

MINUTES OF THE SPECIAL FACULTY SENATE MEETING OF APRIL 11, 2002

A special meeting of the Faculty Senate was held on Thursday, April 11, 2002, in Room 225 of Schrank Hall South.

Forty-two of the sixty-eight Faculty Senators were in attendance. Senators Brouthers, Conrad, Dechambeau, Harp, M.Huff, Isayev, Kahl, Laipply, Marino, R.Pope, Riley, and Wyszynski were absent with notice. Senators Anderson, Chafin, First, Hebert, Holz, Pinheiro, S.Pope, Purdy, Redle, Sakezles, Trotter, Turning, and Wallace were absent without notice.

Chair Sheffer called the meeting to order at 3:05 p.m. He stated the single item on the agenda today was the continuation of the consideration of the PBC recommendation for the 2002-2003 budget that was proposed last Thurs., April 4, at the regular meeting. Several other resolutions that had been sent out yesterday on email regarding function and composition of the PBC were not items dealing directly with the budget. He would take those to the Executive Committee on Monday at which time the EC would deal with those, either by working directly on the material that was in those resolutions because it was very similar to an earlier one, or by bringing it to the next Senate meeting. The agenda item today dealt with the PBC recommendations. The vice-chair of PBC, Senator Franks, would now take over.

Senator Franks began by stating that the discussion would pick up from the point of the last meeting with item no. 6 on the PBC recommendations (**Appendix A**). Item no. 6 dealt with the fact that PBC was estimating a 2% increase in enrollment. This was a conservative estimate, the best we could anticipate at this time. It could very well be less; it could very well be more.

Senator Robert Huff then had a question he felt related to both item nos. 6 and 7. A 9.9% increase in tuition could have a negative impact on enrollment. Was the 2% increase an increase that was being assumed including a consideration of that 9.9% increase? He had never heard students so vocal and becoming so militant and organized about the situation with their tuition. And on a side note here, he thought we needed some means of communicating to the students the University's situation.

Senator Franks stated that he shared Senator Huff's concern. We did need some positive PR on this and we needed more factual reporting of the situation as well. Considering what all the other institutions were doing statewide, our situation did not look bad, and we were in line with everybody else. That information had gotten to Katie Byard (of the Akron Beacon Journal), and she had chosen not to print it. The Buchtelite should also be contacted. He knew that Dr. Roney and the rest of PBC were very concerned about how this might affect tuition. It was a complete unknown; we were moving into unknown territory here and we were concerned. He thought that the 2% was a conservative estimate and PBC had taken that into account. There were some indications that made enrollment better than 2%, but PBC had taken that into account in guessing that we might lose some people. The Beacon had reported it in the first paragraph in a strange manner.

Senator Robert Huff then stated that there seemed to be a tremendous disconnect between what had happened in the state over the past year and the more immediate news of tuition increases.

Senator Franks replied that PBC certainly had the same concerns that Senator Huff had.

Senator Sterns commented that if we looked at some of the history of our institution, we as a University chose not to take maximum increases in tuition. As a result, our tuition was behind for years. He wanted to be sensitive to these students, but this was also our opportunity to create a change in what had been a situation where we have been behind the eight-ball for many, many years. He thought all had to understand the dynamic of that but also that the University's tuition still would fall well within the range of other institutions in the state.

Senator Susan Clark stated that she shared both of the Senators concerns, but that this was an opportunity for us to send this issue directly to Academic Planning or some other subcommittee to engage in a concerted and planned effort to mobilize the students, either through the student organizations or some other method through our classes. This would provide an opportunity for students to understand that relationship between tuition increases and what was happening at the state level. Students could lobby their senators and representatives.

Senator Franks stated that this was another problem. For instance, the article from the President on Tues. (Akron Press Club) was very good; it really spoke to the issue of state funding for higher education. However, people he had talked to who had read the article and were not affiliated with The University of Akron had failed to make a connection between tuition increases and the state funding. He thought we ought to be working hard on trying to get our point across and make that connection. Moving on, PBC wanted to propose that no. 7 was right in line with what was going on in the state.

Senator Barrett then asked whether the \$300 surcharge was a one-time surcharge, or was it that these new incoming freshmen were going to be paying that extra \$300 every semester throughout? Senator Franks replied that it was throughout, for all new students. Senator Erickson asked whether that was every student that came in as a freshman. Senator Franks said that it affected first-time enrollees. Senator Erickson then asked whether it were a one-time basis. Senator Franks replied, "forever." Senator Norfolk added that it was \$25 a credit for the first 12 credits, to which Senator Franks added that it was for all first-time enrollees, whether they were transfer students or freshmen. Senator Erickson asked whether it was for the first 12 credits, but not from then on? Senator Franks replied that this was correct.

Senator Erickson questioned the differential rates of increase and the rates of tuition for graduate tuition for students in the College of Business. Did this mean any department or college could decide their own tuition rate? What was the rationale for constraints on who was allowed to put up their own tuition? It had not been independent decision making by units before and now it was.

Senator Franks stated that this had come out of discussions that PBC had had all year on how to increase our revenues or find additional sources of revenues. The MBA or the Business Graduate School had been suggested. Dean Hallam wanted to do this because he knew he could increase his revenues this way, and had worked this out.

Senator Erickson asked whether any of us could decide to do that if we wanted to? Senator Franks replied that he did not know; it would have to be discussed first with the Provost and then brought to PBC.

Senator Erickson asked where the revenue from this differential increase would - back to CBA? Senator Franks replied that that was correct.

Senator Erickson then asked about the ROI that stated if a unit increased its revenue above and beyond, then they would get the money - was that correct? Senator Franks replied that that was his understanding. CBA would keep the differential.

Senator Erickson replied that this was really a very big deal and not to be "slipped in." It was a serious issue. It might be indeed a legitimate one, but it required considerable discussion.

Senator Franks stated that if Senator Erickson felt anyone had an appropriate program for a similar differential, that he/she make the same move and submit the same proposal.

Senator Erickson continued. For example, CBA was not a unit who was having huge problems with ROI, but those departments that might have problems with ROI might consider that they increased their revenue? Professional schools could all increase it, like engineering, polymer science? Senator Franks replied, yes, they could.

Senator Walter then stated he could shed some history. He remembered Dean Hallam saying he thought he could do this, he could get away with this because many of the students were from industry and industry was paying the tuition, not the student, per se.

Senator Erickson stated she understood that issue. She remembered an earlier business school dean suggesting a similar idea, but he had been suggesting it in the context that a business school should generate revenue for the University; that the money went into the pool for the University. He said that a business school for just that reason should not be a drain on the University's funds; it should be generated for the University, not having its own "TUB," the phrase used at Cornell. Our institution was the opposite extreme where everything went into the same main system. At Cornell each of the different whole parts of the colleges generated funds, and their revenue went into their TUB. We needed to think through how that should be done and when that should be allowed. It was not a single-time issue. There were some serious issues from the point of view of the rest of the budget, because some units might not be able to do such things.

Senator Sterns added that he thought a more salient point was whether that had been endorsed by the Council of Deans, or was it just decided? Senator Franks replied that he could not answer.

Senator Lyons asked whether Senator Franks knew what the differential rates were. Senator Franks replied it was 21.3 for CBA graduate courses that would generate a couple hundred thousand in excess. Senator Lyons then asked about the Law School. Chair Sheffer stated that there was a 5% increase. Senator Franks stated that PBC had thought it was a good idea because it was extra money for the school and was a creative way to generate revenue.

Senator Erickson replied she had no problem with that aspect. There needed to be a well thought through policy on what happened to the revenue. Her feeling was that the differential was okay for CBA and the Law School, but the whole issue as to who got the money should be thought through by PBC and thought through as a general issue. Senator Franks replied he had recorded the concern.

Secretary Kennedy asked whether that were a motion from Senator Erickson. Chair Sheffer then asked whether Senator Erickson had an amendment? Senator Qammar then added a point for clarification. The recommendation from PBC was the budget. There was a line item someplace in the

budget that talked about money going to CBA for this additional revenue. That line was the one that Senator Erickson might want to speak to. Chair Sheffer pointed out the line was on page A2, line 115, of the recommendation. The CBA graduate tuition differential - \$200,000 was there.

Senator Erickson then offered clarification of her point. She felt that more information regarding the differential was needed. Who got the money and what was it to be used for? If all units could do this independently, what about university-wide costs? We needed to think through the effects. She had not heard the rationale for this decision. At this point in time, she would like the differential to be put into general revenue.

Senator Yoder then made a motion that the \$200,000 from that particular line be struck and sent back to PBC for further discussion. Senator Hajjafar seconded her motion.

Senator Sterns stated that if he understood this motion, it was Senate's concern about the philosophy that went with the decision to have differential costs in different colleges. He agreed with Senator Erickson that there was no reason we could not try it. But how was it going to be allocated? What could lead to the differential levels? Did that mean if there was a greater income in a particular college that they had higher university charges as a result? Did they pay at a differential rate? This opened up many different philosophies. We were part of a shared economy here, and what happened to the idea that one unit subsidizes the other, which was exactly what happened in a university? Were we going to lower tuition for units that were having difficulty recruiting? Essentially, that was this philosophy. Senator Erickson added that it was not the principle, per se, that was impossible, just that the issue needed some discussion.

Senator Hajjafar asked whether it were not the aim of the ROI to do such things.

Senator Lee then asked a question about the affect of the amendment. He was not exactly sure about the timelines. Did this mean only one line was sent back, but the budget could still go forward? Or was this meant to allow any chance of that money reappearing this fiscal cycle or was it just to kill it? Senator Franks stated that if that one line was to be struck, the revenue had to go somewhere. If not, the budget was not balanced. Senator Norfolk added that it would come off the deficit. For clarification, Senator Franks stated that there was no objection to no. 7, the differential increase for now, and the Law School's differential as well, but Senate wanted to take line 115 away from CBA and put it towards the deficit. Was that correct?

Senator Erickson stated that as she understood Senator Yoder's motion, it was to go back to PBC for discussion as to where it should go. Would that be a friendly amendment? Senator Yoder agreed.

Senator Qammar stated that that was her point of clarification. Did the original motion actually ask for PBC to re-decide where the money was supposed to go? The new amendment actually stated that it would go into the general fund. She would like to speak against the amendment to that motion, as ROI was still not completely implementable. In her mind, there were big chunks of it we had not completely defined. We did not really know how interactions were going to work between this quality, subsidy, and the production side of the credit hrs. We actually did not even know the impact of it or where we would come up with the money to cover it. This particular element said that the Business School was going out on the market to take a risk to generate more funds back into the University, which was the original motion. There had to be some element or underlying principle of risk also meaning some reward. I don't think the second portion of the amendment was automatically sucked up by the general

fund. Looking at it from the student's point of view and the company's point of view, they were purposely asked to pay higher tuition. They ought to see some obvious effect that a nickel of it went back to CBA.

Senator Erickson stated that she did not have a problem with some of the revenue going back to CBA, just with it all going back to them. Senator Qammar pointed out that the amendment had none of it going back to them. Senator Erickson stated that Senator Yoder's motion originally sent it back to PBC to look at. That meant it was not allocated to a place in the budget. For the short-term, so that there was a budget, it should be allocated somewhere while PBC looked at it again. This was a dangerous precedent. She agreed with the idea of with risk, marginal risk, there should be some incentive. This made a lot of sense and hoped that discussion would be in PBC.

Senator Reed added that she would also speak against that portion of the motion. If this went toward the deficit reduction, it sent the message to the business students that they were having a 21% tuition increase to cover the deficit at the University. Put it into an item called reserve for CBA differential or something and then treat it separately. She agreed with what Senator Qammar had said; there needed to be a connection between risk and reward. Further, as she had understood it, there was a proposal that had been made and considered by the administration. This wasn't just a half-baked thing that the dean came up with. They obviously had some plan that went along with that revenue, and the whole thing should be looked at.

Chair Sheffer then offered wording for a friendly amendment that the \$200K be put into a line called reserved for CBA tuition differential. Senator Yoder accepted that as a friendly amendment.

Senator Louscher stated that he thought Senator Erickson's comments and Senator Yoder's amendment were simply that neither one of them was opposed to portions of the money or all of it being sent to the College of Business Administration if they took the risk. The problem was that this kind of thing had enormous repercussions for the University. It was a major policy decision that had not been thought through well enough. It might be a very great idea, but he thought all they were asking was that we study this more carefully and understand the unintended consequences of a good idea before we pursued it. It might be an extremely important idea, but at the present moment he was not convinced that we should move ahead on this without fully understanding all of the consequences. So he was troubled that Senator Yoder accepted so readily the friendly amendment.

Senator Erickson stated that this allowed us to get a budget at the same time with the notion that the PBC would start that discussion.

Senator Reed stated that if it were put into the deficit reduction at this point, then it was gone and would have to be recovered. She agreed that this could be looked at, but if we put it in as deficit reduction, we were locking ourselves into something.

Senator Yoder added that her point was to put it in abeyance so that we could further study it, whatever mechanism did that.

Senator Lee felt there might be complications. The Business School thought they had two halves to deal with - they would raise the tuition, and they would get \$200,000. He thought the concerns raised were appropriately legitimate. He just wondered about us setting aside the \$200,000. If he were the Business School and he knew he was only going to get 50% back, maybe he would not want to raise

the fees so much. He was not sure that we ought to be approving the raising of the fees and just holding the allocation of funds in abeyance as opposed to holding the whole deal in abeyance.

Senator Jordan reiterated, supporting Senator Lee's thinking. He would add to the point that as he had been advised, the budget had to be done by the April Board meeting. We could not do much before then to do a good study of this important issue. We could still study the issue; this did not determine what we decided in the future about how these things ought to be done. Go ahead with this budget the way it was, given the deal everybody thought they were making.

Senator Erickson stated her surprise at Senator Jordan's comments - precedent was an important issue in law, and this would set a precedent. That's what bothered her. We had no academic plan; we will have an academic plan that will state what was important to the University and what we should be pushing. There may be some opportunities above and beyond what was decided at the university-level that a department or a school might say they really want to do more. Many times what they then did had cost significance that came back to us as the rest of the University. That's why we needed to look at it very carefully. She thought if you wanted to put the whole lot in abeyance that was a different matter, but she had a real problem just letting it go through this time and saying it would not make a difference. As in law, precedence was importance in this case.

Senator Graham then had a question about the accounting of the revenue. He saw the \$200,000 in one place, which was basically where it was spent under non-personnel costs. He was assuming it was incorporated on the revenue side in line 17 under graduate tuition. What happened if whoever was paying this higher tuition, be it the students themselves or their employers, balked at it and as a result enrollment in the graduate programs in the College of Business Administration went down or did not go up as much as anticipated? Then did the \$200,000 get removed on the expenditure side or did it stay there and did the rest of the University absorb the shortfall?

Chair Sheffer invited Vice President Nettling to speak to that. Mr. Nettling stated that if the students did not come as a result of this, yes, the revenue would go down because it was in the graduate revenue.

Senator Graham asked how that was absorbed then - spread across all programs? Mr. Nettling replied that the College of Business would not get as much; it was a balance, in and out.

Senator Barrett then stated she was a little confused with these differential tuition increases. We were talking about \$200,000 extra that CBA got because of an extra increase in their tuition. What happened to the lesser increase in tuition that the Law School would get because they only had a 5% increase in tuition? Was that borne only by the Law School or was that spread around to the whole University?

Mr. Nettling replied that the Law School was already at a point at the peak of their tuition rates, so the dean suggested that 5% would be appropriate. Senator Barrett then asked whether they got money from the rest of the University too. Mr. Nettling replied yes, the Law School would get money from the University. Senator Franks then asked whether Senator Barrett's question was whether the rest of the University was subsidizing the Law School because their tuition increase is only 5%. Mr. Nettling answered that he would not say that.

Senator Lee stated that the point about allocating specially earmarked tuition increases was a good one,

but would hasten to say that the Law School was not the only example. Because tuition for everyone else was going up 9.9% - were you seeing that 9.9% anywhere? No. It's getting put into the general fund for everybody, so the 5% differential was not really what was making the difference here. There was only one fund being earmarked and that was the CBA graduate tuition. None of the rest - our 5%, the 9.9% - none of those were earmarked for anything.

Senator Broadway suggested that undergraduate fees, because of Law differential and business differential, be separated out from graduate to be a specific line for business in the revenue side to see what the revenue was, rather than lumping it into two graduate amounts.

Senator Sterns returned to his earlier point and asked who attended the Council of Deans meetings here? He wanted to verify whether the Council of Deans had endorsed this approach.

Senator Qammar added a small bit of clarification. One of the things PBC had discussed when we looked at the differential tuition for the Law School and differential tuition for CBA was the potential market. We looked at the different levels of tuition the current law schools in this region in the State of Ohio were paying and we were already at the top. So PBC had a discussion that if we went and raised it again another 9.9%, we in fact were already over the top. We would start cutting into our market value and then the total revenue would go down because of that. Which was why we agreed to the 5% less tuition for the Law School. We were already on the downside of that curve - losing student population because we had relatively high Law School tuition. And vice versa for CBA - CBA saw most of their graduate students paying tuition themselves or corporate companies paying tuitions. They were having increases in enrollment, so they had more room for increases in terms of total dollars coming in.

Senator Steiner asked whether anyone knew whether CBA had a specific plan for the additional revenue that was generated by this move. What was the motivation for doing it, except that they thought they could? If there was not a specific need for generating this additional revenue, he did not think it was such a good idea to allow individual units to generate revenue to add to their coffers. If that was the case and there was not a specific need for that additional revenue, then maybe it should go into the general fund.

Mr. Nettling then stated that while there was nothing here Senators could look at, this had been covered with Provost Hickey and there was a proposal. Let's not say there was no specific reason. Chair Sheffer pointed out it was just a question to see whether anybody knew what this was at this point.

Senator Norfolk said that he liked this line in the budget, if only because we actually got to see things like this. In the past what happened was if the University as a whole generated more income, it sort of vanished somewhere and whoever happened to be spending more got to spend more. At least now we know where it was going. To which Senator Erickson replied that we did not know where it was going.

Senator Norfolk stated that he had a partial answer to that based on what he had heard the dean of business say. When CBA had to pay its share of the loss cuts, they had no vacant positions left. It had to come out of the operating budget. His guess was that that \$200,000 was going to be a cushion against the next round of cuts that would come about because of ROI. He could not see where else they could spend it.

Senator Louscher wanted to speak again in support of comments made by Senator Erickson. The

whole discussion centered around the fact that this was a serious issue. All the questions and comments were centered around these kinds of words - "I hope," "It is my desire," "I believe." It might be a very good idea, but it was one PBC should study more carefully.

Chair Sheffer stated that Senator Louscher could make a motion to amend that motion to address that. For clarification, Senator Yoder stated that the point of the amendment was to give us some more time to study this, because we thought it was a potentially slippery slope that we needed to explore further before we start sliding down. Senator Kennedy stated that her concern was that this had come from PBC, and PBC sounded as though they liked it just the way it was. She could appreciate the flip side of CBA because she was from C&T, and we had had to lower our tuition to attract students, to become competitive. There was no way C&T could ever do this to increase our revenues if we wanted to remain competitive in our market.

Senator Louscher added that he felt the work of the Senate should be done in committee and that we should defer to the committee's work whenever possible. However, he regretfully said that he did not believe that PBC today had presented an excellent or acceptable argument for why we should do this. They might just need to do a little bit more to convince him that this was the direction we should go; he did not know. He would defer that PBC after they have studied this matter, but there were just too many "if's" and too much speculation right now with regard to the issue.

Senator Fenwick agreed with Senator Louscher. What he would like to see was rationale and the logic spelled out. We needed a better explanation.

Senator Franks stated he understood the concerns and was sorry PBC did not have all the answers for Senators. There had been consensus on the committee that this was a good idea. We had trusted Dean Hallam to do something good with it. We were not asking him to tell us what he was going to do with every dollar. We bought into the idea as a committee that this would be put to good use in a time of short resources. That said, if Senate wanted to send it back, PBC would get clear rationale, and if Dr. Hickey was here he could speak to it better.

Chair Sheffer then called for a vote on the amendment to strike the \$200,000 from line 115 and to put it in a reserve fund. The motion passed as amended.

Senator Franks then moved the discussion to item 8. Item 8 dealt with the way we would deal with the deficit, all according to our hoped-for outcome in enrollment. With a 2% increase we would have a \$2.2 million shortfall. The committee felt that the best way to deal with that shortfall would be a proportional cut across the board equally on both sides from the academic and administrative sides. If our tuition revenues did not go up 2%, then it would have to be a bigger cut everybody would have to make. If the revenues went up more, say 4%, we broke even.

Senator Yoder then proposed a motion. The rationale for this was that the burden of this year's cuts were shouldered by the academic units. Given the current budget as predicated on a 2% enrollment increase, the workload generated by that would disproportionately fall on the academic units. This resolution was a way to address that differential (**Appendix B**). Chair Sheffer asked whether the resolution was a motion to substitute. Senator Yoder replied affirmatively, and Senator Graham seconded the motion.

Senator Franks then distributed a spreadsheet for Senators (**Appendix C**). He had asked the budget

office to look at the numbers from the alternate proposal to make sure that everything was accurate, and it accurately reflected what we were proposing. He did not think it did. He asked Mr. Nettling to speak to this, as he could explain it better.

Referring to the spreadsheet, Mr. Nettling indicated that the cuts to academic and non-academic units had been made proportionally to the budget allocated to each. That is, as the budget was allocated approximately 60 academic/ 40 non-academic, the cuts made were in proportion to that allocation. The distributions of the cuts had taken place proportionately to each unit and to the total University's budget and the particular cut that was addressed.

Senator Norfolk stated he was reading the spreadsheet and thinking that none of the stuff made sense, but now he realized what it was. The reason why these figures looked a lot lower - for example, Arts & Sciences with a 15% cut - did not seem to make sense unless you realized that that was off the total, which meant salaries. Nobody here he knew of, no full-time employee, had lost their job. We had not laid anybody off, so therefore the cuts had to come from available money, which was why some places had been hit harder than others.

Senator Franks stated that the PBC had talked about this a lot today. We looked at this alternate resolution; we thought about the idea of changing the proportion of the cuts. There were 17 people on the committee - one of them never showed up, and he would not say who that was. Another one was the student, and he had tried to get the students to come this year but they would not come. The committee unanimously felt that we wanted to stand with our proposal the way that it was. We felt that it was even and fair, and this was the feeling of the vast majority of the committee.

Senator Rasor-Greenhalgh added that it was true that if enrollment went up it was a big burden on us in the academic units, but it really also affected the non-academic units. We were in this us/them mentality right now. It was a really tough situation, but the truth was, the money was needed in all areas. She thought an across-the-board cut made a lot of sense.

Senator Qammar stated, with apologies to Senator Franks, that had she attended the PBC meeting the vote would not have been unanimous. The rationale here was that you did have to have some kind of plan if in fact we did not have extra credit hr. increases to cover the debt. It was a contingency type of plan. There was somewhat of an expectation that we would have upwards of a 4% increase in credit hrs. and in the revenues that were generated with tuition. So it was somewhat likely that we would never have to use this portion of the budget. Nonetheless, we would still have to put it in place. The rationale of flipping the switch from 60% academic/40% non-academic, switching those ratios around, was the idea that the students were in fact paying a higher and higher portion of the revenue. When we started putting more people in the classrooms, we would now have 3, 4 semesters in a row with increased student enrollments, and you needed to put more people in the classroom, needed to have more part-time faculty to cover extra sessions, etc. The students who just got a 15% increase better make absolutely certain that they saw something else coming their direction. If we cut this again and made this 60% across-the-board proportional cuts again, we were talking about larger sections of these freshman classes, and going out to find more part-time faculty. We were going to put right in front of the freshman students a demonstrable element of lower quality for their dollar. She really believed that that was the case. We had had problems in english and math classes. We had had problems in the communications classes. We just could not afford to do that again. We had gone along with this; we had to increase revenue because the state was making us do this or else we were really going to go downhill.

Senator Lee stated that the 60-40 split was because since our budget was 60% academic, our proportional cut comes 60% out of the academic side. By switching 40-60 he wondered whether the administrative side would be hurt more by making it 50-50, or by making it 60-40. He was wondering whether there was a particular rationale for making the units that were 40% of the budget pay 60%.

Senator Norfolk then stated that as much as he hated to say it, he was against the amendment. The administrative side and the way it was structured now could not afford the cuts. This was about absorbing cuts at 2-1/2 times the rate if you switched the proportions they were going to absorb as a percentage of their budget. What it would mean was not that a VP got laid off; it would mean that there were five fewer people in student admissions, one fewer person serving food in the dining hall, those kinds of things. It was going to be the little guys that got cut and the students that would suffer again. Also, if the first two sentences of this phrase were combined, it said that if we increased enrollment by 4% instead of 2, the academic side would have more money than this budget indicated, but the administrative side would still have to cut. Because it said we were going to cut 60% of the non-academic and 40% of the academic, but they were going to be restored 60-40 the other way. Was that the intent of this was?

Senator Yoder said the logic was that since the academic side made up 60%, its restoration should be equivalent.

Senator Norfolk replied that the amendment stated that if we went beyond this 2%, then you would still be cutting the non-academic side and throwing the money on the other side. Was that the intent of this second sentence?

Senator Hajjafar questioned which was more important for the students - less people to serve lunch or no paper for the students to take their tests on?

Senator Reed then echoed Senator Norfolk's comments. When we thought about the administrative side, we did not think about paychecks, paying bills on time, and all the things it took to make this University run. Some of those areas were very stressed to produce. She understood the sentiment behind it but was reluctant to push this on all these units. She thought Student Affairs was already underfunded, and a bigger increase would be very difficult in some of those areas.

Senator Fenwick wanted to speak in favor of the amendment. If we continually proportionately cut the budget, we were hauling out from underneath the academic side of the University. People came to the University to take classes, not to drink coffee. We really faced problems by cutting back severely the money making side of the University. So it was not only sentiment, but there was also a good business reason for accepting the alternative.

Chair Sheffer stated that Professor Midha was requesting to speak. The body had no objection to this.

Professor Midha made several calculations on the chalk board at the front of the room regarding proportions related to the proposed method for making cuts. He then stated that this motion was saying 2% would come from academics and 4.5% will come from administration.

Senator Erickson stated she thought we had a problem here because we had to deal with the academic and non-academic side, two big hunks. No. 5 of the recommendations stated that the administration

would implement a planning and accountability model. That was the problem with proportional. Was she not right, that PBC would not be going proportional if you had some measures of what was important and where the cuts could come if an academic plan were in place and if there were a method of how you would measure your administrative costs? That was her concern, these broader-based cuts. She was an economist, and an economist would talk about where the marginal costs were, and cut there. But not knowing where those were was the problem she had in evaluating anything.

Senator Franks replied that he thought that was certainly part of it.

Senator Graham then added that, for instance, the secretaries in his department were paid out of the academic side, and yet in the last year the secretaries in his department had had to spend an inordinate amount of time in checking fee requisite requirements, which ought to be taken care of on the administrative side in the Registrar's office. But because of new technology, they had not been able to do this. In the last year the academic side had been doing a lot of work formerly done on the administrative side, while cuts had hit the academic side rather heavily. Perhaps until we saw a way out of this, it would be only fair then that the academic side, which was where the revenue came from ultimately, would have the resources to enhance that revenue rather than face further punishing cuts.

Senator Norfolk stated that in response to a question he had asked, the answer is yes, there were people being freed up by the kinds of costs we were dropping to the department level. He then asked whether everyone understood what Dr. Midha had said.

With the Senate's permission to speak, Professor Tom Hartley stated that he thought Dr. Midha's numbers were wrong. He had switched the numbers around.

Senator Norfolk replied that for the base budget, those figures were correct. The point was that this would mean that the non-academic side would absorb cuts of approximately \$1.3 million, assuming that we get just that 2% enrollment growth. And the academic side would absorb cuts of about \$900,000. Suppose enrollment went up an additional 2%, so we had no deficit. According to this proposal, you would have already cut the original 2%. What happens was, the 1.3 million went into the academic side which was ostensibly cut 900,000, and the 900,000 went into the non-academic side.

Senator Yoder replied that it was the restoration.

Senator Norfolk stated that if we got a 4% increase, that was going to happen if this passed and was implemented. That was the first thing. The second thing was, he had been fighting in favor of the ROI for a long time. People were standing up and saying it was the revenue cause of the University. Sit down and do the calculations. There were many departments on this campus that hemorrhaged money. There were teaching departments where people did not teach that much, who cost the University to be in their offices. If you were going to be totally realistic and businesslike, then you had to address that as well. You pretended as though it was one-half versus the other; it was not true.

Senator Qammar offered a point of clarification. There appeared to be some discussion about the exact wording in the resolution and what was 60% of and what's 40% of. When she looked more carefully at the spreadsheet, you could see that the suggested modifications in K really were just a switch of the total amounts of the crossed-off column of M - that they got \$1.3 million associated with the non-academic side, and 880 associated with the academic side, because that was just the switch of the totals in M. When you looked at the added columns and when you looked at the difference in those in

column O, auxiliaries had also been added in where they were missing in J, K, L, and M. The resolution was essentially to switch the 1.138 million on the academic side that shows in column O and move that up to the total on the non-academic side and move the \$900,000 in column O down to the academic side. That was the correct interpretation of switching the 60-40, and perhaps we could leave the auxiliaries alone. That would make Dr. Midha's numbers not matching. Talking about K as the alternative resolution here did not include the auxiliaries; it got caught up in the semantics of relative percentage. The gist of the proposed switch resolution was use those total numbers - the 900K and the 1.1 million.

Senator Yoder then asked for help in understanding. In the second part about restoration, the idea that if that money came back to be restored proportionately, it was the restoration. So if the \$2.2 million was made up, then if it was cut, it would be cut 60-40 of the academic administrative proportion. If that 2.2 million was restored, it would go back relative to the size of the two. So they would end up flush where they started. It was not, and if we made up that 2.2, the academic side made money on the deal. It should take us back to zero, the starting point.

Senator Qammar offered a friendly amendment on Senator Yoder's resolution to substitute. The friendly amendment would be that we consider column O as being the resolution for how to make up for the \$2.2 million in current debt. She would also like to eliminate the restoration side of the alternative motion, and let PBC decide how things needed to be restored. If we had to do a restoration, we were talking about the next budget year. Let's see what the negative impacts of this were. Let the PBC go back to figuring out where the restoration had to happen.

Chair Sheffer asked whether Senator Yoder accepted this as a friendly amendment.

Senator Yoder said that she thought the second part went back to what PBC already passed in its original motion. The original motion said such reductions would be restored proportionately with enrollment increases beyond the 2% budgeted. PBC had already made that decision; this just made it clear.

Senator Qammar asked Senator Yoder whether she wanted to continue with the original wording of the portion of the resolution. Senator Yoder replied that it was fine, as long as giving it the first sentence changed the percentages. Senator Qammar then stated that the friendly amendment was to substitute column O to eliminate the wording on restoration. Chair Sheffer asked whether the wish was to keep the wording from the original resolution. Senator Qammar replied that it was to keep the wording, "if enrollment increased beyond the 2% budgeted..." Senator Yoder indicated that this would be acceptable.

Senator Graham had a question about how column O would be used. Senator Qammar replied that the point was that we were not going to talk about individual cuts to individual units; it was just the total column. The total column of 1.138 would show up on the non-collegiate units, and the total column of 900,000 would show up on the academic units. Senator Graham then stated that we were not actually using column O; we were using a reversal of column O as far as the totals were concerned.

Senator Lee stated that if you took the \$900,000 cut taken by the academic units, that worked out to about a 1.4% cut on the academic side. If you took the 1.138 and applied that to the \$51 million that was on the administrative side, that worked out to about a 2.2% cut on the administrative side. Roughly what Dr. Midha was trying to get across was a bigger percentage hit on the administrative side.

Senator Susan Clark then stated she was not sure she was comfortable voting because she did not understand the effects of what it was we were doing. She did not understand the consequences we would be putting into place of which we had no thought about and no understanding of what our vote would mean. She was going to abstain and hoped that other people would as well, because we were voting on what seemed to be emotion rather than on logic. She had heard this body talk about equity being a policy goal in so many other things that we voted for, and when we had this equitable proportion in cut, then it suddenly seemed to be controversial. She was just not sure we were clear on what it was we were about to do.

Senator Erickson stated that we did not know whether the "equitable" cut was equitable or not because we did not have the information on what we should be doing without an academic plan. Because we did not have an evaluation of the administrative units, anything we chose was a guess anyway. It had to be done proportionately - was that equitable? She had no idea, but at least she had a rationale from the academic units as to why there might be more problems in the academic units than in the non-academic.

Parliamentarian Gerlach then asked for a final amended version. Senator Qammar that to work on the rewording on the original part 8, it was proposed that an estimated \$2.2 million shortfall between planning expenditures and current revenue estimates be covered by reductions from the general fund operating budget such that administrative units cover \$1.138 million; that academic units cover \$900,912, and auxiliary units cover \$160K. That was the amended substitute. Should state support be reduced beyond current expectations, such cuts would be made similar to the proposed plan for the shortfall.

Chair Sheffer then called for the vote. A hand count was taken. The results were, 25 for, 12 against, 3 abstentions. The amended motion has passed. Now the body was back to discussing the PBC recommendations, the original motion with the amendments that we had made. Was there further discussion?

Senator Qammar stated that the last time we met during the regular Faculty Senate meeting we were in the middle of talking about no. 5. Could we do anything with no. 5 at the moment?

Senator Hoo Fatt stated that she had asked the Senate whether anybody had seen these things called quality measures as related to the ROI, and nobody had. She had since heard from someone in PBC that they had quality measures. When Dr. Hickey had introduced his ROI, he sprung it on us. It was a little bit of a surprise and we did not have time to look at it. There were some numbers that were seriously below his cutoff point. That would have hurt certain units, so these units actually tried to work with Dr. Hickey to adjust his formula. She thought that was where this quality measures came in, at least that was what Dr. Hickey told us. It was very important to understand what these quality measures were. Could PBC explain what they were and how they were going to affect different units?

Senator Franks replied that they were actually two different things. The quality measures were the other half of the ROI model. The first half was the strict numbers, credit hr. production and so forth, and the other half was quality measures. PBC had sent a letter to all of the deans asking for the quality measures for their colleges. We had those; those had come back to us, but we simply had not had time to have a formal discussion of those quality measures. Today we had an informal discussion and it was stated that they looked pretty good and we did not have much problem with them. But we still had to

have a formal review of what these quality measures were. Concomitant with that, PBC had had letters from deans asking us to address specific issues within their colleges, specific anomalies, specific things that they were very concerned about with regard to the ROI. Now Dr. Hickey had said that he would consider those after we had applied the ROI one time. He wanted to go through one-year's implementation, look at it to see how things came out, and then seriously review it. That was built into the ROI resolution we passed that we said we would look at this annually and review it. So those concerns were separate from the quality measures.

Senator Hoo Fatt stated that it was her understanding that 50% was ROI, and the other 50% was quality measures - so actually, it was 50-50. Therefore, quality was just as important as the ROI itself. Senator Franks was telling her that PBC was not there yet, that there was no formula.

Senator Franks also stated that PBC had the measures and they did look good. Senator Hoo Fatt said that PBC did not know what to do with them. Senator Franks replied that he was sure they would know in a month or so. Senator Hoo Fatt then asked whether this ROI formula was going to start July 1? Senator Franks replied that that was correct.

Senator Hoo Fatt questioned whether only half of it was going to start on July 1? Senator Franks replied that, no, we would have the quality measures ready to go. If there were some strong objections from some of the quality measures, PBC would send them back to the deans and have them readdress it. But they would be ready to go shortly to the Provost and that was what he would use to apply the other half of the formula effective July 1. We were not a long way away from that.

Senator Erickson stated that she did not think we had the quality measures coming to the Senate to vote on, or the other one which was the administrative planning and accountability model - surely that went to PBC and then came to Senate also? Senator Franks replied, yes.

Senator Erickson was concerned that somehow this said, "will be applied," "will implement," and somehow it did not come to the Senate. That seemed to be a serious issue; it should be going to somebody apart from PBC. What did the Senate want done, because it seemed that that was another whole issue. You brought ROI to us, explained it to us, and we voted on it; these were serious issues. We needed to be talking about whether the people here in the Senate should decide whether it should just go ahead or, if not, she would rather that those not be included in this document.

Professor Minel Braun then asked for permission to speak. The body gave its approval and he had the following comments:

"I'm in the College of Engineering, and I have no problem with ROI and it should be implemented. The problem is this: There is one ROI for the entire University; there is one formula for the entire University. I think each college is individual and has its own individual contributions and has individual yardsticks to measure its performance. I have repeatedly advocated on whatever levels I was that ROI has to be customized for individual colleges. Once they are customized for individual colleges, then those individual colleges can be held to that yardstick. But to take an ROI that fits the College of Arts & Sciences and plaster it on the College of Engineering is a formula for disaster for the College of Engineering. Take an ROI that fits the College of Engineering and plaster it on the College of Arts & Sciences and it's a formula for disaster for them. It's not fair to us or to them to be in the same mold. This body has to speak up, in my view, and request that ROI post equality measures and the first 50% - administrative or whatever it's called, has to be customized to the characteristics of every college. Then

every college will be able to perform at the best of its ability."

Senator Qammar then stated that she would like to change the wording to say not "will be applied to," but "will continue to be developed for." We did not want to completely kill ROI; we needed to have some efficiency measures on campus. We could not put in language that said to apply it when it was not done, because we were giving a direct instruction to somebody to do it. We should continue to develop it for the academic units.

This was seconded by Senator Binienda.

Senator Norfolk made a point of order regarding item no. 8. We voted to amend the proposed amendment; we have not voted to replace that with the amendment. As it stood, that was what we were passing because we had only had one vote.

Chair Sheffer then stated that the body needed to vote to substitute the new 8 for the old 8. The motion to substitute passed with 26 for, 11 against, 1 abstention. Now onto Senator Qammar's amendment to the wording of no. 5.

Senator Graham replied that his following comments were both discussion of the amendment and also in response to Professor Braun. His understanding was that the quality measures were intended to in part compensate, perhaps entirely compensate for the enrollment side, so the people who would really suffer under ROI would be low-enrollment areas that also didn't do well on quality measures. Whereas low-enrollment areas that did do well on quality measures, once they were developed, would be fine. He was actually trying to think of an amendment for Senator Qammar's amendment, and he wondered whether there was a way we could word this to specify these quality measures and a planning and accountability model would be presented to the Senate in a timely fashion in the fall for them to be applied during the life of this budget. Was that possible? He would make that a friendly amendment to Senator Qammar's amendment.

Professor Braun was given permission to speak again.

"What you say may very well be true. The problem is that we don't really know what the quality measures are, and that's where Helen is right, that this thing should be continued to be developed until there is consensus, the only way the ROI is going to work. So the motion she made probably responds to my concern and to yours and I think it would serve the purpose."

Senator Graham then asked whether the body could put a time on the development of these. He would propose that as an amendment, to add a sentence in no. 5 that the quality measures and the planning and accountability model shall be presented to the Faculty Senate in a timely fashion in order to be used in this budget cycle. As no. 5 read, they were going to be used, we just did not know what they were. So what he was trying to insist was that they be presented to us for approval.

Senator Qammar replied that she did not accept that friendly amendment in its entirety. Once we passed a budget and whenever PBC got around to finishing this, PBC ought to take it under advisement that this body would like it done as soon as possible. PBC understood that. There was a new PBC in the fall, and once you put somebody's budget into place, don't plan on implementing a change of the budget in the middle of a budget year. That was a disaster.

Senator Graham withdrew the amendment.

Senator K.Clark stated that she wanted to understand that when we passed the ROI in principle, both sides, we were voting to try on this model. So now we were leaping to the implementation, and the PBC she assumed was trying to put the model into place for our particular University. Was that accurate or not? This seemed very natural. Was this what Dr. Hickey would say, to try it for a year as we did not know how it was going to work out? We were going to try to make some reasonable attempts to do this.

Senator Franks stated that PBC had built a lot of safeguards into this also. The fact that it was going to be phased in over a 5-year period, so the 50% that's enrollment driven was going to be 10% the first year, then 20%, 30%, so forth. All this spoke to was that we were ready to go ahead with it and it was a reminder that we were going ahead with it. We put the issue of the administrative side where there were measures in there to make a strong statement that they too were accountable and must implement something.

Senator Louscher then stated that there were several arguments going on at once. The unresolved issue of whether or not ROI was going to be a disaster, and another issue related to the role of the Senate in the process. He thought it was settled, the question that we were going to experiment with ROI. The difficulty with the language in no. 5 was concern about whether or not the Senate would have a role in the applied aspect of it. That could be handled very easily in terms of changing a few words - "return on investment model including both enrollment productivity and quality measures will be applied with approval of the Senate in the following areas." You could not keep revisiting issues we had already voted on. This body did not want to turn over its budget responsibilities to somebody else, and the language would be applied to suggest that the Senate was not going to have a role. To be quite candid, the discussion about whether or not we should have ROI was irrelevant; we already did that. The question was the language. Discussion should focus on that particular phrase and whether or not that phrase should be changed.

Chair Sheffer pointed out to Senator Louscher that the motion that was on the floor right now was to say the return on investment model including both enrollment productivity and quality measures would continue to be developed for the academic areas. So the words "will be applied" will be struck.

Senator Qammar added that she thought it was important to understand what we voted on. We had passed ROI, but PBC had not had any discussions about this and we did not really understand it. When you looked at the spreadsheets, lines 111-124, the academic units plus ROI distribution, there was absolutely no discussion as to how those numbers would be shifted around and reallocated when the first year of ROI was applied. When you looked at the implementation of the first year of ROI, right now you could not add in any quality measure information. So all you had right now was to say that a million dollars had to be shifted out of a \$7.9 million total. And that million dollar shift was only going to come from four units, pretty much the four smallest units on campus. The problem that she had was that PBC had not had ample opportunity to say if we applied it in this very blunt manner, we did not actually know the repercussions that we could cause to these units who were below the 1.7. Right now we supposedly promised a million dollars to these other units on campus. Never once in the ROI did it really say where the million dollars was to come from. It still needed to be developed so we understood the damage we really were doing.

Senator Binienda reiterated that we should not use it if it was not ready yet. We accepted People Soft,

and right now we're all suffering. We should not take another experiment and continue accepting something which was not yet prepared.

Chair Sheffer asked whether Senator Binienda was speaking for the amendment to change the wording, "to continue to be developed?" The Senator replied that he was.

The Chair then asked whether there was anyone who wished to speak against the amendment proposed by Senator Qammar.

Senator Jordan stated he had a question. If we passed this and we get to July 1 and the status was where it stood now, then what happened? When the ROI would have started to be implemented, what would be happening instead?

Chair Sheffer asked the body's permission for Vice President Mallo to speak.

Mr. Mallo made a point of clarification. The Board of Trustees at their December meeting this past year adopted the ROI recommendation as presented by the Provost and approved by the Senate, and he would like to reclarify this discussion. It allowed colleges that achieved an ROI ratio of 1.7 or greater to share in tuition revenues and compete for quality/strategic priority funding, the measures of which would be identified by July 1, 2002, by the Provost in consultation with the Council of Deans and the Planning & Budgeting Committee of the Faculty Senate. That was the resolution.

Senator Reed stated that Senate had approved the ROI model. It did give the Provost a central role in terms of implementation, and we were advising on the quality measures. We had to accept the fact that the Provost, who was responsible for the entire academic side of the University, could choose to make adjustments in college budgets in his own discretion in his administrative role. The Provost was trying to achieve some kind of budget system that outlasted individual provosts and then that we have a structure here. We were committed to ROI, although in our main discussions with the Provost it was not his intention to pull the rug out from under units. This was not a punitive thing and not how we developed it. It was going to continue to be something that was massaged and worked with. She was shocked that people were saying they had not seen these, because she knew in her college they were developed and shared with faculty. There was some knowledge of what our quality measures were. We had those and would work on it, but she did not know that it would have to be approved by the Senate. It was something in the way it was structured that would go to the Provost and he would get advice.

Senator Norfolk then proposed an alternative amendment to amend the amendment to delete item 5. This was seconded by Senator K. Clark. Senator Kendra then made a point of order - did not the Senate have to vote on whatever substitute amendment was on the floor now before we decided on deleting no. 5 entirely?

Senator Norfolk stated that he was amending the amendment.

Senator Hoo Fatt felt we could not delete it. We had to say something or else it would go back to whoever was pushing the ROI. Actually, what was the rush of something so good? This was a good thing; everybody agreed it was a good thing so it must be a good thing. From day one this was a big rush.

Senator Louscher stated he thought the fundamental issue here was the language "will be," and we were

getting ourselves distracted by debating ROI. The issue was simply the language will be, and what did that mean for the Senate's role in the future? He wished we would just stay focused on the amendment.

Senator Kinion stated that the one thing that was important was that the administration implement the planning and accountability model that addressed their areas. That had been the cry of the PBC for year and years. The ROI model, although it was not complete and still was in a process, was certainly better than what we had had previously when we did not know what we were going to get or when, or how much it would be.

Senator K. Clark stated that she thought we might not need item no. 5, so why was it in the budget if we already voted on it in the resolution last year? Maybe we did not even need it here.

Senator Graham added that as he understood Senator Norfolk's amendment, since this spreadsheet was also part of what we were voting on and it incorporated ROI, if we eliminated no. 5, we were essentially keeping 5 for all intents and purposes.

Senator Jordan's initial reaction was that we had already done this. That the administration would implement a planning and accountability model was a statement we had not made before. So if we eliminated 5, we eliminated that.

The Chair then called for a vote on Senator Norfolk's amendment. With only two votes in favor, the amendment failed. Discussion on Senator Qammar's amendment resumed.

Senator K. Clark stated that if the body were deciding that we really wanted to keep the part having to do with the administration's planning and accountability, should we not leave the first part of the sentence out?

No further discussion on Senator Qammar's motion, Chair Sheffer called for a vote on the motion. The motion carried.

Chair Sheffer stated the body was then back to discussion of the motion brought to it by PBC. A vote was taken. The motion passed with 34 ayes, 1 nay, and 0 abstentions.

Senator Yoder asked where the motion went from here. Chair Sheffer replied that it went to the President who could reject it, send it back, or send it on.

Chair Sheffer then called for a motion to adjourn. The meeting adjourned at 5:05 p.m.

Transcript prepared by Marilyn Quillin