

FACULTY SENATE
March 19, 2014
346 LEON JOHNSON
4:10 PM – 5:00 PM
MONTANA STATE UNIVERSITY – BOZEMAN, MONTANA
Minutes

Members Present: Babbitt (Physics), Brester (Ag Econ), Bonnard (Library), Cantalupo (Ext), Christopher (HHD), Codd for Larson (MIE), Durham (JJCBE), Gannon (Bio & Chem Eng), Greenwood (Math), Herbeck (Ed), Hostetler (GC), Herman (NAS), Kaiser (ECE), Lynch (Psych), Martin (Mod Lang), McMahon (Ecology), Miller (CE), Newhouse (Art), Reidy (Hist, Phil & Religious Stds), Ricciardelli (Film & Photo), Schachman (Nursing), Swinford (Soc), Waller (Hist, Phil & Religious Stds), Wiedenheft (Micro & Immuno), Zabinski (LRES)

Others Present: Kregg Aytes, John Carlsten, Larry Carucci, Dennis Defa, Kode Falls Down, Glenn Duff, Frank Kerins, Terry Leist, Sara Mannheimer, Robert Mokwa, Renee Reijo-Pera, John Savage, Ed Schmidt, David Singel, Leila Serman

Chair Mokwa called the meeting to order at 4:10 pm, and a quorum was present.

Senate Business and Announcements – Chair Mokwa

- The minutes from February 26, 2014 were unanimously approved.
- Announcements:
 - Chair Mokwa asked if there were other nominees interested in membership on the Space Management Committee in addition to Leila Serman, who has volunteered. No additional nominees came forward. Chair Mokwa made a motion to conduct a vote to nominate Leila Serman for the membership on the Space Management Committee → all those in favor of accepting Leila as a nominee → seconded → all in favor → unanimously accepted Leila's membership nomination. Gale will send a memo the President Cruzado for appointment.
 - Chair Mokwa announced that the search process for the new Vice President for Student Success is at the campus interview stage. Five candidates are scheduled to visit our campus and the search committee has established short interview meetings for each candidate to visit with faculty leadership. Senate members, or their alternates, are invited to meet with each candidate at the dates/times that were sent in an email to FS.
 - A shared governance group who meet every Tuesday, is in place to expedite the implementation of the Faculty Handbook. Some of the policies in limbo or those which have been updated, will be discussed and approved in senate. Chair Mokwa would like to bring those policies which will not require much deliberation and would include: Academic Freedom, Ethical and Professional Standards, and Intellectual Property. Categories of policies which have three separate working groups include Annual Reviews; Retention, Promotion and Tenure; Faculty Grievance Policy.

- Courses and Programs – Chair-elect Reidy
 - A motion was made → seconded → all in favor → to unanimously approve the following courses as posted on the Faculty Senate website:
 - CHTH 245 - Physical Activity, Nutrition and Health in Aging
 - CHTH 325 - Economic and Public Policies in Aging
 - CHTH 406 - Caregiving and Aging Families
 - CHTH 430 - Mental Health and Social Issues in Aging
 - CHTH 495 - Practicum Experience in Aging
 - DDSN 102 - CAD 1-B
 - EMAT 464 - Biomedical Materials Engineering
 - FCS 461 - Principles of Wellbeing in Aging
 - FILM 101 H - Understanding Film and Media
 - FILM 201 D - Film History: Origins to the 1960's
 - FILM 202 D - Film History: 1960's to the Present
 - NUTR 499 – Capstone for Dietetics
 - PSYX 383 - Health Psychology
 - SFBS 466 - Food Resilience, Vulnerability and Transformation

State of the MUS Retirement Plan (past, present, future) – Frank Kerins (rep on the MUS Interunit Benefits Council)

- During the all-campus meeting last year, faculty identified the importance of addressing the state of MUS retirement plan architecture.
- History:
 - Prior to 1987, all faculty were enrolled in a defined benefit plan, TRS. In 1987, the BoR made changes to retirement plans and faculty had a choice of a defined contribution plan (TIAA-CREF) or defined benefit plan (TRS). In 1993, the ability for new faculty members to enroll in TRS was eliminated.
- As a holdover, some faculty are still (approx 110) still enrolled in TRS.
- The MUS now has two (2) different plans:
 - 401 (a) plan
 - Is currently referred to as the Montana University System – Retirement Plan (MUS-RP); formerly was referred to as the Optional Retirement Plan (OPR);
 - Single Vendor - TIAA-CREF;
 - Mandatory for faculty;
 - Tax advantaged savings plan like a 401(k) except it is offered by a government entity – employer contributions;
 - Plan receives employer/employee contributions: \$435MM; and
 - Proprietary offerings – Only investments from the vendor, TIAA-CREF, are available within their plan via TIAA-CREF funds.
 - 403 (b) plan
 - Multi-vendor (ING, MetLife, TIAA-CREF and Valic);
 - Plan receives employee contributions: \$150MM;
 - Four (4) vendors contract individually with MUS employees;
 - Vendors determine investment offerings; and,
 - Proprietary offerings.

- When faculty had a choice, and during the enrollment period, some decided to invest with TIAA-CREF. As a result, TRS has become an unfunded liability, with only 1/10 of former MSU employees enrolled. The TRS Unfunded Liability Mandate (BoR) guarantees 4.72% funding from other sources and is placed in the TRS account. This 4.27% used to shore up the TRS account is calculated based on current faculty gross salaries. An additional 6% from “other” (state) money, and referred to as the employer contribution, is added to the 4.27% making the total current “other” contribution (referred to as “employer contribution”) 10.676%.
 - Even though there will no longer be any TRS faculty employed by 2029 (date taken from actuarial data), money from those retiring via TIAA-CREF will fund those, still alive and drawing from TRS.
 - Retirement system payroll percentages show, for calculation purposes only, faculty contributed 7% into TIAA-CREF (401(a)) and 6% “other” (from the state) money as the employer contribution, totaling 13% total contribution. The difference between TRS, 19% and MUSRP (TIAA-CREF), 13%, however, are real numbers.
 - Compared to the Big Sky Conference, MUS is at the bottom.
- Currently, an RFP is being established and has been submitted to OCHE’s consultant, Wilshire Associates, to correctly and appropriately address the fiduciary responsibility of the MUS retirement system and to provide opportunities for employee retirement. Issues being addressed:
 - Decent investment policy statement;
 - Decent funds available via security selection and asset allocation;
 - Appropriate investment committee to review the funds selected;
 - Rather than having TIAA-CREF choose the funds, a committee will be formed to approve the funds and allow employees to make better asset allocations in investment portfolios.
 - Vendors will present the funds they promote in the context of performance presentation standards i.e., comparing like funds to like funds.
 - Significantly increase the number of passive mutual funds in the selection. TIAA-CREF do not have passive funds.
 - More Life Style funds.
 - Negotiation of fees. TIAA-CREF fees are high. Most recently, however, and knowing of MUS’s competitive bids for other investment vehicles, they have lowered their fees.
 - Employees with TIAA-CREF will be able to stay with TIAA-CREF.
 - Single record keeper. Multiple vendors do not consolidate on one platform due to the lack of comprehensive information sharing arrangements and different data formats and reporting standards. Employees will be able to access a web site and make portfolio decisions online.
- TIAA-CREF fees, as with all plans, are negotiated. For example, in the state of Washington and since all the universities were consolidated, the rate was better than those in Montana. Since MUS cannot increase the amount of contributions it can, however, reduce the cost via a single record keeper.

- Most TIAA-CREF funds are 66% of 1.0% basis points. If we were to get Vanguard, it would be 11 basis points.
- Because faculty cannot lobby on their own behalf in improving the retirement benefits, students have undertaken the task and brought it to the Montana state legislature.
- The state enacted a surcharge for faculty going into TIAA-CREF which was to end in 22-23 years. Given the current economic environment, however, it is unlikely the surcharge will be discontinued.

Honorary Degree Policy - Chair Mokwa

- Chair Mokwa asked senators to review the policy, as new wording is more flexible and changes criteria for candidates receiving the degree. It will be discussed at the next meeting.

As there was no further business, the meeting adjourned at 5:00 pm.

Signature,
Robert Mokwa, Chair

Signature
Michael Reidy, Chair-elect