

# **Faculty Handbook Committee Recommendation on the Proposal from the Board of Directors to amend the Handbook with regard to Part Five: Fringe Benefits**

## **Background**

This proposal was brought forward by the Board of Directors to amend the process by which fringe benefits for faculty could be changed. The original proposal called for the formation of a University Benefits Committee with representatives from the Faculty, Staff, and administration who would meet annually and additionally if needed to review the benefits offerings. This committee would have an opportunity to report their recommendations to Human Resources. Human Resources would then review the University's benefits offerings, taking into consideration the recommendations of the Benefits Committee, and formulate their own recommendations to be submitted to the President, Provost and Academic Vice President, and Vice President of Finance & Administration. The Board of Directors would then review the recommendations, and have the option to approve the recommendations from HR. If approved the amendments, changes, and cancellations would become effective at the start of the next academic year. Further, *"upon recommendation by the administration, the Board of Directors also may amend, change and/or cancel the University's benefit offerings for Faculty at other times, outside of the above process, in extenuating circumstances for situations involving financial exigency or budgetary hardship as set forth in this Handbook, or to meet other legal compliance requirements, with notice to the Benefits Committee and the Faculty, and consideration of timely input from Faculty when possible in light of the urgency of the situation, prior to the effective date and with any amended, changed and/or canceled offerings becoming effective upon Board approval and communication to Faculty, or upon the start of the next calendar or fiscal year when specifically designated by the Board."*

The Handbook Committee reviewed the proposal and had a number of concerns that it communicated to the Board of Directors. One concern was that the proposal eliminated the sentence in the current Handbook stating *"The University is liable for at least the described level of Faculty fringe benefits or for those mutually agreed upon at a later date."* Consequently, Faculty would be forfeiting a major right and protection of benefits. However, the clause *"mutually agreed upon"* in the Handbook is currently problematic as the process whereby the agreement would be reached is not specified. We recognized that a University Benefits Committee could provide a means by which benefits could be renegotiated through a process of shared governance.

The primary concern we had concerned the process by which fringe benefits would be amended, changed, or cancelled. The problem lay in the way the proposal read. The Benefits Committee would make a recommendation to Human Resources, then Human Resources would make a recommendation to the administration considering the input from the Benefits Committee, but not be bound by that input. The Administration would then make a decision regarding benefits that would be influenced by the proposal from Human Resources, but not

bound by it. The Board would review the changes and approve or disapprove the recommendations. But all of this input and advice (without consent of the Faculty or Staff) could be avoided simply by the Board declaring a state of Budgetary Hardship, at which time they could amend, change, or cancel fringe benefits.

We were also concerned that the composition of the Benefits Committee was not specified. After discussion with the Provost, who was aware of how a similar Benefits Committee functioned at Xavier, we recommended the committee be composed of 3 Faculty, 3 staff, a representative of the administration, and a representative of Human Resources. We also made recommendations as to how the committee would be chaired. We recommended an iterative process be followed with regards to the Benefits Committee and the Administration. The University Benefits Committee would come to a consensus on any required or desirable changes and send its proposal to the President, who could accept the proposal, or reject it. If rejected, it would return to the Benefits Committee for revision. Since the committee would be the source of any proposal to change benefits, this process would preserve shared governance, as both the Committee and the President would have to come to an agreement on any changes.

We also recommended that the Board not be the final authority on changes in fringe benefits, but rather that the final authority should be the President of the University. The Board of Directors has not been in this role in the past, and we felt the President would be a better choice for final approval. Certainly, communication between the President of the university and the Board will occur, and the Board will be able to make their opinion and will known to the President. We do not feel it necessary to specifically include them in this amendment.

### **The Revised Proposal**

On Monday afternoon, November 2, 2020, The Board submitted the revised proposal. They indicated in their letter to the Faculty Handbook Committee that this was a final proposal, and as such, was not subject to further review or revision. This is in accordance with the current Faculty Handbook, which states that once a final proposal is submitted it must be shared with the Faculty, the Faculty Handbook Committee must write a recommendation to the Faculty regarding the final proposal, and a 30 day period of review starts in which open hearings are held and discussion regarding the proposal can occur among the Faculty.

The revised proposal did adopt several of our suggestions. The University Benefits Committee was defined in more detail (2 representatives of HR, 1 representative of senior administration, 3 full-time, benefits-eligible staff members, and 3 full-time benefits-eligible members of Faculty). Furthermore, a specific exception was made so they could meet during summer if required. The process was improved. Any benefits proposal developed in the University Benefits Committee would be sent directly to the President and Vice-President of Finance and Administration. The President could accept any recommended proposal or return it to the Benefits Committee for further deliberation and adjustment. All of these changes were welcomed by The Faculty Handbook Committee.

However, the revised proposal contains an additional option for the President. The President in consultation with the Vice President of Finance and Administration can choose to approve an alternate proposal. We cite the Board's proposal on the consequences of this action: *"If the President approves an alternative benefits proposal that is not based on the recommendation of the Benefits Committee, the President will provide the Benefits Committee with an explanation for the decision and provide, when possible, an opportunity for the Benefits Committee to respond prior to the final approval. A proposal that has been returned to the Benefits Committee for deliberation and adjustment will be returned to the President and Vice President of Finance & Administration with the committee's recommendation within seven (7) calendar days of being returned to the committee. The President, in consultation with the Vice President for Finance & Administration, may approve or decline the returned proposal. If a proposal is not returned within the time frame or the Benefits Committee's returned proposal and recommendation is declined, the President may approve an alternative benefits proposal."*

Given that the President can formulate and approve a benefits proposal that has not come through the University Benefits Committee, the need for having a Benefits Committee is moot. The committee can provide, after consideration, research, and deliberation a proposal for changing benefits, but that proposal can be discarded in favor of whatever the President wants. The Faculty and Staff have input, but no meaningful role in co-determination. This is the equivalent of a suggestion box in a factory workplace. Management has no obligation to follow any suggestion which it is given. This is not shared governance.

Furthermore, the proposal also says: *"The University may amend, change and/or cancel the University's benefit offerings for benefits-eligible Faculty and staff at other times, outside of the above process, in extenuating circumstances for situations involving financial exigency or budgetary hardship as set forth in this Handbook, or to meet other legal compliance requirements, with notice to the Benefits Committee and the Faculty, and consideration of timely input from Faculty when possible in light of the urgency of the situation, prior to the effective date and with any amended, changed and/or canceled offerings becoming effective upon final approval and communication to Faculty."*

In this instance, the Benefits Committee is not even involved in providing input, but rather is just informed of the amendments, changes, or cancellation of benefits. This is also not shared governance.

This proposal would require sacrifice on the part of the Faculty. The right of not having our benefits changed without mutual agreement is violated. A mechanism for achieving mutual agreement is absent. The faculty are excluded from shared governance. Due to these provisions in this amendment, we cannot support its passage. We recommend that the faculty vote against this proposed change.