



February 18, 2009
Library Auditorium
3:00 pm

Minutes

Approved by voice vote on March 25

Present: Bru, Burnham, Byrne, Campbell, Carr, Connors, Doran, Estis, Engin, Falkos, Fantoni, Irion, Johnsten, I. Khan, King, Lemley, Loomis, Major, Meyer, Moore, Morris, Nowlin, Pérez Pineda, Prendergast, Prescott, Quereshi, Rowell, Sachs, Summerlin, Tate, Turnipseed, Woodford, Tony Wright, Tootie Wright

Excused: Aliabadi, Baggett, Carter, Estrada, Fresne, Hamilton, Haywick, A. Kahn, Keasler, Kinniburgh, McNair, Perry, Romey, Teplick, Toelken

Unexcused: Allison, Ambrose, Aucoin, McCormick, Omar, Pacheco, Patterson, Vrettos

A G E N D A

1. The meeting was called to order by Chair John Sachs at 3:03 with a quorum present.
2. Gordon Stone, Higher Education Partnership (HEP)
Whitney Wood addressed the Senate in place of Mr. Stone. She stressed the importance of is Higher Ed day this year, slated for March 5. The theme, “Don’t Let the Lights go out on Alabama,” emphasizes the importance of higher education to the state. HEP is preparing a DVD to present to the legislators highlighting institutions throughout the state. For USA, the presentation features the Cancer Center. Ms Wood reviewed the agenda/schedule for Higher Ed day. She also reviewed the budget situation, noting that the 2009 budget for higher education was 12% less than in 2008, plus 9% proration on top of that. Higher education is projected to loose 24% of funding over two years. The Governor is proposing a 3% cut for next year, though legislative session is still early. She asked that faculty try to attend Higher Ed Day and that we encourage students to attend. The event is important in that it reminds legislators that universities represent over 150,000 voters. She also asked that everyone contact their legislators asking that they do not wavier on the equity issue; that if cuts are to be made, that they be made fairly. Ms Wood also presented membership options for faculty and staff: level 1 membership is \$12 a year and includes representation, updates, and discounts; level 2 is \$60 per year and includes in addition other I-med discounts, and a prescription drug card; and level 3 membership for \$120 annually includes on top of that a \$2 million liability policy. Two, three and five year plans are available. Alumni/ friend memberships are available for \$25. www.higheredpartners.org for information on higher ed day and for membership. John asked for an email to forward it to all faculty.
3. President Moulton.

President Moulton began by reiterating the importance of HEP. He updated the Senate on the University Club, noting that the construction delay stems from having moved the site back some from the road. He expects to have the site prepared within the next few weeks and for construction to begin. It should take six months for the construction of the building. He also noted that the University received a \$35,000 donation for interior furnishings for the building. Since the construction is being donated by the construction firm, this means that the entire building is a gift. He then proceeded to review the current funding situation, distributing copies of the powerpoint presentation made earlier to the administration and the Senate executive committee and a copy of an article in the Chronicle about the stimulus package. For the 2008 fiscal year, USA received an initial appropriations of \$139.7 million. During the year, that amount was reduced initially by \$18 million and later by another 9.5% as a result of proration. Combined, the university's funding fell \$28 million in this fiscal year compared to last year, for a total of \$110.9 million from the state. Chance that state revenues will not be enough and thus additional cuts will be necessary or that the Governor could use more from the rainy day fund, but he considered this latter option doubtful. This leaves USA us with \$28 million less than last year. Three items make up the overall budget: O&M, College of Medicine, and the hospitals. Of these, \$69 million from the state goes to O&M, \$30 million to COM and \$9.6 million for the hospitals. This means that the cuts from the state hurt the academic side more than others parts of the institution. In sum, he noted, we have to make up for that amount in this year. The university has done so by reducing travel, cutting cell phones (saving \$325,000), and freezing hiring (with some exceptions). Not all faculty hiring has halted, he noted, depending on demand, need, impact, etc. Currently, we are using some 3-ledger accounts (which constitute reserves), where some healthy balances have built up over the years, to help surmount the crisis. He noted that we started this year in good financial shape, thus making it somewhat easier to suffer through this. He counseled that we not spend all our reserves, but rather pursue a more balanced approach. Still, the institution is facing an \$8 million hole for the rest of this year. In addition, the institution budgeted a \$6 million deficit at the beginning of the fiscal year. He stated that there is no proposal at the current time to to cut salary and that the administration is not currently considering such a measure. He did not say that it will not happen, but that it is not being considered at the current time.

Turning to the stimulation package, he noted that we really do not know how much we might get from it and that it depends on the legislature interpretation of the guidelines. The package mandates a return of funding based on the 2/3 (K-12) 1/3 (Higher Ed) split, but that the legislature does not always conform to that formula and that higher education actually took a disproportionate share of the cuts. He contended that we ought to get a share equal to our cut. If the state interprets it that way, then we will probably get about \$21 million over 3 years. If the state has leeway in interpreting that, then his sense is that we would get about \$13.5 million over 3 years.

The Governor's budget proposal is to reduce this year's amount after proration by 3%. This would reduce our amount to \$107 million for next year. Thus for next year we will be about \$32 million short in comparison to the original 2008 budget.

Last year the institution raised tuition by 10%. Coupled with the increase in enrollment, this produced a climb in revenue of about \$6.5 million over the prior year. Some of this was dedicated to the mandated increased cost in state retirement and other costs increases like electricity.

He briefly reviewed options, beginning with a tuition increase. He noted that it would take a 60% increase in tuition to cover the entire amount of the shortfall. He indicated that the

institution will wait to see what the legislature does before deciding on a tuition increase. He pointed out that institutions in about six to eight states have instituted a furlough. ASU mandated furlough of 15 days; South Carolina a 5 day furlough. If the stimulus money comes through, we will work real hard not to do anything that impacts salary this year. At issue is what will we do next year.

He noted that the many construction projects going on are funded through gifts, federal funds (like engineering/science building), and bonds. This money is already available and dedicated to the projects and cannot be used for other purposes. Consequently, halting construction makes no sense. Even the plan for new food service building is being funded in part by Armark and will have no impact on the budget. In addition, part of stimulus package may include additional funds for construction/renovation. In that sense, he encouraged everyone to look at the opportunities within the stimulus package for research and grants.

Questions:

>Barry Nowlin asked about the Foundation. President Moulton explained that scholarships are funded from the endowed accounts held by the USA Foundation. Hence, if there is no return on the investment, then there is no money available for scholarships. The Foundation has this problem, he noted, but not as bad as the University. About 70% of their funds are not underwater so we can expect something, but not as much as prior years. They have over half of their funds in timberland and the market is not good. We have commitments in scholarship and we do not want to violate those commitments to students.

>Christian Fantoni asked about Fund raising campaigns. President Moulton noted that we raised \$79 million during the annual drive, though the realization in cash may be around 40%. Even so, he estimated that 90% of that money is targeted for specific purposes.

President Moulton indicated that he intends to keep everyone informed and there is not much to tell until we know the details of the stimulus package and the legislature acts. He cited indicators that enrollment will be up in fall and that we actually have more students than we have ever had.

>Greg Prescott asked when the budget will be approved. President Moulton indicated that it will finish its work by April.

> John Sachs inquired about the income from the research park and the impact of the crisis. President Moulton explained that we have not had much fall out from companies in the research park and that the situation looks stable. Balancing their budget and paying the buildings, so it is paying for itself, but not generating revenue. It is not likely that the real estate would be revenue producing; instead, it holds a greater prospect of building relations, and opportunities for spin-offs.

> Ali Engin asked whether the administration had considered incentives for early retirement? Moulton indicated that we did two early retirement programs a few years ago during tough financial times and he is not convinced it had a positive impact. In short, he stated, the wrong people quit. In addition, he noted, senior faculty do not make much more than new faculty in certain areas, so it does not produce substantial savings, and yet it costs something to entice early retirement.

4. Chair's report

Brief review of the written report, including additional information on the budget. Sachs noted that the executive committee shared ideas on revenue enhancement which even if they were done, it would not amount to much. President and his people have seriously looked at a number of different ways to try to garner more revenue. Moulton does not want to panic the

faculty. Believes that Moulton does not want to cut positions to deal with the problem. Different ways to deal with salary cut if necessary. If a salary cut, stressed to the President that when we are back on track, raises should be based on what faculty is currently making. Moulton agreed. He also recommended that the cuts not affect those at the lower end, and that Moulton agreed with the concept. Discussions of eliminating TIAA/Cref, but it would only apply to new faculty. Sachs indicated that he has drafted a letter for Wayne Davis to consider issue of using TIAA/Cref for people who come here to buy years under RSA system.

Eric Loomis asked whether they would grandfather people in. Sachs stated that it would only relate to new people.

5. Approval of minutes from January meeting

Moved, seconded, and approved by voice vote.

6. Old Business

- Dean's proposal on hiring faculty with terminal degrees

Sachs noted that the Senate held off on supporting the proposal from the Deans because we wanted to include the libraries. Sachs reported that David Johnson is working with biomedical library to address this matter.

> Vicki Tate provided an update on the Chang Humanitarian award, indicating that she is working with the Development office to promote the award. They are currently waiting to see if there is money for an award for this year, though Dr. Chang is willing to fund an award for \$1,000 if no funds are available. The original deadline was March 1, but that date has been postponed. Tate indicated that she is not sure whether it will be awarded this year. Sachs suggested putting something in the Mid-Week Memo.

7. New Business

- Resolution on Extension of Pre-tenure Probationary Period for Extreme Life Events
The resolution was presented. It will be discussed and considered at next month's meeting.
- Appointment to the Diversity Committee. Sachs asked for a volunteer to serve on this committee. Jim Connors volunteered.
- Senate-led faculty forum to address budget matters and potential salary cuts.
This request came from a member of the faculty. Sachs asked for discussion, indicating that he is willing to do this if senators support the idea. Carr suggested that people need information, but that there is too many unknowns at the current time. He suggested that we wait and revisit the idea later. Others pointed out that perhaps Moulton should address these concerns, noting that staff as well is concerned. Sachs agreed to recommend this to Moulton. Morris indicated that the idea for such a forum is for the faculty to express their views to their representatives. The decision was made to table the initiative for now.

8. Committee Reports

- Academic Development and Mentoring (Susan McCready) – no report
- Environmental Quality (Smoot Major). The committee is working on recycling issues.

- Evaluation (Vicki Tate). The evaluation has been finalized and Tate is working to get it inputted into Survey Monkey. She expects the survey to be ready in the first week of March.
- Planning and Development (Zari Aliabadi) – no report
- Policies and Faculty Handbook (Liz Romey). The committee has been working on the resolution.
- Salary and Benefits (Jean Irion). University Fringe Benefits committee met in January. Irion noted nothing new in expenditures or utilization rate. She indicated a push for BeHealty.com, noting that the next step will be to look at expenditures in health care in hypertension, diabetes and heart disease, and ways to better utilize health and wellness facilities. She asked executive committee to maybe have someone from BC/BS come address the Senate about health and wellness issues, perhaps during the April meeting. In response to a question from Barry Nowlin, Irion noted that the data from Behealty.com survey is used only to assist the patient and that others do not have access to the information.
- Technology Utilization (Tom Meyer). The committee held a cyber meeting addressing two issues: to partner with library about applying for a grant for a technology fair, and revisiting the issue of a campus wide adoption of I-tunes. The committee would like to present a proposal to the full Senate in the future either in the form of a resolution or a letter to ask for more unified effort for that type of capability.

7. Caucus Reports

- Allied Health (Julie Estis) – no formal report – the college is focused on the move to the new building scheduled to start May 4.
- Arts and Sciences (Phil Carr) – meeting dealt with budget. A formal report has been filed.
- Continuing Education (Stephen Bru) – no report
- Computer and Information Sciences (vacant) no report
- Education (Leah Kinniburgh) no report
- Engineering (Peter Byrne) no report
- Library (Amy Prendergast) no report
- Mitchell College of Business (Greg Prescott) no report
- Medicine (Sheryl Falkos) no report
- Nursing (Tootie Wright). The college is trying to revamp curriculum for better outcomes and to take in more students.

The meeting adjourned at 4:41

Minutes reported by Stephen Morris, Secretary