

Minutes of the KSU Classified Senate
April 7, 2010

I. President Jennyfer Owensby called the meeting to order.

II. Roll Call:

- A. *Present:* Becki Bohnenblust, Jean Bramwell, Terri Eddy, Connie Emig, Janet Finney, Doris Galvan, Janel Harder, Annette Hernandez, Connie Jordan, Connie Kisse, Claudia Leeds, Melissa Linenberger, Jennyfer Owensby, Rob Reves, Cherry Rosenberry Lois Schreiner, Michael Seymour II, Darrin VanDorn, John Wolf, Terri Wyrick and Jackie Yonning
- B. *Absent - Excused:* Jody Fronce, Brittany Green, Mardee Hutchinson, Gary Leitnaker, Hanna Manning, and Lesa Reves

III. Regent Jerry Boettcher – KPERS Discussion:

Jennyfer Owensby welcomed Regent Jerry Boettcher to the meeting. Regent Boettcher was a KPERS trustee appointed by Governor Finney. He explained that KPERS is a defined benefit program and it is not bankrupt as reported by the University of Kansas.

He used a bucket analogy to explain how money is contributed to the KPERS account and how the money fluctuates based on employer contributions, returns on their investments as well as employee contributions. The cash account balance fluctuates as numerous sources of revenue are received and benefits and administrative costs to run the office are paid.

Regent Boettcher discussed different funding of state pension plans and an article that ranked Kansas KPERS as second to the last for fiscal health (Illinois was last). The article shows that Kansas is 59% funded and Illinois is 54% funded; while the top pension plan is New York that is 107% funded. He emphasized that the Kansas Legislature has not fully funded KPERS for decades.

He pointed out that the employee benefit (what you earn in retirement) is not at risk. The Kansas Legislature cannot change what the employee has earned and is eligible for. Changes can only be made to future contributions and only through legislative action. However, he indicated it is not easy to receive enough legislative support to change pension retirement plans. It is a very politically charged issue that is not easy to change. There is a cap that limits the amount the state employer contributions can go up in a year at .6%. There is a bill that would raise this amount to 1%. He also discussed raising employee contributions, but pointed out that they cannot just raise the contributions without giving some benefit, like an increase to the KPERS multiplier (for example: change the multiplier from 1.75 to 1.85). There has to be an increased benefit if they increase the employee contribution rate.

Regent Boettcher answered questions on the concern about risky investments that pension fund managers may make to improve investment earnings. Using the bucket analogy, risky investment decisions can quickly increase the water level (aka cash balance) in the bucket, but there is a lot of risk involved. Many other states have pension funding issues and are trying to improve their investment earnings, which may encourage pension fund managers to consider riskier investments. The riskier the investment the higher the possible return; however, you have to be able to manage the risk.

Discussion was held on the possibility of the State of Kansas moving to a 401K plan in an effort to get rid of the employer expense/risk of managing the KPERS pension fund. The Kansas Legislature can change the retirement plan for future contributions; however, they cannot change the benefit employees have already earned through prior contributions into their KPERS pension. He discussed his feelings on giving employees the right to choose between the

defined benefit and defined contribution programs. He also explained what the KPERS multiplier is and how it is calculated.

Regent Boettcher addressed the significant concern about our fiscal health of KPERS. In spite of the current recession, he was very encouraged and believes KPERS will come out of this period in much better shape. He wanted to leave the Senators with three thoughts: no matter what, employee benefits are guaranteed and will get paid; the Kansas Legislature cannot make changes to the benefits earned through prior contributions; and KPERS is not bankrupt. Regent Boettcher suggested we contact Glenn Deck, KPERS Executive Director, if we have any other questions. Regent Boettcher said Mr. Deck has a lot of historical knowledge and does an excellent job managing the KPERS program.

Classified Senate thanked him for his time and the information he provided.

IV. Assistant Vice President for Administration and Finance Report:

Gary Leitnaker was not able to attend the meeting. Jennyfer Owensby reported on the following.

- A. *New pay plan update:* The new pay plan is on hold until they know what the Kansas legislature is going to do with the budget at the end of April.
- B. *Budget/layoff/furlough update:* There has been no discussion on furloughs. Of the two lay-off notices that Gary reported on last month, one employee has been placed and they are trying to place the other one.

V. Minutes:

- A. The minutes were reviewed. Rob Reves moved to accept the minutes as presented. Melissa Linenberger seconded. Minutes were approved.

VI. Budget Report:

- A. John Wolf presented the budget report. Rob Reves moved and Connie Kisse seconded that we approve the budget report as presented. Motion passed.

VII. Executive Council Report:

- A. *NBAF Project Update Info Meeting:* Jennyfer reported that she, Becki Bohnenblust and John Wolf attended the NBAF Update meeting. They discussed the timeline for NBAF. They are currently working on putting in electric lines. The projected timeline is for NBAF to start construction in 2012-2013 with a completion date and full staffing by 2016.
- B. *President's Advisory Council Update:* Jennyfer reported on attending the Advisory Council meeting. President Schulz discussed his K-State 2025 strategic plan. He asked everyone on the President's Advisory Council to attend Catbacker events in various cities across Kansas.
- C. *Nomination for vacant Student Life senate seat* – Jennyfer asked if there were any nominations for the position. She appointed Vickey Grochowski to complete Carolyn Elliott's term.

VIII. Senate Standing Committees:

- A. *Campus Affairs Committee:* Janel Harder had no report.
- B. *Legislative Affairs Committee:*
 - 1. *2nd Day on the Hill Update* – Terri Wyrick reported that the 2nd Day on the Hill was held on Tuesday, March 9. They were disappointed in the planning for the event, but felt they had a successful afternoon meeting with some of the legislatures on the Retirement Bridge for Health Care, Senate Bill 2730. Discussion was held on the bridge that has been proposed and how it would affect retirees. Issues with the bill were discussed. The bill is currently not moving forward.

2. Election Results – Terri Wyrick reported on the results of the recent election. She also handed out nomination forms for Executive Council positions. The form is due back to her by April 16. Discussion was held on the President-Elect position serving as President next year even though she will not be a Senator. There were no concerns with that issue. Discussion was held on the voting procedures.
 3. By-laws Revisions Update – Terri Wyrick discussed changes in the by-laws. The Parliamentarian position was discussed. Melissa Linenberger moved that we do not include the parliamentarian as an official position, but corrections to parliamentary procedure can be made by any Senator. Lois Schreiner seconded. The role of the parliamentarian was read from the by-laws. Discussion was held on this being an appointed position. Motion failed. John Wolf moved that we approve the by-laws as presented. Jackie Yonning seconded. Motion passed.
 4. CSSC Update – Discussion was held on who will host the Classified and Support Staff Council next year. That information is not available at this time.
- C. *Recognition Ceremony Committee*: Becki Bohnenblust reported on plans for the Recognition Ceremony which will be held Wednesday, April 28, at 2:00 p.m. in the Union Ballroom.
1. Set-up for the Ceremony – Becki asked that all Senators help with set up for the ceremony starting at 10:00 a.m. on April 28. She passed around a sign-up sheet for the Senators for their jobs during the ceremony. President Schulz is scheduled to speak at the ceremony. They are currently working on the ceremony program and will send it to the printers next week.
 2. Budget – Budget for the event was discussed. The awards have increased dramatically in price this year and discussion was held on the budget.
 3. Awards – Discussion was held on changes to the awards. With concern for the budget, the committee has proposed changing the 5-year award to paper certificates. This year there are 56 recipients of the five-year award. Discussion was held on how this might affect the morale of employees as well as future contributions from those donating to the Foundation account that helps cover part of the the expenses of the recognition ceremony. Discussion was held on whether it was too late to get alternate plaques for this year. Melissa Linenberger moved that we try to acquire something similar to previous years for the 5-year award recipients. Janel Harder seconded. Motion passed. This is something that we need to ask constituents about for future years by a possible survey to see what they would like to receive in consideration of the budget.
 4. Employee of the Year Award – Discussion was held on the number of awards that are given for the Employee of the Year and whether there should be a limit per college. This needs to be discussed by the next Recognition Ceremony committee.
- D. *Public Relations Committee*: Lois Schreiner reported that the next ROAR will go out in May. We will include an article on the Recognition Ceremony and highlight the Excellence Award winners. If you have anything you would like added, please let Lois know.
- E. *Classified Employee Opportunity Fund* – Lois Schreiner reported that the committee on the Classified Employee Opportunity Fund had met and finalized the forms. The forms are now available on-line under the “Awards” link on the classified senate website (www.k-state.edu/class-senate/award.html). Jennyfer will send out an announcement to all classified employees that application forms are now available.

IX. Campus Committee Reports:

- A. *Dependent/Spouse Tuition Task Force:* Becki Bohnenblust reported on the findings of the Task Force. Everyone should have received a copy of the final task force report. Jennyfer discussed the letter of support from the Classified Senate. John Wolf moved that we approve the letter. Melissa Linenberger seconded. Motion passed. Discussion was held on some of the changes to the Dependent/Spouse Tuition Grant and whether similar changes would be made to the Employee Tuition Assistance Program. That was the recommendation of the task force, but will be up to administration.
- B. *Faculty Senate Fringe Benefits Committee:* Becki Bohnenblust reported that the committee met this week. They are looking for ways to increase benefits with no money to work with.
- C. *Higher Learning Commission:* Jennyfer Owensby reported on the progress of the commission.

X. Old Business:

- A. *Inclement Weather Issue/Email:* Jennyfer reported on an e-mail that they had received from an employee regarding the inclement weather policy. Discussion was held on whether there should be a campus-wide policy that essential non-exempt personnel that report to work during inclement receive time and a half when they are required to come to work. Discussion was held on how to handle this situation. Jennyfer asked the Campus Affairs committee to address this issue and make recommendations to the Senate.
- B. *Future Room Location for Senate:* Discussion was held on whether Senators preferred meeting in Staterooms 1&2 or the Cottonwood Room. It was decided to continue to meet in the Cottonwood Room.

XI. New Business:

- A. *Chief Information Officer and Vice Provost for Information Technology Services Candidate:* John Wolf reported that the committee was working on scheduling the second candidate for the position and will let Senators know what time they have to meet with the candidate.
- B. *Dean of Ag./Dir. Of Research & Extension Search Committee Appointment:* Jennyfer Owensby reported that Lois Schreiner has been appointed to serve on this search committee.
- C. *Facilities Update:* Terri Wyrick reported that there has been some communication in the Division of Facilities on how to distribute communication from President Schulz since many of their employees do not read email.
- D. *Commission on the Status of Women at K-State:* Cherry Rosenberry reported on the commission. Senators were asked to contact Cherry or Jennyfer if they would like to be on the commission. Melissa Linenberger reported that President-Elect Becki Bohnenblust will be asked for new committee appointments for next year.

XII. Adjournment:

- A. Terri Wyrick moved to adjourn. Connie Kissee seconded. Meeting adjourned.