

# Minutes of Faculty Senate Meeting

## October 21, 2015

*Submitted by Senate Secretary, Claudia Kairoff, Professor of English  
Prepared by Amalia Wagner and Claudia Kairoff, 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: Edward Allen, Doug Beets, Stewart Carter, Arjun Chatterjee, James Cotter, Kevin Cox, Larry Daniel, Will Fleeson, James Ford, Michele Gillespie, Stavroula Glezakos, Derrik Hiatt, Simeon Ilesanmi, Tim Janke, Claudia Kairoff, Rogan Kersh, Nina Lucas, Wilson Parker, John Parks, Tim Pyatt, Gale Sigal, Omari Simmons, Kathy Smith, Beverly Snively, Michelle Steward, Lisa Washburn, Julie Wayne, Jeff Weiner, Mark Welker.

There were 25 voting eligible Senators present, a quorum.

### **Welcome**

President Parker called the meeting to order. A motion was made and seconded to accept the minutes of the September 16, 2015 senate meeting. Approval by a show of hands was unanimous in favor of approval.

### **President's report: Wilson Parker**

President Parker made the following announcements.

- Ralph Peebles of the Law School will be the Chair of the Committee on Academic Freedom and Responsibility (CAFR) for academic year 2015-2016. President Parker encouraged senators to bring any issues that involve academic freedom to the committee's attention. He reminded the members that last year CAFR examined the Vision 2020 report, which contained issues that threatened academic freedom.
- Alex Crist, the Director of Parking and Transportation, invited a member of the Senate to join the Parking and Transportation Advisory Committee. Susan Borwick has agreed to join the Committee on behalf of the Senate.
- He reminded all Senators to complete the survey of our "talents" by Friday, September 18 and indicate their committee preferences. If not, they will be assigned to a committee.

### **Report from University Retirement Plan Investment Committee: Mark Welker and Jim Strodel (CapTrust) (Refer to Addendum A for Complete Presentation)**

President Parker informed the senate that the Retirement Plan Investment Committee is a university wide committee appointed by the administration. The reason they are presenting to the senate is so that the senators can raise consciousness throughout the university. He turned the program over to Dr. Welker, chair of the University Retirement Plan Investment Committee. He indicated that this was a continuation of the last senate meeting because Jim Strodel was able

to attend this month's meeting. The Committee's process began approximately two years ago after the Department of Labor changed the rules governing employer-sponsored retirement plans. Employers must provide more information, guidance, and oversight. As a result, WFU set up a retirement plan investment committee. The membership consists of:

- Chair: Mark Welker
- Voting members: James Cotter, Michele Gillespie, Hof Milam, Brandon Gilliland, Jennifer Killingsworth, Carmen Canales
- Non-voting members: Jim Dunn, Brian McGinn, Angela Culler, Beth Fay
- Consultant: Jim Strodel, plan co-fiduciary from CAPTRUST

Additionally, as part of WFU's response to these new regulations, CapTrust was hired to review our current investment plan. Dr. Welker introduced Jim Strodel, Senior Vice President of CAPTRUST. Angela Culler and Bethany Fay from Human Resources department were also present.

Mr. Strodel gave a Human Resources update on the upcoming changes to the WFU retirement plan. He mentioned that he works with several other institutions such as Rice, Cornell, Northwestern, University of Southern Cal., Davidson and others.

Wake Forest University's retirement plan was established in 1938. As a result of the changes made by the Department of Labor in 2010, nonprofit organizations have had to engage consultants to assist them with the process. There are nearly 500 million dollars in our entire pool of assets and over 4,000 participants. 66% of WFU employees are not contributing their own funds in the program. Under the new regulations, WFU now has a fiduciary responsibility for oversight of the program, a process including the Retirement Investment Plan Committee members. The chief role of a fiduciary is to make all decisions in the best interest of plan participants. Mr. Strodel's firm shares that goal as co-fiduciaries. His company is a fee-for-services consulting firm and is paid by WFU.

Mr. Strodel mentioned that the committee has been meeting often. He feels that the committee members are thoughtful and highly engaged. They are focused, intentional about their decisions and considering the impact on everyone. The committee reviewed plan administration, plan design, contribution formulas, participation and education. Currently WFU employees have three plan administrators: Fidelity, TIAA-CREF, and Vanguard. Based on the committee's recommendations, they are going to consolidate that into one place, TIAA-CREF. The reasons institutions had three in the past, is because if you had TIAA-CRE, you were tied to TIAA-CREF and couldn't buy investments from anyone else. Over the past several years, this has changed, and now with open architecture we can go to TIAA-CREF and build out what is called "best in class" investments. We are not confined to buying TIAA-CREF and can get options from

American Funds, Vanguard and T. Rowe Price. This has reduced the need for multiple administrators.

WFU is moving away from 270 choices available today across three different providers. The committee has packaged fewer but better options in a way that appeals to different types of investors. New investment tiers will provide advice for less savvy investors and flexibility for more engaged investors, including a brokerage option. For example, if you are a less savvy investor, a one-stop solution will allocate funds depending on what year you will retire. It will move from stocks to bonds over time, reducing the risk to you. Going forward, Jim's team and the committee will be doing online oversight. They will convene every quarter and review the investment options and if necessary may make changes if something happens to one of the funds. The other thing they did in building out the menu is obtain lower fees.

The retirement plan enhancements are numerous. One of them is the WFU branded website with improved functionality. There will be increased plan education for participants. A transition guide will be sent out in January. TIAA-CREF will be heavily visible on campus. Mr. Strodel recommends meeting with the representatives who will be on hand to assist employees with the transition. Additionally, the new plan features "best in class" investments from industry leaders, reducing the menu of investments from 270 funds to 26 core funds. WFU is covering the major asset classes and international choices. If you are concerned about investment costs, you can build your portfolio of Vanguard Index funds at a very low cost. Some of the key features are: no change to WFU contributions, plan eligibility, matching or vesting. There will be more flexibility, with self-directed brokerage and a Roth option. Also, there will be automatic enrollment for new hires beginning July 1, 2016 at 5% of their base salary.

There are four tiers to the new plan. Tier one is an allocation solution, a target-date solution for the "do it for me" investor. Tier two is a suite of index funds, at a low cost that allows one to be an index investor. Tier three is the actively managed funds that we have gone out for to places like American Funds that we have found to be "best in class," for the engaged investor. Tiers one, two and three will be part of the ongoing monitoring. Tier four is the brokerage account.

On January 4<sup>th</sup> faculty and staff will receive, via mail, a transition guide that will be customized for each individual. This will coincide with campus seminars and on-site efforts from TIAA-CREF. Events like this are good opportunities for everyone to review their accounts.

Q & A ensued

*Q: If the committee makes changes to the funds and changes the offerings, will you automatically move our investments?*

*A: (Jim Strodel) Yes, if there is a suite of funds that we are reviewing and conducting due diligence on in the future, and we determine that a fund is underperforming for a protracted amount of time, after quantitative and qualitative analysis we will recommend to the committee to move away from that fund and make another recommendation. Currently this is not being*

*done, but this is part of the fiduciary responsibility. In the absence of this type of control, there are people in investments that have underperformed for a long period of time.*

*Q: Will we be notified if our fund is eliminated and our investment is being moved into a new fund?*

*A: (Jim Strodel) Yes, there will be notification and if you don't find comfort in this menu, there's an ultimate flexibility option called the self-directed brokerage account. You can open a brokerage account inside your plan and go back into the plan that's being eliminated. Even though we are restricting the number of choices that people can invest into in the core menu, we are also opening up an opportunity to provide tremendous opportunity through the brokerage account.*

*Q: If we are currently in Vanguard or Fidelity, will we automatically be moved into TIA-CREF?*

*A: (Jim Strodel) Yes, in January you will receive a transition guide that will explain how your account will be handled. It might work out that some of the funds you have are in the new menu, and if not, the guide will explain where the money will go.*

*Q: I went back and read the plan that Cornell has and it didn't describe moving money that had already been placed. Is that an error, or do they have a different program?*

*A: (Jim Strodel) Cornell is a client of mine and what we did is put the new menu out and we are over time migrating the existing accumulations into the new menu.*

*Q: Why was the decision made at WFU to move our money automatically?*

*A: (Jim Strodel) Every institution has a different approach of meeting their fiduciary responsibility. The effort is to streamline it, and with over 270 funds it is very difficult to provide any level of due diligence.*

*Q: If I currently have a Vanguard target date account and want to keep it, how will that work?*

*A: (Jim Strodel) The investment will be the same. You will have a user-friendly website and improved functionality and a single place to manage all of your accounts and the Vanguard target date funds will be there.*

*Q: Is the brokerage account a way for WFU to opt out of taking fiduciary responsibility?*

*A: (Jim Strodel) Yes, it is up to you to decide what investments you will make.*

*Q: Is there a brokerage fee?*

*A: Yes, I think it is \$25. The fee is nominal, except if you are a very active trader you will run into some trading fees if you move blocks of shares.*

*Q: If I have funds outside the main three, will I be able to put them back into the same class of fund?*

*A: (Jim Strodel) We have used the many assets we have as an institution to get to the lowest*

*share class cost. You will get the benefit of the leverage of the big pool of assets in terms of what fund share class we are putting them in.*

*Q: For my American Century fund, will I be in the same investor class fund?*

*A: (Bethany Fay) We have about 20 people with American Century from a long time ago. We are not going to map those into this process. TIAA-CREF will reach out and ask you if you want to move them or keep them where they are.*

*Q: Will there still be social choice?*

*A: (Jim Strodel) Yes, CREF social choice will be available. We built around the key accounts in TIAA and CREF.*

President Parker thanked the Retirement Plan Committee for their work.

### **Report from Collegiate Senators' Committee Regarding the Status of Teaching Professionals in the College by Will Fleeson ( See Addendum B for full report)**

Professor Fleeson presented the report from the Collegiate Senators. He mentioned that they were going to present their findings at the April meeting but ran out of time due to the vote on the by-laws. Several things have occurred since then. We have a meeting scheduled next week with the Dean of the College, and it appears that there's a mutual interest in figuring out the best solution. Three working groups have formed within the Collegiate Senators committee to address three very important issues: the Teaching Professionals, faculty drug and background checks, and how to make the Senate function as a communicating body between administrators and senators and between senators and faculty. These working groups will report back to the Collegiate Senators' Committee. Additionally, Dean Gillespie has offered us a relatively permanent spot to report at the College Faculty meetings. The chair of the Teaching Professional group is Ed Allen. The chairs of the drug and background check committee are Gale Sigal and Kathy Smith. By year end, we will probably have a new report with new recommendations.

Dr. Fleeson's goal today is to review the report and ask for a vote endorsing it as an interim report. Professor Fleeson gave a brief overview of the report. He indicated that the Collegiate Senators met with several Teaching Professionals with experience ranging from four to 25+ years. He defined the Teaching Professionals position, which includes "Teaching Professors" and "Professors of Practice." The committee recognizes that these positions may be appropriate for certain individuals and departments. For the University, teaching professionals expend fewer financial resources, because their salaries are typically smaller. The position provides clarity, structure, institutional support, and respect. There are many short-term benefits to having this position but several concerns as well. Concerns exist about the possibility of conflicts because you have professors with different interests and long-term plans. There is a need to clarify how teaching professionals' time should be allocated and their promotion policy. Another concern is, what role will teaching professionals have in the Senate? Based on the committee's findings, they have come to the following four-point conclusion:

1. Based on the recommendations of the AAUP, they recommend that all teaching professionals have the opportunity to earn tenure. This practice would be consistent with

WFU values, with the intended contribution and career trajectory of Teaching Professionals to the University, and with the standards of academic freedom.

2. They recommend that no more than 15% of concurrently teaching faculty have the status of Teaching Professional across the College in any given semester. Similarly, they recommend that at least 70% of the faculty teaching in any given semester be in tenure-track lines.

Additionally, they had several items that needed clarification. They requested that these points be addressed, and they are already being looked at by the Administration.

*Q & A and Discussion ensued:*

*Comment: Ed mentioned that the graduate school now has "Teaching Professional,s" and it seems that they will be faced with similar concerns. As a result, he has approached Mark Welker to serve as a co-chair of the committee since he is a senator from the graduate school.*

President Parker clarified that this report is from the Collegiate Senators and it applies to the college. There are "Teaching Professionals" in the business school, which is not institutionally part of the College. The Law School also has the equivalent of "Teaching Professionals" and is not part of the college. The 70% figure recommended in the report only applies to the college. It is appropriate for senators from all schools to vote on this report, however, because this has university-wide implications. President Parker thinks that at some point the Senate needs to appoint an Ad-hoc committee with representatives from all of the schools on the Reynolda campus to study the Teaching Professionals rank.

*Comment: It seems to me that this recommendation is going to significantly change hiring practices for non-tenured faculty. Their credentials will be viewed in a very different way if they might eventually be evaluated for tenure.*

*Response: Maybe it's possible to implement different evaluation criteria focused on teaching and service for promotion. AAUP doesn't contend that the exact tenure evaluation procedure be used for all tenure-track positions. These are details that will require further discussion with the Deans' Office.*

*President Parker mentioned that in the Law School they have tenure in position for clinical faculty and legal writing professors. The standards for each of the different categories are different. He sees this report as the first step in initiating the dialogue to develop those standards throughout Wake Forest University.*

*Q: Within the college, when faculty who are on tenure-track come up and don't get tenure, the reason is usually because their scholarship isn't sufficient. What is the AAUP position for someone like that, who might be an outstanding teacher and wants to transfer to that line?*

*A: The Deans' office has rules on that.*

President Parker said, that it is his understanding that Teaching Professionals are usually hired into specific positions. The university determines if the position is suitable to be a Teaching Professional. It is by position, not by individual.

*Comment: This may just muddy the water, but I have the red book here and on page 74 and 75 they talk about non tenure track. They do not use the terms "Teaching Professional" or "Professor of the Practice." Their concern seems to be regarding under-paid instructors with low status and no job security. This was listed in the report as the problem that is present for Teaching Professionals. I do think we need to be careful about this, and there was a lot of discussion within the committee before the report was adopted. One of the reasons we need to be careful is that when we met with the Teaching Professionals, it was clearly coming through that they are not happy with their status at WFU. The AAUP's position is that the "other category" (which is what we are calling the Teaching Professional) should not be predominating in a quality higher education institution. We should be emphasizing a traditional tenure-track position.*

*Comment: One other concern we have is that as we give Teaching Professionals greater status, they are going to have the opportunity to serve on the Faculty Senate. We need to insure they have protection to speak freely. While we have a kind current administration right now, we know that at other schools, they haven't been so kind. There needs to be reasonable rules to fall back on in the future if things change.*

Professor Fleeson mentioned that the models of tenure across the country are very different. Part of tenure is not so much research productivity as academic freedom. This is the part we want to make sure is afforded to Teaching Professionals, so that they can speak their mind regarding university governance and teach what they feel is important.

*Numerous senators expressed similar feelings about wanting to provide Teaching Professionals job security and the opportunity to serve as all tenured people can with that protection.*

President Parker made the following point so people could see the big picture. Presently there are no Teaching Professionals serving in the faculty senate, but as a result of the by-law changes last spring, it is clear that they can be members of this body. As you think about this vote and the work of the committee, this body owes a fiduciary responsibility to this group of Teaching Professionals.

*Q: Regarding concerns about salary disparity among Teaching Professionals, I know other universities have guidelines regarding ratios of tenure track faculty to Teaching Professionals. I wonder if this is something this committee might want to investigate.*

*A: This is certainly something we can look at. I think this is a multiple year project.*

Professor Fleeson mentioned that the AAUP report points out with alarm that a major research university in the south estimates that 10% of its entire faculty consists of Professors of Practice. While "Professors of the Practice" describes faculty members qualified by experience rather than by terminal academic degrees, and Wake Forest currently has more Teaching Professors than

Professors of the Practice, we need to be careful not to approach the alarming percentage cited by the AAUP.

*Provost Kersh asked if the committee considered the implications of setting strict numbers and the effect it might have on Visiting Professors. He indicated that there is quite a bit of interest in global Visiting Professors and this could have the unfortunate effect of squeezing that quota to zero.*

*A: (Will Fleeson) Yes, the committee did address it. The recommendation is 70% tenure track line, 15% Teaching Professionals categories and the remaining 15% to include Visiting Professors, Adjuncts and Post Docs. This will require some strategic planning and flexibility year to year.*

*Comment: Another thing we need to look at is exactly how people are counted. The data we got from Dean Fetrow two years ago had the number of tenure track faculty at 64%, but if you go to Wake Forest University Faculty Fact Book, it says 74%.*

In light of the ongoing discussions the committee is having, a motion was made to change the title of the report to: Interim Collegiate Senate Report to the University Senate Regarding the Teaching Professional Position. Approval by voice was unanimous in favor of approval to change the title of the report.

A vote by show of hands was taken to endorse the Interim Collegiate Senate Report regarding the Teaching Professional Position. With twenty in favor and one against, the motion carried.

Professor Fleeson concluded by mentioning the 3<sup>rd</sup> working group regarding communication between the Senate and Faculty. One of the reasons why this is so important is that the University Senate is the right size group, with the right degree of commitment, to have these types of discussions, where people can express their points of view. We are working on how to make the Senate become a really important part of the university as we go forward.

President Parker encouraged senators to join the new ad hoc committee on Forum Planning. The committee will be planning the November meeting and one in the Spring.

### **New Business:**

President Parker asked if there was any new business. There was not. He adjourned the Senate at 5:28 p.m.