Chair Robert Breidenthal called the meeting to order at 1:05 p.m.

Meeting Synopsis:
- Approval of the minutes from the June 10, 2009, and the November 12, 2009, meetings.
- Legislative Update
- Report on Long Term Care Partnership.
- Update on fund review committee selection of an advisor
- Discussion: Merit raises for 50% rehire faculty
- Old business
- New business

1. Approval of minutes

The minutes of June 10, 2009, and the November 12, 2009 meetings were approved as corrected.

2. Legislative Update: Jim Fridley, Faculty Legislative Representative and Margaret Shepherd, Director of State Relations.

Following introductions, Margaret Shepherd began by reviewing what’s on the legislative radar as far as UW administration is concerned. First is the Governor’s budget proposal with a $20 million additional cut; a 60% cut to state need grant program, including the Husky Promise program; and a second proposal coming that would suggest additional revenues that would buy back the state need grant program.

The broader agenda includes, as a top priority, protecting the need grant money. It would also include working toward changing the relationship of the UW to the state by asking for continued authority to set residential tuitions (with caveats and caps) and for release from working under state regulations that make it much more expensive and time-consuming to complete campus capital projects.

Jim Fridley then added that his focus on behalf of faculty will be restoring need based money for students. There’s a crucial need for the UW to be perceived in Olympia as doing the right thing, and this focus will help contribute to that perception. Shepherd endorsed this, adding that the entire university needs a positive, student-focused message.

Vice President for Human Resources Mindy Kornberg acknowledged these points, but suggested that the extension of tuition-setting authority will be critical at the UW for the next few years. She also suggested that Council members review recent articles from the Chronicle of Higher Education concerning the crucial need for federal support for the survival of Research 1 universities. Shepherd agreed, saying that both managing resident tuition and the way we do business with regard to capital projects are crucial to maintaining quality and access to the UW.

In response to a question regarding budget impact on faculty benefits, Katy Dwyer, Director of Benefits, reported that health care costs are up and that’s reflected by increases in faculty and staff deductibles and co-pays. Employees will continue to be paying a larger percentage of health care. Other fall-out from the current budget situation includes the fact that retirement trust funds are in trouble. For example, with no intervention, the PERS 1 program will run out of money in about six years. After that, pensions will have to be paid through state general funds.
3. **Long-term Care Partnership**

The Long-Term Care Partnership is a consortium focused on broad issues related to long-term care insurance and ways to make this a more attractive option for Washington State employees. This will be discussed during the legislative session and FCBR will be kept up-to-date and the discussion evolves.

4. **Update on Fund Review Committee selection of an advisor**

Dwyer reported that the Fund Review Committee (FRC) is sorting through responses to the RFP for an advisor – and is in the process of drafting questions to pose to finalists for the position. The process is going well, and Dwyer anticipates that a decision will be made by the end of January with the advisor in place in early February. The FRC will continue to meet monthly and will be working on an investment policy statement.

She also reported that she is currently working with the UWRP and the Faculty Senate on updating appointments on the FRC.

5. **Merit Raises for retired faculty who return at 40%**

Chair Breidenthal reported that current salary policy is clear that those who return at 40%-time, are not eligible for salary merit increases. He has requested a rationale for this policy from Academic Human Resources, and will report to the Council once he has heard. His assumption is that the fact that 40% faculty members are not regularly evaluated in the way that regular faculty are, will turn out to be a crucial part of the rationale.

Discussion ensued about the value of using merit increases for part-time faculty as a “carrot” to encourage older faculty members to retire from full-time employment and the unfairness of limiting salary of those part-time faculty members whose financial support is entirely from grants and contracts. The Chair will explore the possibility of making a recommendation to the Chair of the Faculty Senate.

6. **Old Business**

**Membership Change**

In view of the current financial situation the Executive Director of the University of Washington Retirement Association will no longer be serving as an ex officio member of FCBR. The Chair will advise the Secretary of the Faculty of this change in procedures.

**Status of UWRP’s Opt-In Situation**

The history of this issue dates back to May of 2007 when FCBR passed a resolution recommending automatic enrollment in what is now the “10% option” at age 50 in UWRP retirement plans. As it was, and still is, employees must “opt in” to a 10% contribution (which brings a matching 10% UW contribution). This makes a tremendous difference in an individual’s retirement fund over the course of a number of years, and the resolution, if it had been enacted upon by administration, would have made it an automatic enrollment instead of needing to opt in. Administration felt that the budget impact of such a change would be too substantial. Although the office of Benefits and Retirement makes every effort to notify and encourage employees to take advantage of this opportunity, FCBR continues to look for ways to do more in that regard. The Provost has been asked, and has agreed, to write a letter to faculty, personally encouraging them to opt in as they approach their 50th birthdays.

A draft of this letter is being worked on, and Dwyer will circulate a copy to FCBR members for comment. Dwyer also reminded Council members of a survey her office had done some years ago to determine why faculty members did not opt in to the 10% program. She will bring a copy of that survey and discuss with FCBR members the merits of possibly repeating this, or a similar, survey in this very different financial climate.
7. **New Business (meet more often?)**

After an inconclusive discussion on whether the Council should be meeting more frequently, the Chair requested that members bring potential projects/Council agenda items for discussion at the Spring meeting. If it is determined that more meetings would be required to accomplish the work, more will be scheduled.

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The meeting was adjourned at 2:34 p.m.

*Minutes by Susan Folk, Assistant to the Secretary of the Faculty ([sfolk@u.washington.edu](mailto:sfolk@u.washington.edu))*

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