Ohio University Faculty Senate  
Monday, November 4, 2013  
Room 235, Margaret M. Walter Hall, 7:10 p.m.  
Summary

Faculty Senate Chair Elizabeth Sayrs called the meeting to order at 7:11 p.m.

I. President McDavis and Executive Vice President & Provost Benoit
- President McDavis introduced four topics:
  o Sexual assault policies: This is review prompted by the recent incident on Court St.  
    Sanctioning guidelines for student conduct were revised in 2010-11. Any student  
    violating any section of the policy against sexual misconduct will face a minimum of  
    a semester suspension, while rape or sexual assault will result in expulsion.  
    Investigations of sexual misconduct allegations are conducted jointly by the Office of  
    Institutional Equity and the Office of Community Standards. Students may, of course,  
    appeal investigation outcomes, and survivor counseling is provided. [See below for a  
    report on the Campus Conversation held on 10/24/13.]
  o The Higher Education Funding Commission: Gov. Kasich appointed McDavis to  
    head this initiative for allocating capital funding to Ohio public campuses based on a  
    single compiled list of priorities. The emphasis will be on deferred maintenance. By  
    11/1, all institutions submitted their six-year capital plans; the first two years’ worth  
    contain requests for the upcoming capital budget. A final list of recommendations for  
    funding is due to the governor before the end of December, although it is not yet clear  
    what the target amount will be. A final bill should be passed by the end of the fiscal  
    year. The President said that Ohio appears to be the only state allowing higher  
    educational institutions to control their own capital budget recommendations.
  o Commission on college affordability, quality, and access: The governor has asked  
    former OSU President Gordon Gee to head a group looking for ways to cut the cost of  
    college in Ohio and pursue innovative forms of funding. He and Chancellor Carey  
    will be traveling the state in search of good ideas. McDavis promised to talk to Gee.
  o Wins for OU: The good news for the University this year includes the best enrollment  
    growth in the state, the best S.B. 6 ratio (measuring financial health), and the largest  
    percentage SSI increase in the state due to the new funding formula. (The funding  
    formula may still receive some tweaking; there has been some surprise at OU’s  
    success there.) He thanked faculty for the work that has resulted in such successes.
- EVPP Benoit provided two updates:
  o Spring break alignment: The Provost’s office has been working closely with Athens  
    City Schools Superintendent Carl Martin to coordinate OU’s spring break with theirs,  
    a process made difficult by the state testing schedule for the high school. In 2015, the  
    breaks will both begin on March 2. Benoit said that she hoped (but could not promise)  
    that this alignment could continue in the future.
  o Accreditation: This was discussed in some detail at the last Board of Trustees  
    meeting, and the EVPP brought further background to the Senate at the request of  
    Vice Chair David Thomas (representative to the Academics Committee of the Board).  
    Based on geography, OU belongs to the North Central Association of Colleges and  
    Universities, which accredits through its Higher Learning Commission (HLC). The
HLC offers three pathways: Standard (for institutions which have been accredited for fewer than ten years); Open (for those of long-standing accreditation and stable institutional form); and the Academic Quality Improvement Program (AQIP). The principle of AQIP is continuous improvement, which means that accreditation-related activities are ongoing rather than only relevant during review years. Institutions are invited to this pathway, which OU has been on since 2002. We are currently in the Systems Portfolio part of the process, having submitted answers to 137 comprehensive questions about the institution on 11/1. (This was overseen by Mike Williford, and Benoit says that it looks very strong.) In about 12 weeks, the HLC will respond with a Systems Appraisal that identifies strengths and “opportunities for improvement.” The University will develop a plan to act on these opportunities in advance of the AQIP site visits in 2014-15. The site visits will verify the portfolio with emphasis on 10-12 items, examine responses to improvement opportunities, and interview many innocent faculty and staff members about the University’s culture of improvement and understanding of AQIP principles. The four possible outcomes range from reaffirmation of accreditation for the next seven years with encouragement to begin next round of improvements to a finding of failure to meet criteria for accreditation and the ensuing unpleasant consequences.

Questions and Discussion:

Most discussion centered on OU’s enrollment and retention. A senator wondered what we had done right to bring in so many students and place us so highly on the completion ranking that our SSI increased. McDavis said that we had always been sanguine about graduation and course completion as criteria for SSI because those are our strong suits. He also said that our online growth has been strategic. Benoit added that recruitment has become more intensive and more strategic, including reaching out to students early in high school; focusing efforts on areas in other states where the in-state costs are similar to our out-of-state ones; building strong community college partnerships to increase transfers; and using high-touch approaches with admitted students. She added that the scholarship revisions may be paying off, especially in improving quality. Another senator was concerned that the larger freshman class also brought more at-risk or academically shaky students, and wondered about support for them. Benoit emphasized the importance of OU’s access mission in addition to desire for academic quality, and said that the number of Appalachian students also had record growth this year. Executive Vice Provost and Dean David Descutner added that this year’s class does not have a disproportionate number of underprepared students, though reading scores nationwide are worrisome. Individual colleges as well as the Academic Advancement Center and the Allyn Help Center provide assistance to students who need it. This can be particularly important for our first-generation college students, who may be academically prepared but lack the cultural resources of peers from families with experience in college. Recent initiatives have included funding additional tutors for the Writing Center and publicizing the AAC’s willingness to help reach students who have stopped coming to class—after an email from Jenny Klein earlier this semester, 75 referrals came in (compared to a total of 27 all last year). McDavis praised the close collaboration of the Provost with Student Affairs, and noted that the campus’s beauty is helpful in recruiting (which is why the budget for landscaping has increased slightly over the last year).

Other questions centered on accreditation and capital improvement. A senator wondered
if, given that faculty would be expected to understand AQIP, there would be a cheat sheet provided with the (approximately) Top Ten Things to Know. The Provost enthusiastically embraced the suggestion. The President observed that OU is unusually large for an AQIP-pathway institution, a testimony to our commitment to improving academic quality. Finally, a senator asked what is on OU’s list for the capital budget. Benoit said that it contained nearly 40 items, all maintenance on the order of HVAC systems, roofs, elevators, and painting. [The whole list can be found here at Tab 10.]

II. **Ryan Lombardi, Vice President for Student Affairs and Susanne Dietzel, Director of the Women's Center: Update on Campus Conversations**

In introducing the topics, Sayrs thanked all those who were able to respond in a few hours to sign the letter from faculty that appeared in *The Post* before Halloween about student safety.

Lombardi and Dietzel said that the impetus for the Campus Conversation was the sometimes unhelpful student responses to the videos of possible sexual assault, which included divisive dialogue, finger-pointing, and a desire for quick rather than thoughtful answers. To find a way for people to talk productively, Student Affairs, Residential Housing (including individual RAs), the Office for Diversity, and faculty collaborated to develop topics for discussion. At the 10/24 event, experts sat at different tables to facilitate exchanges on topics such as healthy masculinity, open conversations, victim blaming and slut shaming, consent, and (with the help of Institutional Equity and Community Standards) University policies. Participants included counselors from Survivor Advocacy and Psychological Services. Some faculty brought classes, and students, RDs, and RAs came to talk about building a more respectful campus climate. Between 300 and 400 students attended during the four hours.

Follow-up will include related events with both similar and different formats. Faculty and graduate students with research expertise on bystander intervention may give a keynote speech or provide training. Training about consent issues also seems necessary. In the spring, targeted programs about healthy masculinity and healthy sexuality are being tentatively planned. Lombardi and Dietzel invited the Faculty and Student Senates to contribute topics for the next set of facilitated conversations on Monday, 11/18, from 10 a.m. to 2 p.m. in the Baker Center Ballroom.

Senators were interested in having access to a list of people and resources for bringing issues about sexual assault and rape culture into their classes. Lombardi promised a resource sheet, and Dietzel noted that organizations like the Survivor Advocacy Program and other student groups are well-informed and effective educators. David Descutner said that University College invites counselors from Survivor Advocacy into first-year seminars, and that students respond particularly well to learning from peers. Sayrs agreed that efforts should be student-led, but that faculty, who have much greater institutional longevity, need to also be structurally involved.

III. **John Day, Associate Provost for Academic Budget and Planning: Update on Responsibility-Centered Management (RCM)**

This is an abbreviated version of the presentation for the Budget Planning Council. The PowerPoint as presented to the Senate is attached to the end of the Summary.

- RCM clarifies the relationship between revenues and academic activities and provides
academic units with clear incentives for both efficiency and innovation, but does not in itself dictate how resources are allocated. Having clear indicators of academic quality helps ensure that decisions appropriately balance academic and financial concerns.

- Each unit (or Responsibility Center—RC) has revenue (mostly tuition, fees, and SSI), direct expenditures (personnel and things purchased by the unit), and allocated indirect costs (to pay for everything in the University that doesn’t directly earn money by teaching students or charging admission). SSI revenue attribution follows the SSI formula. Tuition and fees are allocated 85% by Weighted Student Credit Hours (using the state taxonomies for weighting) and 15% by major FTE. Non-resident fees follow non-resident students on the same principles. Although the General Fee is attributed to colleges, it is then taken back 100% as a tax. Undergraduate revenues are smoothed out with 3-year averages so as not to cause rapid and unpredictable swings in revenue, but graduate revenues are allocated in real time (because graduate waivers have to be paid in real time).

- Expenses are allocated in ways meant to avoid perverse incentives. The cost of financial aid is thus charged as a proportion of undergraduate revenue rather than charging a given college more when they take more students in need. The libraries are charged based on total student and employee FTEs, rather than actual use by students. And so on.

- The final piece is the Strategic Initiative Pool, money resulting from a 12.5% “tax” on all RCs. (This was finalized over the summer, through a process of negotiation among the deans.) In the immediate term, distributing this tax allows all units to be revenue neutral relative to the previous budgeting model—that is, the tax monies are allocated out to colleges such that everyone can start with the same budget they had last year. In the future, a marginal increase in each college’s tax from higher revenues could be retained centrally for strategic initiatives; in addition, subventions to colleges where expenses exceed revenues could eventually be decreased or increased in response to University priorities.

- RCM will require some new governance procedures and two new committees (the RCM Budget Implementation Committee and the Academic Support Improvement Committee). UCC will have an expanded charge in order to oversee academic quality monitoring. A question about the Service Alignment Projects Oversight Committee drew the explanation that this guides the ongoing project to help HR, OIT, and Finance meet service obligations to the RCs and justify costs.

Further questions centered on Intercollegiate Athletics and the longer-term prospects for RCM. When a senator asked how ICA’s costs fit into the model, Day replied that it is essentially paid for by the colleges (through the mechanism of the General Fee, which is attributed to colleges and then allocated back out to other units). Sayrs pointed out that the model does treat ICA as a Responsibility Center, but one that has insufficient direct revenues to support it. Asked whether the RCM model would survive the Provost’s eventual departure, Day said that deans would be unlikely to want to give up the budgeting control it grants them.
IV. Roll Call and Approval of the October 14, 2013 Minutes

The minutes were approved by a voice vote.

V. Chair’s Report

- Updates and Announcements
  - The instrument for the Faculty/Staff survey planned for spring is at the Provost’s Office for review. It has been approved by Institutional Research.
  - Follow-up on Semester Feedback: The spring break alignment with city schools takes care of one prominent item from last spring’s semester feedback collection. Another item was complaints about administrative policies like add/drop dates, which EPSA has agreed to monitor over two years. There is discussion about a fall break, which many faculty favored, although there are challenges in the fall calendar. Most faculty preferred an October break to an extended Thanksgiving. The largest source of complaints was the rigid class scheduling policy. As a result, there is now investigation into whether there are actual pedagogical problems resulting from the policy, as well as what the effects on student scheduling and large classroom usage would be if more flexibility were built in. Anyone who has comments about class scheduling should contact Sayrs.

- Report from representatives to the Board of Trustees:
  - Ben Stuart (Resources Committee) reported that the Resources and Academics Committees held a joint session, largely about the capital improvement plan [see Tab 3]. The Board approved $970 million for improvements over the next six years, about half in debt service. He noted that the budget includes line items for increased project management personnel in Facilities, temporarily doubling the size of that staff and resulting in some permanent increase in FTEs. Note too that after this very large capital investment, the average age of OU buildings will not have decreased, because that’s how much deferred maintenance we have. Another resolution declared the property under the Baymont Inn and Bob Evans surplus and authorized its sale. Finally, a committee is looking at the improvement and maintenance needs of classroom space. If you know classrooms badly in need, contact him at stuart@ohio.edu
    Asked about new power generation plants at the University included in the capital bill, Stuart replied that the Lausche replacement is a cogeneration plant, which will provide not only steam and chilled water but also electricity.
  - David Thomas (Academics) reported that the joint committee meeting also discussed Guaranteed Tuition, which has been expanded to include out-of-state students; AQIP was also on the agenda. The independent meeting of the Academics Committee looked at the very positive OU-HCOM dashboard and passed some consent agenda items. Athens undergraduate retention was reported at 78.7%, which is lowish by recent historical standards.

- Upcoming Senate Meeting: December 9, 2013, 7:10 p.m., Walter Hall 235

VI. Executive Committee

- Resolution to Update Language on Faculty Senate Meeting Dates—First reading
  This resolution is intended to address the unanticipated annoyances of the semester calendar for Senate meetings (like holding this meeting three weeks after the
previous one). The schedule for spring semester meetings is worse. The resolution proposes meeting on the first Monday of the month “unless Senators are notified of an exception”; the plan is that January will be an exception in having no meeting. Stipulating no January meeting specifically, however, would require an amendment to the Senate constitution, which can only happen after a referendum of the whole faculty and Board approval. This seems particularly inadvisable given that the academic calendar might change again (e.g., for a fall break). The resolution would go into effect for the AY 2014-15 meeting schedule. Senators expressed no qualms about eliminating the January meeting (which currently takes place on the first day of spring term, after a December meeting during fall finals week). One senator opined that since work expands to fill the time available, eight rather than nine Senate meetings might mean more efficiency.

VII. Professional Relations Committee—Ben Bates
- The Committee has no activity to report.
- To calculate working hours for compliance with the ACA, Group III faculty will be considered to have worked 2.67 hours/week for each credit hour of instruction. Bates averred that Senior Human Resource Director Greg Fialko also plans to monitor actual Group III hours worked to avoid violating the terms of the ACA.

VIII. Educational Policy & Student Affairs Committee—Ruth Palmer
- There have been no major developments in the Copyright Task Force, although work continues on language regarding exceptions of faculty ownership of work.
- Trimester discussions have been focused on increasing summer enrollment.
- EPSA is considering the need to include National Guard Training Days among the excused absences as listed in the Faculty Handbook.

IX. Finance & Facilities Committee—Ben Stuart
- The Committee heard a presentation on the six-year capital plan. John Day will be giving the long version of the RCM presentation for RCM college liaisons; contact Stuart if you wish to attend.

X. Promotion & Tenure Committee—Joe Slade
- On 11/4, the Committee voted to uphold an appeal for promotion. The intention is to send it back to the unit for reconsideration and to avoid, if possible, a special Senate committee.
- A Senate hearing on the P&T case of Tim McKeny from Education was just concluded. The hearing committee upheld his appeal on the grounds that the college had no P&T standards and thus no grounds for denial.
- Another promotion appeal will be considered soon.

XI. New Business
- There was none.

XII. Adjournment
- The meeting adjourned at 9:04 p.m.
Budget 101: RCM Budget Orientation

Faculty Senate
11/4/13

Guiding Principles
The following set of principles will guide the implementation and application of Responsibility Center Management (RCM) at Ohio University. These principles, which also will inform the five-year review of the model and affirm that RCM’s application in planning and decision-making should:

- Ensure the sustained strength of Ohio University by aligning resources with university priorities to support academic excellence.
- Support strong academic governance that promotes collaboration across units and builds on the strengths of the university.
- Present a holistic view of the university budget that provides a clear connection between performance and incentives.
- Empower unit-level decision making authority to promote academic excellence and institutional efficiency that is balanced by responsibility and accountability.
- Create a simple and transparent budget process driven by the goals of financial predictability, and stability.

Academic Quality Indicators
Indicators that can be used to ensure that academic units do not focus solely on financial aspects of the model but also maintain academic quality consistent with the mission of the unit. Changes in these indicators would be monitored and discussed to ensure that they are consistent with the academic strategy of the unit.

- Maintenance of Appropriate Mix of Full-Time Faculty
- Maintenance of Tenure-Track Faculty Workload
- Maintenance of Research and Creative Activity Production
- Minimal Course Duplication and Credit Houring
- Controlling Section Size
- Controlling Time to Graduation
- Controlling Grade Inflation
- Maintaining Incoming Student Profile
- Maintaining Program Accreditation
- Maintaining Support for Honors Programs
- Maintaining Support for Interdisciplinary Programs

The Balance
RCM simply reveals the underlying economics associated with academic activity
Resource allocation decisions must be a balance between financial considerations and academic priorities

The Big Picture

Current Status of the RCM Model
- The model is an approximation of the underlying economics of our academic activity
- The primary goal is to provide incentives for growth and fairly align resources with academic activity using a model that is as simple and transparent as possible
- This model is the result of two years of collaboration with the Deans with input from Huron Consulting in building the FY14 Budget
- This first version of the model was created for the current FY14 budget and was designed to be a neutral conversion to essentially create a baseline RCM model
Model Structure

<table>
<thead>
<tr>
<th>Revenues</th>
<th>HCOM</th>
<th>Regional Campuses</th>
<th>Auxiliaries</th>
</tr>
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- Salaries & Tuition
- Estimated Tuition Income
-, Other Sources
- Direct Expenses
- Indirect Expenses
- Indirect Costs
- Administrative Costs
- General Fee Cost Pools
- Results of Operations
- Other Sources
- Net Results

Responsibility Centers

Revenues

- Undergraduate Tuition
- Graduate Tuition
- General Tuition
- General Fees
- Direct Charges
- Indirect Charges
- Net Revenues
- Subventions

- 382,036,189
- 212,242,775
- 48,336,439
- 25,189,858
- 7,096,924
- 4,037,620
- 6,567,858
- 25,160,488
- 421,293,267

Subsidy Attribution

Revenue Attribution Principle:
- Attribute subsidy to colleges based on the same method used by the State to determine the allocation to the University

Graduate Tuition Attribution

Revenue Attribution Principles:
- Treat all graduate activity the same and provide all revenues and associated waivers to the college in the year earned.
- Revenues are not averaged or weighted since most of the revenue from Athens programs is waived and that would require averaging and weighting waivers.
- Graduate revenues are not split between credit hours and major since graduate students typically take all of their credits in the department in which they major.

Undergraduate Tuition and Fee Attribution

Revenue Attribution Principles:
- Credit hours and majors are averaged over three years to smooth out swings in enrollments.
- Undergraduate credit hours are weighted by statewide costs – essentially creates differential tuition.
- 85% allocated by weighted credit hours to reflect the fact that the majority of cost is in the staffing and offering of courses.
- 15% allocated on FTE major headcounts to reflect cost of attracting, advising and retaining students.
- Non-Resident fee is allocated based on credit hours taken by non-resident students and majors that non-resident students take – essentially gives credit to courses and majors that attract non-residents.
- General Fee charges are triggered by the offering of credit hours by colleges so General Fee revenue is attributed to the colleges but the same amount is charged to the colleges to pay for the General Fee units – basically creating a “pass-through.”
### Scholarships

**Indirect Cost Allocation Principle:**
- Undergraduate financial aid is distributed to the colleges in proportion to their guaranteed undergraduate revenue - essentially taking it "off-the-top" so that the model is blind to where students with need actually enroll – avoids the perverse incentive for colleges to not accept students with financial need.
- Employee waivers are charged to colleges in proportion to the number of employees they have as opposed to actual use of waivers by employees to avoid the perverse incentive of encouraging employees not to use them or not hiring employees with dependents.

### Subvention/Strategic Initiative Pool

Revenues within a responsibility center are subject to a subvention "tax" of 12.5% which is used to create a Strategic Investment Pool.

The central Strategic Investment Pool is then reallocated back to responsibility centers at the bottom of the model (see next slide) to accomplish two goals:
1. Since previous budgets have been balanced by basically allocating out all the revenues to cover the expenses in all the responsibility centers and support units, at the macro level all of the subvention tax collected must be allocated back out in this first year to maintain that balance.
2. Since the revenues allocated in the model will not match the direct and indirect expenses assigned to a responsibility center (some RICs will have revenues left over and other will have costs that exceed the revenues assigned to them) the allocation from the strategic investment pool will need to be differential to rebalance across responsibility centers to maintain neutrality and offset this historical imbalance created by the old incremental budgeting approach.

### Transition Timeline

- **FY2013 (last year)**
  - Model Development
  - FY2014 (this year)
    - Parallel Budget Process – Neutral Conversion
    - Hold Harmless and Hold Benefit
    - No Rebalancing
  - **FY2015**
    - Limited Hold Harmless
    - Set Rebalancing Levels
  - **FY2016**
    - Full Implementation
    - Hold Harmless Phasing Out
    - Case-by-Case Rebalancing (potentially over multiple years)
  - **FY2017**
    - Five-Year Review
Governance

- RCM Budget Implementation Committee (New)
  - Direct refinement and implementation of RCM Model.
  - Oversee the five-year review process which will involve feedback from Colleges and constituent groups.
  - Improved communication with Colleges.

- Academic Support Improvement Committee (New)
  - Reviews support costs to make recommendations to BPC on appropriate funding levels, service levels, customer satisfaction and performance.

- Facilities Planning and Advisory Council (Existing)
  - Works with and advises Facilities and University leadership about prioritization of capital and deferred maintenance projects.

- Space Management Committee (Existing)
  - Monitors use of space, tracking of space allocations to units and facilitates re-purposing of space and planning for new space needs.

- University Curriculum Council (Existing)
  - Monitoring of Academic Quality Indicators related to the curriculum and report to EVPP.

- Service Alignment Projects Oversight Committee
  - Review and monitor projects associated with the Service Alignment Initiative.
  - Communicate with campus constituents regarding projects.

- Budget Planning Council
  - Participate in the five-year review process.
  -Normal review and recommendations for macro revenue and cost assumptions and strategic investment initiatives.