

**Ohio University Faculty Senate
 Agenda for Monday, March 15, 2010
 Room 235, Margaret M. Walter Hall, 7:10 p.m.
 [Summary]**

The meeting was called to order by Faculty Senate Chair Joe McLaughlin at 7:10 p.m.

I. President McDavis and Executive Vice President and Provost Benoit

President McDavis addressed two topics:

1) Capital Budget: The capital budget consists of biannual funding from the state for capital projects. The timeline for the upcoming capital budget is not yet set, but OU anticipates approximately \$20 million primarily for Scripps and Clippinger; there may be limited additional funding for some smaller improvements across campus.

2) Public/Private Partnerships: OU is exploring the possibility of renovating or replacing student housing with a public private partnership, beginning with South Green (except Adams Hall), because these dorms were built in 1970 or earlier, have not had significant renovations since they were built, and are not included in the capital plan for improvements for the next ten years. The condition of South Green puts us at a competitive disadvantage.

There are four different models for the project: 1) The university could finance the project through bonds: OU would retain total control of the project, but the bonds have an adverse impact on university balance sheet because we absorb the total debt. 2) The university could create a separate affiliated entity to run the project: we would still have a lot of control, but our credit rating would be affected. 3) The university could lease property to a private developer who would use corporate debt to fund the project. The debt would stay off our balance sheet; while we would retain some control through the lease contract, we would have to give up some control. 4) The university could sell the property to private developer. We would see proceeds from the sale and there would be no negative impact on our credit rating or balance sheet, but we would cede far more control and create competition in housing. Two major companies have done this type of work: American Campus Communities and Capstone Communities. We have put out a request for information.

In order to reserve more time for discussion of the budget, EVVP Benoit distributed a handout with updates on enrollment and the Academic Health Center, summarized below:

Enrollment update:

	Freshman	Masters	Ph.D.
Apps this year/last year	12,959/13,729	not provided	not provided
Change in apps	-770		
Final admits this year/last year	1318/1167	+192	+25
Change in final admits	+151	+16	-2
ACT this year/last year	24.11/24.09	n/a	n/a
Change in ACT	+0.02		
GPA this year/last year	3.38/3.40		
Change in GPA	-0.02		

Academic Health Center update: Benoit received a memo with recommendations from Jack Brose and Randy Leite that draw on input from the Academic Health Center Steering Committee. McDavis and Benoit will discuss the memo before making further decisions.

Benoit then discussed the budget. The budget crisis this year follows a \$10.4 million shortfall in state funding. The budget process changed this year in an attempt to be as strategic as possible in a difficult budget year by 1) determining which activities are essential, and which can be reduced/eliminated; and 2) deciding how to reallocate resources to our academic strengths. Benoit emphasized the changes made in the budget process this year, especially the level of budget detail examined, the alignment of budget decisions with articulated priorities, and the ongoing discussions with planning unit heads. Benoit also pointed out areas to improve for next year: there was not enough time this year for a comprehensive discussion about budgets and structure across and within units, and the issue of reallocating resources has not been addressed. The budget process will be refined for next year, but Benoit hopes to preserve some elements, including the budget forums, and the attempt to seek input from university community on how to save money and generate revenue through the budget web site.

Benoit noted that while the budget proposal protects current group I faculty, it does include reductions in contingent faculty. Feedback from the forums indicated that these reductions would harm the university's ability to generate revenue, offer adequate sections of classes, and would damage morale. This led to the Budget Planning Council's (BPC) proposal (3/12/10) to reduce the 2% raise pool for faculty, classified staff, and administrators to 1%, putting approximately \$1.6 million back into the budget; \$1 million would be used to preserve instructional capacity, and \$600,000 would fund Ohio College Opportunity Grant replacement scholarships for OU's poorest students. Some BPC discussion suggested deeper cuts in academic support units rather than lowering the raise pool. Benoit said that she did not believe this was possible this year, but OIT will have an additional \$405,000 reduction, which will be reallocated to room costs for students.

Benoit concluded by saying that lowering the raise pool to 1% is not a perfect solution, but it is an institutional solution, shared by faculty, administrators, and staff. She added that we cannot change the past, but we can trust each other in future. The budget recommendations continue to be revised and are a work in progress, but Benoit stated that they tried to base them on the best available data; to listen sincerely to all members of the university; to consult with constituent leaders; to understand the consequences of the budget recommendations; and to clearly communicate the rationale for budget decisions. What they have learned this year will carry through to multi-year budgets. McDavis and Benoit then took questions.

Questions and comments from Senators and faculty members fell into three main categories: 1) Clarification of the BPC proposal to lower the 2% raise pool to 1%; 2) Alternatives to the BCP proposal; and 3) Objections to the BPC proposal.

Clarifications of the BPC proposal (with Benoit):

1) The "instructional resources" that would be preserved are only group II, III, and IV faculty, not group I faculty, and not any administrative or classified employees.

2) The reduction in the raise pool would apply to all university employees, but only faculty jobs would be preserved.

3) The \$1 million to be reallocated from the raise pool to instructional resources would be held in the Provost's office to be sent strategically to departments and colleges.

4) There is no guarantee that raises will be made up in future years; this will depend on future circumstances. Benoit said that preserving raises should be a priority, but it is a balancing issue.

Proposed alternatives to the BPC proposal:

1) University employees could voluntarily donate 1% of their salaries (or more) to the OU foundation. Benoit said that this would not make the money available soon enough to keep instructors in the classroom now, although she does encourage donations.

2) The raise pool should be progressive rather than across the board; employees with lower salaries should receive larger percentage pay raises, while those with very high salaries should receive none.

3) All university employees should take a 1% cut across the board, including coaching staff and upper administrators.

Objections to the BPC proposal:

1) This should not be referred to as a "raise" pool. Because there was no raise pool and health care costs went up last year for faculty, we are really discussing a slightly lower cut in compensation, not a raise.

2) Several senators and visiting faculty members said that the highest university priority should be academics, and that cuts could still be made in non-academic areas. Faculty particularly referred to the recent FutureOU presentation that argued that athletic funding has increased 50% in the last five years while academic funding has been cut. (There was some discussion about the actual percentage that particular academic areas have been cut; this data will be shared with upper administration.) Senators emphasized the need for shared sacrifice while protecting academics. Benoit responded that IAC is taking a 7% cut this year, while academic areas have smaller cuts. Mike Angelini added that Finance and Administration is at critically low levels of staffing and cannot take deeper cuts right now. McDavis was asked to articulate the strategy behind increasing athletic funding over the past five years while the overall budget has been cut more than \$50 million, and was asked whether it was time to change that strategy.

Additional questions were posed about the public/private partnership, focusing on the use of revenue generated by auxiliaries, how to protect residential learning communities, and the level of control OU would retain.

II. Roll Call and Approval of the February 22, 2010 Minutes

A quorum was present. The minutes of the February 22, 2010 meeting were approved by voice vote.

III. Chair's Report – Joe McLaughlin

- Updates and Announcements

The nominating committee will contact Senators soon about upcoming elections.

- **Upcoming Senate Meeting: April 19, 2010. 7:10 p.m., Walter Hall 235**

Sense of the Senate Resolution on Budget Planning Council Recommendation Concerning Budget Assumptions

McLaughlin introduced this resolution in response to a proposal voted on by BPC the previous Friday. He noted that the resolution is presented without endorsement by the executive committee; he has received passionate responses on both sides since the resolution was sent out on Saturday. Faculty Senate needs to debate the issue and vote as a representative body. The faculty senate executive committee and others have made it clear that we believe that other cuts in non-academic units are possible and should happen before any cuts in academic areas.

David Ingram moved that the meeting be closed to all but group I and group II faculty. Ken Hicks seconded. It was argued that closing the meeting would protect untenured and non-tenure track faculty; others argued to keep the meeting open to promote transparency. The motion to close the meeting was defeated by voice vote.

Discussion about the resolution was similar to the objections to the BPC recommendation discussed with EVVP Benoit. Additionally, faculty members noted the recent growth in administrative staff in the Office on the President and EVVP, discussed the possibility of rebalancing tuition and general fees to direct more funds to academics rather than intercollegiate athletics, and argued that maintaining competitive salaries to retain strong faculty is critical to our academic infrastructure – that the long term academic health of OU is at stake. Arguments in favor of the resolution were to preserve instructional capacity and jobs, although there was some concern based on past practice that there was no guarantee that layoffs would necessarily be avoided.

Joe Slade moved to suspend the rules and go directly to a second reading and vote; Ingram seconded. The motion passed (by secret ballot): 33 for, 8 opposed, 1 abstention.

Hearing no objections, McLaughlin called for a vote on the resolution by secret ballot. The resolution was defeated: 7 in favor, 35 opposed, 2 abstentions.

Steve Hays introduced a new resolution (titled "Amended Resolution concerning Budget Planning Council Recommendation") that did not support the BPC proposal, called for more cuts in non-academic areas, and expressed a willingness to revisit compensation issues once other non-academic cuts have been exhausted.

Joe Slade moved to suspend the rules and go to second reading and vote; John Benson seconded. The motion passed (by secret ballot): 34 in favor, 6 opposed, 0 abstentions.

Patrick Munhall moved that the resolution be amended to remove most of the "whereas" clauses; Mark Phillips seconded. The motion passed (by show of hands): 21 in favor, 14 opposed.

Faculty senate took a five-minute break to compose a shorter version of the resolution that focused on looking for cuts first in intercollegiate athletics, in areas where there has been non-academic administrative growth, and in other unnecessary expenditures. Faculty Senate then reconvened to consider the amended resolution (titled "Sense of the Senate Resolution Concerning the Budget Planning Council Recommendation").

Hearing no objection, McLaughlin called for a vote on the amended resolution by secret ballot. The motion carried: 37 in favor, 1 opposed, 0 abstentions.

IV. Adjournment: The meeting was adjourned at approximately 10:55 p.m.