Alex E. Blazer

Former USG Faculty Council Representative

USGFC Report to University Senate

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* Here are highlights from the Q&A with Chancellor Steve Wrigley, who spoke about a number of issues and answered a lot of questions.
  + Regarding funding formula, the enrollment component was fully funded; the largest the system has received. The employer share of the health insurance plan (about $7M) was not funded, so the USG had to pay it. The legislature is moving away from that for all state government. For the capital budget, this was the largest the system has ever received, including $60M for major repairs and renovations. There was a lack of a pay raise because revenue was flattening out, and the state was injecting cash into TRS ($360M) and the Employee Retirement System to keep retirement health.
  + The Chancellor didn’t believe that the Free Speech Bill would change much in the way USG does business. USG has a system-wide policy that we believe meets the legislation. If we need to change it, we will solicit faculty input.
  + On the Comprehensive Administrative Review, the Chancellor believes that modernization, efficiency, and wise use of resources raises our credibility when we ask for more resources.
  + Regarding ORP, the Chancellor believes that the state doesn’t seem willing to increase funding to ORP.
  + Regarding a question about tuition increases and a below market value of education, going forward, we will need to differentiate pricing strategy between graduate and undergraduate, in state and out of state, in nation and international tuition. We will need to be cautious about out-of-state waivers for border state tuition.
  + Regarding the Textbook Initiative and faculty fears about classes not filling if they don’t teach with no-cost textbooks, Vice Chancellor Tristan Denley is working on a publisher partnership with USG.
  + Regarding image of universities in the culture, the Chancellor suggested to focus on affordability and completion to better our image, and he recommended campus government relation teams visit with local delegations.
* Karen Elliott, Interim Vice Chancellor for Human Resources and Dr. Marti Venn, Deputy Vice Chancellor for Academic Affairs also spoke and took questions. Here are some highlights:
  + This year saw a 7% increase for health insurance and a 12% increase for pharmacy across the industry. The system is trying to save money where it can in places like mail order and generic drugs. We’re not expecting help from the state.
  + In response to a question about what’s being done to safeguard against a situation like Piedmont happening again, state procurement law require bids every 5 years. We create a plan and pay BCBS to negotiate with all the providers (BCBS has the greatest network across the state). USG stays out of the negotiations; BCBS is working on our behalf to get the best deals.
  + In response to a question about paid parental leave to female faculty or any faculty as incentive to come work for us and compete, there have been several requests from institutions. We have not done a study on how much it would cost; analysis we need to do. Leave is covered under state law. If we wanted to provide additional leave, then we would have to go through legislature. It is not something we’ve pushed given budgetary constraints on health care plan, TRS, and merit pay.
  + In response to a question about consolidation of options for health care, retirement, etc. and whether we are headed to more statewide contracts, the Total Rewards Steering Committee is looking at all options and considering regional and statewide when bid in 3-5 years. Statewide coverage allows us to leverage number of employees to secure better deals.
  + In response to a question about whether there has been discussion to fuse USG with state employees in order to create better leverage, USG is competing against different employers for faculty and staff. We benchmark our plans against other higher ed plans nationally to make sure that we’re keeping pace and can recruit and retain faculty. Our plan is richer than the State Employees plan.
  + In response to a question about administrative costs increasing and faculty costs remaining flat, the Comprehensive Administrative Review looks at administration on all campuses.
  + In response to a question about what the system is doing to develop administrators internally, although in the past the system did not look at a grow your own administrator program, it is now looking into professional development for faculty to administrator skills.
  + Regarding the 12 month pay option for faculty, a question was raised about whether it was fair that faculty at other institutions got a chance at the option before the last institution (GA Tech) was brought on Jan 1, 2020, the Vice Chancellor noted that there are tax implications, including a possibility of a 20% tax increase due to deferring compensation to next year. There’s a lot to think about and work on behind the scenes administratively.
    - Update: In an email from Scott Pegan, Chair of USGFC, on 8/1, it seems that the system is now considering using faculty senates to disperse a survey on how many faculty would use a program that spread 10 months of salary over 12 months.
* ORP Sick Leave Resolution
  + TRS is allowed to redeem accumulated sick leave upon retirement but ORP does not. USGFC passed a resolution to request the USG to explore ways to achieve equitable or comparable value.
* Summer Salary Resolution
  + USGFC passed a resolution requesting the USG to adopt standard operating procedures for summer teaching contracts.
* A topic of discussion at the Fall Meeting will be Promotion and Tenure being transferable within the system.