

Staff Senate Meeting
Thursday, August 15, 2002
9 a.m.
Facilities Management Training/Break Room

Senators Present: Carol Barnhill, Sandra Bramblett, Mark Clark, Barbara Coker, Kyle Cooper, Laura Cremeens, Mary Raynor for Carolyn Douglas, Beth Ephlin, Tami Freeman, Janet Hardin, Victor Hill, Philip Jackson, Sharon Lee, Randy Martin, Judy McCay, Donna McMillin, Vic Nelson, Hope Phillips, Elaine Poynter, Mike Rippy, Lanny Tinker

Absent: Chris Cambron, Carolyn Douglas (proxy), Carolyn Reece (proxy), Margie Vaughn

Agenda

1. **Call to Order.** President Jackson called the meeting to order at 9 a.m.
2. **Minutes.** The July 18, 2002 minutes were presented for approval.
Motion to accept as is: Senator Hill
Second: Senator Nelson
Vote: Approved unanimously
3. **Treasurer's report.** President Jackson reported the following balances as of August 14, 2002:
 - Staff Senate ASU account - \$2,675.00
 - Staff Senate ASU Foundation account - \$2,516.67
 - Cookbook account - \$0 (Balance transferred to ASU Foundation account)
 - Santa's Tribe ASU account - \$1,401.30
 - Santa's Tribe ASU Foundation account - \$4,034.49
4. **Bonus vs. pay raise for completion of degree/certification.** Neil Vickers said that in 1995 Dr. Wyatt proposed an award system for all staff who earn benefits who complete degrees/certifications similar to the one in place for faculty. He said Wyatt wanted the plan to affect base salaries. The committee to research and write the proposal found that state law forbids base salary increases for staff who earn benefits unless they are received through labor market rate adjustments, reclassification or some other state approved means of increase such as annual pay raises. The committee remained idle for about two years until Dr. Wyatt asked the Staff Senate to renew efforts to develop a plan. The professional development plan was presented to ASU administration in February 2000 and became effective in July 2000. One time bonuses may be awarded to all staff who earn benefits who complete the following degrees or certifications:

Associate Degree	\$1,000
Completion of Technical Program	\$1,500
First professional license/certification	\$1,500
Bachelor Degree	\$2,000
Master Degree	\$3,000
Specialist Degree	\$4,000
Doctoral Degree	\$5,000

Contact the Office of Human Resources for more details on the program.

5. **Budget questions and answers.** Jennus Burton, Vice President for Finance, Planning and Administration, answered several budget-related questions:
- a. *If cost of living increases were approved by state legislature for this fiscal year, why were they not awarded?* A 2.6% salary schedule increase was approved by the state but not funded by the state. The increase would require approximately \$1.5 million from ASU's budget. Our budget is set biannually and is dependent upon projected state tax revenue income. Due to economic slowdown this past year, tax revenues have declined. ASU has been forced to make budget reductions across campus and more cuts are still needed. Dr. Wyatt's goal is to keep employee jobs intact. When presented the choice of foregoing the pay increase for a year or awarding the increase but laying off people, he chose to keep jobs.
 - b. *Other state agencies (ex. Arkansas State Highway Department) awarded cost of living increases to their employees. Why did ASU refrain? What is the status of future cost of living increases?* Other state agencies may have awarded the state approved 2.6% increase but they may also have had additional funding from other sources. ASU refrained because of the decision by Dr. Wyatt to preserve jobs for everyone rather than award raises at the expense of other's jobs in addition to ASU experiencing a \$3.2 million State appropriation reduction. A pay increase will be a top priority for the next fiscal year subject to economic conditions and tax revenue collections.
 - c. *Why is athletics exempt from absorbing any budget cuts?* Dr. Wyatt and the Board of Trustees made the decision to protect I-A status. ASU's annual athletic budget of \$8-\$9 million is low compared to the national average of \$20 million per year. ASU has two to three years to meet NCAA criteria for I-A status (home game attendance, scholarships, Title IX requirements, etc.) No deadline for discontinuation has been established at this point.
 - d. *If athletics operated at a break even level, could ASU use reserves to fund state mandated cost of living increases?* No. Reserves cannot fund raises because they are permanent investments. Reserves are set aside for one-time use for emergencies. One-time pay bonuses are available only through the CLIP program.
 - e. *Why are we employing two head football coaches? Why is the ex-coach still drawing a salary?* He receives a salary because he has a contract that gives him the option to stay regardless of the position he holds. The University honors its employment contracts. He is being paid through the academic budget, not the athletic budget. There are 1-2 years remaining on his contract.
 - f. *What is the funding status of the CLIP program for this fiscal year?* CLIP is another top priority for the next fiscal year. As always, there is no guarantee funding will be available. If possible, CLIP will be funded at the maximum of 8%. Criteria for all positions are available on the Human Resources website. Acceptable program criteria decisions are made jointly by the employee, supervisor, and vice president. Each vice president has approval authority on CLIP programs of employees in their area. Many state administrators continue to question continuing CLIP so we must maintain a high level of quality to justify keeping it. Moreover, the program is an opportunity to develop staff and enhance their professional designation. It needs to be challenging in this regard.
 - g. *What is the difference between E&G transfers and auxiliary transfers?* Auxiliary funds are generated by profit making enterprises within ASU. Education and general funds (E&G) are provided by state appropriations and tuition and fee revenues and are invested primarily in instruction and academic program support. With the exception of the \$750,000 for athletics, money from E&G accounts cannot be transferred to auxiliary accounts.
 - h. *Why does ASU administration think that maintaining Division I status through deficit spending is preferable to dropping to Division I-AA, thereby reducing or eliminating the deficit?* The net cost of an athletic program at the 1-A level as compared to 1-AA is about

the same cost. Moreover, the 1-AA programs will no longer be able to schedule the big football game payouts because each 1-A school must have at least five 1-A home football opponents. This will squeeze out all opponents that are not 1-A. The budget for ASU athletics is between \$8 million and \$9 million annually. The average 1-A athletic budget 2 years ago was \$20 million as reported by the NCAA. The UofA athletic budget was quoted in the news at \$34 million and still low because it was 9th overall in the SEC. The ASU athletic budget is well worth the investment and quite reasonable comparatively speaking.

i. *Other questions and comments:*

- i. *Staff have little input in parking plans on campus.* Parking decisions are not part of the shared governance process. Those decisions are under the control of the Vice Chancellor for Student Affairs. There is a Parking Services focus committee that provides advice to the VC. Staff should contact that office with questions or concerns.
- ii. *Health insurance for early retirees.* A plan to reward early retirees who have accrued over 720 hours of sick leave is being considered. ASU currently pays one-half the cost of health insurance premiums for early retirees until they reach Medicare age. The plan under consideration would reward employees by increasing the percentage that ASU pays based upon the number of sick leave hours they have available at retirement up to the maximum accrual of 960 hours. This plan will be discussed widely including all the System campuses before a final plan is recommended to the Board of Trustees, probably at their December, 2002 meeting.
- iii. *Health care premium increases.* Based on what we are experiencing today in claims activity and projected health care cost increases in January 1, 2003, and barring additional budget cuts, there will be no increase to employees if health care premiums increase. ASU will pick up the full cost increase. Dr. Wyatt asked that ASU plan to accomplish this in light of no salary increase for FY 02-03.
- iv. *Health Center services available to employees.* ASU issued an RFP some time ago to attract a health services partner to construct a health service clinic on the ASU campus. St. Bernard's won the bid process and is completing plans to build a new health service clinic on the corner of "U" Street and Stadium Drive. ASU will relocate its Student Health Services department into this new facility as well. The ASU Student Health unit provides pharmacy services to students. We would like to offer these pharmacy services to employees and dependents currently covered under our health care plans. This would provide prescriptions to ASU employees and dependents at reduced costs. Moreover, we wish to allow all employees and dependents who use this health care clinic an opportunity to pay a reduced co-pay, probably 50% of what would be required at any other clinic location.

6. **Vacation accrual for non-classified staff - ad hoc committee report.** Senator Barnhill said the Fringe Benefits Committee needs a recommendation before considering the question of equity in classified and non-classified vacation accrual. The vacation accrual rate for classified staff is stated mandated; the rate for non-classified staff is self-regulated (determined by the agency.) She said the Staff Senate ad hoc committee will continue to research the matter before deciding to submit a recommendation.

7. **Town Hall meeting.** Senator Lee said the Staff Senate Town Hall meeting will be Wednesday, November 6 at 2:30 p.m. in the Reng Center Ballroom. The committee chair is Tami Freeman. Anyone wishing to work on the committee should contact Tami at tfreeman@astate.edu.

8. New business.

- a. Elections for part-time Staff Senate representatives will be held soon.

The next meeting will be Thursday, September 19, 2002, in the Dean B. Ellis Library Boardroom, 8th floor.
The meeting adjourned at 10:45 a.m.

Respectfully Submitted,
Laura Cremeens
Staff Senate Secretary