Faculty Compensation and Benefits Committee

April 20, 2016

Minutes


Guest: Brian Perera, OGA

1. At the request of faculty senate leadership, FCBC discussed the possibility of creating bylaws. It was pointed out that bylaws do not seem to be important for a committee such as FCBC that has no decision-making duties. Bylaws also restrict the flexibility of the committee. Further discussion was postponed to a future date.

2. The committee elected Tom Lemberger as the chair of FCBC for AY16-17.

3. Brian Perera discussed features of House Bill 520 that relate to the STRS mitigating rate. This bill was recently introduced in the General Assembly by Representatives Schuring and Ramos. It has not been assigned to a committee and hearings have not been scheduled. The key features concerning the mitigating rate are:
   a. STRS will contract with an actuary every 5 years to determine the mitigating rate, based on an actuarial formula.
   b. The mitigating rate will be capped at 4%.
   c. It will not be phased out over time.

STRS is opposed to the features of the bill that concern the mitigating rate. It was suggested that the sponsors will try to have the bill passed quickly. In the ensuing discussion it was pointed out that the bill would reduce uncertainty about future values of the mitigating rate to some extent (thanks to the 4% cap), but considerable uncertainty would remain, as the rate could change within the 0-4% range every 5 years. It remains unclear whether the mitigating rate is intended to help STRS deal with its overall unfunded liability, or just the part resulting from the diversion of funds to the ARP. It was noted that in the latter case it is important to recognize that ARP participants do not represent a liability to STRS since they will not receive a STRS benefit in the future.

4. Kay Wolf provided a brief update on the information her office has gathered on policies of CIC institutions concerning the waiting period for eligibility for paid family leave benefits. There is considerable variation across universities. Northwestern and U. of Chicago have no waiting period. Among public CIC institutions the waiting period ranges from six months to two years. It was pointed out that reducing the one-year waiting period at OSU could be a relatively inexpensive way to create goodwill. Kay will report back to FCBC as information from a broader set of institutions becomes available.
5. The committee discussed the draft report on growth in administrative and faculty employment at OSU. A variety of helpful suggestions for improvement were offered, including the suggestion to link the main message of the report to President Drake’s stated priorities and the Trustees’ Scorecard. Action items: Laura Gast will provide updated data that include salary, allowing us to define upper-level administrators by compensation as well as position title. David Blau will incorporate the new data in the analysis and rewrite the report.

6. The meeting was adjourned.