Governmental Concerns Committee  Robert Slater  2/18/14

Name of Committee      Person Submitting Report

Task of Committee (please indicate the task of your committee here):

“The Governmental Concerns Committee shall call to the attention of the Senate issues pending before governmental bodies which affect higher education and shall furnish the Senate with information necessary to understanding such issues.”

Progress Report:

# Since the last Faculty Senate Meeting, the following has been accomplished:
1. A meeting of the Committee was held on February 5 and meetings for the remainder of the semester were scheduled for March 12 and April 2 in the Picard Center’s Green Room at 1pm.
2. Assignments to Committee members were made:
3. Many thanks to Lewis Deaton who attended the Statewide Colleagues Collaborative in Shreveport on Feb 7. Please contact Lewis for details. His report follows and concerns TRSL and ORP and pending bills that pertain to them: HB6, SB5, as well as issues regarding budget cuts at UL Monroe, and AAUP censured universities in Louisiana.

Member contribution is 8% of salary (less 0.05% service charge). You contribute 7.95% of salary to your retirement account.

Some terms
Normal Cost (NC): this is the portion of the employer contribution that reaches your retirement account.
Total Employer Contribution (TEC): this is the amount the employer pays to the retirement fund manager
Unfunded Accrued Liability Contribution (UAL): portion of the total employer contribution that goes to TRSL to cover underfunded obligations. This money comes from the Total employer contribution of people in the Optional Retirement Plan.

<table>
<thead>
<tr>
<th>Year</th>
<th>NC</th>
<th>UAL</th>
<th>TEC</th>
<th>Employee gets (NC + 8%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>7.1%</td>
<td>9.4</td>
<td>16.5</td>
<td>15</td>
</tr>
<tr>
<td>2012</td>
<td>5.2</td>
<td>21.3</td>
<td>26.5</td>
<td>13.2</td>
</tr>
<tr>
<td>2014-15</td>
<td>3.6</td>
<td>22.7</td>
<td>26.5</td>
<td>11.6</td>
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Note that the normal cost has been below the Social Security minimum of 6.25% for several years; this is patently illegal.

Employer contribution funds for ORP members are being skimmed off to pay off the TRSL unfunded liability. The ORP normal cost is tied, by law, to the rate for TRSL members.

There are several bills in the upcoming session that address this.

HB6 would establish a minimum normal cost of 6.25% (ie, the Soc Sec rate). There is no flexibility to allow the normal cost to go higher than 6.25%.

SB5 undoes irrevocability. ORP members could switch to TRSL. However, TRSL can set the price for service years. For example, you could get 5 years retirement credit for 10 years of service.

The Board of Regents proposes a floor for normal cost that the employer could supplement. Institutions could chose to supplement or not supplement at their discretion.

The LSU faculty have requested the IRS look into the legality of the retirement system paying ORP members less than that mandated by federal law.

There may be a lawsuit to recover the UAL in the works

TRSL says they will not pay off the total unfunded liability in the system until 2049.

University of Louisiana at Monroe: budget cut consequences
The following bachelor’s programs were eliminated: chemistry, physics, sociology and laboratory medical sciences.
Five colleges were reorganized into 3.
In 2013, 116 faculty and 13 administrative positions were not filled.

Louisiana universities currently on AAUP censure
Southern for removal of tenured faculty during financial exigency
LSU BR for firing a faculty member and for removal of an instructor from her class and changing the grades given
by her to students in the class.
Northwestern and Southeastern for removal of tenured faculty.
Note that two institutions in our system are on censure and neither their administrations nor the Board of
Supervisors are doing anything to address it.

4. **Committee member William Davie followed up on last year’s legislation and reported the following:**
The last legislative session yielded eight bills that were in some form or fashion designed to give state colleges and
universities more control over financial matters. Actually only one made it into law — HB 671 sponsored by Rep.
Franklin Foil et al. (see attached). The bill allows the university to implement a “building use” fee on students. It
also put in place a mechanism for charging tuition and fees for distance education courses. Also, LSU was granted
permission to hike the fees for graduate digital media students, and the LSU School of Dentistry also was given the
okay for increasing its student fees.
“Section 2.1 of the Constitution of Louisiana, the Board of Supervisors of Louisiana State University and
Agricultural and Mechanical College may impose at Louisiana State University and Agricultural and Mechanical College at Baton Rouge for the Fall 2013 semester and thereafter a digital media program fee for students enrolled in graduate and professional degree programs in digital media in an amount not to exceed two thousand five hundred dollars per semester.”
Attempts to limit TOPS failed but the legislature did approve one bill in order to award TOPS scholarships to La.
high school graduates who attend an International undergrad program out of state or out of the country. Sorry that I
could not be in Alexandria Saturday.
Hope this helps complete our report.

5.

**Committee Members Present at Committee Meetings:**

<table>
<thead>
<tr>
<th>#</th>
<th>List the members of your Committee who attended Committee Meetings since the last Faculty Senate Meeting:</th>
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<tbody>
<tr>
<td>1</td>
<td>Steve Breaux</td>
</tr>
<tr>
<td>2</td>
<td>Toby Daspit</td>
</tr>
<tr>
<td>3</td>
<td>William Davie</td>
</tr>
<tr>
<td>4</td>
<td>Lewis Deaton</td>
</tr>
<tr>
<td>5</td>
<td>Bill Ferguson</td>
</tr>
<tr>
<td>6</td>
<td>Bruce Turner</td>
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**Anticipated Future Plans**

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<th>Before the next Faculty Senate Meeting, the <strong>following actions are planned:</strong></th>
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<tbody>
<tr>
<td>1</td>
<td>Lewis Deaton will report on the meeting of concerned faculty in Alexandria on Saturday, February 7</td>
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<tr>
<td>2</td>
<td>William Davie will summarize and report on old business/ issues that are still ongoing or pending.</td>
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<tr>
<td>3</td>
<td></td>
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<tr>
<td>4</td>
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<td>5</td>
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**Action Required by the Faculty Senate** (list any action that needs to be taken by the Faculty Senate as a result of this report)

The Senate should discuss/consider what if any actions should be taken in light of these events.