

EXECUTIVE COMMITTEE MINUTES

Present: Baesu, Bearnese, Billesbach, Boudreau, Eklund, Kolbe, Kopocis, Krehbiel, Lott, Minter

Absent: Weissling, Zuckerman

Date: Tuesday, August 23, 2022

Location: Nebraska Union, Big Ten Conference Room

Note: These are not verbatim minutes. They are a summary of the discussions at the Executive Committee meeting as corrected by those participating.

1.0 Call (*Minter*)

Minter called the meeting to order at 2:30 p.m.

2.0 Changes to Retirement Plans (Associate Vice Chancellor Steve Beck, Assistant Vice President Brian Schlichting, Assistant Professor Brian Baugh, UNL Emeriti Association President Pat Crews)

Schlichting noted that last week two university-wide webinars were held about the upcoming changes to the university's retirement plan. He reported that 18 months ago a university-wide committee was formed to conduct a long-overdue evaluation of the existing retirement plan and stated that UNL was represented by Senior Associate Vice Chancellor Yoder, IANR; Professor Baugh, Finance; and Associate Vice Chancellor Currin (until his recent retirement). He noted that a consulting firm which has helped other universities to make changes was also involved.

Schlichting reported that there were two phases of the evaluation process. The first was looking at the record keeper which is the firm that administers the plan and handles where your contributions are invested. He noted that the university currently has both TIAA and Fidelity which are two major financial services. He stated that the question that was considered was whether to go with one record keeper or to continue with two but noted that there are some nuances with having two record keepers and the committee decided it would be best to go with Fidelity as our plan's lead recordkeeper but to provide the option for people to retain TIAA if they wanted.

Schlichting stated that as part of the transition the committee looked at the service cost to the plan participants. He reported that the way the record keeping fees are currently assessed is built into your existing fee structure. Baugh pointed out that a problem with the existing plan is that the service fees are based on what you are invested in which creates an inequity in the system, and sometimes with those with less investments pay more in service fees than those with larger investments. He stated that one of the goals of the committee was to address this issue of inequity. Schlichting reported that with the changes everyone would be paying the fixed record fee: Fidelity is \$29 a year and TIAA is \$38. He stated that this change will result in a totality of savings across the university

system resulting in most people getting some record keeping savings. He noted that services will not be reduced and eventually plan participants will be able to more easily access their retirement accounts through Firefly.

Schlichting reported that the second phase of the evaluation was considering the options for investments. He noted that currently there are 182 investment options under Fidelity. Additionally, there are some high fee-costs investment options on the existing menu. He stated that the committee wanted more deliberate thought in the planning behind the options and looked at benchmarks across other universities which showed that the trend is to have more simplified investment menus. He noted that Harvard and Stanford have made similar changes to a more simplified retirement menu. He pointed out that while it looks like the ability to make choices is being taken away, plan participants can still make investment elections for their desired contributions in the new core investment lineup or self-directed brokerage window at Fidelity starting August 15 and/or about September 15 for TIAA.

Schlichting stated that if a participant does not make investment choices in the new core investment options by 3:00 on November 7th, their future contributions and applicable account balances will transfer to a Vanguard target date retirement option, which charges only 0.045% in investing fees. These target date funds are based on the year you might retire, and he noted that 60-70% of the participants will likely have their investments put into these retirement options. Baugh pointed out that 0.45%-0.5% is the current fee for the target date funds (e.g. $\geq 10X$ the fees charged by the new Vanguard funds), and when aggregated across the billions of assets invested by university-wide participants, the fee savings are estimated to be approximately \$11 million a year. He noted that these are savings accrued directly to the investment balances of plan participants.

Minter asked if the record keeping will be the same for those who opt for the self-directed brokerage account. Baugh stated that there are about thousands of additional funds available for people to invest in but noted that while the self-directed brokerage account offers investments beyond those in a person's lineup plan, it is neither evaluated nor monitored by the university system, so it is the employee's responsibility to ensure that the investments they select are suitable for them.

Minter stated that some people might argue that there is some ethical value in tying the service fee to the amount they have invested. Baugh pointed out that under the existing retirement plan someone who has \$1 million in retirement can be paying nothing in recordkeeping fees, whereas someone with \$100,000 invested can be paying substantial recordkeeping fees, depending on the mutual fund they are invested in. He stated that under the new retirement plan people would pay a fixed amount rather than paying a percentage. Kolbe suggested providing a simple mathematical example of how this would work on the retirement plan website <https://nebraska.edu/faculty-and-staff/retirement-benefits/2022-retirement-plan-enhancements>.

Schlichting stated that the committee knew that the significant changes in the investment menu would raise some concerns, but the new plan was shared with all of the finance

faculty across the university system, and they signed on to a letter of support. He pointed out that the TIAA traditional annuity will remain, and those investments would not automatically be transferred to a Vanguard target retirement fund. Baugh stated that there was a unanimous consensus amongst the finance professors that the existing plan was unnecessarily complex, and some funds charged excessively high fees – fees borne primarily by those unable to wade through the complexities of a 200-fund menu (e.g. those invested in “the default” target date funds charging 0.5%).

Kopocis reported that she recently spoke at the new faculty orientation meeting and there was a lot of confusion about the retirement plan. She also noted that a lot of faculty members in her unit nearing retirement are very nervous about the change and asked how we can ease people’s minds about it. Schlichting stated that those people over the age of 60 are the participants generally expressing the most concern. He stated that the best advice he can give them is to ask where they want to be in their risk tolerance and suggested that people meet with at least one, or perhaps both, a TIAA or Fidelity representative because everyone is unique in their investment strategy.

Crews noted that retired employees certainly have concerns and she reported that she tried to make an appointment with a TIAA representative but the soonest she could meet with one was September 15. She stated that additional forums would be appreciated and asked if all retirees received the pamphlet about the changes. Schlichting noted that the pamphlet was sent to a retiree’s home address. He stated that he has heard that there is some difficulty with arranging an appointment with TIAA and suggested that they contact the UNL Benefits Office who could assist in getting an appointment. He reported that there will be a specific session for retirees which could also possibly include those nearing retirement. He stated that the target date is September 19th although this has not been confirmed yet. Crews asked how retirees will be notified. Schlichting stated that this is one of the challenges because retirees do not have to provide the university with their contact information. They are working with TIAA and Fidelity to identify and gather the contact information for the audience of the retiree session. Billesbach asked if there will be other chances to view the webinar. Schlichting stated that the webinars are recorded and available on the website <https://nebraska.edu/faculty-and-staff/retirement-benefits/2022-retirement-plan-enhancements>.

Crews pointed out that the default targeted fund for people 69 or older has such a low rate of return that it does not keep up with inflation. Schlichting stated that people can choose a brokerage window or from the core menu funds to invest in their funds if they wish and the opportunity for the brokerage window with Fidelity began August 15th. He stated that those funds that are tied up in TIAA Annuity CREF investments and Fidelity 403B plan, which amounts to 57% of our total assets, will not be moving. Baugh pointed out that the data shows that lower service fees amount to higher returns.

Schlichting stated that the dates for plan participants to be aware of are August 15th, when people can sign up through Fidelity for the brokerage window, September 15th when TIAA will add the core investment options to the University of Nebraska Retirement

Plan, and November 7th will be the effective date when the core investment options will become the total investment offerings available in the university's retirement plan.

Schlichting stated that all of the committee members who worked on evaluating and developing the retirement plan needed to be commended for their efforts and particularly Baugh who spent many additional hours researching and working on the plan. He pointed out that UNL was very well represented by Baugh's presence on the committee.

Minter noted that there are still emails coming in periodically about health care providers who are no longer accepting UMR resulting in the inability to stay with their medical provider. Schlichting noted that this also occurred when we had Blue Cross/Blue Shield. He reported that we have a renewal this year with UMR but the next year a new RFP will go out to evaluate health insurance providers for our health care plan. He pointed out that when the RFP goes out a complete analysis will be conducted.

Minter thanked Baugh, Beck, and Schlichting for meeting with the Executive Committee and stated that she hoped the information provided will further assist people in their understanding of the changes to the university's retirement plan.

3.0 Announcements

3.1 Updates to Executive Committee Meeting Schedule

Griffin reported that the Executive Committee will be meeting with the following people: August 30th with Chancellor Green, EVC Ankerson, and VC Boehm; September 13th with UNL Policy Chief Ramzah; September 20 with AVC Pearce; and September 27th with Undergraduate Education Director Sollars and Professor Jones from the University Undergraduate Curriculum Committee.

3.2 Invitation to President Carter

Minter reported that she has invited President Carter to speak with the Executive Committee and/or the Faculty Senate but noted that a meeting would probably not occur until the spring semester.

4.0 Approval of August 2, 2022 Minutes

Minter asked for approval of the minutes. Eklund moved and Billesbach seconded approving the minutes. Motion passed.

5.0 Unfinished Business

5.1 Professional Code of Conduct

Eklund asked what the impetus was for creating the Professional Code of Conduct. Minter reported that Past President Hanrahan charged an ad hoc committee to draft a Professional Code of Conduct after the Lawton incident. She stated that work on the draft was first delayed due to Central Administration developing a sexual misconduct policy noting that the language of the Code needed to follow the language of the policy. She stated that further work on the draft halted when the pandemic hit because members of the committee had to focus on their teaching efforts.

Minter noted that she previously reported that she met with some Faculty Senators who are active in AAUP to ask for their feedback on the Code and she needs to follow up with these Senators. She reported that afterwards the code would be ready to go to AVC Walker who offered to help negotiate it with the university's legal counsel.

Eklund asked if the Code would involve the other campuses. Minter stated that it is just for UNL and noted that the bargaining units at UNK and UNO have their own language. She pointed out that there are no new policies in the Code, and it directs faculty to the Regents Bylaws, UNL Bylaws, and to existing policies.

5.2 Draft Executive Committee Goals

The Executive Committee briefly worked on editing the goals.

5.3 Overview of Assessment of the Candidates for Dean of the Agricultural Research Division

The Executive Committee discussed their impression of each of the candidates for Dean of the Agricultural Research Division.

6.0 New Business

6.1 New Faculty Orientation (Kopocis)

Kopocis reported that she attended the luncheon and spoke at the New Faculty Orientation where she pushed for faculty members to be involved with serving on committees, noting that she spoke about some of the Faculty Senate committees. She stated that she received a lot of good questions and discussed shared governance. She noted that some new faculty members raised the question about unionization of the campus.

6.2 Summer Executive Committee Report

Minter stated that due to lack of time the Summer Executive Committee report will be sent by email to the Committee for revisions.

6.3 Correspondence Update

Minter reported that she has received many complaints about the difficulty of getting help from the ITS Computer Help Desk. She noted that she reached out to the Information Services and Technologies Committee chair about the issue. Griffin reported that she contacted an ITS Client Services Coordinator about the issue who said he would notify ITS personnel overseeing the Help Desk.

Minter announced that a new ombudsperson, Professor Lisa Pytlik Zillig, has been hired to replace Ombuds Kostelnik. She stated that Pytlik Zillig received training from Kostelnik over the summer and is now serving as ombuds.

Minter reported that the University-wide Calendar Committee recently met and approved setting the calendar for the 2023-2024 academic year noting that the calendar will follow this year's calendar. She pointed out that the UWCC was receiving pressure to set the calendar in advance so people could plan accordingly. She stated that she, along with

AVC Walker and EVC Ankerson, attended the meeting and AVC Walker raised concerns about the impacts the shortened summer session and the J term have on researchers, particularly early career researchers because the shortened terms make it difficult for them to build their research portfolio.

Eklund asked if there is any data available yet on the J term. Minter stated that Provost Gold's office is working on the data, but the UWCC won't meet again until the end of September. Eklund asked what the rate of pay is for working during the J term. Minter stated that, like the three-week summer session, it is pro-rated based on a person's salary.

Minter stated that she received an email message from a faculty member regarding the moratorium on ACE courses. She noted that she met with Undergraduate Education Director Sollars who is sympathetic to the length of the moratorium and knows that there are some particular cases that need to be considered for recertification. She pointed out that the Senate did not feel that a vote was needed for the moratorium which is an effort to prevent departments from trying to increase the number of ACE courses in order to increase their enrollment. She noted that the incentive-based budget model consultants cautioned UNL that the budget model could generate an increased number of requests to designate a course as an ACE course.

6.4 Agenda Items for Chancellor Green, EVC Ankerson, VC Boehm

Minter asked that agenda items for the administrators be sent to Griffin.

The meeting was adjourned at 5:09 p.m. The next meeting of the Executive Committee will be on Tuesday, August 30, 2022, at 2:30 pm. The meeting will be held in the Nebraska Union, Great Plains Room. The minutes are respectfully submitted by Karen Griffin, Coordinator and Signe Boudreau, Secretary.