September 2010

IFC Report (written by Dr. Susan Feigenbaum)

The first IFC meeting of the 2010-2011 academic year was held in Columbia on August 18-19th. Susan Feigenbaum, Michael Murray and Paul Speck represented the UMSL campus. The purpose of this meeting was to provide an update on policies and procedures that have been carried over from last term and to identify issues that are of high priority to each campus. In addition, the IFC was briefed by the University’s Vice Presidents – Betsy Rodriguez (HR), Nicki Krawitz (Finance), and Gary Allen (IT) – as well as President Forsee on the issues that are in the forefront of their minds. These primarily centered on fiscal challenges and the need to look for additional cost-savings through such initiatives as shared services, on-line teaching, and program review. Vice-President Allen provided an interesting presentation on the risks inherent in cloud computing – that is, the storage of files and data on the Internet. Given the current security problems inherent in this approach, he will recommend that UM avoid this method of storage until or unless the risks are mitigated in some way.

Among the issues raised by the campuses was final resolution of a system-wide student dishonesty policy, specifically whether faculty would have the opportunity to set their own penalties as long as these were made explicit on the course syllabus. For example, whether cheating would be punished by failing the student on the assignment or in the course. Another issue raised relates to the implementation of shared services, including purchases, and whether this provides sufficient flexibility to meet specific faculty research needs – for example, requests for more specialized computer software when more generic alternatives are available. The Columbia campus raised the issue of transferring military course credits earned by veterans who enroll in UM and circulated the resolution that its faculty council has passed in this regard.

The campus representatives all expressed their concern about the proposal to convert to a defined contribution plan for new employees while maintaining the DB plan for current employees. A DC plan is one in which the University would contribute a certain percent of salary into an account, for example a TIAA-CREF account, typically matching the contribution of employees into this account. While representatives from the Columbia campus noted that their younger faculty would much prefer a DC plan with a set UM contribution that they could take with them at any time, the St. Louis representatives made the point that the issue is not one of younger versus older employees or the goodness of a DC versus DB plan, but rather whether the University can afford to implement its proposal and truly hold current employees harmless. Vice-President Rodriguez indicated that she did not believe the proposal would save the University any money, but that it would lend more stability to the UM budgeting process by fixing the percent of salary dedicated to the pension benefit. She stated that “the goal is eliminating long-term risk, not cost-saving.” This risk comes from the fact that the current DB plan permits the annual percent of salary contributed to fluctuate each year depending on the pension fund’s obligations and the performance of its investments. An IFC member responded to this argument by reminding Ms. Rodriguez that a stabilization fund was established a few years ago which permits the University to set its contribution rate and to put any excess contributions in a given year into this fund, which can be drawn from in any year that the University’s fixed annual contribution did not cover all of the pension fund’s liabilities. There was consensus among the IFC members that any change in the pension benefit should be considered within the broader context of compensation as a whole and our poor competitive showing relative to our comparator institutions in this regard.

The University expects to complete its recommendation to the Board of Curators in the Fall and that a change in the pension benefit, should one be made, will occur by the end of 2010.