

Loyola University Chicago University Senate

General Assembly

Meeting Minutes
November 2, 2018

Present: Francis Alonzo, Terence Boyle, Emily Chin, Laura Goldstein, Zelda Harris, Sarita Heer, Diane Jokinen, Lorraine Ozar, Tisha Rajendra, Susan Uprichard, Peter Kotowski, Todd Malone, Sergio Ortiz, Daniela Altamirano Crosby, Adriana Caballero Mondragon, Gabrielle Robinson, Mario Guerrero, Brittany Rebarchik, Kaitlin McMurry, Phil Hale, Nancy Tuchman, Margaret Callahan, Tim Classen, Jeremiah Martin

Delayed: Richelle Rogers

Absent: Michael Kelly, Tania Schusler, Abraham Singer, Steven Todd, Ben Feilich, Tim Love, Goutham Menon

Quorum (16/31): 21 voting members present at start of meeting; quorum is **satisfied**.

Chairperson Zelda Harris opened meeting at 3:03 PM. New members of University Senate representing the graduate programs introduced themselves.

- I. **Review of preliminary agenda and call for motions to amend**
Chair Harris asked if there were any motions to amend the agenda. No motions to amend.
- II. **Review of minutes from October 5, 2018 meeting**
Sen. Chin moved to approve. Sen. Hale seconded. 20 in favor, 1 abstention. Minutes approved.
- III. **Discussion item: Overview of changes to Loyola benefits package**
Invited guests: VP/CDIO Dr. Winifred Williams and SVP/CFO Wayne Magdziarz

**Please also see attached PPT presentation, provided by VP Magdziarz following the presentation.*

VP Magdziarz presented the Finance Update. He described his role in the University. The philosophy in finance holds that they allocate resources focused on Loyola's mission as a Jesuit, Catholic University in service to the students. The office embraces transparency and welcome feedback and recommendations. He has presented this material in many venues at this time. He described the complementary and competing needs for limited resources, with several examples from other universities.

The University's fiscal health is strong, but with fragile margins. The financial stability and success is due to large freshman class sizes. They have pursued expense reduction, but have continued to invest in people, facilities, and programs. Graduate and professional programs have experienced loss of revenue. It is a priority to keep tuition increases low, as well as to recruit faculty and staff. A \$20MM deficit would have been projected in FY19 if

undergraduate enrollment were to decline, but for the strategic reductions in expenses already undertaken or planned.

Revenue was higher in recent fiscal years due to MAP program uncertainty, the lack of an IL state budget, and vacant positions in Stritch School of Medicine. However, with the \$10MM in MAP funding eventually coming through, the University came out ahead. The net tuition to salary/benefit ratio is important to watch, and the fiscal year 18 ratio was higher due to the VTIP program. FY 17-19 realignment removed \$3 million of MAP contingency permanently. The HCMI removed \$4.5 million in FY 18. For FY 19 permanently removed \$2.4 million through VTIP program. Removed another \$6 million in staff dollars through eliminating around 60 positions. HR is continuing to make changes to benefits and other efficiencies. Looking at replicating the staff VTIP program for faculty, though it is in early stages.

They have invested in compensation, merit pools, buildings, and infrastructure. Question was raised about merit pools. Finance suggested this year that managers allocate the pool between 0% and 3%. Additional question about what criteria managers received for allocating merit pool. Answer: A new staff evaluation was established as part of this process. Question: Is it conceivable some people will not get raises? Answer: Yes, that has always been the case. This is an attempt to not establish a set percentage. Question: Is this information being given to departments? Answer: It is up to managers to disseminate this information.

Some of the impacts of unusually good years of freshman classes leaving were presented, showing that problems would occur in FY 19 without working on finances. Future freshman class tuition modeling based on Final Four effect suggests that the applications will increase, but yield rate will go down. Illinois is a net exporter of students with strong recruitment from out of state. In addition, tuition discounting is higher. Loyola is in the middle of the AJCU institutions for tuition costs, and has a strong demand. The issue is capacity for housing, teaching, and other facilities. The new residence hall project will address the need for upperclass housing and add revenue. Question: There were questions raised about the project in the community. Is it definitely happening? Answer: Yes, the Edgewater Historical Society raised questions, but the project is going on. Retention forecast for FY 19 is 86%, and looks strong after some sporadic rates in recent years.

Graduate net tuition forecasts have been off-track the past few fiscal years, so they are now looking to under-budget and over-perform. They are unclear on how low graduate enrollments might go. Example of the problem is that there was a net positive of \$7 million for undergraduate tuition, of which \$4 million was gone due to not meeting graduate tuition target.

Student debt is an issue that is being watched closely.

Finance and ITS have been building a new tool that will roll out to deans. This will be the Business Intelligence Modeling to see how much it costs per credit hour per faculty member. Question: For the granularity of this, does this take into account classes like labs with contact hours and no credit hours. Answer: Yes, it does take that into account. Question: What type of decisions is this data supposed to help with? Answer: It's one tool to

help with looking at profitability of certain programs. The tool will allow deans to look across the school to determine if the mix of course loads and courses offered is correct.

The \$25 million budget target is to meet internal obligations.

In summary, the priority is to look at new academic programs to capture new markets. Programs need to be evaluated, there have been reductions on the staff side but none on the faculty side. Question: If there are programs that are not profitable, will this mean faculty cuts? Answer: There are programs that are part of our mission and identity. Faculty cuts would be on the table. We do need to find more ways to be more efficient. Question: There have been 60 staff positions cut. Are there additional cuts planned? Answer: There is no specific plan for how many positions to cut, but there will be specific targets to meet. Question: What about the possibility of rebranding programs to make them more marketable instead of making cuts? Example of School of Public Health. Answer: That is a good example. Question: What type of scrutiny is being paid to Advancement and other sources of revenue? Answer: This would be a different conversation if we had a larger endowment. We have too low an alumni giving rate. Question: Is there a sense from the board and President's office that they plan to take a more active role in fundraising? Answer: Yes, this will tie together with new strategic plan and 150th anniversary. Question: When it comes to vulnerable programs, is there some way that faculty can be involved in the process to rebrand or reinvigorate programs? Answer: Yes, this needs to be an inclusive process, and will not come from the top down. The goal is not to cut programs off, but make sure everything is working. Provost Callahan added that the School of Public Health came from faculty, and there is money in the Academic Innovation Fund.

VP Williams presented the overview of 2019 Employee Benefit Changes. She started with President Rooney's message from 2017 that we needed to focus on our expense management due to increased costs and flat revenue. We are fiscally healthy, but need to be proactive due to many challenges. The process used was the Financial Planning Work Group. Budget Review Team provided an outline of possible areas of academic and business operations. Members were found to be a confidentiality agreement to ensure that conversations were not shared before conclusions were reached.

There were five work groups, including benefits review. Business case for looking at the benefits was because the salaries and benefits are 60% of overall expense base. Loyola has a very attractive benefits program compared to other institutions, but needed alignment with industry and market. They needed to ensure they were contemporary with what they were offering. Challenge was to identify a benefit package that is competitive and cost-effective. The HR Benefits Workgroup had several members from human resources, and the makeup of the workgroup was had six faculty members from professional schools and A&S and Arrupe. Six staff from various areas. Names are not available to protect their identities. The work group was diverse for age, gender, length of service, school, and faculty/staff. This was a challenge for them as they are consumers of benefits, and were not familiar with the topic ahead of time. They divided into teams to look at Healthcare; 403b and preschool at WTC, Retiree Benefits, PTO, University closing days, and other critical areas.

The Budget Review Team is now known as the Strategic Financial Planning Team ("SFPT"), and has a makeup of senior administrators and a dean TBD. The purpose of the team was to

provide information to the Budget Review Team and identify \$6 million in cuts. They were asked to take a long view. The considerations were benchmarking, employee relations, and identifying low-hanging fruit. Good news is that they found that Loyola has rich and competitive benefit program compared to peers and local market. It was designed and priced at a specific point in time. This means that this is more expensive than competitors. Times have changed, which is inevitable.

A list of current benefits was presented.

Healthcare team met with health insurance brokers to understand the options and types of programs. Health insurance broker said that a new plan needed to be offered. In 2018 a high deductible program was rolled out in preparation for the 2019 third option for a high deductible with HSA. Question: Are there younger employees who want the higher deductible plan? Answer: It's not specifically about age, but by utilization. There are actually more dependents covered than employees? Question: Does the PPO1 plan have higher premiums due to the PPO3? Answer: The PPO1 is expensive for the University and the employees. Question: Was there thought put into the rate of the deductible, which seems high? Answer: There was a great deal of discussion on this to keep it manageable.

Self-insured/self-funded plan where Loyola pays total claim expense and shares cost with employees with a 70/30 split. The traditional PPO program is very expensive and not necessary for everyone. That was not cost-effective, and there were lower cost options in the marketplace. They implemented a spousal surcharge if spouses have access to their own plan. They added a tobacco surcharge.

Total members are 2048, total participants 4019. Total claim costs are normally around \$25 million-\$28 million annually. Last year 54 members represented around 33% of the claims for serious illnesses. They are also looking at a focus on wellness to focus on health.

Work Group said there needed to be a consumer driven health plan. They looked at benchmarks from broker. They also changed the Pharmacy Benefit to move to wholesale purchasing. This was \$1.5 million savings. This did cause some issues, but worked with people with specialty drugs to ensure coverage. The high-deductible PPO3 is expected to save around \$3 million. Benefit Value Advisor is designed to help find lower cost locations for procedures, which has cashback for employees. This could \$50,000-\$100,000 savings. Spousal surcharge will save \$116K. Tobacco surcharge will save \$28K.

The Defined Contribution Retirement Plan (DCRP) plan was changed in 2011 to enroll employees automatically. Data analytics show that the 403B plan outpaces market and industry benchmarks. Average total match is 8-9%, with longer waiting period and vesting periods. They did not want to drop the match rate to affect everyone. Question: Most of our peers in AJCU have similar programs. How does the 0% match affect recruitment if this can result in a large loss of benefits? Answer: They did consider this and looked at benchmarks. Question: The data show that the majority of AJCU institutions have waivers. Was that considered? Answer: They looked at other benchmarks in addition to peers and AJCU from where they are recruiting. They did not consider waivers. That could be a discussion for the next benefit year. Question: Can we find the institutions against which we benchmark? That is available for institutional research for peer institutions. Can that be made available to staff? Answer: They can make it available.

Plan changed to new employee match and vesting schedule to year 1 at 50% and Year 2 100%.

Retiree medical healthcare savings account. This is not a standard benefit for higher education or AJCU. They made various proposals, which resulted in eliminating the retiree health savings account. Other options considered were to freeze account balances until retirement, freeze 3% on balance, and freeze the plan to new entrants. Question about subsidy for exchanges? Answer: If they wanted to use the Loyola exchange they could, but they could buy a plan on the open market, or pay for plans on the open market. This has a \$1 million cost savings.

Tuition remission was a lengthy subject of discussion. They decided to make no changes.

Staff PTO is much higher than average. They found that people were accruing leave and not using it, which led to large banks. They added paternity leave and other types of parental leave.

Staffing analysis led to VTIP; a large group left in July 2018. About half the positions will be replaced.

Summary is that the mix of changes is supposed to affect everyone. Chair Harris asked for additional questions to be sent to her.

IV. Discussion item: Proposal for Master of Science in Environmental Science and Sustainability through the Institute of Environmental Sustainability
Invited Guest: Dr. Daniel Amick

Sen. Tuchman pointed out that the program did not require approval by the Senate, the presentation was for informational purposes only. Chair Harris moved that the Senate review the slides in the packet rather than view the presentation. Dean Tuchman and Dr. Amick were willing to cede the time.

V. Discussion and vote: Resolution on Ensuring Equitable Practices within Campus Safety Presented by the Student Development and Success Committee

Sen. Chin presented the resolution. The committee felt that the Campus Safety report warranted a response from the Senate. The resolution commends the investigation and report, asks that University Senate be represented on the task force, that there be additional professional development and review.

Chair Harris asked for discussion specifically on the four resolutions. The resolution is asking specifically that someone from the University Senate be asked to join the Campus Safety workgroup which is chaired by Tom Kelly. She expanded on some specifics for the resolutions.

Sen. Ozar said that all the items seemed clear other than number 4, which seemed very broad and vague, and whether they were covered by number 1. Sen. Chin answered that the report was regarding the February incident, so they were asking for a broader report.

Chair Harris asked if there was a need to vote on this today or if it was time-sensitive. Sen. Goldstein said that the Diversity Committee wanted to know when the work group would be established.

Chair Harris moved to table the issue until the January Meeting. Sen. Tuchman seconded. All in favor. Issue tabled to January meeting.

VI. Information item: Tobacco-free policy resolution from SGLC

Jordan Henderson from SGLC (current Chair of Safety and Governance and Chair of the former Tobacco-Free Ad Hoc Committee) presented this item. SGLC are trying to achieve a committee made up of many different parties in the University to enact a common-sense tobacco-free policy, which is common at other Illinois public institutions and AJCU institutions. They felt a process involving multiple stakeholders is best. Right now they have not received any feedback from the Office of the President, so are hoping the Senate can lend support. The rest of the Senate has not received a copy of the resolution. Sen. Robinson (also of SGLC) pointed out that SGLC needs to have wide representation across faculty, staff, and across campuses.

Sen. Hale asked about whether this was only about tobacco or all types of products such as vaping. At the time of the legislation, SGLC had decided to focus on tobacco only.

Chair Harris asked if this would affect Rome as well. Sen. Robinson said it would not.

VII. New Business and Announcements

Sen. Ozar asked about the posting of materials on the Senate Sakai site in advance of the meeting. Chair Harris said that this was her omission and would work on later.

Guest Patrick Baranovskis (a student studying environment science) made an announcement about a problem the Green Element Resale Shop near LSC was experiencing in displaying furniture. A complaint by a real estate developer led to them not being able to display furniture. There is a vacant lot next door owned by Loyola, and they have collected signatures on a petition asking for use of the lot for furniture display. The Green Element Resale shop would create a scholarship for Loyola students. Chair Harris asked to have additional conversations with him about specific actions the Senate could take. Sen. Goldstein asked if he was working with the Greenhouse learning community. Answer: Yes.

Sen. Hale moved to adjourn. Seconded by Chair Harris. **Meeting adjourned at 5:05 PM.**

Respectfully submitted 12/2/2018, TL and MH

Senate Meeting Schedule for Academic Year 2018-2019:

- **University Senate Schedule:**

- ~~September 7~~ ~~3-6pm~~ ~~Institute of Environmental Sustainability, Room 123/124 (*combination first general meeting and closed orientation)~~
- ~~October 5~~ ~~3-5pm~~ ~~Information Commons, 4th Floor, LSC~~
- **November 2** **3-5pm** **IES Room 123/124 , LSC**
- January 25 3-5pm IES 123/124, LSC
- February 22 3-5pm IES 123/124, LSC
- March 22 3-5pm IES 123/124, LSC
- April 26 3-5pm IES 123/124, LSC

- **Executive Committee Schedule:**

- ~~August 17~~ ~~3-4pm~~ ~~CLC 1233, WTC~~
- ~~September 21~~ ~~3-4pm~~ ~~CLC 1233, WTC~~
- ~~October 19~~ ~~3-4pm~~ ~~CLC 1233, WTC~~
- January 11 3-4pm CLC 1233, WTC
- February 8 3-4pm CLC 1233, WTC
- March 8 3-4pm CLC 1233, WTC
- April 12 3-4pm CLC 1233, WTC