



## **The Ohio Faculty Council**

**Members Present:** Cleveland State University (Brian Ray); Kent State University (Mack Hassler); Northeastern Ohio Universities College of Medicine and Pharmacy (Claire Bourquet); Ohio State University (Tim Gerber and Susan Shockey); Ohio University (Sergio Lopez); University of Akron (Rudy Fenwick [Chair]); University of Cincinnati (John Cuppoletti); Wright State University (Tom Sudkamp and Jackie Bergdahl); and Youngstown State University (Chet Cooper [Secretary] and Ken Learman)

**Members Absent:** Cental State University; Medical University of Ohio at Toledo; Miami University; Shawnee State University; and University of Toledo

### **Call to Order:**

The monthly meeting of the Ohio Faculty Council (OFC) was held on Friday, February 12, 2010 in the Ohio Board of Regents' office. Chair Rudy Fenwick called the meeting to order at 12:30 PM.

### **Special Guests/Presentation:**

Rudy presented our guests to the OFC members present. The guests included Rep. Tod Book (Chair, Ohio Retirement Study Council [ORSC]), Larry Lewellan (Vice President of Human Resources, Ohio State University), Michael Hehf (State Teachers Retirement System [STRS], and Aristotle Hutras (Director, ORSC). A discussion was then held regarding the financial stability of the STRS and how the OFC can help in this effort. The following represents a summary of that discussion.

The ORSC asked the boards of the five retirement systems for possible solutions to the current funding problem. These solutions will be considered for legislative implementation.

The defined benefit plan is very expensive and there is currently an imbalance between the assets and the projected liabilities. The imbalance is not currently an emergency situation, but the STRS Board is trying to be proactive in offsetting the imbalance before it becomes a problem. It would appear that under the current system, there are enough assets to cover expenses for the next 20-30 years; however, in the longer term, solvency will become a problem.

The use of a defined contribution system that was first proposed in the early 1990s never fully gained traction. If a long-term solution to the defined benefit system is not found, there is greater likelihood that a defined contribution plan will become the likely choice. It currently is a choice for new faculty if they elect to adopt that plan.

Challenges to the defined plan are as follows:

1. Life expectancy is increasing and so it is entirely possible for someone to collect for more years than they contributed to the system.
2. The current economic downturn has eroded the total amount of assets available.
3. Healthcare costs are rising at precipitous rates
4. The COLA may not be realistic for current economic trends

Based on this proposed plan, after 2015 someone retiring with 35 years will receive a 10% reduction in their defined benefit from 88.5% of final salary to 78.5% final average salary.

COLA will be adjusted down to 1.5% for those retiring after July 1, 2011 and current retirees will receive 2% rather than the current 3%.

STRS reported that the expense ratio of the plan is well below that typical of asset managers at 0.1%. Since STRS manages approximately 58 billion, it would appear that 58 million is spent in management fees.

Our guests will communicate with the OFC when legislation is available addressing the above challenges. At this point, the guests left the meeting.

**Agenda:**

Rudy presented the meeting agenda that was approved without dissent.

**Minutes:**

The minutes of the OFC meeting on December 11, 2009 were approved with a minor correction.

**Old Business:**

- Rudy presented a draft report of the OFC response to the Difficult Dialogues meeting held on November 13, 2009. John Cuppoletti moved, pending minor corrections, that the report be sent to Chancellor Fingerhut for his feedback and subsequently a final version be sent to the Midwestern Higher Education Compact. Sergio Lopez seconded the motion. The motion was approved by unanimous voice vote. John also requested that a corrected copy of this document be shared with the various OFC Senates as well as posted to the OFC web page.

**New Business:**

- Rudy informed the OFC members present of the current problems pertaining to OhioLink and the subsequent resignation of its director. An oversight group has met with Chancellor Fingerhut and some progress is being made towards resolving various issues. Rudy read a draft of a resolution to present to the Chancellor in support of his current efforts. A similar resolution was recently passed by the Ohio State's Faculty Senate. John Cuppoletti moved that the resolution be delivered to Chancellor Fingerhut. Sergio Lopez seconded the motion. The motion was approved by unanimous voice vote.

## **Campus Reports:**

Wright State University (Tom Sudkamp) – The Administration and AAUP are discussing workload under the new quarter to semester conversion plan, but no progress has been made. Hence, the faculty have quit working on this project. There is hope that the issue will be resolved by the end of February.

Ohio University (Sergio Lopez) – There is a 7% cut in the budget for next year, but it is hoped that the cuts will be differentiated so as to spare the academic departments.

Kent State University (Mack Hassler)

- Enrollment has increased to record levels for the spring semester
- Tenure track faculty received a bonus for retention in accord with the union contract
- A new undergraduate curriculum has been passed
- May will be the 40<sup>th</sup> anniversary of the Kent State shootings

Northeastern Ohio Universities College of Medicine and Pharmacy (Claire Bourquet)

- New president has started
- A search for a new Dean of Medicine has started
- An accreditation self study has begun
- Classroom space is becoming a problem and the revision of the campus master plan is underway

Ohio State University (Tim Gerber)

- An energy grid study is underway as part of the president's sustainability plan
- Efforts are being made to enhance patent transfer to industry

Youngstown State University (Chet Cooper)

- Enrollment is up for the spring semester
- A new president will be chosen next week

University of Cincinnati (John Cuppoletti)

- A search for a new provost is underway
- Both enrollment and applications for admission are up
- There will be an 8% budget cut

University of Akron (Rudy Fenwick)

- Contract negotiations were successfully completed that included some domestic partnership benefits
- A search for a new provost is underway

**Adjournment:**

By consent, the meeting was adjourned at 2:45 PM.

The next meeting of the OFC will be held on Friday, March 12, 2010 at 12:30 PM in the Ohio Board of Regents' office.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Chet Cooper". The signature is stylized and cursive.

Chet Cooper, Secretary  
Ohio Faculty Council

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