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| EC#5Approved October 4, 2005.September 20 Minutes  | Indiana State UniversityFaculty Senate 2005-06  |

Time: 3:15 p.m.

Place: Hulman Memorial Student Union 227

Present: Chairperson S. Lamb, Vice Chair V. Sheets, Secretary Sr. A. Anderson

V. Anderson, B. Evans, B. Frank, C. Hoffman, J. Hughes, S. Shure

Ex-Officio: Provost Maynard

Guests: R. English, G. Floyd, D. McKee

I. Administrative Report

Provost Maynard addressed:

1) President Benjamin is presently in Morocco attending an economic summit;

2) As part of the Liberal Education and America’s Promise (LEAP) initiative, four presentations will occur this week on liberal education by AACU President Carol Geary Schneider;

3) Rededication of Stalker Hall will take place this Friday;

4) The Enrollment Management Taskforce subcommittees have met several times;

5) Conversations continue within the President’s Cabinet on budget issues;

6) Notebook Initiative Implementation Committee: letters of appointment have been sent today;

7) Work continues on the prioritization of programs initiative.

II. Chair Report

Chairperson Lamb report:

“I am aware that a Program Review or Appraisal Task Force is about to be formed. And it may come to pass that marginal programs are identified by this task force that will receive less funding in the future. The academic engine needs fuel. And apparently it is not going to get much fuel externally.

If academic programs are identified that are consuming more fuel than is warranted, that funding better go to other academic programs that are identified as warranting additional resources. I plead that examination and identification of weak programs does not result in less money going to academic programs totally, rather it just means that resources are shifted from programs of less need to programs of greater need. Without this underlying philosophy, this examination will meet tremendous resistance.

To use academic monies to fund the current short fall is to ensure the decline of the overall health of the institution. Certainly we need to use our academic resources to the greatest advantage. But if we start paring down our academic resources to fund short-term revenue declines, we may embark upon a path that is irreversible.

Also, I am hoping that during the fifteen-minute open discussion, some enlightenment is given, by the Provost, as to how this approach will yield a different result than the process we currently use. When a department asks for additional funding, or to fund the replacement of an individual who has retired or left, the department must make its case to the Dean, who makes a case to the Provost. Then, given tight resources, marginal programs are not funded, healthy programs are. Marginal programs die for lack of funding.”

III. Fifteen Minute Open Discussion

Incorporated into the budget presentation and discussion.

IV. Approval of the Minutes

Minutes of the September 13, 2005 meeting were approved. (Hoffman, V. Anderson 8-0-1)

V. Enrollment/Budget Implications

Vice President Greg Floyd and Assistant Vice President Diann McKee gave an insightful presentation.

*Questions submitted to Vice President Floyd before the meeting are italicized followed by a summarization of his response:*

*1) Is your data source for enrollment figures the same or different from that used by*

*Admissions?*

The same data source for enrollment figures is used by the Office of Business Affairs and Finance and the Office of Admissions with adjustment for withdrawals up to the fourth week of class.

*2) How do we estimate (method) and what is our estimate of the potential loss to the*

*University [$ loss per undergraduate student enrollment per year] ?*

*University [$ loss per graduate student enrollment per year] ?*

Estimate method and potential loss to the University with present enrollment: Forecasting model applied; accuracy modulated by foreseeable events (affected variables: community college state penetration, VU offering of four-year degrees, two-year colleges offering corrections’ courses, officer guard training decrease); projected loss (budgeted revenue-projected revenue) = $1,768,153.; loss is two-thirds from tuition and one-third from state.

*3) The following is fairly difficult, but revealing. I am sure you will have to make some assumptions and that is fine.*

*In fall of 2001, we had a total of 2,164 first time, full time freshmen, and also a total of 4,091 freshmen. See <http://irt2.indstate.edu/home/stats/cds/files/CDSF01.pdf>*

*If we had enjoyed the same number of first time, full time freshmen, in 2002, 2003, 2004 and 2005, what would be the total increase in revenue that we would enjoy today.*

Floyd: If enrollments for first time, full time freshmen, in 2002, 2003, 2004 and 2005, had been maintained the estimated additional revenue would have been approximately $9M—1,634 more students x $5,746 (12-18 hrs fee bracket).

Executive Committee: The timely placement of the Enrollment Management Taskforce established this fall could have been of great benefit earlier. Much of our enrollment problems could have been forecast with the advent of the community college systems; pleased with the existence of this taskforce, and the priority it is receiving; disappointed that it was not in existence two years ago.

Provost: Hindsight is always better. If there is blame, I will accept the most part. Much work has been done at the state level over the last few years to address many of these concerns affecting our enrollment. My greatest disappointment with the projections for enrollment this year has been the projection on transfer enrollments.

*4) Is financial aid (increases follow tuition) a significant drain?*

Financial aid (increases follow tuition) is not a significant drain*—*students enrolled provide revenue in other areas.

*5) What happens if/when we fall out of the funding bracket.*

We are not in any immediate danger, but if we fell out of the bracket we’d have a one-time adjustment and “counseling” (discussion with the state) about our situation.

*6) We understand that the state choose to treat us differently for the first time. And that this difference in treatment resulted in a net loss of significant monies. How much?? Do you predict/fear that happening again?? What steps is the administration taking to help ensure it does not happen again?*

The state chose to treat us differently for the first time and this difference in treatment resulted in a net loss of $5M; as a result the institution is pursuing better positioning within the state—more defined image, investing in new identity and new perspective within state, aggressive marketing, better alumni impact on state economy, higher quality of students and programs.

*7) Are you able to share with us the loss of a full time freshmen ( or a full-time undergraduate residential student) as to its*

*a) impact upon residential hall yearly net income.*

*b) impact upon food service loss on yearly net income and contractual considerations from Sodexo*

*c) impact upon BOOKSTORE loss (as above) from Barnes & Noble, yearly net income*

*8) We understand loss in revenue has to be balanced with reduction of expense.*

*Can you share with us any philosophy being discussed as to the options?*

*OPTIONS: -- Academics - Reduce faculty (TT? NTT?)*

*- Reduce course offerings and degree programs*

*-- EAP - Reduce “upper administration” ? Support Staff ? (where?)*

*-- Benefits - health care? retirement? [health care & retirement already reduced for new employees] VEBA ?*

*-- Other Programs - Student Services? Athletics? (football?)*

*OTHER: Reserves?*

Floyd: For the last three years revenue and enrollment growth has been the focus. Athletics provide revenue on the general fund size and most are mainly supported by scholarships.

Provost: The University must live off present dollars and not off savings. Although a capital campaign feasibility study is about 3 months into progress for a 6-8 month long study, this revenue will not free up dollars within the present budget and most dollars received in this manner are “targeted by the donor”.

All savings realized from realignment or elimination of academic programs will be retained in and applied to academics. Handbook and legal contracts will be followed for any actions taken to address present budget situation—people will be treated humanely and fairly. All possibilities have

to be considered with the criteria known up-front and uniformly applied; some hard decisions have to be collectively forced. The goal is to reinvest significant dollars in programs that have been decided to be worthwhile—dollars taken will be reinvested back into Academic Affairs.

*9) We understand that benefits account for a significant portion of expenditures. Benefits are very important to the University community, both to hiring and retaining good people. At this point, can you share any concerns that you have about the growth of cost of the benefits package.*

Accounting practices for employee benefits changed about 1 ½ years ago; present and future costs must be covered in accounting financial sheets; intent is to put dollars in place today to fund future costs; a change in new hire policy capped exposure in growth of number of employees in the pool covered by the institution’s retirement benefits; an obligation to fund benefits for present employee base; because of the economy over the last several years, the VEBA fund has not done as well as expected, and is currently under funded, with a current value of $35M; a change in the health-care program from a “defined benefits” to a “defined contribution” plan is a possibility; retirees age 65 and over are presently not consuming a lot of resources—pay in more revenue than which is paid out; cannot guarantee no changes in present health benefits package; more discussion on options within the Health Benefits Committee is desired.

VI. Old Business

Faculty Dismissal Hearing Committee

Approved by consensus replacements for the Faculty Dismissal Hearing Committee: five-year term, Yasenka Peterson; four-year term, Gloria Plascak; three-year term, Valentina French.

VII. Executive Session

Moved into executive session. (Hoffman, Frank 6-0-1)

Moved out of executive session. (Frank, Hoffman 6-0-1)

The meeting adjourned at 6:28 p.m.