The University of Akron Faculty Senate Chronicle

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Faculty Senate Chronicle October 2, 2003

Heather M. Loughney

the university of akron
Chronicle

a report to the faculty of
the university of akron

Corrected

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Any comments concerning the contents in The University of Akron Chronicle may be directed to the Secretary, Dr. Elizabeth Kennedy (x6932)
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2003-2004

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Dr. Pamela Garn-Nunn, Alternate Senate Representative

MINUTES OF THE FACULTY SENATE MEETING OF OCTOBER 2, 2003

The regular meeting of the Faculty Senate was held on Thursday, October 2, 2003, in Room 201 of the Buckingham Center for Continuing Education. Chair Dan Sheffer called the meeting to order at 3:02 p.m.

Forty-six of the sixty-five Faculty Senators were in attendance. Senators R.Huff, Matney, Pelz, and Sugarman were absent with notice. Senators Braun, Carri, Conrad, Goode, Hanna, Kolcaba, Krovi, Luoma, Soucek, Stachowiak, Wallace, and Zachariah were absent without notice.

SENATE ACTIONS

*** VOTED TO ENDORSE TWO ITEMS OF APC REPORT REGARDING 1.) CLARIFICATION OF EXTERNAL REVIEWER ELIGIBILITY; AND 2.) HONORS COLLEGE STATUS AND FURTHER DEVELOPMENT.**

I. APPROVAL OF THE AGENDA - Chair Sheffer called for a motion to approve the agenda. Senator Rich made the motion; Senator Wilkinson seconded it. The Senate approved the meeting's agenda.

II. APPROVAL OF THE MINUTES OF SEPTEMBER 4, 2003 - Secretary Kennedy reported that she had received one correction to the minutes of September 4, 2003. Under the elections (pg. 15), the nominees for the at-large members of the Executive Committee were listed. However, due to an oversight, the name of Senator Pinheiro was omitted. Secretary Kennedy stated that this correction would be made.

III. SPECIAL ANNOUNCEMENTS – Chair Sheffer introduced three new Senators. These were Senator Jerry Drummond, from the College of Engineering; ASG President, David Goode; and from SEAC, Bob Stachowiak. The Senate welcomed all with a warm round of applause.

Chair Sheffer then stated that the university community had had two of our former faculty members pass away in September. One faculty member was Michel Haddad from Engineering & Science, who passed away on Sept. 9. For those who did not remember Michel, he taught machine tools courses in the mechanical technology program for 25 years and retired from the

University in 1996. Secondly, Betty Peters, formerly Betty Ocasek, died on Sept. 24. She served as a part-time faculty member in the education department of The University of Akron from 1967 to 1983.

The Senate then rose for a moment of silence in respect for the deceased.

IV. REPORTS

EXECUTIVE COMMITTEE - Secretary Kennedy began her report by stating that the Executive Committee had met once on September 18. The following items were addressed at that meeting: a) The Executive Committee was informed that Senator Steve Harp had resigned from the Faculty Senate; notification had been sent to the College of Arts & Sciences in order to conduct an election for his replacement; b) Regarding the faculty and student laptop program, the Executive Committee discussed several issues related to the continuation, in some form, of this program. Questions arose regarding students' use and satisfaction with the laptops in conjunctions with proposed efforts to make refurbished laptops available for purchase by the students. As such, the Executive Committee was charging both the CCTC and Student Affairs Committee to work with ASG and other appropriate student organizations to assess student involvement in the program. Finally, if Senators would please note, the updated committee list would be published in the October Chronicle.

Senator John then asked whether there had been a decision as to the two committees that were now nonexistent. Did members of those now-defunct committees have to find another committee?

Secretary Kennedy referred that question to Chair Sheffer. Chair Sheffer stated that those two committees, the PBC and CFPC, had in fact been dissolved as of September 30. So at this particular point in time those Senators would be given the opportunity to serve on yet another committee. We would solicit requests from Senators regarding preferences for committee assignment.

Chair Sheffer then invited President Luis Proenza to address the body.

REMARKS OF THE PRESIDENT

"Thank you, Mr. Chairman, and good afternoon, colleagues. It's nice to see all of you and especially to welcome again several of you who we saw at the Convocation a few days back; I appreciate your attending. I want to share some comments on four general topics - the broad condition of the environment for public higher education in the nation and in Ohio, some aspects of shared leadership/governance on our campus, and comment briefly on compensation and health care.

As those of you who attended the Convocation are aware, I was privileged to be invited by the Governor's Commission on Higher Education and the Economy to testify before them on September 10. I'll tell you a little bit about that in a moment, but if you wish to read the entire testimony that I presented, it is available on the web under the President's page at the top of the communications list and you can read all or part or none of it, as you choose.

Before I testified, I'd had occasion to meet some of the others, and indeed a lady from a higher education group in the country to talk about the challenges before public higher education nationally, since at the end of the day there doesn't seem to be any money to allocate from the state. But it may simply be helpful to all of you to be aware that very, very few states are being able to make any investments or spare higher education from significant cuts and/or major increases in tuition.

All of this has to be put into perspective because the proposals that are being made, for example, by Congressman McKeon of California and John Boehner of Ohio, seemingly understand that the context for higher education is much more complex than just on the surface. For example, in California this year the tuition increase is likely to approximate or exceed 40%. Now that 40% is considerably less than the amount that a 9 or 10% increase in Ohio represents to actual dollars added to tuition for our students.

In short, there is such a difference between the lowest tuition states and the highest tuition states as I've shared with you in many cases. It isn't meaningful to talk about percentage increases in trying to come to terms with some policy issues. Thus, the message that I tried to outline and this lady tried very specifically to outline is that the situation is so complex and differences among states are so large, that to talk about averages or percentages is quite frankly very misleading and needs to be put into a much more detailed context.

That said, she did go on to use the metaphor of a 'perfect storm.' Obviously, you've either seen the movie or read the book and suffice it to say that between the economy, the public mood about accountability, about criticisms, about higher education as such, that all of these things have conspired to really create some very difficult conditions for us. In the comments that I made I pointed out to the commissioners that they had the almost impossible task of simultaneously trying to engender some new business models from within higher education, and that is something that's difficult even for us to do when we want to do it.

Secondly, to simultaneously cause Ohioans to reverse a trend of 40 years of continuous disinvestment. This was made particularly difficult in my judgment I said, because they had that responsibility at a time when there literally was no money in the state for them to invest and when indeed reversing the attitudes of the public as reflected in the legislature in particular was going to be a daunting task indeed.

I went on to make a number of recommendations in parallel with those that I shared with you from the white paper earlier in the year and again you can look at those, but in particular

I shared the following text and I'll repeat that for you very briefly. I said that in much of the rhetoric leading up to this commission, we heard well-intentioned remarks such as increasing collaborations, reducing duplication. Do we really need to teach english in every college or university? Literally, that question is being asked. To that last comment, I did say, shouldn't we then ask whether every city needs a high school or every house an electrical supply or a water supply? Because today education is infrastructure; it constitutes the human resources that are now just as essential for the well being of our society as are the water, electricity, and the other pieces of our physical infrastructure. And just like other forms of infrastructure, higher education is an investment that undergirds a productive economy.

My concern, I went on, is that in much of our rhetoric we utter concepts that sound good without the accompanying rigor of knowing what we actually mean. It reminds me of what Thomas Sowell calls the search for cosmic justice. The words sound good, yet when they're examined more closely, we see that the savings may be trivial or that they may come with still other unintended consequences whose long-term costs may be far larger than the short-term savings.

In short, I tried to share with them that indeed I think higher education must develop some new business models, that we must be accountable and responsive to our stakeholders, but at the end of the day our primary stakeholders are our students, and there's nothing more important than providing them with those very magical moments that we all know are attendant to a good educational environment. The Commission is beginning to pull together some position papers and as they become publicly available, I'll be happy to share them with you.

Secondly, some comments on shared governance. When I visited with you last, several of you contacted me afterward, and I think there are some misunderstandings that I trust we can begin to work to clarify and move forward. There is indeed some degree of concern perhaps even apprehension about our communicative environment as we move to enter this new relationship between the University and the full-time faculty that have elected an exclusive bargaining agent in the AAUP.

Again, let me tell you that the Board's rule changes were not in any way intended to abrogate the aspects of sharing information, much as some would want you to think otherwise. Simply, it has been explained and was explained beginning in discussions last year and the discussions that followed the election of the union, to conform University rules to enable the faculty union to clearly assume its role as the exclusive agent on matters relating to terms and conditions of employment.

While there will be many issues to be decided at the bargaining table, there are and will continue to be exceedingly important issues about our academic mission that will fall outside the scope of collective bargaining in which the Faculty Senate and other bodies will play a very vital role. I envision a unique and complementary role for the faculty union on one hand, and the Faculty Senate and other bodies on the other. I am committed to working with the university-

wide committees starting with the Task Force on Decision Making recommending entities to help improve consultative processes and will be seeking appropriate input from all of you including staff, contract professionals, and part-time faculty to that end.

As you know, the President's office working with the Provost as well as with the Senate, established a decision making task force sometime last year. As a result of the election of a union, we've had to refine the charter to reflect that change. Mike Cheung, who had originally agreed to chair that body, tendered his resignation, much as I regretted that and I've communicated with Mike personally. So on the one hand I want to thank him for the work that he had begun, and secondly, I want to share with you that we will continue that work and I'll look forward to the recommendations that come forward from that task force.

Thirdly, let me just share a couple of comments about compensation. As you know, the University had begun efforts quite some time ago to bring our compensation levels for staff, contract professionals, and faculty to competitive levels. We began the process with the Mercer Study that applied to staff and contract professionals. We made some heavy investments at that time, and began to track salaries against market levels for staff and contract professionals at that time.

Likewise, we then began a process for faculty to establish a task force on faculty salaries, and we were able to make some adjustments having good data at hand and a process to begin addressing that aspect. I'd hoped that we could continue to move forward in this regard this year, and indeed the early budget plans that we developed hoped to use any revenues that might be derived from additional enrollments this fall to fund a compensation increase.

Regrettably, we do not have an enrollment increase of any measurable extent; in fact, in terms of actual numbers of students we appear to be down; in terms of credit hrs. we may be up by a modest fraction of a percent or so. Again, as those numbers begin to be refined we will get that clarity. We've had some difficulty because some of the processes that we use in calculating the actual enrollment have changed from year to year, and so it makes exact comparison on a given date a little bit difficult.

Now the primary reasons that we have no funds to create a compensation salary raise pool at this time include among others: Multiple reductions that you're well aware in state funding during the past several years including effectively nothing this year, a mandated fee cap that accompanied the appropriations bill this year, relatively flat levels of student enrollment as I've just indicated, and importantly, our very deliberate and conscious efforts to avoid any work force reductions other than by not filling vacant positions. We've said over and over in working with this body that we did not want to get to a position of having to create a layoff situation.

We've taken many other measures to balance the budget. We've not allocated additional funds at this time other than reallocation of internal funds for achieving the movement to version 8 of People Soft, which we must do. We have had a significant reduction in vacant positions;

we've enacted 50% reduction of part-time and overtime staff budgets; we've had a 3.5% reduction of all non-personnel operating budgets, and a 5% reduction of summer faculty budgets. So we're in a difficult environment.

Why are some institutions being able to offer some increases? Several reasons. The state formula for allocating funds from the state share of instruction (subsidy) - if an institution is enjoying considerably faster enrollment gains than we are, even if we gain 1%, they take money away from us. I don't think it's fair and have complained until I'm blue in the face, but that's the reality. In particular, the 2-year colleges have enjoyed exceptionally healthy enrollment increases and yes, the 4-year universities including The University of Akron have therefore shown a net reduction in many other budgets, although some institutions also have had enough enrollment increase to yield some modest gains in state share of instruction.

There are many other reasons. For example, some institutions have not made some of the investments we've made in either people or infrastructure or in technology. Their time will come, and they'll be in a crunch before too long and hopefully we will be ahead and the cycles will be different. All of that said, I have continued to ask Vice President Ray and Provost Stroble to see whether anything appears in the budget horizon for a January time frame that might enable us to offer some modest increases to a salary pool.

Health care - a complicated issue. If you've been reading the news, you know that once again they're reporting that health care costs are likely to increase next year by at least 12%. Many, many organizations are making drastic changes and reductions, etc. Over the last decade we have not fared as well as we might have; on the other hand, we've fared better than many organizations in dealing with annual, double-digit percentage rate increases in health care.

According to the Kaiser Family Foundation and Health Research Educational Trust Survey for 2003, health insurance premiums rose an average of 11% from 2000-2001, 12.7% from 2001-2002, and 13.9% from 2002-2003. In spite of these kinds of very large cost increases, we've managed to continue to provide several health care program options that require absolutely no employee contributions with only the traditional comprehensive plan requiring a minimal employee contribution.

For the upcoming health care contract period of Jan. 2004 to Dec. 2005, we expect that we will be recommending that the University continue to provide various employment health coverage options that will again still not require employee contributions, subject to Board approval that these things prove fiscally sound. While indeed the final recommendations have not been approved by our Board of Trustees, we expect that those options will include one or more HMO's, and a PPO as well as a traditional plan. So again, just to underscore, we expect that there will continue to be some options at no cost whatsoever.

With that level of coverage to be offered while health care costs continue to rise, we do face the need to recommend to the Board that employees assume some of the cost of dependent

coverage, and the proposed plan that is emerging includes one in which the employees would contribute between 1.5 and 2.8% of annual salary based upon the plan and type of dependent coverage that is actually chosen.

As it's now envisioned, employee contributions for dependent coverage will pay less than half of the health care cost increases. If the increase is $4, we expect that the employee contributions for dependent health care will actually cover less than half of those $4 on the 2-year contract period. The University's budget still must on an annual basis assume a $2 million additional increase in health care costs for a net annual expenditure of approximately $13.3 million annually. The chair of our Well-Being Committee, Dr. Erickson, as well as the president of the Akron AAUP, have been notified of this recommendation and a memo will be sent to all faculty and staff very soon. Further information should be distributed early in November, subject to Board approval in October.

I welcome any questions you may have, some I may have to refer, but your questions are welcomed."

Senator Erickson stated that she had not received any kind of memo. President Proenza stated he had been told that said information had been delivered to Dr. Erickson. He then asked Vice President Ray for clarification. Vice President Ray apologized and stated that the information would go out tomorrow.

Senator Erickson then asked for clarification, that the recommendation which was to go out to carriers went from 2004 to the end of 2005, and is a 2-year contract. President Proenza replied that that was correct.

Senator Erickson continued, stating that the Well-Being committee had acknowledged that at some point there would have to be health care cost increases, but that that was to be associated with an increase in the raise pool, so the hardships of introducing such a scheme in fact would not result in a reduction in salary. Of course, for anyone with dependents, this was a reduction in salary. We were not talking about just sharing health care costs. We were talking about a salary cut. That had to be justified in terms of opportunity costs. In June after it became clear there was to be no salary pool, Well-Being went back to PBC and recommended what to do under those circumstances.

Senator Erickson noted that only 31% of the coverage was faculty. The rest was of staff, contract professionals, administrators, and so on. Union contracts would not affect the latter. We were talking here about potential hardship for low-income staff employees. Therefore, it was necessary to give good reasons for the hardship to our employees. There were several other parts of the budget that could be cut. PBC had wanted a larger cut in operating budgets, also the athletic scholarships. There were a series of other measures they had considered under those circumstances given no salary increase that would make it worthwhile. Senator Erickson then

asked, given these other factors, why this increase and hardship to employees was chosen over other options?

President Proenza replied that those were very good questions and certainly one of the main reasons why he continued to impress upon the Provost and Vice President Ray to determine whether we could not find some resources to indeed provide some salary pool allocation by at the latest January 1. But if that would be possible or not, he could not tell at this point. He wished he had the magic answer, but he did not. There were many things he might address at this point that would be attached with all the usual caveats. He was asking the Provost and Vice President Ray to very carefully examine all of the options. It took some imagination to try to actually make some movements and apply decisions on situations where we have not had good guiding documents to make some of those strong decisions. Provost Stroble was going to talk about the Balanced Scorecard and other things in a few moments. There were always recommendations with good will intended that sometimes could not be made for other reasons. There were just some things that were not as easy to do as might be imagined when one sat down and thought about them.

Senator Hebert then addressed the President. Senator Hebert stated that, while he had just heard the President's explanation of the situation and that certain amounts of funds were not available, would the President agree in principle that the budget was basically a spending plan, and whether or not items were increased or decreased or cut or put into the budget was basically a matter of priorities? Was it not the case that in a situation like this where there was no raise pool meant that whoever was designing the budget had decided that that was not a high enough priority to get into the current budget?

President Proenza replied that no, he would not agree with Senator Hebert's statements.

Senator J. Yoder then stated that she had several questions that were follow-ups to motions that the Senate had passed. She was calling on Revised Administrative Code 3359-10-02, now section (4)(E) which stated that the President would notify the Senate of the disposition of legislation indicating whether the legislation had been approved, referred to the Board of Trustees, referred to the appropriate vice president, or returned to the Senate for reconsideration or amendment. Prior to that, if something was returned to the Senate because of disapproval, that it be returned with explanation for the President's rejection.

As to the four motions that Senate had passed, Senator Yoder would like to have explanation and know the disposition of first, the budget. There was a Senate-approved budget that she assumed was changed in the form that was sent to the Board of Trustees. She wanted to know what those changes were and the explanation for those. Senate also passed a motion about health care that linked cost sharing to pay raises, so again, she would appreciate an explanation for the failure to link those. She would also like to know the disposition of the calendar which Senate passed as three 15-week segments with a 4-week winter break. Also, she

wanted information regarding the resolutions passed at the September meeting, especially the one restoring the governance issues removed by the Board on August 20.

President Proenza asked Provost Stroble to address those issues shortly, and indicated that they would get to those items very soon.

Senator Erickson then asked about the health care cost sharing. In May when Senate had passed the proposed premium system, one part dealt with retiree dependents. It was to say that those retiree dependents under 65 would in fact have to pay the difference between traditional indemnity and the PPO. She wanted to know whether that in fact had been put in, and was that going to be recommended?

President Proenza replied that he was not sure.

Senator Gerlach then asked whether the President could give any news from the Board of Trustees with regard to the old subject of Gardner and Simmons as names for buildings? As Senate had passed that request on to the Trustees, his question was what were they doing with it?

President Proenza replied that, as he had mentioned before, the Board of Trustees was very well disposed to receive an appropriate recommendation for those two names. He had assured them as he did now to the Senators present that we would make an appropriate recommendation with regard to those names at the appropriate time. Quite simply, we had not decided where those two names should be applied but that they would be applied. Of that the President had no doubt.

Senator Gerlach then asked whether we would just have to expect a disposition some time in the future? President Proenza replied yes, and asked that we wait until at least some of the buildings were finished.

No other questions forthcoming, Chair Sheffer then invited Provost Stroble to address the body.

REMARKS OF THE PROVOST

"When I spoke with you last time I gave you a summary document about what I'm calling the 'List of Ten' - the ten activities that I'm charged to accomplish. Clearly, I can't do it myself but is of the campus community for us to accomplish in the next five years.

Today I want to focus on just two of the items on the list of ten, and a lot of what I'll talk about are not activities that I've engaged in in my role as Provost. They're activities I've engaged in as Dean of the College of Education and as a representative of the deans on the Planning & Budgeting Committee. So I'll talk beyond my role as Provost and much of what I'll

talk about today and be reporting, not so much on behalf of me for parts of my comments, but on Planning & Budgeting Committee as an entity.

Three subcommittees were also created within Planning & Budgeting Committee - one being a subcommittee of Planning & Budgeting Committee that actually developed ROI to begin with. That was coincidental with my election as a dean to be on PBC. That began several summers ago and as a new member of PBC, I was drafted to be on the subcommittee that developed ROI, so I was engaged in that activity early on. Then as we began to implement ROI, albeit not completely, we began to have a need to reexamine that and say, what are we going to do about the implementation issues, what are we going to do about quality measures which was always designed to be part of the implementation.

Then we created two new subcommittees of PBC, one being the quality measures committee, and another one called tweaking of ROI. I served on the tweaking of ROI subcommittee and then of course I've continued on in a status with PBC since my appointment on June 18 and continue to work with a rather informally constituted group of PBC who was giving me feedback about Balanced Scorecard implementation. So what you're going to hear today is a little tour through history of ROI/Balanced Scorecard and how I propose to bring those two measures together as a way to truly accomplish what I think is the ultimate goal, and that's how a budget can reflect a plan and invest money in the most strategically important ways.

I'll use a few overheads just to keep me organized and to be sure that I cover the points that are most important **(Appendix A)**. Two items on the list of ten, first no. 8 on that list, 'Refine ROI and adopt academic quality measures for implementation.' Here was no. 9: 'Complete Balanced Scorecard development and use in academic strategic planning.' We developed ROI, and Provost Hickey led that effort. What he was really trying to gain the community's attention about was the fact that our enrollment had not turned around in the same way it had in sister institutions, and our primary goal if we wanted to bring financial health to the institution was to generate additional enrollment, because such a substantial part of our budget comes from enrollment.

So ROI was designed to say to all of us, put the focus on increased revenue generating more enrollment and manage your cost to such a degree that the revenue that's generated through increased subsidy, through increased tuition actually nets a profits for us. So it was a ratio that was designed to do that. It also, depending on what units you were in, gave you some credit for grants and contracts and other ways of generating revenue besides enrollment, but the basic idea was to generate enough of an income that you cover your costs and you make some profit for the institution and keep the costs down. So that's what we implemented.

We began to implement it in a summer version, and so during summer of 2001, units if they had a particular ROI, got to keep some portion of their revenue generated. Then it was designed to roll out over a 5-year time period. We found ourselves in tight fiscal times and couldn't truly roll it out in the way it was designed, so institutions that had above the magic ratio which was designated as 1.7 got half of what they should have had in that first year's allocation,

and Provost Hickey managed to do that from a auxiliary account rather than redistributing money from one unit to another.

There have been questions and issues about ROI from its inception. Those of us who were on that first committee knew that there were going to be some problems with it. Certainly as we went on in time and we were in such fiscal circumstances, it made it increasingly problematic to figure out how we were going to do this in any meaningful way that was actually going to reward the effort we wanted to reward without causing negative consequences that would be unbearable. Obviously, I came from a college that stood to gain financially from ROI. So there were some colleges that saw this as gain, others that saw it as a real threat, not only to their unit but to the health of the institution, and we were having increasingly difficult times figuring out how to balance the financial drivers with the quality measures and to not make them feel like they were struggling against each other.

Then I land in the role of Provost and I have to think globally here about this and not just as an advocate of my own particular college. So I began to look at Balanced Scorecard, which was an effort that had been going parallel here, and I had actually served on a broad group that had been trained in Balanced Scorecard methodology and had been leading the effort in my own college to develop a strategy map. Here we had a parallel process to ROI that seemed to me much richer, much more comprehensive, and less formulaic than what ROI seemed to be with I thought the same goal.

So I began to say when you have two positions that are rather polarized and you can't quite figure out how to bring the two together, maybe what you need is point c, and not try to bring point a and point b together. So I began to look at Balanced Scorecard to say, is this a way that we can accomplish what we try to accomplish with ROI but find a way that works for everybody on campus, academic and administrative units, because truly ROI only affected the academic units. So I tried to think how Balanced Scorecard could bring this all together.

We began to look this summer at several issues. As you'll recall, Faculty Senate had asked PBC to go back and do some work this summer on quality measures as well as benchmarking. I wanted to look at the effect of anything that we developed, not only on individual units but institution-wide, and find a way that we could actually take the original plan of ROI, which was that there would always be some pool of monies devised, that could be used for strategic planning and investment.

So here's where we were on Balanced Scorecard as sort of the parallel track of ROI. Charting the Course had been developed as the overall vision of where the institution would go. Core teams have been established. They were trained in how to use Balanced Scorecard methodology. There was training of leadership, and then there was extended conversation on campus about a strategic destination and what that would be like and there were wording changes, multiple iterations of that. At the point that there was relative agreement on strategic destination,

then each VP was asked to start doing strategy map development, and through spring that's where we were.

So when I came on in June, I understood that the next thing that was supposed to happen was to take the strategy maps that have been developed by colleges, sometimes by departments, sometimes by divisions, and say, let's roll it out to the next level and generate more strategy maps. My concern was that just the activity of reading the strategy maps that had already been created was such a lengthy task that there was no understandable way for me to see how that would ever bring coherence and make sure that we were actually headed toward strategic destination. We had generated too much paper and it was not manageable anymore, and I knew that if we just rolled it out just one more layer or 2 or 3 more layers, we would continue to generate more and more maps and get farther and farther away from the destination and any way to actually help the strategic planning.

So I sensed again that we needed to take a pause and figure out a new strategy. I remember that at the University of Louisville where I'd been before I came here, at the point I'd left we were doing Balanced Scorecard methodology development coming up with strategic destination, targets measures indicators. So I called the Associate Provost at Louisville and said, what did you do with Balanced Scorecard and can you look at our stuff and give us some help? She said yes, we've been doing it for two years and we're revising now, so send me your stuff and I'll come spend a day with you and some key people on campus and we'll see whether we can help you get this in better shape.

So we sent our stuff and she said it needs to be pulled in and massaged and focused more, as you're generating too much stuff that's going too many directions. She spent a day with me, Nancy Stokes, Becky Hoover, and I invited to lunch the Planning & Budgeting Committee. They spent some time with her and we came away from the meeting believing that Balanced Scorecard could be the holder for the things we want to keep track of, measure, know whether we're indeed on track to accomplish our goals. And that indeed ROI, as sort of a measure of the financial health of the institution is very limited but its goal is do you use your money well? Imperfect as it is, that indeed needed to be part of Balanced Scorecard, not a separate driver. So that's where the thinking is today that I want to share with you, and I'll show you a little bit about what I'm proposing.

So we had some meetings of PBC where we deliberated and talked about quality measures ROI, we had recommendations from Faculty Senate about the need to benchmark, the need to build in the quality measures. We had these two new subcommittees, and we also had another process going on where deans were meeting to give their input about what they thought appropriate quality measures might be, and we had the ongoing development of strategy maps.

We consulted with Linda Shapiro, and then we also began to review Balanced Scorecard documents from Louisville, University of Tennessee, Ohio State, among others, and then we began to draft what institutional measures, targets and indicators would look like. So that, if we

decided as an institution university-wide that we really cared about numbers of students who have internships or that we cared about numbers of dollars that come in for federal contracts and grants or that we cared about whether faculty salaries were at benchmarks, we would determine what those goals would be institutionally. Then as we set institutional goals and found out what the baseline was we would set our targets out a number of years, and then each unit meaning college and VP division, would negotiate with the Provost and others in administration about what their contribution will be to the target so that years and years out we can see whether people are on target.

So here's what I think is next and I'm going to show you some examples. I think we need to continue reviewing some draft documents. I did not bring a copy of the entire draft with me today because it's lengthy and bulky. What I have done so far is shared draft documents with deans and with vice presidents, and I have now sent it electronically as of this week to every dean and asked them to share it broadly in their colleges and to get input within colleges. I am also willing to do it through any other mechanism that you can advise me about.

We certainly are going to review draft documents to see whether we can reach some agreement about what the measures and indicators are that would be appropriate institutionally knowing that some units won't contribute to every goal, some won't be a match. Some units truly have more of a graduate focus or more of an undergraduate focus, so they would not necessarily participate in all of the measures. But we need to figure out what the institutional ones are first, then establish the baseline data and the benchmark targets for the institution and then for each unit.

So what might these look like - I'll show you a few examples. Using the advice of PBC members I've been meeting with over the summer, they suggested that we think about three categories of ways to cluster these, one being 'Inputs.' That we truly might care institutionally about the average ACT scores of entering freshmen as a proxy for something else that we care about which is quality of incoming freshmen, that this is measurable. That we might care about the numbers of graduate students who truly do earn subsidy for us, because that's a proxy for financial health to some degree. That we might care about the numbers of students who are actually in internships or outreach programs because that's been a goal for us as an institution.

Here's their idea for the next cluster, what they call 'Throughputs' - the number of units with approved assessment programs. We know that that's something we've got to get ready and have in place by the next NCA visit, so we might actually give ourselves credit institutionally for the fact that we're making progress. We might want to give ourselves credit for the fact that we're increasing the percentage of eligible programs that can have disciplinary accreditation that actually achieve it. And then NSSE, because we're engaging that over a multiple time period, we might target particular items under NSSE as a proxy for how engaged our students are and the instruction we are providing.

Finally, here are some examples of what this committee advised me we could call 'Outputs' - numbers of disciplines graduating doctoral students, which is a key indicator for your Carnegie status. You know that this is an institutional goal. The College of Polymer Science and Polymer Engineering moving to no. 1; it's currently well-acknowledged as no. 2, so this is an appropriate institutional goal. Then here is an example of something that we indeed probably need to focus on and find a way to measure, the percent of comments that would be expressing satisfaction with a service provided by both academic and administrative units, and that's not necessarily in my mind a measure of students or public saying this about us, but us saying this about ourselves. How satisfied are we with the service that we get when we call another office and ask for assistance with some task or activity?

So I'll stop with that, a very brief overview of where my thinking is going right now, and it's not just my thinking, as I've obviously engaged a number of people in this room. If you've seen some version of this before and helped me with it, could you just raise your hand so people in here know who has participated? So you certainly can talk to these people about it, and I want to continue to engage as broad a conversation about this as possible.

The first task really is to agree on what I think are a relatively small number of targets, measures and indicators, because the larger the number the harder it is to keep track of or make meaning from, and most Balanced Scorecard methodologies select a pretty contained small number. Right now the draft document has a very large number and it needs to be pushed down. Then the next goal would be to decide how to actually set the baseline and target numbers, and that's where I think the benchmarking activity needs to come in play.

So I'm really trying to find a strategy that everybody can support and feel is a strong tool to give us the planning documents that we need and the way that institutional research can put data to it to help us know where we are. I think I can now answer a few questions."

Senator J. Yoder then stated that the Senate had had an extensive discussion about Balanced Scorecard. Had the Provost seen that discussion, and could the Senate share that with her?

Provost Stroble replied that she had not. Senator J. Yoder repeated her request that the Senate share that with the Provost as it might be helpful to give a sense of how this body had talked about Balanced Scorecard in the past.

Provost Stroble replied affirmatively. She hoped that whatever the discussion was in the past, today's discussion could be seen as adding to that. She wanted to continue the discussion.

Senator Witt, as follow up to Senator J.Yoder's comments, stated that his impression after that special session was he did not know what Balanced Scorecard was. No one could give us a satisfactory answer about what it was.

Provost Stroble then asked from the examples she had provided today, whether Senator Witt's understanding was any more clear now, and Senator Witt replied that it was not. Provost Stroble countered with an offer to do a more detailed presentation for Senate that helped fix whatever did not go right in the previous presentation. She hated to think that anyone would come into this with a predisposition to not understand it or not like it because of people who had come before her. She felt the need to do all that she could.

Senator Witt then stated that he thought everyone was in agreement as to wanting to understand how this fit into planning; that was a great idea. But the Provost needed to understand that the last time we talked about Balanced Scorecard in Senate we felt we still did not know what it was.

Provost Stroble replied that she would try to fix that.

Senator Londraville then stated that one aspect of ROI that he seemed to understand was that it was a powerful assessment mechanism. There was also a reward structure built into that. Did she see that in Balanced Scorecard? If one went past one's target, did one get money?

Provost Stroble replied in the affirmative.

Senator Fenwick responded to Senator Witt's comments. He also had not understood what Balanced Scorecard was after the Senate discussion last fall. He did not think many had until Dr. Shapiro came to lunch and talked to us. In fact, the University of Louisville had a template which actually had items and measures which worked, and started making sense to a lot of us who were there. Senator Fenwick stated he thought it would be a good idea to have a special session of the Senate to present it in more detail.

Provost Stroble stated that, with some help from people who had interacted with Dr. Shapiro, that this second presentation would be worthwhile.

Senator Erickson then asked whether Dr. Shapiro had talked about Balanced Scorecard for non-academic units as well? The literature from Mrs. Stokes' reading list indicated there were extraordinarily useful and effective uses of ROI for nonacademic units. They used the Balanced Scorecard to go out and ask questions of their clients; that was a very good use of the Balanced Scorecard. However, we had not seen it used effectively in an academic setting. As a management and planning tool it seemed very different from what we were being told.

Provost Stroble replied that we had various models; Louisville had done it only for its academic units.

Senator Erickson replied that that was why she felt really uncomfortable about the situation with Balanced Scorecard as it had such powerful uses. For instance, the last measure

which was about services provided was good, but that was also where the non-academic units' involvement should be just as important as the academic.

Provost Stroble then repeated that she planned for the institutional targets and measures to be for everybody. One of the benefits she thought she could bring to the development of this was the new role for Provost as also being Chief Operating Officer. It causes the person who sat in this role to look much more broadly across all the campus operations and not to be only focused on the academic units. So it certainly was her intention that we would have a number of measures that might be more appropriate for the administrative units and in which the academic units did not participate. That was part of what she would need some help with as we continued to develop this. She thought to some degree we would be doing a little bit of trailblazing there because the campus models she accessed tended to do one or the other and not both. This would be new ground that we were breaking, but it was important on this campus that we did that.

Secretary Kennedy then stated she had a quick question following up on the reward structure. Speaking as a member of a college who also benefitted from ROI, what was the status of that in terms of the numbers, the quantity as well as the quality measures - where were we and when might that come back into play?

Provost Stroble replied that she thought that what would happen was that that would indeed be folded into the Balanced Scorecard. She was facing the same problem that Provost Hickey had. To be able to provide any kind of ROI distribution meant that there had to be a source of funding to do that, and truly in our fiscal situation the only way that could be done right now was to find some source. If we found some source, as one could imagine, there were many priorities for where that money would be given. And it would mean actually doing what the original intent of ROI was, which was to take money from some units and give it to others.

Secretary Kennedy followed by asking whether it would be fair to say then that the ROI was on hold?

Provost Stroble replied that it would be a fair assessment to say that it was on hold. Although she would state, that as we had needed to cut $1.5 million out of the budget in a one-time cut, she had not assigned that on an across-the-board basis. She had looked at a number of productivity measures in units to decide how that was going to be assigned. As we were gathering information about the positions that we would be able to do searches before even with the limited funds, she had asked people to justify their searches in terms of enrollment research, grants, contracts, accreditation. So it was certainly her intent that even if we did not have the driver known as ROI, we would always need to pay attention to what was for the good of the institution from a productivity model as we allocate funds.

Chair Sheffer then asked whether there were any objections to Becky Hoover addressing the body. Hearing none, Chair Sheffer indicated to Ms. Hoover that she had the floor.

Ms. Hoover stated that she wanted to clarify for Senator Yoder and some others, because not everyone had been at the meeting last spring that left people confused at best. She did want everyone to know that the concerns about administrative units being evaluated under these same quality measures was heard then and was acted upon. The President directed her and Nancy Stokes to meet with each of the vice presidents at the administrative units. They spent several hours with each of those VP's talking about what quality measures would make sense for them and what would be the things they would find most valuable to track. There was a certain amount of interaction about that. Frankly, the strategy maps they created were a starting place but we dove in a little deeper than that. Dr. Stroble had reviewed a lot of that with her, and we were also debating about how that might interact with evaluation processes further down the road in the same way that we evaluated departments and units. At some point there might be some applicability for this. If there were only four things a person was in charge of and they were the most important things, it was probably a logical question at the end of every year to say how that person did in that supervisory position. We did not have that fully answered, but it was a role slightly different than the one Dr. Stroble had been playing. She wanted all to know it was a role we had been taking seriously and spending a significant amount of time on for the administrative units. If anybody had any questions about that process, she would be glad to answer them. It had been more in her role as the President's assistant than in any role in the Balanced Scorecard team, but she would be glad to chat with anyone about it.

Senator Lenavitt then stated that it had been his pleasure to serve the collective wisdom of every president that had been at this institution since it became a state institution in 1969. Through that process we had done any number of infamous 5-year plans and strategic initiatives, as with Dr. Marini, all different kinds of things, and last spring a new plan was put before us. We met initially with Associate Provost Nancy Stokes; thereafter the group met every week throughout the entire spring term at 7:30 in the morning, some of us missing classes. He was fortunate to have been one of the co-chairs of that effort and the collegiality was absolutely wonderful, especially how much we learned about the diversity of our colleges. We broke our butts to write something according to top-down strategy, but none of our committee ever wanted to address the issue of looking at consequential things. So we wrote and wrote and came up with a document and handed it in rolling out terms at Ohio State and Louisville. He would hate to get caught in another committee that on November 21 said, before the Thanksgiving holiday, what we needed was another report that fundamentally stated one needed to make sure that one was a good auditor of his/her numbers. He was very, very concerned about strategic initiative, strategic plans. A lot of presidents had gone, a lot of provosts had gone, and with every provost that came in we jumped through different hoops, and naturally, that was expected. But what he would like for the Provost to comment on was all of a sudden a whole semester's worth of work got shredded and put in the garbage can to get something brand new that was different. He would like a comment because, obviously, he had some loyalty to this institution.

Provost Stroble replied that she understood Senator Lenavitt's frustration. So, before we would presume that the semester's worth of hard work was not going to be useful or was not going to move forward, she needed to look at it. In her own college she had handed in all the work that her college had done all spring to Provost Hickey before he left, thinking we would get feedback about it. It did not happen. She did not think the Senator had gotten feedback about the documents his college had prepared.

Senator Lenavitt replied that it was what they would call "vapor ware."

Provost Stroble then stated that what she wanted to do was give some assurance that these models were moving us to the targets and measures. They were not so much about the strategy maps. Now had Senator Lenavitt in his college moved ahead to targets and measures?

Senator Lenavitt replied, yes, and it was controversial. The issue was that we could not clarify. Did the Provost want us to become auditors or does she want us to teach and deliver an academic program? All these numbers she was asking for were available in the support material that was in her office. Our concern was that of a world-class academic program, and we kept running around doing auditors' work. He did not see that as a continuation of his role.

Provost Stroble replied that the more fundamental question here was how did keeping track of the numbers associated with particular activities actually translate or reflect or focus on the quality of academic programs as well as the services and financial health of the institution. She thought the group that came back and did a special presentation ought to put that focus first.

Senator Lee then noted that he was one for full disclosure and he had been one of the erstwhile PBC that had been giving the Provost a little insight and input. He wanted to note that this effort to pull together ROI and Balanced Scorecard was also a reflection of the discussions that we had had about both ROI and Balanced Scorecard. When Balanced Scorecard came through he remembered the discussion and the confusion. Part of the confusion was, how did this relate to ROI? When we presented the ROI quality measures the end of last spring there was the confusion of how this related to Balanced Scorecard. So he wanted to observe, at least it was an attempt to answer those questions by saying it was true, that those were intended in some parts to be the same thing so they ought to be more together. He did have a question though, and his question was, was there going to be a clear consequence; would you get cash if you were over the target? Absolutely, the point was to link planning to budget which was always the goal for good planning. But he did not think it had ever been easy and none of the work he had seen suggested that making the link was easy. It seemed clear to him that it was never going to be as straightforward as, if you were over 1.7 you got a 10% bump. Was that correct?

Provost Stroble replied that that was a fair remark. Obviously what Louisville had done and what she had done recently was instead to use it in reverse - you took less of a hit when you had to make a cut. Or, we had ten positions we could give out; she was going to figure out whether you got any of those ten based on some kind of productivity measure. She thought that

Senator Lee was right and the era of cash bonuses were in rosier financial times. The same kind of thinking applied but not quite in as simplistic a way.

UNIVERSITY WELL-BEING COMMITTEE - Senator Erickson began her report **(Appendix B)** by stating that the committee had met twice to talk about a request made by the former PBC on a revised budget presented to PBC in early August that included a $2 million extra in group benefits cost. PBC asked the chair of Well-Being to investigate the cause of this unexpected increase and summarize some of the issues involved here.

First, Vice President Ray had made a statement to PBC that the $2 million increase came from unexpectedly large health care claims, and this was just not correct. Health insurance was a complex issue, and it was this complexity that we want to stress in our report. The University was not liable for catastrophic claims because we were not self-insured. The PPO and traditional indemnity were under minimum funding, the rest being a straight premium paid to HMO's. The University did pay the claims, but from the amounts determined by the insurance companies' premiums to be set aside. Most importantly, there was an individual and aggregate stop-loss beyond which the insurance company paid - $250,000 for an individual, and 5% beyond the amount estimated as premiums. If there were $2 million extra in major claims this year, it would be covered by the stop-loss. In point of fact, there was no evidence of such large claims this year.

The committee then sought extra information from the Associate VP of Finance (Mr. Davis). He stated that the $2 million was from a programming error with People Soft on the amounts billed by the University to NEOUCOM for long-term disability. Essentially, the University thought they were owed $800,000 and in fact they owed NEOUCOM 1.3 million. NEOUCOM confirmed such an error that was resolved by July 2002 and repaid by October 2002. Mr. Davis said that additional problems in the budget numbers resulted from premiums being charged from different accounts.

The concerns of the committee were: That an accounting error was erroneously explained as unexpected health care costs, especially at a time when it could be a factor in a decision to burden employees with health insurance premiums. Secondly, that an accounting error from July 2002 that was uncovered and resolved by Oct. 2002 did not get into the May 2003 budget, but only was included in August 2003, with the reason still unknown for that delay. What the committee had wanted to express was that we really felt and had serious concern that in this case there was a failure, a lack of communication. Failures such as these erode trust which creates suspicion and feelings that information has either been deliberately misrepresented or is the result of a complete lack of competence and knowledge, however unfounded. This is what happened when this situation arose and straight answers were not given by those in charge.

Senator Erickson continued. The committee then had the following recommendations: In an environment in which health insurance had become more complex as well as more costly: 1.) There was need for education on the health insurance system for those in budgeting as well

as those who used it. She, as chair of the committee, asked questions that people in budgeting certainly did not know. People in HR knew, but not those in budgeting and the two did not talk to each other. The committee had provided and would continue to provide information, but much more was needed. 2.) There was need for review of the present system of benefits accounting to determine whether it could be made more efficient, transparent and timely. 3.) There was need for additional timely and continuing data relating health data and costs, so it could be used effectively for analysis and decision making relating to causes of health care costs.

Senator Erickson then stated that we all knew health care costs occur. The only way to effectively deal with them was for us to get at the causes. That was, to try to keep people as healthy as possible. The committee had recommended this last year; we should carry these ideas forward. The administration said it would be too costly to implement; we reiterated that the initial cost would be well worth the potential savings possible from such additional information. Essentially, one heart attack prevented would cover the costs. The committee felt that efforts to meet these recommendations and to provide the resulting data in a timely manner to the committee were necessary if trust was to be restored in the budgeting administration of the benefits system.

Senator Hoo Fatt then inquired about the money paid to NEOUCOM. Did Senator Erickson think stuff like this had happened before? Was the committee merely lucky it had caught this one?

Senator Erickson replied that that was a good question and one that she did not know how to answer. It was really difficult to find out how all this worked. She was not an accountant but an economist, and can only hope to ask the right questions. Information had been extraordinarily difficult to get.

Senator Sterns then pointed out that for many years NEOUCOM was part of the same health care package as the University. A number of their faculty provided expertise and helped to evaluate it. He was wondering about an explanation as to why they decided to go on their own as opposed to working with us?

Senator Erickson stated she could correct this – NEOUCOM did go out and bid with the University, but their collection of money was now separate.

Senator Gerlach stated that the committee had listed a series of recommendations. What did the committee wish the Senate to do with these recommendations? If it wished to endorse them, there must be a motion to adopt this report.

With the answer to this question, Senator Broadway made the motion to endorse the committee's recommendations; Senator Gerlach then seconded this motion.

Chair Sheffer called for discussion of the recommendations. Senator Covrig stated that, since the concern was raised for Vice President Ray's office in finance, he would like to hear his perspective on the issue. He would like to hear the two sides of the view before he could vote on these recommendations.

Chair Sheffer then invited VP Ray to speak to this. VP Ray replied that this was the first he had heard of the second item in regard to NEOUCOM, so he he would go back and research what transpired and give a written response. He could not address all of these issues at this particular point in time, so he would take some time to check it out.

Chair Sheffer called for further discussion. None forthcoming, a vote was taken. With one nay vote, the body approved the recommendations.

ACADEMIC POLICIES COMMITTEE - Chair Sheffer indicated that Senator Drew would be making the report for Associate Provost Nancy Stokes.

Senator Drew began her report with a status report on three items. The first was related to a request from the College of Business Administration regarding the clarification of language concerning the use of absentee ballots in RTP matters. The APC believed that deliberation was clearly understood by most faculty to mean formal participation of some kind; therefore, no change in the language was necessary, according to the committee. There were a number of options available for formal participation - conference calls, for example, in addition to actual face-to-face meetings.

She continued. The second item was related to a request from the Community & Technical College to clarify who was eligible to act as an external reviewer in the RTP process. The APC believed that while RTP was a review of academic criteria and external reviewers should themselves be academics, there could be extraordinary situations in which a faculty member's primary assignment was defined in his/her contract such that a professional expert would qualify as a reviewer. Therefore, the committee believed that departmental committees should determine who was qualified to serve as an external reviewer in matters of RTP.

The third and final issue was related to the proposed Honors College. The committee received materials from Dr. Dale Mugler as requested, but there were still questions remaining concerning the budget associated with the Honors College. PBC no longer exists and the APC was not responsible for budget. The APC continued to support the concept of an Honors College; however, given budgetary unknowns, the committee could not make any recommendations at this time. The APC asked that a formal business plan be submitted by Dr. Mugler to the Provost, the Provost being the head of the unit in which the Honors Program resided, and then requested that the Provost forward her recommendation to the APC. The APC requested that the recommendation include the business plan and be detailed enough to address questions of budget, infrastructure, organization, programming, faculty, and future growth.

Discussion then ensued concerning exactly what the APC wished the Senate to do with these items. Senator Rich stated that a motion to endorse each was not needed since these were not really recommendations. Were these proposed changes or was this simply the committee explaining what its interpretation of these items was?

Senator Gerlach replied that what the Senate proposed to do was to put our stamp of approval on one of the Senate committee's determinations. We were the body to make policy; the committee was not making policy. It was recommending to the Senate a policy understanding to act on.

Senator Hebert then stated the he would like to comment on the first item that was actually not the language that was currently in the Faculty Manual. The language said that there were instances where special exceptions could be made. We had had a faculty member who had reviewed the files and was going in on the day of the review meeting for cancer treatment. This faculty member was denied by Nancy Stokes the ability to cast an absentee ballot. Her interpretation was, "We could not grant special exemption because of the fact that he did not participate in the deliberation." That was the issue; it was not the issue with the language. It was Nancy Stokes' interpretation of the language that we were debating here, because the language said you could make exceptions. And a call was made by somebody who wanted to deny this person the ability to vote and the interpretation was, "Did not participate in the deliberations therefore could not vote." It was not with the language at all, but the interpretation by a University administrator regarding the language.

Senator Drew then stated that she wished to withdraw that particular motion from the floor and take it back to the committee. Nancy Stokes was the chair of that committee, and this issue had been presented to the APC in exactly the opposite manner.

Senator Hebert replied that he would appreciate that.

Chair Sheffer then directed attention to the second item. He called for a motion to endorse the section action regarding the request from the Community & Technical College to clarify who was eligible to act as external reviewing in the RTP process. Senator Kreidler made this motion; Senator Jeantet seconded it.

Senator Johanyak stated that, as a member of APC, she believed the committee's intent was merely to offer this for informational purposes only, not necessarily for endorsement at this time.

Senator Sterns then offered a point of clarification. One of the things that was really important here was the fact that non-academics who might be experts in their field would be used as external reviewers. So if it was in fire safety for instance, we might ask that you had a fire department worker to serve as an outside expert.

Senator Drew indicated that that was a correct interpretation. There might be instances in Fine Arts for example, where a professional might serve as a qualified external reviewer as opposed to necessarily an academic one.

No further discussion forthcoming, the Senate voted in favor of this motion.

Chair Sheffer then directed the body's attention to the third item. He stated that what APC was asking the Senate to do was to ask Dr. Mugler to prepare a business plan for submission to the Provost and then to send that back to the Senate. The motion was made and seconded.

Senator Sterns replied that he hoped that indeed this would happen, because we were spending an awful lot of money building a new building. The foundation was being poured as we spoke, so he hoped that we indeed would come up with a full plan. He might point out, of course, that we could not report on that building any longer.

No further discussion of the motion forthcoming, the Senate then voted to approve this motion.

REFERENCE COMMITTEE - (See **Appendix C.**)

COMPUTING AND COMMUNICATIONS TECHNOLOGIES COMMITTEE – Senator Norfolk began his report by stating that the committee had met last month and had managed to get the website up-to-date. It was under akron.edu/cctc, and contained the minutes of the meeting. The committee would keep that updated thanks to one of its members. The committee had spent most of the time discussing what to do about the laptop program. It was under some serious attack by the Board of Trustees Finance Committee. Dr. Gaylord had asked the CCTC to help; we had passed a unanimous resolution basically endorsing his preferred choice for the next laptop program. There was an emergency meeting of the BOT Finance Committee the next day. At that meeting they decided that we might continue the laptop program, but it wasn't decided how. So they talked about putting out different bids. Two names of members of the committee had been forwarded to him to help out with the bidding process or at least the specification process.

Senator Erickson stated that she was a little confused because as she had understood, it was not a problem because Vice President Gaylord was doing it under his present budget.

Senator Norfolk replied that that was correct. However, the Finance Committee was eyeing Dr. Gaylord's budget (including student technology fees) to cut it to pay for other things on campus. This would mean that there would be no money to buy out the lease at the end of this laptop program; there would be no additional money for laptops. That was the threat under which we were living. Dr. Gaylord put together a proposal within his technology budget to buy the leases for the machines currently active and upgrade them if necessary, and also to put

another 1,000 machines in faculty hands for slightly more than certain other proposals. The total cost was about $3.6 million over four years.

Senator Erickson then stated that that was supposed to be within his present budget.

Senator Norfolk replied that it was within his present budget but they were discussing cutting his budget substantially even more.

Senator Drew then stated that her understanding was that the lease buyout, if it did happen, rounded out to about $700 per machine. Senator Norfolk indicated the amount was between $200 - $300.

Senator Broadway had a question regarding the first cycle of laptops. He did not recollect ever having the potential users surveyed about their needs. It seemed to be pretty narrow in scope of what it could be. It seemed in the second round we would continue to narrow down and almost give monopolies to certain vendors in that process and not really look at the needs of faculty. Was there going to be some overt explicit request that faculty somehow in the program express their desires and needs?

Senator Norfolk stated that his best suggestion would be to contact CCTC, as there were active links on that page if anyone had specifications that make sense. The committee had received some technical specifications. Some people wanted boxes that would run limits as well; some wanted higher resolutions available on the screen because their eyes were going bad. There were certain instances where people insisted there should be a Macintosh laptop available. Of course we were buying in bulk so there would be serious restrictions. In fact, Senator Rich would be even better to contact because he was one of the individuals who was collecting these specifications.

Senator Broadway replied that he could do that as an individual, but his suggestion to the committee was (if this was in order) to solicit the faculty in regard to what their needs were, not wait for faculty members to talk to them. That the committee be proactive and search for requirements that faculty would like and then put that into the proposal so that we had a realistic number and program rather than having it assumed by Vice President Gaylord.

Senator Jeantet stated that he had been wondering why these things cost so much. For example, he was trying to get a new computer in his office, and if he went through Dell on the internet himself, it cost half as much as getting one from the campus store. If he wanted to get a network card for his laptop, it was going to cost him $137, but he could get an 802.11B card on the internet for $30. He knew it would work because he used one at home with his wireless network. It seemed to him that everything cost anywhere from 100-400% more going through our special deals than we could possibly get going through retail.

folk

Senator Norfork stated that that was indeed true. It had been an issue. In his own department, it had taken six months of fighting with the VP/CIO's division to actually get people machines they wanted from their own money. He did not know the answer, as nobody ever gave us a serious answer.

Senator Jeantet replied that there was a huge amount of money that was obviously going to the retailer, or else they were paying themselves incredibly handsome profits.

Senator Norfolk replied that the last laptop rollout was IBM machines and yes, indeed they got rather a lot of money for each of those machines.

Senator Jeantet then stated that if you were buying a reputable brand like HP or even Compaq, one could get an extremely good machine with a DVD and large screen for under $1,000 buying it outright. So we were being asked to pay at least $2,500 and then had to pay additional money to keep the machine when you could buy two of those machines for every person for less money?

Senator Norfolk replied that that was the bidding process out there now.

Senator Gerlach added that if these budgetary things existed, what University administration ought to do was stop spending money on all this confounded gadgetry and allocate X dollars to every faculty member who needed the equipment and could get it at a reasonable price such as Senator Jeantet stated.

Senator Norfolk replied that that was more or less what was being done. Out of the student technology fees based on numbers which were a little low, there was $500 per full-time faculty per year allocated, $500 per person per calendar year going to the college to be spent as the dean disposed. For each laptop, $250 went back to the CIO division. In his department between grants and that money, we were able to upgrade machines periodically, or episodically, he should say. But such monies were available under the right conditions. The purchasing process was complicated because this University was a behemoth – that was the only reason for it. If you wanted to discuss how much you paid for telephone service, you paid $40 per month for a business line. We also paid $.08 for every single local call that we made. That was what was breaking the budgets, and that was in internal accounting.

Secretary Kennedy then stated that, speaking as a member of a college who had done exactly what Senator Norfolk had said and gone to outside vendors for computers, please be aware that the University does not support those. If there were problems with those computers, the University does not provide support for those machines. Also, would Senator Norfolk speak to the comment that, in fact, a possible reason that the charges were increased so much in terms of things like wireless cards and cables had to do with an increase in overhead related to the new facility at the Student Union?

Senator Norfolk replied that he did not know, but he did know that the Student Union was costing us on the order of $3 million a year over and above the revenue it generated.

Senator Dechambeau then asked for a point of clarification. The two members of the committee that were helping with the bids, were they two CCTC members and not members of the Board of Trustees Finance Committee?

Senator Norfolk replied that in fact Dr. Gaylord had asked for two members of the CCTC committee to help gather these things; namely, Senator Rich and Senator Lenavitt.

As there were no further reports or additional business to address, Chair Sheffer then called for a motion to adjourn. Senator Sterns made this motion; nearly all Senators seconded it. The meeting adjourned at 4:50 p.m.

Transcript prepared by Marilyn Quillin

APPENDIX A

TWO ITEMS ON THE LIST OF TEN

Faculty Senate Presentation

October 2, 2003

NUMBER 8

- REFINE ROI AND ADOPT ACADEMIC QUALITY MEASURES FOR IMPLEMENTATION

NUMBER 9

- COMPLETE BALANCED SCORE CARD DEVELOPMENT AND USE IN ACADEMIC STRATEGIC PLANNING

Where We Have Been

- Development of ROI: Rationale
- Implementation
- Questions and Issues
- Quality Measures
- Benchmarking
- Effect on Units and Institution
- Need for Strategic Planning/Investment

ROI

Purposes, Intended Outcomes, and Implementation Issues

Balanced Score Card Progress

- Charting the Course
- CORE Team and Leadership Training
- Strategic Destination
- Strategy Map Development
- Cascading Out to Units, Departments, and Divisions
- Measures, Target, and Indicators

Update: 2002-2003

- PBC Meeting Deliberations
- Faculty Senate Recommendations
- PBC Committees: ROI and Quality Measures
- Deans' Quality Measures Committee
- Ongoing Development of Strategy Maps

SUMMER 2003

- Consultation with Dr. Linda Shapiro, Associate Provost at the University of Louisville
- Review of BSC Documents from Louisville, UT, OSU
- Drafts of Institutional Measures, Targets, and Indicators

WHAT NEXT?

- Continue to review draft documents
- Reach agreement on measures and indicators for institution and units
- Establish baseline data and benchmark targets for institution
- Establish data and benchmark targets for each unit

REPORT OF WELLBEING COMMITTEE TO FACULTY SENATE OCTOBER 2ND,2003

The Wellbeing Committee has met twice since the last Senate meeting: on September 17th and September 30th. There were two topics of discussion.

1. Memoranda to President Proenza and Vice President Ray

The Chair sent memoranda on behalf of the Committee on September 9th to VP Ray and to President Proenza relating to them the opposition of Wellbeing, PBC and the Senate to the introduction of health care premiums without the 3% raise pool. The memorandum noted that only 31% of those covered by benefits are 9-month faculty. Any raises that might be negotiated by the union later would only apply to a minority of those covered by insurance. Low- income staff members with families could especially be faced with considerable hardship.

2. Unexpected increase in Group Benefit costs in August budget

The revised budget presented to PBC in early August included $2 million extra in Group Benefit costs over the budget passed by Senate in May. PBC asked the Chair of Wellbeing to investigate the cause of this unexpected increase. Drafts of this report were discussed by Wellbeing and it was forwarded to PBC before the end of September. The detailed report can be obtained from Rudy Fenwick. The Committee wishes to share some major issues related to the report.

1. Vice President Ray's statement to PBC was that the $2 million increase came from unexpectedly large health care claims. This is not correct. The University is not liable for catastrophic claims as he stated, because we are not self insured: the PPO and TI are under "minimum premium funding". The University does pay the claims, but from the amounts determined by the insurance company as "premiums" to be set aside. Most important, there is in addition an individual and aggregate "stop-loss", beyond which the insurance company pays ($250,000 for individuals and 5% beyond the amount estimated for "premiums". If there were $2 million extra in major claims this year, it would be covered by "stop loss". In fact there is no evidence of such large claims this year..

2. The Associate Vice President for Finance stated that the $2 million was a programming error with People Soft on the amounts billed by UA from NEOUCOM for Long Term Disability. NEOUCOM confirms such an error: it was resolved by July 2002 and repaid by October 2002. Mr. Davis said that additional problems in the budget numbers resulted from the difficulty of charging a number of other accounts (like Grants)for health care "premiums".

Concerns of the Committee

The Committee expressed its concern:-

- that an accounting error was erroneously explained as unexpected health care costs, especially at a time when it could be a factor in a decision to burden employees with health insurance premiums.

- that an accounting error from July 2002 that was uncovered and resolved by October 2002 did not get into the May 2003 budget, but only was included in August 2003, with the reason still unknown for the delay.

The Committee considers that there is a serious general concerns raised by this issue

- There was a failure to determine facts, a lack of communication and lack of efficiency, together with a lack of transparency.

- The result is to erode trust , which can lead to the suspicion of misrepresentation and/or of lack of competence and knowledge, however unfounded.

They consider that knowledge, transparency and trust are essential to the effective working of the Benefit system.

Recommendations
The Committee considers that in an environment in which health insurance has become more complex as well as more costly:-

1. There is need for education on the health insurance system for those in budgeting as well as those who use it. The Committee has provided and will continue to provide information, but more is needed.
2. There is need for review of the present system of Benefits accounting to determine if it can be made more efficient, transparent and timely.
3. There is need for additional timely and continuing data relating health data and costs, so that they can be used effectively for analysis and decision making relating to causes of health care costs. The Committee recommended this last year. The administration stated that it would be too costly to implement. We reiterate that the initial cost would be well worth the potential savings possible from the additional information. One heart attack prevented would do it.

The Committee feels that efforts to meet these recommendations and to provide the resulting data in a timely manner to the Committee are necessary if trust is to be restored in the budgeting administration of the Benefit system.

APPENDIX C

Reference Committee Report

Faculty Senate Meeting of Oct. 2, 2003

The Reference Committee of the Faculty Senate held its first meeting of the year on Thursday, Sept. 11, 2003.

Present at the Meeting were:
- M. Kreidler
- R. Fenwick
- A. DeChambeau
- J. Welch
- E. Kennedy
- T. Dowd

Elizabeth Kennedy was elected Chair of this committee.