

MINUTES OF THE SPECIAL SENATE MEETING OF FEBRUARY 19, 2004

A special meeting of the Faculty Senate was held on Thursday, February 19, 2004, in the Buckingham Center for Continuing Education, Room 201. Chair Dan Sheffer called the meeting to order at precisely 3:00 p.m.

Forty-four of the sixty-four Faculty Senators were in attendance. Senators Barrett, Broadway, Clark, Drew, Shanklin, Siebert, and Svehla were absent with notice. Senators Belisle, Carri, M.Huff, Jeantet, Johanyak, Kelly, Luoma, Maringer, Slowiak, Soucek, Stachowiak, Steiner, and Yousey were absent without notice.

Chair Dan Sheffer addressed the body, stating that the purpose of this special session of the Senate was to discuss the events surrounding the Office of General Inspector's Report which was released on Jan. 9 and which we first came to know about here on campus about the middle of Jan. Before that discussion began, however, he wanted to share with Senators, President Proenza's response to the Executive Committee on the motion, originally moved by Senator Lyons and passed by the Senate without dissent. Chair Sheffer then read President Proenza's response: "At the Feb. 5 meeting of the Faculty Senate, Senator Bill Lyons requested that I instruct the management negotiating team to accept binding arbitration if a contract is not negotiated within 12 months of Oct. 21, 2003. Subsequently, I met with members of the management negotiating team who said that there is an agreement already in place in regard to that issue."

As that was the item germane to the Senate's motion, Chair Sheffer did not read any more of the President's response. Instead, he encouraged Senators to read President Proenza's response on their own.

Chair Sheffer stated that the Senate was ready to begin the meeting. Secretary Kennedy then moved that the body move into a committee of the whole. This was seconded and approved by the Senate.

Vice Chair Erickson served as chair of the committee of the whole. To facilitate discussion, Secretary Kennedy read a chronology of pertinent events surrounding the issue of discussion (**Appendix A**). Discussion then ensued.

The committee of the whole voted to rise and report. Vice Chair Erickson reported that the committee had approved the following motion:

Whereas, the Faculty Senate continues to have the greatest concern over the University's failure to design and implement a transparent, participatory, rational planning and budget process that will allow the University to attain its goals. (See Chronology, Appendix A.)

Therefore, the Faculty Senate hereby requests: that the President ensure that all University constituencies are represented on the OAC; that the President direct the appropriate personnel to give the Ad Hoc Budget Committee a written document describing the University's actual budget process, or in the absence of such a document, a written plan for developing a formal budget process; that the President direct the OAC to communicate with and cooperate fully with requests from the Ad Hoc Budget Committee, the Ad Hoc

Planning Committee, and the Ad Hoc Campus Facilities Decision Making Committee; that the Provost direct the ITS Strategic Planning Team to communicate with and cooperate with requests from the Ad Hoc Planning Committee; and that the President and Provost direct appropriate administrative staff to attend Ad Hoc Committee meetings when invited, in order to respond to requests for information.

It is the intent of the Senate that the Ad Hoc Committees report regularly on the fulfillment of these requests, and that the Senate's continued confidence in the Administration will depend greatly on these reports.

As the motion came from committee, it did not need a second. Chair Sheffer then called for discussion of the motion from the committee of the whole.

Senator Matney proposed the following amendment to point number four:

"That the President direct the appropriate personnel to give the Ad Hoc Budget Committee a written document describing the University's actual budget process, or in the absence of such a document, a written plan for developing a formal budget process, and that this document ensure faculty participation in the budgeting process at the University."

Senator Matney indicated that this amendment was important because participation was not stressed in the document other than in the first point.

Senator Lyons then seconded this amendment. Secretary Kennedy then stated, in reference to earlier comments by Senator Hanna, that the body should include: "all constituencies represented by the Faculty Senate." Senator Matney then accepted Secretary Kennedy's rewording of his amendment which was: **"...and that this document ensure that all constituencies represented by the Faculty Senate participate in the budgeting process at the University."**

This friendly amendment was accepted both by Senator Matney and Senator Lyons. Chair Sheffer then called for discussion of the amended motion.

Senator Norfolk suggested that item four needed a date associated with it. He proposed the following friendly amendment: "...to give the Ad Hoc Budget Committee a written document by May 1."

Senator Matney asked whether the Faculty Senate would meet after May 1, 2004. Chair Sheffer stated that we would and/or could have a special meeting. Senator Matney replied he would then accept the friendly amendment, as did Senator Lyons.

The amended motion was then read by Secretary Kennedy: **"That the President direct the appropriate personnel to give the Ad Hoc Budget Committee a written document by May 1 describing the University's actual budget process, or in the absence of such a document, a written plan for development of a formal budget process, and that this document ensure all constituencies represented by the Faculty Senate to participate in the budgeting process at**

The University of Akron."

Senator Fenwick then spoke in favor of Senator Matney's amendment, or at least the intention of the amendment. He wanted to point out that including the participation in the budgetary process was, as Senator Witt had called it, back to the regular PBC. It was his understanding that there were big differences in the ad hoc committee from PBC. The ad hoc committee was not supposed to participate in the actual making of the budget. Otherwise, we might see it come by the Board again. Philosophically, he was certainly in favor of that. Secondly, he thought that the University already had a planning budget. If given two weeks, he could provide it for Senators.

Senator Pope stated that she would like to accept Sen. Norfolk's motion, but she thought that the other items in the motion also should have some dates attached to them along with the wording that came from the EC; perhaps a specific date on which we would specifically assess the progress?

Chair Sheffer stated that the body would address Senator Pope's concerns once it finished with Senator Norfolk's amendment. After two other comments not germane to Senator Norfolk's amendment, Chair Sheffer redirected the body's attention to the amendment currently under consideration.

Senator Lee then stated he wished to explain some of the particular language in his motion. It said a written document describing the University's actual budget process, which was actually intended to address Sen. Fenwick's point. Senator Lee stated he did not wish a document everyone ignored; he wanted a document that described what actually happened.

Senator Matney replied in response to Senator Fenwick's question. It was not the intention of his amendment to reconstitute PBC strong. We were asking that the President produce a document. This was giving an opportunity to rethink the whole process. The Senator was simply asking that faculty participation be part of that rethinking of the process. It was not necessarily going back to the former.

President Proenza then spoke: "I think very much in the interest of that comment and some of the others, this very much goes to the intent that we've had of accomplishing a lot of very hard work we can do to make things work a lot better. To that end, if you will, certainly you can add such things, but we have a number of things in process, as Senator Matney indicated and as I mentioned to you the last time. I had asked a year and a half ago that an entirely new process be developed. Vice President Ray indicates that that is in near-final draft to completion, and that may give us a basis on which to begin. What I would suggest is that we accept this motion in the spirit it was offered and that we begin to work with your Executive Committee and report back to you at the next meeting of progress made, and indeed try to keep a very tight time frame moving forward to a much improved and continuously improved process, rather than what is or what isn't or what wasn't to have been, because we'll never get there. We need to be committed to starting down a process of improving things, recognizing that there are some constraints we have to be cognizant on, some statutory and some are imposed on by the new framework of an exclusive bargaining agent and we have to deal with those realities as we go forward and accept

it in good faith."

Chair Sheffer called for further discussion of the amendment. Senator Lenavitt then stated that, as a point of order, we talked about all the things we wanted but we have not begun to address the quality assurance. Was that an amendment to be added afterwards?

Chair Sheffer replied that if the Senator wished to have that added to the motion, the body should do that later. No further discussion of the amendment to the motion forthcoming, Chair Sheffer called for a vote. The amendment was approved by the body.

Senator Pope then offered the following motion: "Upon report back at the regularly scheduled Faculty Senate meeting we could give two months to appear as an agenda item to discuss again, and also include point 2 of the EC's motion. Upon receipt of this information, we will at that time consider whether any formal action should be taken."

Senator Pope indicated that she thought perhaps April would suffice. It would give 2 months, and then the Faculty Senate could set an agenda item to specifically evaluate where we stood and then see if we wanted to take further action.

Chair Sheffer asked the Senate to consider this wording of Senator Pope's amendment to the motion as item 9: **9.) Faculty Senate upon receipt and discussion of this information, will at the April Faculty Senate meeting consider what, if any, formal action should be taken regarding the OIG Report and the President's subsequently handling of Faculty Senate requests.**

Senator Pope accepted the wording; Senator Mann seconded the amendment. Chair Sheffer called for discussion of the amendment. None forthcoming, the body approved the amendment.

Senator Erickson then stated she wished to offer another amendment which read as follows: **10.) That the President should direct that there be a thorough overhaul of the accounting and budgeting system at the University to allow effective budgeting decisions to be made in all areas, bringing in appropriate outside consultants.**

Senator Sterns then seconded Senator Erickson's amendment. Chair Sheffer called for discussion.

Senator Erickson spoke in favor of the motion. As she had heard again and again from Senator Lee and other former members of the PBC, from her Dean, Associate Dean, etc., it was not just an accounting problem. It was that we had a system that did not allow us to do good budget decision making, and we absolutely had to. She knew that in her own area with the Well-Being Committee, the committee needed that kind of information. When they had asked for it, they were told there was no money to do that. In this particular case, the President had mentioned a number of times to bring in a consultant to do this. We needed to talk about not marginal changes, not little accounting changes, but changes in the system that allowed us to make decisions. She thought it should be added that the President be directed to do that.

Chair Sheffer then indicated that Senator Erickson's amendment should go in as no. 9 and Senator Popes would then become item no. 10. He called for further discussion of the amendment. President Proenza asked whether it would be acceptable to say that that was already in progress. Chair Sheffer indicated that it would.

Senator Mann stated he fully supported the amendment. However, he questioned the word "effective." Effective from whose viewpoint, the administration's viewpoint or professor or students' viewpoint? He wished for clarification to that second part.

Senator Dechambeau then stated that, if it was already in process, could this be worded to say, "explained to us," and if we did not accept the explanation of what was currently in process, then come up with a resolution requesting an overhaul?

Chair Sheffer asked whether Senator Erickson accepted Senator Dechambeau's amendment. Senator Erickson replied that she did not.

Chair Sheffer then called for further discussion. None forthcoming, he called for a vote on Senator Erickson's amendment. The body approved Senator Erickson's motion with one nay vote and one abstention.

Senator Stratton then made a motion to substitute the Executive Committee's Preamble (**Appendix B**), for nos. 1 and 2 in the current motion. Senator Mann seconded Senator Stratton's motion. Chair Sheffer then called for discussion.

Senator Stratton stated that he felt that the Executive Committee had taken the time to write out something that seemed to be very appropriate and was more appropriate than the current motion.

Secretary Kennedy stated she wished to speak against the motion. She felt that the body was getting to the point where there needed to be more fine-tuning of the entire motion. Perhaps this was the point where we referred it to the Executive Committee to bring to our next meeting in two weeks. She then stated she was not making that as a motion now (because there was one on the floor), but that was what she was thinking we should do.

Senator Norfolk then offered a friendly amendment. However, Chair Sheffer pointed out that the body was considering the motion as a whole. Secretary Kennedy asked to call the question. Chair Sheffer called for a vote to call the question, and the body approved this motion. Chair Sheffer then called for a vote on the motion. The body approved the motion with one nay vote.

Chair Sheffer then called for other business for the Senate to address. Senator Gerlach moved to adjourn until the regular meeting of next month. Senator Lyons seconded this motion. Chair Sheffer called for a vote on Senator Gerlach's motion. The body voted its approval to adjourn with two nay votes. The meeting adjourned at 5:11 p.m.

Transcript prepared by Marilyn Quillin

APPENDIX A

Faculty Senate Special Meeting 2/19 Chronology of Events:

A. On January 19, 2004, President Proenza addressed the campus community via email with a report of actions he had initiated in response to the OIG report. In his report, the President outlined 6 actions he had taken as “rapid and aggressive, corrective actions.”

Those 6 actions were:

1. Initiated the Dismissal Process
2. Invited Special Audit
3. Continued Cooperation with External Agencies
4. Changed [sic] ITL Reporting Lines
5. Requested Research into Reported ITS Surplus
6. Initiated a Formal Response to Inspector General Report

B. On January 21, 2004, The Executive Committee wrote to President Proenza in response to his report. Our letter requested that the President provide written responses to 8 sets of questions which centered on two areas. Those two areas were:

1. Fiscal Irresponsibility
2. Unspent Money

We asked that the President respond by Tuesday, Jan. 27. As on that particular Tuesday the University was closed due to the ice storm, the President (who did first ask whether sending a slightly delayed response due to the weather was acceptable to the EC) responded in writing on Jan. 28, 2004.

C. The Presidents response to the EC questions dealt with the following:

1. Fiscal Responsibility
 - a. Scope of the Audit
 - b. Sharing Special Audit Results
 - c. Investigation of Other Administrative Units
 - d. Transparency and Oversight of Budgeting
2. Unspent Money
 - a. Reported and Actual VP/CIO FY2003 Budget Carry-over
 - b. FY2003 Carry-over Monies for Major Fiscal Units
 - c. Current Fiscal Year (FY 04) Expenditures
 - d. Raise Pool, Health Care & Tuition

D. The EC then met with both President Proenza and Provost Stroble on Jan. 29 to discuss the President’s response to the EC letter. Our discussion covered each of the 8 items within the 2 areas, Fiscal (Ir)responsibility & Unspent Money. Going into this meeting, the EC had even

more questions for the President. However, our discussion was productive and informative. The President dealt with our questions in a very forthright, direct manner. I would also like to point out that the Provost, to her credit, when asked about the carry-over monies reported, did state she would be willing to address more questions about this and to provide additional budget figures if the EC should so make those requests.

E. As Senators read in the email sent from Chair Sheffer dated Sunday, Feb. 1, 2004, a main focal point of our discussion dealt with the EC's request that the ad hoc Faculty Senate committees (budgeting, planning, and facilities planning) be included as part of the "appropriate faculty and staff representatives..." which President Proenza had stated in his letter to the campus community of Jan. 19. Again, as stated in that email, the EC had stressed very strongly to both the President and Provost at the Jan. 29th meeting the importance of the inclusion of these three groups in the University's planning, budgeting, and facilities decision making processes. At that meeting, the Provost then had asked for time to confer with President Proenza regarding this request. The EC agreed but did ask that a response be given expeditiously.

In that Feb. 1 email, Senators were also asked to respond to a non-binding straw vote to determine whether or not the EC should prepare a formal action recommendation at that time regarding President Proenza's handling of the issues addressed in the OIG report. The EC also invited Senators to send their comments/questions/concerns as well.

F. At the Faculty Senate Meeting of Feb. 5, 2004, Chair Sheffer announced the results of the straw vote. The majority of Senators who voted wished to take no formal action at this time; wait for a period of no more than two weeks for a response to the request for the ad hoc committees to have an immediate role in planning, budgeting, and facilities decision making.

Provost Stroble, in her report to Senate 2/5, indicated that she and VP Ray would be assisting President Proenza in the formation of an ITS Strategic Planning team which would conduct a strategic analysis of reporting lines, organization, leadership, staffing, and project priorities, and other related topics. Members, who would "include broad-based campus representation," would be announced at a later date.

Provost Stroble also indicated in her report that she had conferred with President Proenza regarding the EC's ad hoc committee requests. They had sought assistance on this matter from various sources, including Chair Sheffer, Associate Provost Midha, VP Ray, as well as members of the administration bargaining committee and outside counsel and others who might lend their expertise. At this point, Provost Stroble proposed the Operations Advisory Committee *majority of members are not individuals of the faculty collective bargaining unit but would hold faculty rank.

G. Actions by the President since the 2/5/04 Senate Meeting:

In a campus letter dated Monday, Feb. 16, 2004, the President communicated some of the actions taken to "create positive outcomes." In that letter, the President:

1. outlined a refinancing plan which would provide a reserve fund which would also decrease pressure on operating budgets and, subject to BOT approval and stable conditions, would allow for a "modest salary pool to be effective July 1."

2. addressed issues related to better and more open communication, including accelerating the efforts of the Decision Making Task Force

3. announced the establishment of an "Operational Advisory Committee to solicit and provide both input and reactions from campus constituencies about budgetary needs and other operational issues." (I would point out to Senators that two members of this OAC are also on the Faculty Senate ad hoc Budgeting Committee; further, these two members are NOT part of the faculty union bargaining unit.)

4. announced that two University-wide retreats (one will focus on a re-examination of our strategic thinking to date, the other will focus on macro budget issues related to the University's [sic] plans) to which he would be inviting representatives of SEAC, CPAC, ASG, Chairs, Deans, Senior Leadership Team, Law, Part-Time Faculty, and AAUP-Akron.

PURPOSE OF TODAY'S SPECIAL MEETING:

As mentioned earlier, the majority of Senators who had responded to the non-binding straw vote indicated they wished to: "wait for a period of no more than two weeks for a response to the request for the ad hoc committees to have an immediate role in planning, budgeting, and facilities decision making."

Thus far, this is where we stand regarding that request:

1. Budgeting Ad Hoc committee – as mentioned earlier, two members of the Budget ad hoc have been appointed to the Operational Advisory Committee; NOTE: The FS Ad hoc will remain intact.

2. Planning Ad Hoc Committee - members of this ad hoc need to be involved in planning issues;

3. Campus Facilities Decision Making – this ad hoc has met and contains many of the same members as had been on the CPPC; a formal request to the Provost to allow key administrators and staff to attend these meetings, AND to provide necessary data and information, has been made.

PREAMBLE:

Whereas, in the wake of the recent report by the Office of the Inspector General (OIG) confirming serious charges of alleged financial misconduct at The University of Akron, the Faculty Senate, as the elected voice of the faculty and campus community, expresses extremely strong concerns about the management of the University;

Whereas, we are both outraged and severely disappointed at the behavior described in the report, as well as at the immeasurable damage done to the reputation of this institution;

Whereas, the Faculty Senate acknowledges and thanks President Proenza and his administration for many fine accomplishments during his tenure, we continue to have many serious concerns regarding the ability of this administration to resolve internal operating problems of The University of Akron effectively;

Therefore, the Faculty Senate, as a key component in the process of shared governance and a major proponent of open, transparent communication at The University of Akron, desires involvement in improving the problems of the internal operation of the University, the benefit of which will be to seriously reduce the distrust in those internal operations which the OIG report has engendered:

MOTION:

Therefore, the Senate hereby requests:

1. That the President ensure that all University constituencies are represented on the OAC;
2. That the President direct the appropriate personnel to give the Ad Hoc Budget Committee a written document by May 1, 2004, describing the University's actual budget process, or in the absence of such a document, a written plan for developing a formal budget process;
3. That the President direct the OAC to communicate with and cooperate fully with requests from the Ad Hoc Budget Committee, the Ad Hoc Planning Committee, and the Ad Hoc Campus Facilities Decision Making Committee;
4. That the Provost direct the ITS Strategic Planning Team to communicate with and cooperate with requests from the Ad Hoc Planning Committee;
5. And that the President and Provost direct appropriate administrative staff to attend Ad Hoc Committee meetings when invited, in order to respond to requests for information;

6. That the President direct that there be a thorough overhaul of the accounting and budgeting system of the University to allow effective budgeting decisions to be made in all areas, bringing appropriate consultants as necessary.
7. Further, We, the Faculty Senate, upon receipt and discussion of this information, will at the April Faculty Senate meeting consider what, if any, formal action should be taken regarding the OIG report and the President's subsequent handling of Faculty Senate requests.