### COMMITTEE NAME: Faculty Senate Minutes

<table>
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<th>DATE/TIME/LOCATION OF MEETING:</th>
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| July 18, 2008
12:00 Noon – 1:30 PM
210 (Amarillo); 200AB (Dallas); ACB 260D (Lubbock); |

### CALL TO ORDER BY: Dr. Yondell Masten

### MEMBERS

Members: Dr. Alyce Ashcraft, Dr. Craig Cookman, Dr. Shane Greene (absent), Dr. Tori Gustafson, Dr. Joel Hubbard (absent), Dr. Lorenz Lutherer, Dr. Yondell Masten, Dr. Tom McGovern, Dr. Jeffrey Oliver (absent), Dr. Dawndra Scott (absent), Dr. Rebecca Sleeper-Irons, Dr. James Stoll (absent)

Substitutes: Dr. Jane Colmer for Dr. Jeffrey Oliver
Matthew Geddie for Dr. Dawndra Scott

### HANDOUTS

- None

### APPROVAL OF MINUTES

20 June, 2008 approved as distributed

### OLD BUSINESS

#### Agenda Item A. Policies and Procedures

1. **Report on Faculty Awards Policy procedure and oversight update**
   
   Two faculty senators are to be included on the AY 2008 Faculty Awards Committee. The decision was made to contact President Baldwin to renew the charge for the Faculty Senate to take over the Faculty Awards Committee portion of the award process.

2. **Senate Constitution/Bylaws Change Vote Update**
   
   The drafts of the Constitution and Bylaws have been posted for TTUHSC Faculty Review. TTUHSC IT is in the process of creating the online ballot, setting up website for voting and notifying faculty via e-mail to vote. Voting will be from 8:00 am on **July 25, 2008** to 5 pm on **August 8, 2008**

3. **Other: TTUHSC Vender Policy Update**
   
   The Vendor policy has been reviewed by each of the schools and will be sent forward to President Baldwin on July 22, 2008 for signature approval.

#### Presenter(s):

- Dr. Gustafson Senators
- Dr. Masten
- Dr. McGovern

### Agenda Item B. Recommendations

1. **New Website Icon for Recognition of Faculty Senate as Reviewer of Faculty-Related OPs**
   
   The current issues and announcements have been updated to reflect the recognition of faculty senate as reviewer of faculty-related OPs

#### Presenter(s):

- Dr. Masten Senators
OLD BUSINESS

2. Other
   None reported

Agenda Item C: Issues

1. Current Faculty Retirement Program Presentation

   A faculty member has brought the question of borrowing against retirement to the attention of the Faculty senate. According to the Texas Higher Education Coordinating Board, “Funds in an ORP [Optional Retirement Program] account (including employee contributions) are not available to the participant until the earlier of termination of participation or attainment of age 70 1/2. An individual terminate participation by death, retirement (including disability retirement), or termination of employment in all Texas public institutions of higher education. Transferring from one institution to another is not considered termination of participation, so employees who transfer are not permitted to access the funds in their ORP accounts. Loans and hardship withdrawals are not available under ORP prior to termination or reaching age 70 1/2. Although such features may be provided by non-ORP 403(b) contracts, the ORP statute has more restrictive distribution rules than the federal 403(b) regulations because ORP is an employee’s mandatory retirement plan selected in lieu of membership in TRS [Teacher Retirement System], not a supplementary tax-deferred saving vehicle.

   An ORP-eligible employee’s retirement plan selection is a one-time irrevocable choice between two distinct types of plans, so the decision should not be made without due consideration of both plans (ORP and TRS) in light of individual circumstances.

   ORP funds can be accessed after termination without early withdrawal penalty only after age 59 ½.

   Upon retirement, an employee may leave the ORP account with the current company and choose distribution options or consolidate it with other retirement accounts the employee currently has, i.e. transfer to an IRA or other retirement account and choose distribution options.

   Distribution options are random withdrawals requested, systematic income without annuitizing, guaranteed income the annuitizing, or interest only distributions. Mandatory distributions: The Required Minimum Distribution (RMD) must be taken on/by April 1 of the year following the later of:
   ➢ The year the faculty reaches age 70 ½ or
   ➢ The year of retirement under ORP.

   Subsequent distribution must be made by December 31 of each year. Out of state or other “inactive” ORP must be distributed at 70 ½. Failure to take the RMD by the required date each year will be subject
to a 50% penalty tax on the amount that should have been distributed.

Current state contribution rate to ORP is 6.58%; Faculty contribution to ORP is 6.65%. For employees enrolled in ORP prior to 1995, the state contribution is 8.5%

Even when an initial choice of company and product has been made, a certain amount of regular “homework” is involved when choosing ORP in lieu of TRS. The employer has no fiduciary responsibility for the market value of the participant’s investments or for the financial stability of the investment companies chosen by the participants, so it is the participant’s responsibility to monitor the companies and investments selected. Prospective and current participants should keep in mind that successful management of one’s retirement accounts is a continuing process. Vendors are onsite regularly and available to meet with faculty. TTUHSC has ten vendors to choose from.

During the 78th Legislative Session, Senate Bill 1370 changed the rules for Texas Employees Group Benefits Programs (GBP) health insurance eligibility at retirement. The employee now must be age 65 with at least 10 years of established service before qualifying for health insurance as a retiree or meet the Rule of 80 (age plus number of years of service equals eighty) to qualify for insurance. The employee is no longer required to be enrolled in health insurance if optional coverage such as a dental plan, at the time of retirement is elected.

For health insurance to be in place, faculty must have an active ORP. Upon retirement, free health insurance is provided for the full-time employee and at a rate of half price for employee’s spouse. Must be a full-time employee at time of retirement for the free health insurance. Part-time employees are not eligible.

Retirement is made up of three parts: Employer retirement benefits, social security benefits and optional retirement programs you enroll
OLD BUSINESS

in. Employer retirement constitutes only 28% of retirement, Social Security constitutes only 20 – 30%. The 40 – 42% balance is made up of optional retirement (401K, IRAs, etc)

An ORP retiree, as defined by Chapter 25, Rules and Regulations of the Texas Higher Education Coordinating Board, is a person who participated in ORP while employed by a Texas public institution of higher education and who established ORP retiree status by enrolling in retiree health insurance provided by the Employee Retirement System (ERS), The University of Texas System, or The Texas A & M University System as an ORP retiree, regardless of whether currently enrolled. Chapter 25 provides that ORP retirees who later return to employment in Texas public institutions of higher education are not eligible to have further ORP contributions made to their ORP account. This restriction applies even if they discontinue their retiree insurance, return to employment in what would otherwise be considered a benefits-eligible position, and/or re-enroll in active insurance (if permitted under the insurance plan).

The Tax Deferred Account (TDA) Program (also known as the Tax Sheltered Annuity or TSA Program), is a supplemental non-ORP 403(b) plan offered by Texas public institutions of higher education to both TRS members and ORP participants. This voluntary program offers employees an opportunity to save pre-tax dollars through ORP-type investment products, but provide no state matching contributions.

Caution: Other benefits offered by the institution are coordinated with an individual’s selected retirement plan, including eligibility for retiree group health insurance. Because rules and procedures may vary at each institution, detailed information should be obtained from the institution’s Benefits Office regarding interaction between all the benefit programs before choosing between TRS and ORP.

All questions regarding various retirement benefit plans, retirement options, updates to retirement rules, updates to ORP retirement plan vendor options should be directed to Barbara Jones, Human Resources, Lubbock, TX; 743-4747 ext. 237.

2. Other

None reported

Agenda Item D. Leadership and Communication

1. SACS Update

August 29 is the SACS report submission date. The final review of the SACS report is underway.
### OLD BUSINESS

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<th>Agenda Item</th>
<th>Committee and Task Force Reports</th>
<th>Presenter(s):</th>
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<td>2. Other</td>
<td>None reported</td>
<td>Senators</td>
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#### Agenda Item E. Committee and Task Force Reports

1. **Policy Review Committee**
   - The School of Medicine handbook policies need to be reviewed for accuracy and compliance to TTUHSC policies.
   - Dr. Lutherer

2. **Institutional Compliance Committee**
   - Dr. Cookman serves as the TTUHSC Faculty Senate representative on the Institutional Compliance Committee. The Committee is in charge of TTUHSC compliance oversight and adherence to regulations at the local, state, and federal level. The Committee recently had the first meeting and plans to develop an Institutional Compliance website.
   - Dr. Cookman

3. **Staff Senate Task Force**
   - Staff Senate Task Force continues work on Bylaws. Once the Bylaws have been drafted, the Bylaws and Constitution will be compared to ensure there are no conflicts in policy and procedures. An announcement of the Staff Senate coming soon was posted on the TTUHSC Announcements page.
   - Senators

4. Other
   - None reported

#### Agenda Item F. Officer Reports

1. **President**
   - None reported due to lack of time
   - Dr. Masten

2. **President-Elect**
   - None reported – Absent
   - Dr. Hubbard

3. **Vice President**
   - None reported due to lack of time
   - Dr. Sleeper-Irons

4. **Immediate Past President**
   - None reported due to lack of time
   - Dr. Lutherer

#### Agenda Item G. Communique from President Baldwin by Cindy Gutierrez

The July 18th meeting with President Baldwin had to be rescheduled due to President Baldwin out of the office ill. Cindy will let the Faculty Senate Officers know as soon as possible the time of the rescheduled meeting.

#### Agenda Item H. Items for Faculty Senate Column in Stateline

None reported due to lack of time

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<td><strong>Agenda Item I. Other</strong></td>
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<tr>
<td><strong>Agenda Item A. Faculty Awards Committee</strong></td>
<td>Dr. Masten</td>
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<td>Representatives (HSC OP 10.25)</td>
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<td>1. Faculty Senate Representative –</td>
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<td>Dr. Gustafson volunteered to serve</td>
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<tr>
<td>2. Faculty Senate Representative –</td>
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<tr>
<td>Dr. Lutherer volunteered to serve</td>
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| **Agenda Item B. Other**                         | Senators      |
| None reported                                    |               |

| **Agenda Item C. Next Steps**                    |               |
| None reported                                    |               |

| ADJOURNMENT                                      |               |
| **Next Meeting Date/Time:** August 15, 2008     |               |

YM:ps
7-18-08