

Minutes of Faculty Senate Meeting

October 19, 2016

*Submitted by Senate Secretary, Claudia Karloff, Professor of English
Prepared by Amalia Wagner and Claudia Karloff, Ph.D.*

Caveat: Comments recorded are not necessarily verbatim. In order to facilitate open discussion, the identity of most Senators making comments or questions is not recorded. The identity of comments from Senate Officers and Senate Ad Hoc and Standing Committee Chairs are given, as is the identity of persons commenting in their official administrative capacity (e.g., CFO, Provost and College Dean.)

In attendance: Jane Albrecht, Simone Caron, Stewart Carter, James Cotter, Larry Daniel, Will Fleeson, James Ford, Michele Gillespie, AC Howlett for Dwayne Godwin, Claudia Kairoff, Molly Keener, Ralph Kennedy, Bill Leonard, Nina Lucas, Hof Milam, Wilson Parker, John Parks, John Pickel, Tim Pyatt, Sarah Raynor, Kathy Smith, Beverly Snively, Darlene Starnes, Michelle Steward, Julie Wayne, Jeff Weiner, Mark Welker.

There were 23 voting eligible Senators present, a quorum.

Welcome

President Cotter called the meeting to order. A motion was made and seconded to accept the minutes of the September 14, 2016 senate meeting. Approval by a show of hands was unanimous in favor of approval.

He announced that Amalia Wagner will send out a spreadsheet which includes meeting times, committee assignments and membership terms. If you have any questions or find any errors, please contact President Cotter with your concern.

Retirement Update by Jim Strodel from CapTrust (Addendum A for complete PowerPoint presentation):

President Cotter introduced Jim Strodel from CapTrust. He works in conjunction with the retirement plan committee to provide oversight and fiduciary governance. He mentioned a government regulation called ERISA, which states that the committee that oversees this plan has one responsibility, to work for the exclusive benefit of plan participants. That is the rule for which the committee is charged and the bar they must meet. Jim's firm assists with this regard. He noted everyone should keep in mind that when changes are made to the program, they are all intended to deliver a good outcome for plan participants.

Jim gave an overview of the current plan. It is worth nearly half a billion dollars and has 4,414 plan participants. The plan offers pre-tax and Roth contribution options. The plan previously offered 275 choices across 3 different administrators. The new plan narrowed choice to 22 investments with a brokerage option. He mentioned that the transition took place in February 2016. Approximately 900 employees attended an information session, 115 visited a kiosk, and 100 scheduled an individual advice session. He encouraged everyone to meet with an advisor; it is a free service, and they will not try to sell you their funds or pressure you. The advisors will help you and evaluate your allocation. As President Cotter mentioned earlier, if you were in the

double short fund or Russian bond fund that was closed and there wasn't an equivalent, you were placed in an age appropriate target date fund. You always have the ability to move amongst those 22 funds. If you were in annuities, those monies stayed intact. He suggested you might want to revisit those accounts and see if they still fit for what your objectives are.

The retirement plan committee meets quarterly and CapTrust does an independent review of all investments in the program. They provide a monitoring report on the 22 funds and determine if the funds are still good and if they are still performing well. It could be that if one of the funds fails, Cap Trust will notify you that they have changed to a new fund that is better. They also look at the health of the individual's program to assess retirement readiness. Jim explained that typically, a person needs 70-80% of their current income in retirement. Approximately 35% may come from Social Security, leaving a gap of 35-45%. A portion of this will be reduced by WFU contributions, if eligible. They looked at how people are engaging with the plan. Only 37% of faculty and staff (1,073) are contributing to their retirement plan. In July 2016 they initiated an auto-enrollment feature for new hires. They are flipping the inertia with new hires and trying to take advantage of it to encourage greater employee participation. Out of 171 new hires, 134 auto enrolled, 15 opted out and 22 changed the percentage. It was very effective; 78% compared to current employee contribution at 37%. These employees can change or stop their deferrals at any time. We saw this as a win, in that people are getting in the program and being more ambitious with their savings.

HR group did some research as to what other peer institutions are doing. Some institutions do as little as 1% up to 6% and some auto enroll new hires or both. The University is considering automatically enrolling current staff/faculty that are not contributing to the plan at a 5% contribution rate.

Discussion ensued:

Q: What would you look at if you were investing in one fund vs another?

A: (Jim Strodel) That's a tough one because it depends on your age and risk tolerance. You should use the tools on the website to determine your risk tolerance. There are a broad group of funds to choose from, some very conservative and some higher risk. You can call TIAA Cref and set up an appointment with a counselor and engage with them.

Q: If someone contributed \$100 to the retirement plan, how much would it reduce their paycheck by?

A: (Jim Strodel) With the tax advantage, it would be probably in the high 70's, depending on your tax bracket. Because it's pre-tax it feels like less of a reduction when you get your net pay.

Q: How does WFU employee participation compare to other Universities?

A: (Jim Strodel) The numbers are pretty consistent because institutions tend to have a rich contribution. As a result, employees just take what their employer contributes and only the more

ambitious tend to differ. Many institutions are implementing auto-enrollment to reverse the trend.

Q: How clear is the opt/in, opt/out for new employees?

A: (Bethany Fay) in the onboarding process, they have to click a box saying they understand the document they are reading. It states if you don't make a change in 30 days you will automatically be enrolled at a 5% contribution rate. What we typically find is that new hires want to enroll and we are making it much easier than in the past.

Q: What are the administrative costs for the plan?

A: There is an administrative cost that TIAA Cref charges to run the plan. Every investor buys into a fund and every fund has a different expense structure. In that expense structure there's a component that gets set aside to pay for administration of the plan.

Q: I was wondering what the potential cost or downside there would be to auto-enrollment?

A: The cost is that of whatever investment that they land in. An age-appropriate target-date fund has an expense in the .15 range to .17. That is vastly less expensive than if they were investing with a bank. Very low, generally 1% for management on your own account.

Q: Has the committee already decided on this? Where are they in the process?

A: No, the committee wants feedback on this before deciding.

Q: What is the experience with other institutions that have instituted this with new and existing employees?

A: (Jim Strodel) It has been going on in 401k plans for a while, and well received by new employees. It's a little more disruptive to existing employees, but still minimal. I don't have any evidence of how many employees opted out. It's considered a best practice in plan administration and plan design.

Comment: (Jim Strodel) It's important for everyone to look at their contribution and consider increasing from the mandated amount of 5%. I might be back in this room in the future talking about an automatic increase.

Q: What is the benefit to the University?

A: There is no benefit to the university for doing this other than employees leaving here saying they had a great experience working and having a good, comfortable retirement.

Q: What is the benefit to the fund becoming larger?

A: There is no benefit to the institution except that we can negotiate lower fees for the participants.

Q: If people are contributing less than 5%, will they be affected?

A: Not this round; only employees not contributing at all will be auto enrolled at 5%.

Comment: I think it would be a good idea for you to present this at a college faculty meeting. It would be better received if people understand the process.

Q: Are you trying to get a sense of the faculty feeling on this?

A: My sense is that the majority of the faculty are in the situation you are describing, with only inertia preventing them from enrolling. There is probably a significant portion of faculty that have thought about it but aren't convinced that they need 70 to 80% of their income for retirement or budgetary constraints. I think the folks in the second group might find it frustrating and big brotherly.

Comment: This is where communication is important, and engaging them on some level that this is going to happen.

Q: Is the implementation set? Your slide indicated 7/1/17. The reason I'm asking is that is when our annual raises go into effect. I'm not sure if that is better or worse because people won't see an impact because they get their raise and deduction at the same time.

A: (Jim Strodel) It hasn't been fully decided yet. Part of it is how does everyone feel about it. I think this will be voted on at the next meeting. That date was selected for that reason because you might be able to budget better for it.

Comment: I spoke with my faculty about this and their response was "Thank you for reminding me," but they want to know that they can opt out. I feel that communication is key.

Comment: As an educational and pro humanitate institute I find the 37% of participation rate horrible. I love the idea of you (Jim Strodel) coming to different meetings; you are an excellent communicator and it's clear you are not here to sell anything to anybody. I think there is a huge educational opportunity that must be addressed asap. We should be talking about this retirement topic: it is not about skepticism, it is about reality. I hope we embrace it, versus looking at it as some administrative task that we normally resist. We can do that on other things, but this is something so important to educate our staff about.

Q: Is it possible to predict what it will look like on your pay check if you participate?

A: TIAA has the information on their website. If you put in 5% on their website, it will tell you how much it will look like but it will not tell you what your take-home pay is.

Comment: In terms of communication and education, it would be helpful if the department chairs bring this up in department meetings.

Comment: It is also important for people to know how easy it is to opt out online.

Comment: To make sure I understand this correctly: You indicated that in order to meet the 35% to 40% gap, I should ideally be saving 15% to make up the gap with Social Security. This might be helpful for people to hear: that just making a voluntary contribution of 5%, plus the amount that WFU is contributing (which in my case is 10%), could make all the difference down the road. Many people don't know this information.

Q: Do you have any statistics of income range of employees, specific to WFU?

A: I don't think so; it is difficult to do that.

President Cotter thanked Jim Strodel for his presentation and advised the Faculty Senators to send any additional questions regarding the retirement plan to him and he will forward them to the retirement committee.

Should we add the Faculty Senate bylaws as part of the Faculty Handbook?

President Cotter posed the question of whether the Faculty Senate bylaws should be part of the Faculty Handbook?

He asked for feedback regarding this and stated that the Faculty Senate would retain ownership of the document and Senate-related description in it. If that's a problem, then maybe the Senate shouldn't do it. If you have any objections, please let him know.

Senator Fleeson stated that there are three prongs to the Faculty Handbook changes. The Dean's Office asked the collegiate senators to review the handbook. Then the request was changed to just chapter 7, which is the section on the College. While reviewing the handbook, the collegiate senators came across three items they felt should be brought to the Faculty Senate's attention.

1. The handbook does not contain the Faculty Senate bylaws.
2. The introduction of the Faculty Handbook states: Appropriate policies will be developed in consultation with the Faculty Senate regarding the process for revision of certain policies contained in the handbook. (Will indicated that he is not aware of any such policies that have been developed in consultation with the Faculty Senate, but it seems that they should be done in this fashion).
3. Other issues might be of interest to some people. One example that Will found was the section on procedure for the dismissal of tenured faculty members. It contains a preamble, includes a section on procedure for the role of CAFR, a paragraph on confidentiality, and then 4 paragraphs about the initiation of the proceedings, 3 paragraphs on the hearing panel, 3 paragraphs on the preliminary meeting, 4 paragraphs on the panel procedures, 2 paragraphs on the report of the panel, 2 paragraphs on the President's recommendation, and then 3 paragraphs on the proceedings by the Board of Trustees. That is a good solid policy, except that there is another sentence that states if the Board of Trustees decides that they would like to initiate the dismissal of a tenured

faculty member, they can skip the aforementioned policy and just have their own internal committee decide the issue. In that case, they wouldn't have to go through the Committee on Academic Freedom and Responsibility, or have a panel, or conduct hearings, a defense or any of that procedure. We need to think about whether we are in agreement with that or not?

President Cotter agrees and feels that we should be reviewing the faculty handbook on a continual basis. If we find something that is inappropriate, then it is our role to make recommendations. He thinks any changes to the faculty handbook would be ratified at a Board of Trustee meeting, as when the University Senate became the Faculty Senate.

James stated that he is leaning towards incorporating the Faculty Senate bylaws into the Faculty Handbook unless anyone has a strong opposition to this.

Comment: It is my recommendation that the Senators from the other schools should review their own chapter of the handbook.

James would like to avoid creating a committee in each area, but thinks that the Senators in each school should be responsible for reviewing their own chapter. I would like everyone to think about it and at the next meeting we could have a vote on that.

Discussion ensued:

Comment: What I'm suggesting is that there should be individual documents for each school and then the Faculty Handbook would have only the general guidelines.

Q: What section in handbook is that BOT override in?

A: It is in Chapter three.

Q: Are we going to take any action on that particular section? Should the Committee on Academic Freedom and Responsibility address that issue of override?

A: I thought President Cotter was going to form a committee to do all three of these prongs at once.

James feels if there's a general concern, then maybe the Committee on Academic Freedom and Responsibility would be the right place to discuss this.

Comment: I think we probably need a committee if we are going to write a section of the handbook. We can't really do that as a body. If we have a committee, they might as well review the non-school specific chapter. Chapter 5 (University Committees) is currently under review by

Lynn Sutton in the Provost's Office. There are various small jobs that such a committee could do and we might as well have one "clearing house" handbook committee rather than numerous processes. Some of them may need to go before the Committee on Academic Freedom and Responsibility.

Will Fleeson said there are several other items that are general in nature that might be worth assigning to a committee along with the other items previously mentioned. If we are going to have individual members look at their chapters, we must not forget about the graduate school.

Comment: Dean Gillespie wanted to point out that it would be important to work with the Deans in each of the schools. The Dean of the College Office had been making a list of things that were inconsistent, which is why we went to the collegiate Senators.

President Cotter moved to the next item on the agenda. He reminded all the Senators that they will receive an email with their committee assignments. The committee chairs will be in touch with their members regarding meeting times. Once the committees meet, there will be reports from the committee chairs.

Jane Albrecht, the Faculty Senate representative to the Coalition on Intercollegiate Athletics brought forth a request that the Faculty Senate provide funds to host the annual meeting at WFU. The format for this annual meeting will be different from those past; they are not inviting speakers. They will use this opportunity to conduct a business meeting and organize a work session to start developing learning outcomes for athletics. The expenses will be minimal and will replace the costs previously paid for by the Faculty Senate for Jane to attend the meeting. The meeting will take place sometime in February. Jane will take care of all of the logistics for the meeting. The monies will cover breakfast, coffee, and sandwiches for approximately 30-35 people.

"Why Business?" (Refer to Addendum B for the class syllabus)

James Cotter invited Matthew Phillips to give the Senators an opportunity to ask questions about the content of the "Why Business?" course. He indicated that the curriculum issues are not really part of the information process. James assumes that Dean Gillespie and Dean Iacovou are dealing with what is the best policy or strategy for the students. James has been attending the class.

James introduced Matthew Phillips. He is a WFU undergrad, has a law degree from WFU and a Masters of Divinity from Duke University. He teaches Law and Ethics in the Business School.

Matthew gave a brief background of Why Business (BUS 105). The course grew out of the Business School's concern that some people graduating from the business school were not conducting themselves in the way they should. Nearly every Business School in the country has appointed committees to think about how can they better serve the community of businesses in the society that we all create value in. Those committees came up with a range of different things. Wake Forest felt that they needed to do things differently. WFU is part of a university that is rooted in Liberal Arts and has a tradition of creating value through what is unique about us, our ethos of service to society. One of the learning outcome areas that the Business School created was the need for students graduating from our Business School to understand how they create value in society, how the system of political economy that we have in this country functions and their obligations as new Business School graduates. They should understand what obligations they have taken on and what those mean in their first jobs. That concept is now apparent in many different classes. It changed the way Matthew teaches his Business Law course. At the margin, the Business School emphasizes things a little bit differently so students develop those conceptions. This is an area where Business Schools haven't previously spent a lot of time. Our School desired a class that builds this foundation, to be carried through their curriculum. "Why Business?" grew out of that. The class has been piloted in the undergraduate program, and Matthew piloted a version of this class for MBA students, but the undergraduate version is the one that Jim Otteson started developing 3 years ago. As a graduate of the college, Matthew was very excited about making this a gateway course for the Business School, as a prerequisite class that students would have to take before majoring in business. He feels that this sends an incredibly important signal to the business school students from the start, that business is not something wholly different from what goes on in college. They are studying theory, reading people who have written across centuries, not just people who wrote a Harvard case last month. They are pushing students to do some good philosophical and economic kinds of problem solving and decision making.

Matt shared the class syllabus with the Senators. They have 4 or 5 different units in the course. They start with a foundation unit where they discuss John Locke and David Hume. The first class begins with an article by Jeffrey Sachs, an economist. Then they start back from the beginning and build with Locke, Hume, and Robert Nozick, as a critic of Locke, and then read Peter Singer.

Discussion ensued:

Comment: I know we have very limited time here and we can look at the syllabus for content later. One of the things that the Senate is concerned about is the process through which this course came to be approved. It is my understanding that 50% of our incoming students are taking this course between the fall and spring.

A: (Matthew Phillips) Currently there are 236 students enrolled in that class and the number will

be smaller in the spring. My guess is that by the end of the year 425 – 440 students will have taken the class.

Comment: My issue is that this is a course that a large section of the College students are taking and this course never came before the Curriculum Committee of the College. We are more interested in process than content. If this course is so important to your Business students, why isn't it being offered to just your Business students? Why is it being mandated as a prerequisite to the Business School, when not all of the students taking it will get into the Business School, and then the college is being forced to accept this course for elective credit, even though we have had no say in approving this class?

A: (Matthew Phillips) I cannot address a process question. As a Business School faculty member, I voted on this course and then voted on making it a gateway requirement for the undergraduate program. That is about all the process I was in the room for.

President Cotter mentioned that Dean Gillespie and Dean Iacovou are working to make the course acceptable to all or to decide its appropriate place in the curriculum.

Comment: (Dean Gillespie) I reported that the College's Committee on Academic Planning (CAP) had reviewed the history of Business 105 at its Monday, October 17 meeting. It observed that the course, which is a new prerequisite for the business major, had not been approved by the usual faculty governance processes of the College before being made a prerequisite and taught in the Business School. CAP, recognizing that the breakup of College/Undergraduate Business School faculty committees with the integration of the Undergraduate and Graduate Business School inadvertently generated this problem, proposed that all schools offering classes to undeclared undergraduates must first have the classes approved by the College's Curriculum Committee. In addition, the chair of CAP, Anne Hardcastle, will be talking with Dean Iacovou about how to resolve the issue of creating a prerequisite in the School of Business that has repercussions for the undergraduates.

Comment: (Matthew Phillips) There was no attempt by the Business School to pull something over on the College. Frankly, it came as a total shock to me that anyone in the College was concerned about this. It is a course intended to help students make better decisions about majoring in Business. Accounting 111 was previously their only exposure to the Business School before they had to apply for admission. That may not be the best introduction to what happens in the Business School. This course is giving students a better chance to evaluate what majoring in Business is all about. This is pretty important, given the number of students coming to campus whose parents are telling them to major in Business in order to get a job. We work hard to disabuse students of the notion that that is a good reason to do anything, up to and including

majoring in Business. I understand the process concerns, despite my inability to speak effectively about them. I think this course is a win across the campus. It is a way of rebuilding some decision making power for students who might otherwise be shoehorned into a business school major.

Comment: You should understand that students in the College now take one less elective because they're taking your course. This does negatively affect the College.

Comment: Most of these students are taking your course in their first year and it's taking away from their opportunity to be introduced to a liberal arts curriculum because they have to take a First Year Seminar, HES, a Writing Seminar, and language. To your question about introducing them to your School, I looked up UNC and UVA to see what they require. UNC has nothing comparable and UVA has a course that introduces their curriculum to the Business majors. Looking at your syllabus, I don't think this course does that. It is more of a reflection of business within society. I don't think it is really introducing students to what the Business curriculum is about and whether they want to pursue this or not.

A: (Matthew Phillips) You are not wrong; I wouldn't want to characterize the course as Business 101, which we've actually offered in the history of the Business School. There are a group of lectures toward the end of the syllabus that are discipline-specific. I understand the issue, and I wish that I knew the entire bag of tricks that the Deans have to solve it, but all I can do effectively is talk about the course.

Comment: I would like to piggyback on the previous comment. The Business School is taking away a lot from the undergraduate student. You have a prerequisite for Accounting 111, which they need to take before they get in (which means that for those who don't get in and have taken it, that's another course they're not taking in the liberal arts). They have to take Econ 150, Math 111 and now this Business 105. That is a lot of classes for students who are not going to get into the Business School.

A: (Matthew Phillips) At least two of those solve divisional requirements as well. Describing them as our requirements is a little disingenuous.

Comment: It is pushing them into a track that is making them take various courses that fit your agenda. I will agree that those other classes are at least approved by our Curriculum Committee and are part of the divisional structure. Now we have two that are not, Accounting 111 and Business 105 are prerequisites that have not come before the committee. If you think this class is so important, then why isn't it being offered for those who have already declared Business, and why isn't it purely an elective? Why are you making it a mandatory requirement for first-year students?

A: (Matthew Phillips) We aren't making it a mandatory requirement for first-year students. We are requiring students to take it before they apply to the Business School. We are doing it for the

same reason that there are some required courses in the History major that you won't negotiate about. We don't believe that it is ok to graduate students as Business majors without taking this course.

Comment: We do that to our History majors, not to students expressing an interest in History before they are declaring a major.

A: (Matthew Phillips) I understand your point and am sympathetic to it, but I cannot talk about process with you.

Comment: I thought we were going to talk about process. The Senate doesn't talk about content.

Q: I have a question as someone who has been involved with a course not taught by College faculty, I'm a librarian. Our courses go before CAP for approval. Has there been discussion about this course being 1 ½ credit hour as opposed to a 3 full credit hours, so it is not taking away a full elective course from either first-year students or fall semester sophomore students?

A: No, there was no discussion about that by the Business faculty.

Q: What is the timeline from when the course was developed to when you found out you would be teaching it, and when it was approved by the Business faculty?

A: (Matthew Phillips) I was told in February or March of 2016 that I would be teaching the course. The Business School discussed it as a requirement in the fall of 2015 (I think). That was after the course had been piloted as an undergraduate elective in 2013 or 2014.

Comment: (Adam Hyde) I believe the course was originally conceived over the summer of 2014 and was approved in December of 2015 by the business school faculty at large, after it had been piloted and evaluated.

Comment: Do you have to teach these materials [on the attached syllabus] or can you change the curriculum?

A: (Matthew Phillips) Not this semester. There's a group of three people who teach the course. Jim Otteson is the primary lecturer, and Adam Hyde and I are leading discussion groups to ensure that students have full-time, credentialed faculty members that they are interacting with in WF-size rooms. Next semester, I'm the lead instructor on the course, although, next semester, if I said I'm not willing to include a particular reading, then the three of us would have a conversation about it and decide whether to change it.

Comment: I know that we are nearly out of time, but I do not want to end this topic and our meeting with such a bad taste about this course, because this course is so special. It is a privilege to be a colleague of Matthew, Jim, and Adam. While there may be necessary discussions about process, I would ask that those conversations be between the deans of the College and Schools of Business. It pains me that this course is being "beaten up" because of process concerns. Perhaps we should talk about content more than we do, and focus the process discussion on conversations with the deans that are an

active part of that process. This is an extraordinary course that offers our freshman a rich educational experience.

Q: Someone wrote to me because they knew I was on the Senate and this issue was coming up. They were at a meeting on Monday and heard that the administration said they are going to drop the current prerequisite status of Business 105 for all students interested in applying. Have you heard that?

A: (Matthew Phillips) I haven't heard that, but I don't think that could occur without the vote of the Business faculty.

President Cotter adjourned the meeting at 5:35pm.