

*May 11, 2016*

*Present:* Denecia Angleton, Connie Basquez, Johny Buchanan-Spachek, Jama Challans, Linda Claypool, Shaleah Fields, Danielle Gabor, Rosemary Hedrick, Matt Houston, Ali Levine, Shirley Lewis, Angela Linder, Walter Mayne, Sheryl McKelvey, Robbie Norton, Stacy Salters, Randy Sessions, Micah Thompson, Connie Wells, Lisa Wood, William Wray & Carrie Wyatt

*Excused:* Kristin Brewer, Bryan Carter, Dustin Carter, Christy Clarkson, Crystal Dilbeck, Michael Hinkle, Lisa Nettleton,

*Unexcused:* NA

*Guests:* Milissa Hawkins, Eric Jacobsen, Deb Herndon, Sharon Kraus, Karen Wilson

## I. Call to order/Welcome –

**HR update:** Frankie Kirkendoll

- USS to UP conversion
  - Clarification- if you move to UP, there is no additional probationary period. You will also stay in the same status, either exempt or non-exempt, as you were when in USS.
  - Last day of the HR meetings on this topic is June 23<sup>rd</sup>, so please sign up for that or contact HR directly with any questions.
  - June 5<sup>th</sup> is the actual conversion will occur for those who switch.
- CBiz
  - Deadline for directors to turn in their information to HR by end of week.
  - Hope changes will be ready to send out job descriptions by end of month.
  - Contact HR with any questions, paperwork. OHR 200 paperwork should be done by the dept. for title changes, etc.
  - Some depts., due to the budget cuts/hiring freeze, do not want to make any changes, but HR still recommends chairs/directors make them now, even though the budget does not allow for raises, etc. at this time.
- HR Director search- four candidates have been interviewed. A recommendation has been made, in review now to make that decision soon. The person hired is expected to start on July 1.

## II. Guest Presentation – Ken Kriz, Ph.D., Kansas Regents Distinguished Professor, Hugo Wall School of Public Affairs, Economist

- See [Powerpoint presentation](#). Differences between retirement plans, KBOR vs. KPERs
- **KBOR:** defined contribution plan, contributions controlled by you, tend to be better funded over time.
  - Takes more time to review funding opportunities yourself; you make your own investment choices and how you take withdrawals.

- Contribution level: 5.5% employee and 8.5% from employer.
- Cannot take out funds and put into other funding opportunities, but more asset classes to invest in with this plan.
- You have more control but also more responsibility to make wise investment choices.
- WSU has TIAA-CREF and Voya (formerly ING) to choose from.
- 100% vested
- Payouts are determined by you- but if you don't take out the minimum amounts by age 70 ½; you are deferring taxes that will need paid later.
- Don't have to watch every day, but have to check periodically. And also be ok, with losses here and there, but leave funds in over the long term to see portfolio growth.
- Plan is run in such a way that the funds last as long as you can make them. If you invest well, you'll be better off, but if not (or you take out funds early), you may not have enough funds in this one plan to pay throughout your retirement until death.
- All consultants, fund managers are under fiduciary contracts.
- **KPERS:** defined benefit plan, 7 board of trustees reps, contributions controlled by 3<sup>rd</sup> party-committee reps and investment management reps, determine vesting requirements, plus two independent consultants and several fund managers.
  - Legislature controls the final contribution levels.
  - State/local government contribution amounts are capped in Kansas (unlike many other states). If a gap occurs between required contribution and the cap, the plan is then underfunded. That is part of why KPERS is underfunded now (also investment returns have been low, etc).
  - Point system- you get certain number of credits for each year you work, and a minimum age, etc.
  - If leave plan, and not vested, small rate of interest and your contributions, but no the employers part.
  - Major source of risk- all benefit rules can be changed in future. If they try to change it retroactively, employees can sue on those grounds. But most plans never do this. It's possible as KPERs given current pattern, it won't achieve full funding status in near future, it would need major changes.
  - Only vested after period of time- currently 5 years for Kansas.
  - More consultants available but institutional factors make the plan less funded.
  - Plan is run so that you get a set amount for the rest of your life after retirement. However, you have to watch how well funded the plan is over the long term, to see if they will actually have the funds to pay all the retirees contributing to it when they actually retire.
- Multiple types of risk- not just low, medium, high. It's actually things such as, "annual" risk, "funding" risk, etc. so you'll need to gauge in each area where your tolerance lands. See Powerpoint for details.
- Low risk usually equates with low return, etc. Equities are higher risk, but tend to have higher return on annual basis. Mutual funds are lower risk, but lower return.



- Trend is historically, more important, than anything else. If people put money in higher risk areas when younger and ride out markets, they do better by retirement age. Stocks also win over bonds long term. As you get closer to retirement age, go lower risk as you would then put more on an “annual” trend by that time.
- Some good resources:
  - Visit [HR Retirement website](#) to compare differences, [TIAA-CREF](#) and [Fidelity](#) have good online investment materials (Investing 101, etc. are available free to public online.) [IFA.com](#) (Index Fund Advisors) investment firm funded by professors from various places- big in education. [Morningstar.com](#) helps you evaluate mutual funds.
  - Understand – your individual goals (not everyone is the same), risk tolerance, health concerns, etc.
  - Great online survey at that lets you determine your risk tolerance: <http://njaes.rutgers.edu:8080/money/riskquiz/>
- In general, he cannot be an individual advisor, but feel free to contact him if you have general questions. [Ken.kriz@wichita.edu](mailto:Ken.kriz@wichita.edu) x7240.

### III. Discussion and approval of April meeting minutes

Motion: Robbie Norton

Second: Lisa Wood

Approved unanimously

### IV. Continuing business

- a) President’s Report- see addendum after minutes in this document.
- b) Finance Report - NA

### V. New business

- a) New senators & executive team –
  - New senators -new roster will be uploaded to website once finalized.
  - Executive Team, decide on that when we know constituency better. Many folks are moving to UP about 100 so far we know of switching and current Senators that will not continue on USS Senate.
  - Meet next meeting 15 minutes early to vote on Executive Team, after emailing nominations.
- b) Meeting in July & August – break or meet. Consensus to keep going through summer.
- c) Committee to determine combining senates- hold until next meeting.
- d) Welcome vs General meeting- NA
- e) Search Committee for VP of Finance & Administration- NA

- f) John Tomblin, Tony Vizzini, Mary Herrin at June meeting- will invite all to June; Bardo will be here. Also ask, David Miller also for June. Invite Tomblin to July/Aug meeting as he'll need more time for [Innovation campus](#) updates.

\*\*\*TABLED UNTIL NEXT MEETING\*\*\*

**VI. Senate Committee Reports**

- a) Alternative Service Committee – (performance evals, grievance policy & leave bill)
- b) Communications – (combined newsletter & social media topics)
- c) Community Service
- d) Constitution
- e) Elections
- f) Shocker Pride
- g) Shocker Scholarship
- h) Tuition
- i) Welcoming
- j) Professional Development

**VII. University Committee Representative Reports**

- a) Campus Recreation Board
- b) Library Appeals
- c) RSC Board
- d) Traffic Appeals
- e) Wellness
- f) Tobacco-Free Campus
- g) Sustainable Efforts
- h) Budget Advisory Committee
- i) Crisis Management/Weapons Possession Policy Committee

**VIII. Other business/As May Arise**

- a) Welcome new senators- those in attendance: Eric Jacobsen, Sharon Kraus, others had left before we had a chance to introduce them.

**IX. Motion to adjourn**

Motion: Lisa Wood

Second: Ali Levine

Approved unanimously

**ADDENDUM: PRESIDENT'S REPORT, May 11, 2016**

- I. HR Report**
  - A. New Director Search – asked for an update, none given
  - B. CBIZ update – this project has been delayed to give reviewers additional time to take care of the budget cuts; 40 people below the line that equals roughly \$100 – no details on a plan to handle that yet; no new updates shared
  - C. USS to UP switch – about 100 have made the switch
- II. COP's/KBOR** refer to the email update sent out on April 22
  - A. Leave Policy is on the KBOR agenda for May 18; April meeting resulted in the policy passing out of the Governance Committee
  - B. Next meeting May 18 at Topeka
- III. Meeting with President Bardo** refer to email sent out April 15 regarding last meeting
  - A. He wants everyone to know that his priority through the budget cuts is to retain all jobs
  - B. After hearing about the continued concern for the budget and jobs, he agreed to attend the June meeting
  - C. Tuition assistance will be funded again in the Fall; funds ran out for the summer only
  - D. Topics for me to take to him?
- IV. USSC conference call –**
  - A. Set spring meeting for May 26 at FHSU
    - 1. Since K-State is not participating on the Council, we've decided to divide the reporting among all the schools with one school taking the lead as a contact for all & we'll decide the rotation at the meeting
    - 2. Since all the Regents are fairly new, the Council decided to prepare a timeline of KPERs funding & salary increases to help them understand our concern
  - B. COP's presentation on the above
- V. UP Senate update** refer to the email sent out April 15 as part of the USS update with Bardo
  - A. At the UP general session, Bardo spent a good deal of time talking about the budget; the WATC merger is on-going even though the legislative bill has been pushed back. The focus will be on gaining HLC approval. When asked why on-line fees are larger than campus fees, he said that's the only revenue for on-line courses. Plus, there are fewer students to pay for the cost. Therefore, the fees will be larger until the pool of students grow.
- VI. Legislative update** session over; state funding bill is at governor's desk for signature
- VII. Crisis Management/Weapons Possession Policy Committee**
  - A. Town Hall/Forum regarding Weapons Policy – please attend one or all of the forums that will soon be posted and give your feedback, the committee is using all the feedback when making decisions regarding the policy
  - B. Student Affairs forum – May 12, CAC Theater, 9 a.m.
- VIII. Professional Development Committee** is reviewing the survey and plans to present results in June to all the Senates
- IX. Budget Advisory Committee** primarily discussed budget cuts; see update sent out April 22
  - A. FY16 budget is stable; current FY16 budget cuts are assumed to be a permanent cut to the base with some additional cuts to come all pending the governor's approval of the state budget