

FACULTY SENATE MINUTES

February 15, 1977

The Faculty Senate met on Tuesday, February 15, 1977 at 2:00 p.m. in Room 244, Mendenhall Student Center. The following members were absent: Satterfield, Keusch, Snyder, Anderson. The following alternates were present: Bernard Kane for Smith, Belinda Lee for Haigwood, G. Lynis Dohm for J. G. Jones. The following ex-officio members were absent: Jenkins, Holt, Howell, Monroe, M. Moore, Williams.

The minutes of January 18, 1977 were approved.

SPECIAL ORDER OF THE DAY

A. The chair commented on a memo from the local A. A. U. P. regarding faculty salaries. Interested persons may contact Ray Martinez for a copy. The main point is the whole State system is losing ground based on national salary averages. Some N. C. campuses (ECU included) have dropped a whole letter grade (20%) since 1973 in relative standing of their average salary vs. national averages. ECU has lost more ground than any other public institution in its category in the state.

Adler reported on the Board of Trustees' meeting in January and noted that he was favorably impressed with the attitude of the members. He remarked that SGA President Sullivan made a valid point to the Board of Trustees on the question of priorities relevant to the Tenth Street crossing. He observed that there has been a failure to do something about this while there seemed to be no such delay in proceeding to enlarge the football stadium.

The chair announced that Troy Pate, Chairman of the Board of Trustees, will speak and answer questions at the March 22 Faculty Senate meeting.

At the February Faculty Senate Agenda Committee meeting, the motion was passed that interim reports be made from Senate committees that do not normally present reports during the year. The object is to strengthen contact between committees and the Senate. Committee chairmen will be called upon to make a verbal report and answer questions on committee activities. Adler has invited the chairpersons of the Admissions Committee, the Campus Facilities Planning and Development Committee, and the Career Education Committee to be present and make reports at the March 22, 1977 Faculty Senate meeting.

The chair referred to the previous month's discussion on the conversion of Pitt Technical Institute to a community college. Adler reported that he wrote to Commissioners Gaskins, Warren, and Strickland. Adler urged all senators opposing the conversion to write to the County Commissioners. Johnson commented that the original vote to change Pitt Technical Institute to Pitt Community College was taken in January and resulted in a deadlock, 3 to 3. At the February meeting, the commissioners failed to vote. The next meeting of the County Commissioners will be March 7.

The chair noted that the new Administrative Council Representative to the Senate is Dean Miriam Moore of the School of Home Economics. She replaces Dean Thiele.

Adler reported that Appendix C of the ECU Faculty Manual is being redrafted by a subcommittee. This process is nearing completion, and the draft will be passed to the Faculty Affairs Committee which will then hold hearings.

Hursey asked for the floor to present a point of information. He has talked to State Representative Sam Bundy and State Senator Julian Allsbrook about a tax-free fringe benefit. Bundy has presented this to the Advisory Budget Committee where it was rejected. Bundy offered Hursey a meeting with a subcommittee of the Budget

Committee. Hursey asked for faculty input by February 17 to present to the sub-committee.

Adler reported on replies received from the political representatives regarding the resolution on State aid to private universities/colleges. Bundy is in favor of aid to N. C. residents attending private colleges. Rountree replied that the situation is touchy.

The chair noted that the Vice Chancellor for Academic Affairs has said buildings will be closed after 10:00 p.m. and on weekends in accordance with the Governor's directions. This presents certain problems for people doing research. Everett said this seriously curtails the research activities of faculty members and graduate students in the Chemistry Department. Much research is done at night and on weekends. He added that the Chemistry faculty would be willing to perform their research without heat but the campus police enforce the closing of the buildings. He asked if the same ruling is being applied to other universities. He added that we should ascertain what other research campuses are doing about the 10:00 p.m. and weekend closings.

Lao commented that Psychology faculty would like to do research at night and on weekends but they have no keys to the building and therefore have to call the campus police. She noted that the rule about keys is not equally applied to all buildings and departments.

Johnson asked Adler if the chair could discuss this problem with the administration without a resolution. Adler replied that he could write a letter to Vice Chancellor Holt and ask how ECU compares with other universities. Johnson suggested Adler make an appointment with Vice Chancellor Holt to see what can be done. He said that in the past resolutions on this type of question have not been very helpful. Hursey suggested that faculty be allowed unrestricted use of faculty offices. Adler replied that this would be opposed due to security concerns. Everett suggested Adler contact other Faculty Senate chairpersons and ascertain what their campus procedures are during this emergency. The chair agreed to do so.

UNFINISHED BUSINESS

A. Ferrell again presented the changes in the By-laws as recommended by the Committee on Committees at the January 18, 1977 Faculty Senate meeting. (See Faculty Senate Minutes for January 18, 1977.) Ferrell moved the first item and it was seconded. Woodside moved to delete "who shall not serve in the event of the reelection of the present chairperson." There was no second. The question was called on the original motion and it was approved.

Ferrell gave the history of the second change. The Committee on Committees has been working on an Educational Policies and Planning Committee and its charge for 2½ to 3 years. Since the Committee on Committees is annually elected by the Faculty Senate, there has been a variety of sources of input. The base purpose of the proposed committee is in the E. C. U. tenure statement, Appendix D, Section VI, A(2). Financial exigency is already a significant issue inasmuch as Governor Hunt is requesting a two percent staffing reduction though this does not include teaching faculty at the present time. The area of major change of program is a more local problem since we may have to deal with this when the new Chancellor arrives. UNC-CH has two committees dealing with financial exigency. The first is an advisory committee to the President. The second is the Educational Policy Committee which is a coordinating and advisory committee responsible to the Senate and has the approval of Chapel Hill Board of Trustees and the UNC Board of Governors. Ferrell pointed out that the composition of the ECU Educational Planning and Policies Committee is different from other Senate committees in that there are only three elected faculty members. The ex-officio members are chairpersons of other Senate committees, who

were in turn elected to that committee. The chairpersons of the Graduate School Policies Committee and Graduate School Curriculum Committee and President of the SGA are also ex-officio members. This provides for input from the students and the Board of Trustees. Three drafts of the committee's charge have been made. In March 1976, Ferrell presented to the Chancellor a draft which was circulated to his administrative heads. The Committee on Committees interviewed the Dean of the Graduate School. Both the Vice Chancellor for Administration and Planning and the Vice Chancellor for Academic Affairs suggested that the Chancellor be consulted only on a major curtailment. Ferrell noted that a portion of Appendix D is implemented in this charge. If this committee is to advise, it needs to have information as provided by the rest of the charge. The committee will bring its concerns to the Senate. It is important that the budget be reviewed annually by the committee in order to know the full nature of the funding. Ferrell moved adoption of the proposed by-law, and Lao seconded.

Adler reported that Chancellor Jenkins has now appointed a group made up primarily of administrators but including three faculty members, called the Committee on Educational Policies and Planning. He noted that the proposed Senate committee is not in competition with the administrative committee, although the names are the same. Adler commented that the Chancellor's committee had come as a surprise since the Committee on Committees has been working on the charge of the Senate committee for about 18 months. The administrative committee will apparently have the same general competencies. The membership on the Chancellor's committee consists of: Vice Chancellor for Administration and Planning, Vice Chancellor for Academic Affairs, Vice Chancellor for Business Affairs, Vice Chancellor for Health Affairs, Director of Institutional Development, Dean of the Medical School, Chairman of the Graduate Council, Chairman of the Faculty Senate, one member appointed by the Graduate Council and one member appointed by the Faculty Senate. This committee replaces the Campus Long Range Planning Committee.

At this point, the chair noted the Senate has three alternatives: (1) acquiesce, appoint the faculty members and participate on the Chancellor's committee; (2) set up its own committee as the motion states and see what happens between the two committees; (3) refuse to participate on the Chancellor's committee under protest based on the fact that Appendix D meant the members to be elected by the faculty. Yarbrough commented that Appendix D does not say this committee would be a standing Senate committee and all others are specified as such. Adler agreed that the only mention of this committee in Appendix D is its name. Yarbrough said that the Chancellor could assume the committee is his to create. The Senate committee is supposed to advise the Chancellor but he may ignore the advice. A third problem is that the Senate is now considering the relationship between the Senate and the Graduate School. Ferrell replied if the Senate decides not to deal with the graduate faculty, then this part of the proposed charge could be deleted. He feels Appendix D implies that the committee consist of faculty members. The administration had an opportunity to object to this a year ago. There is no doubt that the committee at UNC-CH is a faculty committee and that it treats graduate and undergraduate affairs when considering financial exigency; and the Board of Governors approved the UNC-CH committee. Ferrell urged the senators to make a stand now because the new chancellor could come in and change the present administrative committees. Yarbrough said he thinks this committee is supposed to be a standing committee and the Chancellor's position is that the faculty cannot create such a committee. It won't be viewed as a legitimate body by him. Ferrell suggested that if the Chancellor won't accept this committee then the Senate could appeal to the Board of Governors, as Appendix D is their document. Everett said that it seems the administration thinks the Chancellor will consult with the committee if he thinks it advisable, but the charge says the committee will send information to the Chancellor. Ferrell read part of the letter to Vice Chancellor Holt from Vice Chancellor Howell which says: "I believe that the only part of the proposed charge for an Educational Planning and Policies Committee that is advisable and/or appropriate is the sentence at the end of the fourth paragraph, which provides: 'The Committee shall be consulted by

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the Chancellor concerning all proposals to initiate actions relating to financial exigency, curtailment of academic programs, or the elimination of programs, curricula, departments, and schools.' This sentence should be amended to provide that the Chancellor will consult only in major curtailments of academic programs."

The Chancellor will consult only in the case of a major curtailment. Johnson asked Ferrell if he interpreted Howell's letter as in agreement with the Committee on Committees. Ferrell said Howell does not object to the basic charge. Johnson asked if any correspondence was sent to the Chairman of the Faculty. Adler replied no. Ferrell added that copies were only sent to deans and department heads and the Committee on Committees. Johnson asked would it be better to seek a compromise before or after approval of the charge. Ferrell suggested approving the charge and then seeking a compromise. Yarbrough suggested postponement until the next meeting to give Adler and Ferrell a chance to talk with the Chancellor about this problem. Adler noted that the Chancellor wants a faculty representative for his committee now. Reep asked what Holt refers to in his letter. Adler replied the administration presumably does not want to consult with the Senate committee each time one or two people are transferred from a school or department. Reep asked if financial exigency can occur with only one person. Adler responded no. Reep said this is not clear. UNC-CH has an elected committee like this. If we allow an administrative committee, we are putting ourselves in the place of a second-class institution. E. Ryan commented that there is a fundamental problem of ambiguity in the lack of definition of the committee in Appendix D. Will the Committee on Committees recommend amendments to Appendix D? Ferrell said there was no such committee at the time Appendix D was approved, so its charge was not included. The Committee on Committees didn't feel an amendment to Appendix D was necessary. E. Ryan responded that there is now another (administrative) committee with the same name. Either could fulfill the requirements as stated in Appendix D. Our situation is intolerable unless an amendment to Appendix D is passed. Brown called the question. The charge of the Committee on Educational Policies and Planning passed.

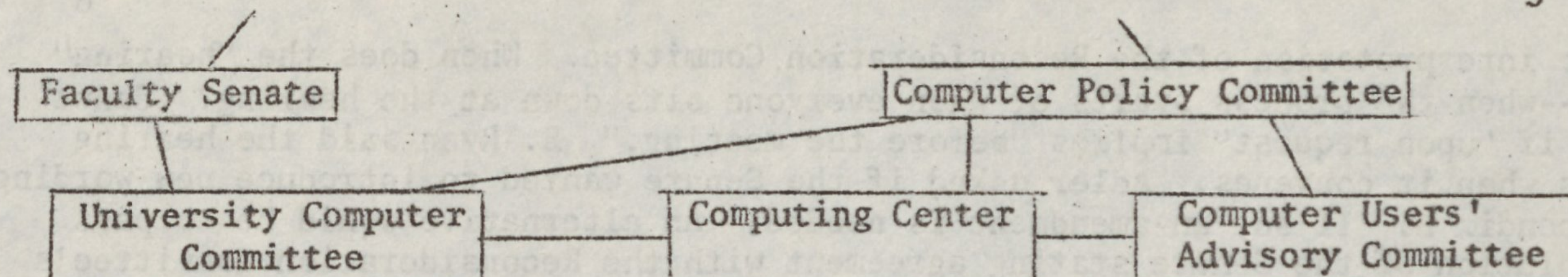
REPORT OF COMMITTEES

A. Committee on Committees. See Unfinished Business.

B. Faculty Governance Committee. Woodside, chairperson, reported on the Faculty Senate resolution that the Faculty Governance Committee "define and present objectives of a study of the relationship between the Faculty Senate, the Graduate Council, and the Medical School to the Senate prior to any study or recommendation being made." The Faculty Governance Committee unanimously recommends that should a study of the relationships among the Faculty Senate, the Graduate Council and the Medical School be undertaken, the primary objective of the initial study being to define from available sources what these specific relationships are. Hursey asked for an interpretation. Woodside replied the main idea is to find out if there is a relationship to study. Ferrell moved the Faculty Governance Committee investigate and report at its convenience (a preliminary report due for the May Faculty Senate meeting) on the existing relationship as it sees it between the Faculty Senate and the academic components at ECU. Haritun seconded. Adler noted this motion has expanded the original charge. The question was called and the motion passed.

C. Ad Hoc Screening Committee. Loren Champion, chairperson, presented the Code of the Mathematics Department for the first time. Hursey seconded. The question was called and the Mathematics Code passed. Champion then presented the Code of the Library Faculty of ECU, the School of Nursing Code, and the Code of the Philosophy Department. Sehgal seconded. The question was called and these three codes passed.

D. University Computer Committee. James Joyce, chairperson, presented a report from the committee. He referred to the chart which follows during his talk.



The Computer Policy Committee makes computer policies. Its membership contains Vice Chancellor Holt and C. Q. Brown, Director of Institutional Development. The Computer Users' Advisory Committee is an administrative appointed committee which contains faculty members.

The Computer Policy Committee has asked the Computing Center to ascertain how much money is needed to upgrade the Burroughs system. It was ascertained that it would require 2½ times the present hardware cost so the upgrade cannot be done at this time. The Computer Policy Committee asked the Computing Center to enlarge its budget requests. The Computing Center has reinvestigated computer needs across campus and these are reflected in Volume 1 of the planning documents. Volume 2 is nearing completion and includes objectives and goals on the campus. Volume 3 will contain hardware alternatives (types and quantities). The Computing Center has received permission to request vendor presentations for the purpose of educating committee personnel. These presentations will begin in March and last until May. The University Computer Committee is working on its relationship with the Computer Users' Advisory Committee. An effort is underway to streamline procedures so all three advisory lines go up together to the Computer Policy Committee. The three bottom units are working on avoiding duplication. Joyce noted the relationship between all the committees has been excellent. A questionnaire is being sent out to determine expertise among faculty members on computer matters in order to compile a directory of computer expertise on campus. It is hoped the computer upgrading will be accomplished by September of 1978. Adler commended Joyce and the members of the University Computer Committee for the enormous task they have done. There are certain analogies between the situation of the University Computer Committee and the Committee on Educational Policies and Planning. The University Computer Committee has gradually gained the confidence of the administration.

E. Reconsideration Committee. Joe Davis, chairperson, presented a report from the committee. (See Faculty Senate Agenda for February 15, 1977.) He explained this is a procedural matter and requires no action. E. Ryan asked if it is necessary to vote. Adler ruled yes. J. Davis moved the recommendation and T. Davis seconded. J. Davis explained that this committee deals with appeals from faculty members cut off by financial exigency. Hoots commented that this seems to be an amendment to Appendix D rather than an interpretation. E. Ryan said that without such an amendment, action by the Senate would be ineffectual. He believed an amendment is necessary since it is a substantive change. Johnson asked what problems did the committee see in presenting the documents at the hearing and then recessing to give the appellant time to study them. J. Davis replied there would be no real problem but the committee wanted some procedure established before handling the first case. Johnson asked if the Parliamentarian sees any problem with a recess. E. Ryan replied that that seems the intent of Appendix D. The committee may take preliminary action and cause a problem. Adler ruled that J. Davis return to the committee and see if this would be acceptable and if so an amendment would be unnecessary. J. Davis asked if what his committee suggested would require an amendment. Adler replied yes, if words are added. Potter commented that she thought an amendment would be beneficial because it would be more efficient. Adler noted that an amendment would take six months. Ferrell quoted Appendix D, Section VI, B (7) which states "the faculty member and the Committee shall be given access, upon request, to documents that were used in making the decision to terminate the faculty member's employment after the decision was made that the position must be terminated." He noted the only change will be "prior to the hearing" and this

is the interpretation of the Reconsideration Committee. When does the "hearing" start--when the process starts or when everyone sits down at the hearing? Gantt asked if "upon request" implies "before the meeting." E. Ryan said the hearing begins when it convenes. Adler asked if the Senate wanted to introduce new wording to Appendix D. If so, an amendment is needed. An alternative would be to pass a resolution of the Senate stating agreement with the Reconsideration Committee's interpretation but this would have no binding force. Daugherty supported having an alternative request. As a point of order, Johnson asked if the chair had ruled the motion out of order. Adler replied there was no motion on the floor. J. Davis then moved the Senate support the interpretation by the Reconsideration Committee of Appendix D, Section VI B (7) on page 17 that documents shall be furnished before the hearing. Woodside seconded and the motion passed.

NEW BUSINESS

A. Prem Sehgal, as originator, presented the Resolution Regarding Faculty Retirement Options (see Faculty Senate Agenda for February 15, 1977). He presented a handout (see attachment) and discussed it. Hursey seconded the resolution. Johnson moved this resolution be referred to the Faculty Welfare Committee and Reep seconded. Sehgal noted the Faculty Welfare Committee has done nothing on this in the past ten years. Johnson commented that the committee now has a new charge and new members. Hursey noted the Faculty Welfare Committee has been impotent. He opposed referring this resolution to the committee and urged the senators to pass the main resolution. Adler reported that he has been corresponding with Mr. Hambleton, State Director of our retirement system, to no avail. Johnson added that NCAE has been extremely active with regard to retirement benefits. He suggested contacting the Raleigh office of the NCAE. Sehgal clarified that the resolution is asking the Attorney General to rule if the two systems give equal treatment or not. Kane called the question to refer the resolution to the Faculty Welfare Committee. The motion failed. Reep asked if a representative of the State Retirement System could come and answer questions for the Senate. Gantt noted that the SRS is set up by the State Legislature. Ferrell reported that the Faculty Assembly had invited Hambleton to speak and he said nothing of importance. Garrison said there are other benefits and those faculty on TIAA are losing benefits to protect the State system. Johnson asked what part the Faculty Assembly plays in this resolution. Sehgal clarified the ECU Faculty Senate and the UNC Faculty Assembly would both take this problem to the Attorney General. Sparrow called the question. Sehgal made two editorial amendments to the resolution in order to clarify it. (See attachment.) The motion to adopt passed.

The meeting adjourned at 4:40 p.m.

Respectfully submitted,

Conner Atkeson
Secretary

Sharon Johnston
Faculty Senate Office Secretary

Introduction:

The resolution before us was prompted by a recent death on this campus. The beneficiary got a poor deal from the retirement system even though he had over ten years of service.

Over the past five years, several individuals and the Faculty Assembly have tried to get more information on our retirement system. They have been largely unsuccessful because of official stonewalling at various levels. Even at ECU, the information is just not available. Most of the time the answers are prefaced by saying, "I assume . . ."

The resolution itself talks about three things:

- (1) the money matters i.e., the lack of state contribution in dollars to our accounts and the low rate of interest that is credited on a year to year basis.
- (2) the legal aspect of financial discrimination in benefits now or later at retirement when the constitution guarantees equal protection under the law and finally
- (3) a retroactive righting of the wrong in both contributions and retirement benefits.

Teachers/State Employees Retirement System of North Carolina (TERS)

Some Facts:

1. Interest to the individual accounts is credited at the rate of 4% per annum. The investment portfolio of the system returned 6.45% in 1974. The banks are presently paying over 5% on Savings Accounts and the E bonds pay over 6% to maturity.
2. The State contributes on a month to month basis to those in the TIAA-CREF program. State's contribution of 9.12% of all salaries subject to retirement deductions is not credited to individual accounts of members with the State System.
3. Retirement system handbook does not indicate whether State's contribution is even credited to the system's investment portfolio. It is thus possible that the entire portfolio consists of contributions made by the members themselves.
4. Retirement benefits are based upon average final compensation (AFC), age-service factors, etc. Such benefits are adjustable to a degree with the consumer price index (CPI).

Some Questions and Answers:

1. Does the State make any contributions at all to the retirement system's investment portfolio?

A clear cut answer is not available. Probably none is being contributed. The impression is left that those now already retired will have to exhaust their own contributions (plus interest) and live long enough to claim State's contribution. If no contributions are being made for all members at present, the State's future unfunded liabilities may run into billions of dollars. The system's soundness may then be at stake.

2. Are the retirement benefits calculated upon one's total contribution to the system?

No. Everything else being equal, two persons with the same net contribution to the system may not get equal retirement benefits if one has higher average final compensation (AFC) than the other. This is a retrogressive way to calculate the final compensation and treats different people differently.

3. Is ours a sound system fiscally?

Yes it appears to be sound because the number of retirees compared to the total membership at present is low. This is also because they are playing with members money very conservatively and return it back with 4% interest if the member leaves or dies prematurely. The unfunded liabilities at 9.12% may strain the system fiscally as the ratio of retirees to the total membership increases.

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4. Do the cost of living increases compensate for all the conservative accounting?

Under the present system, the real worth of the member's contribution continues to fall as long as the low rate of interest credited to the individual account does not match the high rate of inflation or the respectable results of the investment portfolio.

5. How can one beat the present system?

The only practical ways are

- (i) to live a very very long life and beat the actuarial calculations
- (ii) to join the administration at a higher salary and rig up the average final compensation (AFC) somehow.

6. What can be done now to see that everyone is treated fairly and equitably under the two retirement options?

The Faculty Senate at ECU through its Committees and Faculty Assembly should review the retirement system regularly and make recommendations to proper authorities on an annual basis.

Various professional organizations -- AAUP, AFT, and NEA should further investigate the matter at the local and state level.

Some specific changes we should aim for are listed below:

- (i) A higher rate of interest on members contributions on a monthly basis.
- (ii) State's contribution of 9.12% to be credited to individual accounts retroactively and then on a regular basis.
- (iii) Average final compensation (AFC) should be calculated on total contributions of the member and the state over the entire period of service.
- (iv) Let the state alone take the entire fiscal responsibility of the State Employee's Retirement System.

More information in the retirement system handbook should be helpful to everyone especially a full disclosure of the assets.

We should invite the Director of the State Retirement System to address the State Employees and Faculty at ECU.

Some examples:

As an attempt to support the claim that the State has not contributed funds towards an employee's retirement as a member of TERS, I have compiled the following examples. Each example computes the maximum annual retirement presently available under three different plans for a male employee of the State who begins his employment at age thirty-two at a salary of \$11,000 per annum and who works continuously for the State to age sixty-five, a period of thirty-three years. Furthermore, let us assume that in each example the individual described above works for thirty-three years at a salary which remains constant at \$11,000 per year. Consequently, I have assumed that the individual contributes \$604. per annum towards his retirement and that the State contributes \$605. per annum.

EXAMPLE 1: RETIREMENT UNDER TERS

Under this plan, the maximum retirement benefit to which the individual is presently entitled is \$4,983.00 per annum, only 45% of his final annual salary.

Some may argue that this example, which assumes a constant salary, is a distortion of the current system as only the five consecutive years of highest remuneration are used in the computations of one's retirement benefit; however, this method of computation seems to materially benefit only those employees who enjoy a substantial pay increase in the last few years of their employment. But why should they receive favorite treatment?

To illustrate, let us now assume that our hypothetical state employee enjoys an increased constant salary of \$16,500 per annum his last five years of employment. His retirement benefit under TERS now rises to \$7,705.50 per annum. Thus, by working his last five years at a salary 50% greater than those first 28 years, our hypothetical employee is eligible for a retirement benefit which is 55% greater than the benefit available if no increase in pay had occurred. Thus, by contributing an additional \$1,650 towards his retirement (as a consequence of higher deductions being taken for his retirement during his last five years), the employee is able to guarantee an annual retirement income 55% greater than his income would have been had no salary increase been affected; i.e., by contributing an additional 8.3% towards his retirement as a consequence of his increased salary in the last five years of his employment, the employee's retirement income is increased by 55%. Clearly, this employee is not living off his contributions at this time. Whose contributions are being used to cover his increased benefits?

EXAMPLE 2: RETIREMENT UNDER TIAA

Under this plan, the individual would qualify for a maximum retirement of \$10,710.00 per annum, an amount which represents 96.5% of the individual's final salary and which is more than twice the amount presently available under TERS.

It is extremely interesting and most revealing to compute the individual's retirement under TIAA if we assume that no State money is ever deposited in his TIAA account (i.e., only the employee's monthly contributions are deposited in his retirement account). Under this assumption, the maximum available retirement under TIAA is \$5,355.00 per annum, an amount still greater than the maximum benefit available under TERS, even though the State claims to have deposited 8.95% of each member's annual salary. (By the way, this is patently false too; the amount deposited - if any - is nearer 5% if the truth be known.) Is it merely a coincidence that the retirement benefit under TERS and the benefit under TIAA using only the employee's contributions are so nearly the same? Where is all the money which the State claims to have deposited in the employee's account? Just how long must a retired state employee live in order to receive even one penny of the State's contributions? The probabilities strongly suggest that no State money will ever be touched. It also suggests that no State money is, or ever has been, there.

EXAMPLE 3: SAVING'S ACCOUNT RETIREMENT

For the purpose of this example, let us assume that at the end of each of the thirty-three years of employment, \$1,200.00 (sum of individual's and State's contributions) is placed in a saving's account at a prevailing constant interest rate of 6% per annum. At age sixty-five, the saving's account will have a worth in excess of \$133,700.00. Treating this sum as an annuity and withdrawing equal amounts per annum over the next nineteen years in order to deplete the account (life expectancy at age 65 is 19 years), the retirement benefit is \$11,981.00 per annum, an amount even greater than the employee's final year's salary and which is more than twice the maximum retirement benefit presently allowed by TERS.

On the otherhand, if we assume that only the employee's contributions are deposited in the saving's account (no State money assumed) at the end of each of the thirty-three years of employment, then the retirement benefit available is \$5,990.00 per annum, a figure still greater than the maximum retirement allowance afforded by TERS, yet not too different in amount. Another coincidence? Where is all that State money?

Summary:

In conclusion let us assume that the state is making proper contributions, the questions for which we need clear answers now are:

1. Why the state's contributions (in dollars and percentage) to the assets of the retirement system are not shown on our accounts?
2. Is the state's contribution to assets exactly 9.12% of the salaries or less than that? If the latter is true, why?
3. Why our benefits now or later at retirement are less than half of those in TIAA-CREF?
4. Why the benefits of the retirement system are not prorated to one's contribution and years of service?
5. Why the information on the assets of the state retirement system is being withheld from members and is not being disclosed fully on an annual basis?
6. Starting with any set of similar assumptions, can the Director of State Retirement System produce a comparative table showing the benefits for various age-service factors under the two retirement options? How can such differences be explained?

Only answers to these questions will assure that everyone is being fairly and equitably treated under the law of the land.

RESOLUTION REGARDING FACULTY RETIREMENT OPTIONS
ADOPTED BY FACULTY SENATE ON FEBRUARY 15, 1977

WHEREAS: Under the two retirement options (TIAA and the North Carolina Retirement System) faculty of the two groups are not equally treated under the state laws covering the state employee's retirement system in that: (1) there is non-payment of interest payments in the year funds are deducted from payrolls on a monthly basis; (2) the interest payment is low, and (3) the state's contribution to the employee's retirement system is not made on a month to month basis;

AND WHEREAS: Employees under the State Retirement System are in fact losing money compared to their counterparts in the TIAA because of lower initial capital that compounds at a lower rate of interest;

AND WHEREAS: Some faculty are financially discriminated against because all faculty did not have the option of withdrawing from the State Retirement System;

BE IT THEREFORE RESOLVED that the Faculty Senate request the Faculty Assembly to consider this financial bias against some state employees; and

BE IT FURTHER RESOLVED that the legality/constitutionality of this continued discrimination be discussed by the Chairman of the Faculty Assembly and the Chairman of the Faculty Senate with the State Attorney General; and

BE IT FURTHER RESOLVED that the discriminated employees be compensated retroactively by crediting the State contributions and the interest earned thereon to the individual accounts.