not going to spend any time on this, I get sometimes criticized at these factors, what does this have to do with us? These are external factors to Indiana University when it comes to controlling the cost of fee courtesy, retirement, many of those types of benefit programs are driven by Indiana University variables. Health care is driven by variables outside Indiana University. Very, very hard for us to get our arms around. So if you asked me the number one issue related to health care for Indiana University it's how the university is allocating resources to the university's contributions. This chart shows you the dollars, the only things that's an estimate up there...well, fiscal year 2002 and 2003 we're going to be 74 million dollars. The red one is if you add another 23 percent that's three percent for employee growth, we've growing in terms of our eligible population year after year. And then you take into account an approximate 20 percent increase and that numbers around 93 million dollars if you want to know that number. But, you can see how the university, that's an estimate. It has not been approved by the university for budgetary purposes, we're just now beginning to formulate and provide these numbers to the budget office and the finance office so it can be distributed to your departments. But you can see the distribution of Indiana University resources. The monies, by the way, come from your departments. Some of my peers in the Big 10 the monies come out of some state budget, but the health care plans are a part of the state and the state has a line item for health care plans. Not true at Indiana University. We garner, we obtain the revenue to pay for health care from departments. I want to stop here and see what questions there may be. This is a itemization of what we sometimes call the benefits payroll tax. And if you're not familiar with this the university obtains

the resources, the money if you will, to pay for benefit programs from FICA, retirement, health care, life insurance, fee courtesy...we obtain those dollars as an assessment to the departments. And these percentages are of course a function of the dollars we need divided by the compensation figure and we then partition out the payroll tax for what's called exempt non-contract, in grants that would be faculty and staff non-contracts and grants, professional staff. And an exempt would be contracts and grants, academic and professional staff. And then non-exempt would be our support staff and clerical staff and so on. And our health care that's 74.2 million dollars represent about 9.94 percent tax to your departments. And as that health care budget has gone up that percentage has been going up disproportionately to the dominator to compensation and hypothetically it could go up in excess of 10 close to 11 percent this coming year. Whereas most of the other benefit programs are not growing at anywhere near that rate and surprisingly even the IU Retirement Plan may actually be going down just a little bit as current faculty who have 15% contributions leave Indiana University and their replacements come in at 10% contributions than that piece goes down. But remember that's helping us pay for the cost of 18/20 as well. For this coming calendar year it's really hard to project what we're talking about for 2004, except I have one piece of information for you. The Partners HMO, it's a very nice smaller HMO up in the South Bend area is organized by the hospitals in that region has been very patient-friendly. Our employees prefer it, Notre Dame employees prefer it. It's had very conservative lower premiums, comprehensive care...it's going out of business. It's already announced that they will discontinue doing business at the end of the 2003. And, if you will I'll take questions.

ENO: You see the biggest issue as where the university is going to find the dollars to reallocate if we continue to have health care leaps at 20 percent per year?

RIVES: 20 percent for year in four years doubles...so if nothing happens and we get to 150 something million dollars coming out of our existing budget. I'm not the finance person and I have to beg and pardon on all the revenue sources for Indiana University but from what I've been told the revenue sources don't keep up at all with the distribution monies that would go to health care. One of the most enlightening conversations I had just recently at the Bloomington campus where Neil Theobald, Vice Chancellor of Budgetary Affairs, was describing what the special tuition would provide for Bloomington and how much of that would have to be detoured if you will just to pay for health care. And it was a very sizable proportion of just the new monies the university was hoping to get from the tuition increases. I'll be glad to bring back the updates in the future, especially as we move in through the summer...

BEPKO: Dan, what percentage of total payroll does this represent? I guess you've got the averages for the different groups but what is the...those aren't weighted. What kind of growth has there been in the percentage of our total personnel costs that are now devoted to benefits?

RIVES: Excellent question and I don't have good numbers off the top of my head. The total benefit including FICA is about 260 million dollars and President Bepko, this doesn't do a very good job at the total compensation picture because it doesn't take into account our compensation for adjunct faculty, hourly employees, and so forth. Though I believe from discussions with Judy Palmer and Steve Gusher the proportionality going to benefits has been increasing though I don't have specific numbers I can share.

BEPKO: Thanks, Dan.

**AGENDA ITEM #7: Constitutional Designation of the UFC Presiding Officer  
(Professors Eno and Fisher)**

BEPKO: Let's go to the last item on the agenda, then. The one we took out of order and I think Bob Eno is going to talk about the constitutional designation of the presiding officer. Bob?

ENO: Well this is an issue that we thought it might be useful to take up during this interim time when we are looking forward to a new president coming next fall and Gerry is acting as president in the short-term. Our various campuses have different procedures on how they handle their faculty councils. In some of the campuses the presiding officer is the chief administrative officer of the campuses, the Chancellor. On other campuses the presiding officer is the faculty secretary or the faculty president of the council body. In the UFC we use the former model, the presiding officer is the president of the university. The question has been raised from time to time whether or not that's the appropriate model to choose among those that are customary in our system for this body and we thought it would be a good idea to take the opportunity of a transition to discuss this issue since in our initial thinking was that if we made a change it would be directed at nobody personally if we decide starting next year to make a change in this. When the issue first came up my initial thought was that this is a body, the UFC is a body which does not function particularly effectively and one reason it doesn't function particularly effectively is that we don't know each other very well, we come from different campuses, we only meet a few times. And on reflection I wondered whether or not some boost to the degree of collegiality in these meetings might be provided if we changed the presiding officer position to one of the co-secretaries of the faculty council. Using the IUPUI model it would be the junior co-secretary who would chair the meetings; using other models it would be the senior co-secretary. And that was one impetus for suggesting that this might be a useful thing for us to think about. On the Bloomington campus I think most of us feel very comfortable with having the presiding officer be the chancellor because it's our point of view that the chancellor pays greater attention to faculty council and feels more obligation to attend and participate when in a chair position. But that might not be the primary value to think about on the UFC level. Having introduced those first couple of lines of thoughts, we don't have a great deal of time for this discussion, why don't we just open it up and see what various people have to say and basically what would be good to determine today is whether there's any sentiment that we should consider this. If there is there are a lot of steps to go through, this is a constitutional amendment and it turns out these are very complicated to affect. If there isn't we can let it rest.

SPECHLER: Having served four terms under three presidents I'd like to say I think the presidents here is a very good one. It gives us a chance to aware the president about issues and it gives him, or her, a platform for telling faculty leaders on all the campuses what the constraints are and what the trends are. I don't see, Bob, that a collegiality would be advanced one bit by having the senior co-secretary in the chair. Both the co-secretaries are normally at the table anyway. I think that collegiality is built in our committee structure and if you are looking for a way to improve collegiality well that's fine, the committees should meet more often face to face



and in my experience when they do the results are good. Not only in terms of the substance but also in terms of getting to know people from other campuses.

FINKEL: I think I agree with Martin. It's extremely important to give a chance for faculty and the president to meet face to face especially for those of us on the regional campuses. We don't often get a chance to talk to the President. I am surprised to think that the President wouldn't come unless the President was running the meeting. At IU Southeast a faculty member runs the meeting and the Chancellor comes to every meeting and is completely involved with the meeting. There are discussions before the meeting discussing the agenda and the chancellors are involved with that and it doesn't need to be running the meeting in order to attend the meeting. That surprises me, that assumption.

COFFIN: It would probably be more than a change in the designation after all it's the University FACULTY council and in some sense to have the Faculty Council chaired by someone who is a full-time administrative without any faculty responsibilities is a little anonymous. I agree that there shouldn't be any difficulty persuading the president, whoever that is, to attend these meetings but it's always struck me as a little odd frankly that the president convenes.

BEPKO: Are there other comments? I'd like to take off my hat as chair and make a comment as Interim President. First of all I think the UFC functions very effectively and I think it's been a good component of the overall collegiality that we enjoy at Indiana University. With respect to considering this now, my own view is that it would be better not to consider it now. I think it probably should be taken up with the new president as soon as she is in place so that she can participate in this. I think that would be best done after a year or two because I think at that point you'd have a better opportunity to have a meaningful discussion about what it really means...what do we really import into the process. And it would give a new president the opportunity to have some experience before deciding whether time is better spent as chair of the faculty council or if energies should be focused in other places. I think that this would be a respectful thing to do with regard to a new president. We had the experience at IUPUI and at IUPUI while I was Chancellor we converted from a system where the Chancellor was the constitutional chair of the faculty council over to the system that Bob described just a moment or two ago where the junior elected head of the faculty council actually chairs the meetings. This was done four or five years into the time that I served as Chancellor and it was at a time after I had a chance to understand the dynamics of the faculty council and I thought it was a good idea and it has worked well at IUPUI. However, I do think there are differences between the Chancellors on campuses and the President. I haven't been in the Office of the President that long but I do know that it is more difficult to attend meetings in particular places because the President has to be in so many places. When you're on campus as a Chancellor the temptation to miss meetings is not as great because you're right there but I do think that the President has to stretch to make the full meetings of the UFC in the different places it's located. I take it that it has been located so that it's compatible with the Presidents' schedule. But it is something that I think is a point of difference anyway. Finally I think recruitment of a new president is very important. As I said at the outset we have to show ourselves to be as good as we really are. I fear that if during an interim administration the University Faculty Council decided to amend the Constitution to take the President out of the chair of the University Faculty Council it would not be viewed as an indication of the good collegial relationships we do have within Indiana

University. And to that extent it might impede our ability to recruit one of those two or three best people in the country. I think we should be conveying the truth and the facts about IU and I don't want to misstate anything. But I think that those facts are that there is a good environment here, the university has high spirits, I think our future is very bright and I think that's what we ought to communicate to presidential candidates or a new president and I don't think we should rush to do this and if there's an interest in it after there's a new president here let the new president reflect on it and then take it up at a time when it can be reviewed in a more circumspect way.

ALLEN: I'd like to support that because at IU Southeast we also switched from one model to the other and it was after, and the decision was made after a new chancellor had come in and that chancellor was part of the decision making and had some interesting observations to make. I think that model, the IUPUI model, in terms of the process...I'm not saying that we're being sneaky and I think Bob's point of trying to take personality out of this and I think you approach it very early on with the new president, not the first thing but fairly soon, personality still isn't a problem. Years later when you decide that you can't stand the person then it is a potential issue, but I think it's something that should be brought up relatively soon after they get settled in I don't think it will be perceived as a personal affect. Rather, this is something we've been discussing for a while and felt it was appropriate to wait until you were brought in.

BEPKO: Other comments? Questions?

ENO: I take away from this that we're not going to pursue it further which is certainly fine with me.

BEPKO: You won't be disappointment if we have one less agenda item.

ENO: Well it was the matter of the constitutional change, I read the mechanisms.

BEPKO: We are going into Executive Session now, it is 3:45. We have one substantial...

[End of recording]