

NOTES from FACULTY FORUM
March 31, 2010

The Forum began at 3:05 PM. Approximately 40 faculty were in attendance. Also in attendance were President Steen and Elaine Doell and Carol Kuzdeba of Human Resources, by request of the faculty.

The purpose of this Faculty Forum was for faculty to have an opportunity to ask questions about and give feedback on the Mercer Report, as well as to provide input to the President and ultimately the Board of Trustees about compensation. The Mercer Report is available at this link:
http://www.usnh.edu/hr/pdf/USNH_Report_03292010.pdf

The Forum began with a brief statement from Terry Downs, Faculty Representative to the System Personnel Policy Council (SPPC). Terry explained that the Mercer Report was presented at the Financial Affairs Committee meeting of the Board of Trustees, which was well attended by system staff. He learned at that meeting that Mercer used two sets of comparator schools, one for salaries and the other for compensation. The Report showed that our benefits are in line with the median (+ or – 10%).

Although questions of cost containment are still under consideration, Terry feels that the “rush to do something” has passed and that these questions will be pursued thoughtfully and calmly. The trustees will meet on April 29 to decide whether to pursue an action item on the Mercer Report. They will be soliciting input from all campuses before that meeting.

President Steen then spoke briefly about the Mercer Report, pointing out that the Report indicates that USNH has a competitive plan. The Trustees will develop a multi-year plan on what to do with the information from the Report and our compensation. That will consider how our benefits plan can change to accommodate employees at different ages and stages in life. The plan will also look at what can be done to help employees grow and stay in the system, so talented people can move up and stay. Another piece will be retirement. We do not have a pension plan. Because we have a defined contribution plan, we may need more help in retirement planning.

The Trustees will consider what parts of the benefits plan are most important and where can there be flexibility. A cafeteria plan might be attractive, for example. There is still some concern about health care cost containment.

A faculty member expressed concern about PSU’s standing at the bargaining table and whether the Faculty Welfare Committee and our SPPC Representative can understand these complicated issues and negotiate on our behalf. Faculty at UNH and Keene are protected by collective bargaining. Does PSU have adequate ability to respond and negotiate in a tough way? The President pointed out that benefits are system-wide and are negotiated as such. PSU has an active voice in the system and works with the system.

The Provost pointed out that although unionized employees at Keene and UNH did not get increases in health care costs because they were protected from increases by their contracts, PSU employees got a \$400 FSA to offset rising costs. That was to provide parity in benefits. One faculty member pointed out that not all faculty use the FSA, but all feel the cut in pay.

A faculty member expressed concern about how the system will handle rising health care costs in a tight fiscal climate. Rising health care costs and stagnant salaries may make it difficult to attract new faculty and staff. Faculty members encouraged strong communication on these issues and making them visible and explicit, to help reduce stress across campus.

When asked where the adjunct faculty were discussed in the Mercer Report and whether the Report reflects their perspective, the President explained that the Mercer analysis did not include adjuncts, but PSU continues to work on issues related to compensation for adjuncts—not only adjuncts but also hourly support staff. The Provost said she will be meeting with adjunct faculty and they are looking at salary structure and benefits. These issues are receiving serious consideration internally.

Faculty offered the following feedback for the trustees to consider:

- Look at offering different benefits for people at different stages in life (a cafeteria plan).
- Consider allowing a reduction in child care costs as a benefit, similar to the college tuition benefit. Currently, child care at the on-campus Child Development and Family Center costs about \$8,000 per year per child, which is more than tuition at PSU. (Elaine Doell mentioned that at the OS and PAT Forum on the previous day, having child care available year-round was proposed as a desirable benefit.)
- Maintain paid leave across constituency groups. (The Provost assured the group that sabbaticals will not be touched.)
- Provide a better dental plan.
- Allow a payroll deduction for college tuition and/or more flexible payment plans.
- Review tuition benefits and keep them on the table for improvement.
- Look at less costly benefits that will keep this institution a good place to work.
- Consider the possibility of USNH being a self-insured system.
- Consider allowing part-time faculty to buy into benefits.
- Don't think of faculty as veteran and new, old and young, but as being at different stages and making different life choices. Be sure to consider all faculty and all of their different family structures.

A faculty member asked what else USNH is looking at to cut costs. The President replied that each campus is providing information on that to the Board of Trustees. All campuses are working cost effectively, but salaries and compensation issues are big. Part of the Board of Trustees' responsibility is to check on cost containment and revenue enhancement. The Board began by looking at the USNH Systems Office and that office made a 10% cut last year.

The President noted that there have been multiple initiatives this year related to cost containment. These initiatives happened for different reasons and were not centrally coordinated. That may have contributed to create an impression of alarm. The cumulative effect was challenging for campuses.

The feedback from this Forum and from the OS and PAT Forum will be shared with the Board of Trustees, along with any survey information received from the campus constituencies.

The Forum ended at 4:05 PM.