

THE UNIVERSITY OF TOLEDO Approved @FS mtg. 9/29/09
FACULTY SENATE
Minutes of the Senate Meeting of September 15, 2009
<http://www.facsenate.utoledo.edu>

HIGHLIGHTS

Olivia Summons, Chair, BOT
Scott Scarborough, Senior VP for Finance

Note: The remarks of the Senators and others are summarized and not verbatim. The taped recording of this meeting is available in the Faculty Senate office or in the University Archives.

President John Barrett called the meeting to order, **Nick Piazza**, Executive Secretary, called the roll.

I. Roll Call –2009-2010 Senators:

Present: Anderson, Barlowe, Barnes, Barrett, Baumgartner, Brickman, Caruso, Chiarelott, Coventry, Crosetto, Denyer, Dowd, Dupuy, Elmer, Fink, Fournier, Giovannucci, Gunning, Grothaus, Heberle, Hoblet, Horan, Hornbeck, Hottell, Humphrys, Jenkins, Jorgensen, Kennedy, Kistner, Laux, LeBlanc, Lee, Malhotra, Marco, McSweeny, Metting, Moore, Nandkeolyar, Niamat, Nims, Olson, Peseckis, Piazza, Plenefish, Powers, Randolph, Regimbal, Rouillard, Sheldon, Shriner, Solocha, Teclehaimanot, Thompson-Casado, Wolff,

Excused absences: Ankele, Duggan, Oliver, Skeel, Tietz, Wedding,

Unexcused absences: Barden,

A quorum was present.

II. Approval of Minutes: Minutes of 9/1/09 meeting approved as distributed.

III. Executive Committee Report:

Executive Secretary Nick Piazza is asking the Senators to introduce themselves before speaking to get the speakers' names recorded accurately in the minutes.

President John Barrett:

I want to thank everyone who volunteered to serve on various committees. Faculty Senate has been putting together a list of committee on committees and we will finalize it this week. Then the Committee on Committees will be in charge of appointing to all the other Faculty Senate committees. Also, a special thanks to Morris Jenkins and Steve Peseckis who have agreed to split the duties of being a Faculty Senate liaison to Student Senate. Thirdly, Faculty Senate at our next meeting will conclude early so that we can have a recognition ceremony and a reception for this year's distinguished university professors.

Fourth, Faculty Senate is going to co-sponsor 'Getting to Professor Workshop' on October 16, we are currently putting together a list of panelists for this. I would like to encourage you and your colleagues to attend even if you have completed the process so that we can learn from your experience. Next, Faculty Senate Executive Committee is continuing to meet with the Provosts about a number of matters that will be coming forth in the coming weeks. Among them is a revised misconduct policy which should be posted for comments next week.

We would encourage that any of you who have extra copies of your assigned books, that you place them on the reserve in the library. This can be done by giving them to Alice Crosetto in the Carlson Library, ext. 2760.

Finally, the topic that we will be hearing about is the H1N1, which continues to be a major concern across this university. It is particularly important issue to students since they are in the age group that this disease can be devastating to them. As such, the university is preparing a new policy and contingency plans that you will be hearing about in the coming weeks. The Faculty Senate Executive Committee at its meeting last week endorsed encouraging faculty to follow some Center for Disease Control recommended actions of developing a contingency plan for developing course contents and meeting course objectives when a large number of students or faculty are unable to attend classes due to an illness. Also policy and practices relating to attendance, classroom participation, laboratory activities, make up options, a number of exams, and consider how you might want to modify them if we have the H1N1 outbreak.

In order to mitigate the spread of the H1N1 virus, students need to stay home and not attend class or take exams. Please alter or relax missed classes, missed exams and late attendance policy so students will not be penalized for staying at home when they are ill. And not requiring a doctor's note and to have an excused absence. The Health Science Services will be extremely busy and unable to provide doctor's notation. Ideally, we would like to see Senate endorse this beyond what the Faculty Senate Executive Committee did last week, so we have added that as an action item for discussion today. We will ask Penny Poplin Gosetti if there is any further information she would like to clarify on this. Next, the University will be holding a faculty training program in the form of Portal Tools Workshops, this is for '*Luminis Lite*' option designed for faculty who are not currently using '*Blackboard Lite*' version so that students can access their course material from their computers. The workshop flyer indicates what course tools could do for your course, course tools can give you web-based communication for all your students in your class. You can email your class, post documents for student to print. Please find time to attend one of the workshops listed on the flyer. These workshops are being presented to enable faculty that do not have distance learning course or *Luminis* course to continue their class in the event of H1N1 outbreak. There are workshops on September 21 at Carlson Library at Noon, 3, 5, and 6 PM. Also on the 23rd at 8,9,12,1,3, and 4 PM. On the Health Science Campus on the 29th at Mulford Library at 8:30, 10, 4, 5:30. And also on October 1 same time, and finally at UCC 1600 on Monday, September 28 at 3:30 and 5:30 PM. If you can't make any of the workshop, stop by the IT Expo on Main Campus, Sept. 24th in the Student Union or on the Health Science Campus, Sept. 22, in the hospital cafeteria, and they will do a quick walk through for you. Once again we would like to see Senate endorse as an Action Item for you to consider and hopefully John Gaboury will be able to answer any questions relating to this matter.

Next is Provost Gold with the Provost's report.

Provost Gold: Thank you and welcome to the first official meeting of the Senate on the Health Science Campus. I too would like to talk to you about influenza and let you know where we stand. We track something that we call ILI, which is the CDC's language for "influenza like illness". It has to do with the number of individuals that show up in emergency rooms or doctor's offices, or residence halls with an illness that looks like the flu, given symptoms like fever, cough, sore throat, aches and pains, with the usual stuff that we all have had. It is a clinical syndrome that looks like "the flu". So just to give you an idea, three weeks ago in the Student Medical Center combined campuses we had zero situations of ILI. The week following that we had three, last week we had ten, and seven yesterday (in one day). Yesterday, one of the students tested positive for type A influenza which is the type associated with H1N1. The Ohio Department of Health is yet to decide whether or not to determine whether it is H1N1 strain. This particular student lives off campus and is an undergraduate in the College of Business. There was one case documented as H1N1, but that was before classes began, and he is an international exchange student who lives off campus and was hospitalized at the U.T. Medical Center. The reason for the hospitalization was really not the flu but a co-morbidity that in combination with the flu made him quite ill and was admitted, treated and has been discharged, and is doing well and attending classes. The Student Medical Center and the Emergency Dept, etc., are tracking on a day by day basis the activity of ILI and calls related to ILI from parents and students. If you have

been reading the newspapers, you will know there are many universities across the country, several in the State of Ohio, my alma mater in Ithaca, New York had 580 documented cases. They were living in a sick dorm, and tragically they had one death, a 20-year old student, who was reportedly otherwise healthy. This is a disease that does affect young, otherwise healthy people. The current recommendations are repetitive hand washing with soap and water or with alcohol based materials and to keep your hands off doorknobs and handrails. We have increased the frequency with which to clean those surfaces and are using stronger chemicals that are completely consistent with the CDC recommendations.

Dr. Haggett and I and many others talk about the important matters that are in the hands of the University right now. On the Medical Center side, we are seeing a significant ILI type activity. High at risk patients are those who are high risk such as severe shortness of breath. These symptoms need to be treated within the first three days or the antiviral are probably not going to be effective.

Now in regards to vaccinations. As of last Friday we received our first shipment of seasonal flu vaccinations, not the H1N1 vaccine. We ordered approximately 20,000 doses at twice the price that we were originally promised. We are still trying to get between 15,000 to 20,000 doses. We started immunizing the so called CDC priority one individuals who are in direct care of patients and otherwise high risk people. They are handled by a very large and excellent volunteer group of our students, pharmacy students, nursing students, and Health Science med students. It's working quite well. As of yesterday we have vaccinated several hundred people. As soon as we get the primary group immunized, we will be offering the vaccine on the Main Campus to students, faculty, etc. We will probably receive a shipment of the H1N1 vaccine as soon as it gets cleared by the Center for Disease Control, roughly October 15. We have a very elaborate plan already in place for the immunization and are setting up stations in the Student Union and in Residence Halls. We are going to try and immunize a large group of students. For the H1N1 vaccine the students between six months and the 24 years of age group are in priority one. They're in the high risk group.

We have a web page (utoledo.edu/fluprep) that includes current status, recommendations for students and faculty, and a video that was supposed to go live today that was produced by the Center for Creative Education. If you have any questions or concerns, please call myself, Dr. Haggett, Dr. Poplin Gosetti, or Dr. Metting. We will try very hard to follow the CDC's recommendations.

Last Friday we had a very important occasion held on this campus and that was the official groundbreaking for the new College of Pharmacy building. It was extremely well attended by local politicians, members from the community, college Pharmacy Advisory Board, and faculty and students. It marks the beginning of one of the dreams realized as a result of the merger. Although we technically broke ground just on Friday, the construction has been well under way for some time. We here on this campus are very aware of the noise and vibration issues associated with construction and have adjusted the construction to our exam schedules for the first semester. Almost all of the heavy demolition work is already done.

We remain very involved nationally in dialogue regarding health reform. This is a rapidly moving target. The President is making two trips a day talking about health reform, but things are far from a done deal. If any of you would like to chat with me on that, please do so. Are there any questions or comments?

Senator Jorgensen: How do we distinguish between sniffles and when students should stay at home?

Provost Gold: It really comes down to the concept of ILI, influenza like illness. What I would recommend they do is go directly to the website (utoledo.edu/fluprep) as it has frequently asked

questions and also defines ILI. They do not need to be treated unless they are in the high risk group, which is less than 6-months of age, over 65, or has a major co-morbidity. In the past we had a policy that students had to obtain some kind of documentation of medical illness to get excused from class. The current CDC recommendation is not to do that at this stage. The reason is we don't want to be dragging these cases of flu across campuses, sitting in waiting rooms, meeting up with students and faculty and other non-flu medical problems waiting to be seen. These are extremely contagious air born diseases. We will have to rely on the judgment of students. Students at any time are encouraged to call the Student Medical Center, and they will tell them on the phone whether they have the ILI and should go to class. The common symptom of the flu is that it causes fever. If you don't have fever, you don't have the flu. Today there was a student with all the symptoms except the fever. The reason he didn't have a fever is that he was taking Tylenol. Tylenol sometimes mitigates fever.

Senator Peseckis: The Blade today reported on a study that it appears that H1N1 may be effective longer than the seasonal flu so students might be able to pass it sooner. Students are not encouraged to come back immediately.

Provost Gold: We strongly advocate that students develop a buddy system which is widely used across the country and that is to identify at least one person in their classes who could help them with notes, course material, do their chem. labs for them, etc. I haven't spoken to Dr. Haggett yet, but there might be a reasonable thing for the faculty to consider some kind of buddy system as well. Unfortunately, what is being seen at Cornell, Miami of Ohio and other institutions across the country it's not just students that get the flu. If you yourself need help, please don't hesitate to call us. Thank you.

President Barrett: I would like to now open the floor to any issues or concerns you wish to talk about.

Senator Olson: One of the issues is to get evaluations done on the administrators that have been on this campus for more than three years. That is long overdue.

President Barrett: Faculty Senate received a requested Action Item on that at the last Senate meeting, and we are working on it. It is our intention to have a proposal for the Senate to vote on at the next meeting but it wasn't quite where we wanted to be for a vote today. It is something very much on our mind.

There are several Action Items we need to deal with. The first one is encouraging faculty to suspend any attendance policy for this year so that the students don't feel pressured to attend class because of H1N1, encouraging faculty to think creatively and be student centered and deal with absences, and think of such things as make-up labs, open labs for those that have missed scheduled labs, not requiring a doctor's note, relaxing your attendance if you are not willing to suspend it and generally just preparing contingency plans for delivering your course in the event of an outbreak.

Any discussion or comments on this?

Senator Fink: I am prepared with lectures, but if you make it so there is no attendance policy at all, the reason to have this policy is that we know if they show up, they do better. Most faculty can judge whether it's real or not. I don't understand why they can't have doctor's slip.

Senator Peseckis: In Washington State they had 2,000 students sick in ten-days. The hospitals can't handle that many people and they expect them to go to the doctor.

Senator Fink: If there is an outbreak, I understand. We are doing under the assumption that we are going to have this.

President Barrett: As Steve said, the hospitals cannot handle that much and they don't want sick people to hang around and spread it around the hospital either. This is an idea to encourage faculty to be creative, to consider suspending or modifying their policies. Obviously every faculty member is going to modify this in his or her own way to the needs of the course. Maybe in your case you will insist on something more strict.

Senator Heberle: I don't think that relaxing the attendance policy is the greatest idea. My students stay out when they are sick.

Senator Niamat: What if students take undue advantage of this policy?

President Barrett: That is a risk in this situation. They are paying to come to school, I think the risk is far greater that they might miss a test than missing just another day of class. There will be some abuse so the question is do you think this is outweighed by the other factors?

Senator Hoblet: With this flu, it will be recommended that we try to always break the chain of transmission. You can break the chain of transmission in a number of ways, you either control the port of entry through a number of mechanical things, you can control the port of exit, the person the host shedding the virus. That's what they are trying to do by telling your students to stay home. This is an air born disease and virus, we don't have masks and we don't know for sure if students will properly use them and educating the masses might be very difficult. So we are trying to use all mechanical means. One of the biggest thing the faculty can do is help isolate those students. That's why be prepared for alternative means to deliver your content and evaluate your students within that content.

Senator Fink: I will alter my approach to this.

President Barrett: We had a motion and a second, all those in favor of encouraging the faculty please say "Aye." Opposed? "Nay?" *Motion passes.*

The next item is to encourage faculty to the degree appropriate for them to attend one of the Portal Course Tool Workshops so that materials can be provided to students through their computer so they won't feel the need to come in to class when they are feeling sick. Some of you teaching Distance Learning classes already have his material. Is there a motion to encourage such activity? A motion was made and seconded.

Any comments or discussion?

Senator Caruso: What's going to keep faculty from abusing it?

President Barrett: In the ever-rare sense of professionalism? Other comments? All in favor please say "Aye". Opposed? "Nay". *Motion passes.*

Last item: The Health Science Campus has three committees that need representation elected to them. Faculty Committee on Rules and Regulations, Grievance Committee, and Post Tenure Review Committee. According to the Faculty Senate Constitution the Senate is responsible for conducting these elections and per the Rules and Regulations for the Health Science faculty not bound by a Collective Bargaining Agreement, the Constitution says the Faculty Committee on Rules and Regulations will work with the Faculty Senate to organize the elections. As a result of this preamble, a proposal has been brought forth for a process to elect membership to these three committees.

The proposed process for every year after this one, this year it will not be followed because we are past the dates already, is that the Faculty Committee on Rules and Regulations will send to the Faculty Senate by August 20 of each year,

- A request that the Faculty Senate solicit nominations for open positions for each of the three committees listed above. For this year I presume it will be done as soon as possible
- A list of the open positions for each of the three committees
- A description of, qualifications for, and term of service for each committee
- A list of eligible faculty who can be nominated and vote for the open positions for each committee.

The Faculty Senate will:

- Prepare and distribute a call for nominations for election to fill open committee positions by August 30 each year
- Confirm eligibility and acceptance of nomination from those who are nominated

- Prepare and distribute an official ballot for election
- Tally all completed ballots
- Prepare an official report of the results

So this is the process that has been suggested. Faculty Senate Executive Committee approved this and brought it to you all for final approval so that these committees can be staffed in the future. Since this is coming from the Faculty Senate Executive Committee we do not need a motion. But let's open it up for a discussion.

Senator Peseckis: Eligible faculty include only faculty on the Health Science Campus, and would that include Pharmacy?

Senator Hoblet: It is all faculty not covered by the collective bargaining agreement. Any faculty in the College of Pharmacy that are AAUP would not be eligible.

Senator Olson: That includes the School of Law. There is likely to be a change to the membership in the faculty union in the near future.

President Barrett: This derives from the Rules and Regulations of the Constitution that specifies that this is the process to use this if you are not covered by a collective bargaining unit unless your college opts out of this process. The College of Law has opted out.

Senator Olson: The SERB changed this and those people that would be extracted from this process.

Senator Hoblet: That is correct.

President Barrett: Any other comments? All those in favor please say "Aye." Opposed? "Nay". *Motion passes.*

Next, we are honored to have Olivia Summons, Chair of the Board of Trustees.

Chair Olivia Summons: I didn't come prepared with any remarks because I wanted this to be a dialogue. It is truly an honor for me to serve in this capacity. It is not something I aspired to have, it just sort of happened to me. My experience has been tremendous. Since I have taken this position on July 1, things were quiet in the summer. As things have geared up I have been exposed to more individuals, met more individuals, been in more places, and it has been truly tremendous. I am a hometown girl, a Toledo native and I have watched this university evolve tremendously especially in the last few years. It's truly a pleasure for me to be here. I hope you will have me back again. Rick Stansley would say that he loved going to the Faculty Senate meetings, it was always interesting.

There are several of you that I recognize faces, others I don't know. I think this university is on a threshold of so many wonderful things. Yes, we are all about the students, and this community and this university continues to elevate itself in the eyes of this community. As the corporate structure changes in this community, the leadership keeps arising from this university in so many facets, training work force, economic development, the research that we are bringing in, the partnerships with RGP, the Port Authority and different organizations and the work that the faculty are doing with the students in the community is tremendous. The credibility and the whole being of this university is continuing to achieve so much stature, and I think it's just marvelous.

We have a university governance document, a resolution, that is going to the Board on Monday, I will be happy to go through that and to take questions. To me this is a learning experience, you to me, and me to you. Now, I will take your questions.

Senator Olson: First of all, I would like to commend you for adding faculty members to the Board committees. This is a significant way to open up communication between the faculty and the Board. In the past, we have felt quite remote from the Board. My question is, how do you view the structure of the Board and the Faculty Senate, how do you make communication effective between these two bodies?

Chair Summons: I am so glad that you are happy with that recommendation that's going to the Board for approval on Monday. I was part of the old UT Board, and we had faculty representatives on the committee and they were an excellent resource to us. Then after the merger things were evolving and changing we didn't do that for a while. And now it is time again to have that input. Rick Stansley, my predecessor, very much believed in that. He was a great mentor to me last year and included me on so many things, what I'm starting to do with Bill Fall this year. He felt very strongly and I concur that we do need and want that input of faculty representation on those committees. That is part of the University Governance document. The Board sees it and delegates the authority to the President of the University. The chart that came in to the Trusteeship committee meeting delegates from the Board to the President. The President delegates to the Provosts. There is a two-way arrow showing that faculty report through the Provost on each campus, and there are dotted lines from the Faculty Senate to the Provosts to the President. So that is how we see it as the Board. Because we had more dotted lines going around, when I asked the President, he said, 'I have an open door policy and the faculty has the opportunity to come and visit with me at any time.' But that is how the Board sees the structure, and that is how I see the structure as well.

Senator Olson: In the past the Faculty Senate has had direct communication with the Board. The problem with having communication flow through the Provosts and the President is whatever communication existed between the faculty and the Board, is filtered. It was filtered to such an extent that you did not hear what the real feelings of the faculty are. You and the Board need to hear firsthand how the faculty feel about a situation. For example, faculty are very upset about the bonuses awarded. And you saw it also in the press. This subject came up in the FSEC earlier and it should have been headed off there, but because the Board doesn't hear the faculty's voice, you are unaware of the discredit that this caused to this university. This is something that cannot be allowed at a public university. It is not consistent with the way the public organizations work. You need to hear it first hand from the faculty.

Chair Summons: Clarification, what is it that can't happen, is it the lack of communication or the bonuses.

Senator Olson: The bonuses.

Chair Summons: Bonuses cannot happen?

Senator Olson: They cannot in a public institution. It's a very unfair reward. The administrators do not risk their personal money or their salaries. Most of the administrators return back to the faculty status when they get fired. They continue. When President Kapoor left, he returned to faculty at a salary very near his presidential salary. When President Johnson stepped down, his salary as president emeritus was greater than his presidential salary. They are not taking a very large risk, and yet they get these huge bonuses. That looks very bad to the public, to the faculty, and bad for the students to see this. The Board needs to understand the depth of the feelings of faculty on this matter, and because it is being filtered by the very people that are receiving these bonuses, you are not going to get the feeling that we have regarding that. You need to open that communication. By having communications go to the Provosts, to the President, before the Board, you lose that communication.

Chair Summons: Let me clarify this to Walter and I don't want to dominate this, I want everyone a chance to talk. You said in the past you had access to the Board. Tell me how that happened?

Senator Olson: Back before President Jacobs, when Dan Brennan was chair, he would come and talk to the executive committee, to the senate and the faculty and the faculty had his personal phone number so that they could relay any situation directly to him. Faculty also had external contacts to the Board.

Senator Dowd: In the past, individual Board members would be paired up with a member of the Faculty Senate Executive Committee. That way, if a Board member had a question about a particular issue, they would have an established contact person with the Senate Exec. One Senator for each Board member. This way communication was free flowing to every Board member. Part of the problem we are having now is that when we do have the opportunity to

speaking to the Board it's usually with the chair only, or the vice-chair, but we do not have the opportunity to speak with other Board members.

We also had individual Board members would be paired up with a member of the Faculty Senate Executive Committee, so that as a Board member if you had a question about a particular issue, you would have a contact with the Senate Exec. One person to one Board member. This way communication lines were free flowing to every Board member. Part of the problem we are having now when we do speak to the Board it's usually with the chair, or the vice-chair, but we do not speak with other Board members.

Chair Summons: That's interesting, I didn't know that. No one asked me to partner up with anyone in the Faculty Senate Executive Committee. How come?

Senator Jorgensen: I remember your training session as a Board member when you visited the Faculty Senate Executive Committee. You started at the same time as Bill (Fall), correct?

Chair Summons: Yes. We did come, but I wasn't paired up with someone.

Senator Jorgensen: I believe at that time members of the Board were matched, but I can't speak about your specific situation.

Chair Summons: Last year Jamie very graciously asked Rick and I to come to the Faculty Senate and it was very informational and eye opening. John has extended the same invitation and I said we would be more than happy to come back to Faculty Senate whenever you will have me. I am happy to do that, and I personally don't mind if any of you want to call me on the phone.

Senator Dowd: I'd like to get back to your original point of the flow chart where the Faculty Senate has dotted lines to the Provosts and to the President. Part of that flow chart is disturbing because what happens if the Senate Executive Committee or a member of Senate wants to discuss a particular issue with the Board, but a Provost or the President does not want that discussion to take place. I think part of that was Senator Olson's point. Regarding the line of communication we, of course have to talk to the Provosts and the President for operational issues. But having a dotted line directly to the Board is also incredibly important because of situations that come up now and then when we are in conflict with the administration. So when the Board considers that flow chart, I would encourage you to also include a dotted line directly from the Faculty Senate to the Board of Trustees.

Chair Summons: I will tell you right now that it is doubtful there would be much Board support for that. However, I would have the faith that knowing Jamie in her past role and also getting to know John, that if there was an issue of such concern or that the Faculty Senate was so upset that the President of this organization would be able to pick up the phone and call me on behalf of the faculty and say, 'Olivia, we have a problem here.' I cannot imagine that your leadership would not do that. So what you are asking is for us to consider a dotted line to the Board of Trustees, I am saying that I do not believe that is necessary. We are delegating to the President of this institution, be it Lloyd Jacobs or his successors. The communication is something we all can work on, I like to hear what people have to say, and help understand what's on your mind, I respect that. When you were just talking, I felt it, I know what you were saying, I understand the frustration there. It doesn't mean that I will always going to agree, but at least I am willing to listen. I would hope that John Barrett would pick up the phone and call me and talk to me about your problem. We sat together last week at the basketball game, I hope you and I can continue to get together, and absolutely, John, I am willing to do that. I have gotten to know Jamie and I feel we are all able to speak clearly and honestly with each other. Although I cannot speak for all other trustees, the feeling that has come forth at the Trusteeship Committee and other discussions that we have had, the resolution is going as I have described it. I am hearing what you say and I will take it into consideration.

Senator McSweeney: What does the dotted line mean in real terms?

Chair Summons: We even looked that up in the dictionary. A dotted line means there is a relationship that exists.

Senator McSweeney: So if indeed you are encouraging a relationship and de facto you are doing what the dotted line would do, why not make it a dotted line on the chart? What you are saying is

you are willing to do this and we do want to communicate but we really don't want to put it down anywhere. Is that where we are at?

Chair Summons: We had it down because we had an organizational structure that has a reporting structure. Board, President, Provost, faculty.

Senator McSweeney: You said the dotted line means a relationship somewhere?

Chair Summons: It means relationship and open communication and no one is trying to close the doors.

Senator McSweeney: That's where the disconnect is. I don't think there is any question as to where the reporting relationship is, that I understand. I thought that's what the solid lines were. If the dotted lines mean communication and you are saying you are willing to do that, that's what I am not understanding. What's the reluctance to put it on paper?

Chair Summons: You mean to the Board?

Senator McSweeney: Correct.

Chair Summons: The Board wanted Lloyd to stay at the top of a pyramid, the Board holds one person accountable. The President of the University is accountable to the Board. You as individual faculty are not accountable to us. You are accountable to this institution in the way it is structured.

Senator McSweeney: I understand. Does the dotted line mean accountability or a relationship?

Chair Summons: It does not mean accountability it means relationship.

Senator McSweeney: That's what I'm saying, I don't understand it, it's the dotted line.

Senator Jorgensen: First of all congratulations on being elected as chair of BOT. I have known you since you first came to the Board and there is no question of your devotion to this institution. I know you were here last week at a Senate meeting. Thank you for doing this and for having faculty members on committees. In fact, not so many years ago, the Faculty Senate Chair sat at the table with the Board of Trustees at public meetings and actually reported to the full Board. You heard last Senate meeting about morale and the bonus issue. In a different case which is related to the conversation you have had, the Board made a decision last year to extend the President's contract. And now, as you say, the Board holds the President accountable and you have delegated authority to the President, an incredible level of authority to the President. Yet when you were evaluating the President, you did not do as the previous Board chair promised before the merger. He had committed to the Faculty Senate Executive Committee there would be a full review of the President after 42 months, including faculty, students and the community. When the Board made that decision last spring, there was no dotted line, no solid line. There was a vacuum between the board and the faculty. The Board made that decision and from what I perceive there was a significant negative morale aspect of it. The faculty are affected by the administration on a daily basis. Just like our students evaluate us in every class every semester, administrators need to be reviewed by those who they affect. And the Board made that decision without any significant input from the faculty, and that was a very demoralizing thing.

Chair Summons: Let me tell you about that. I would say we could have done a better job on the presidential assessment last year and when we re-did the charge to the Trusteeship Committee, because that committee has been a little lose as far as the charge. And so this year it has been re-written and it's to look at as an assessment of the Board, of ourselves. I've been a part of an organization assessing the Board, how they are performing, the relationship with the president, the communication issue and it still has the charge to look at board orientation. We need to look at how to orient new board members. The other part is to how to maintain looking at the presidential assessment. So, although the board owns that process, we feel very strongly that we need to have better input from key stakeholders which includes faculty, and so we will be addressing that this year. In fact, when we were talking about this committee structure, Susan Gilmore who is the chair of the Trusteeship Committee this year said, 'I don't know if we really need faculty on that committee, because we are really looking at Board issues.' Then I spoke to her again today and we were talking about the presidential assessment, and she said that we might need faculty input on the Trusteeship Committee. We can add that so that we will have that input. I think we can all work together. My intent is to keep trying to make things better.

Senator Sheldon: As an open, out of a closet proud socialist, I am not comfortable with the pyramid model. Where is the dotted line to the taxpayers of Ohio, where is the Board's responsibility particularly in regards to the bonuses?

Chair Summons: It's funny that you should ask me that, because I remember when I got the appointment from the governor, and the governor does call you and talks to you in person when you get these appointments. It's not just through another person. At least former Governor Taft did, I assume Strickland does the same thing. I remember he said to me, 'Olivia, you are accountable to the taxpayers of the State and the community,' and I always remembered that. So we are accountable to them. And we have fiduciary responsibility for this university, and believe me that's not easy all the time, there are hard decisions that will have to be made. However, with all due respect I would beg to differ with you because we are a public institution people here are not worthy of bonuses. Be they administrators or faculty members who have done great things or working very hard, who are bringing things back to this university and so people have incentives, the opportunity to be incentivized, I understand that the timing of the bonuses came right at the time with all the conversation of furloughs and lay-offs, I understand. We are not immune to that.

Senator Olson: You have misinterpreted what I said, I didn't say people weren't worth it, I said it was inconsistent with a public model. Now we are being looked at as organizations such as ENRON, or Goldman-Sachs. We are not looked at as a public institution any longer by doing that.

Chair Summons: Do you think that a public institution cannot have bonuses? I remember I worked at a job where we brought in David Osborne, who did all the reinventing the government and he was pushing privatization of public sector divisions, police, or fire, or solid waste pick-up and incentivizing those employees rather than bringing in private sector. This is not apples to apples. It is a little different, but the whole concept was to incentivize in the public sector and to have people rewarded for what they do.

Senator Olson: Rewards are one thing, bonuses are different.

Senator Heberle: Just last week at the last Senate meeting I listened to Dr. Jacobs explain fair-market compensation philosophy. He did not say anything about people doing great things, thereby warranting bonuses. He gave purely private, corporate explanation of why these bonuses are appropriate in his compensation philosophy, because somebody second in line for a position somewhere else, they warranted a bonus here. If I came and gave you a letter saying I almost got a job somewhere else why won't you pay me as much as they would have, I would not get my raise. There is nothing about what Dr. Jacobs said two weeks ago that made sense to do this at a public institution. The reasons you just said, are not the same reasons he said those bonuses were necessary.

Chair Summons: What I didn't say, however, is that your implication is that these people aren't doing good work.

Senator Heberle: You got to get it straight as to why the bonus is in place in the first place. If you want to show us what they have done to deserve that, please do.

Chair Summons: Do you need to be shown?

All senators: Yes.

Senator Heberle: There needs to be an evolution structure for the president, for the Provosts that includes us because we also need to say what they have done, because they are closer to us and our daily lives than they are to you. We get to say what they have done.

Chair Summons: I hear you. How about you get to have input into what they do?

Senator Heberle: Absolutely.

Chair Summons: I don't think we would be opposed to that. I think you need to have that input into evaluation process. If we haven't done the best job at it, I say let's go at it again. Let's talk about it, we will go to the Faculty Senate Executive Committee, we can have conversations and we can look at the process for evaluation. I am not opposed to that and I don't think my colleagues would be opposed to your input is critical to these processes. We are not trying to from the Board's perspective to take away your ability to have input.

Senator Kennedy: My problem is not the amount of the bonuses but how much the executive people are paid at a public institution and if there is a political fall-out from this, so be it. I want something more transparent than layers and layers of different compensation building up to a big salary.

Chair Summons: I think it is public.

Senator Kennedy: It is not sufficient. Sunlight is the best disinfectant.

Senator Dupuy: I am trying to keep on task and make sense here, sounds like we have two different issues. One is the lack of a direct line of communication from the Faculty Senate to the Board, and I think it sounds like double talk when you say we want open communication but there is not a legitimate way to have that open communication. Then you talked about having relationship and not accountability. To me, if you really mean that, there has to be some legitimate way of having that relationship. To me that's a core issue about trust. Your perception is that the president would be able to speak for faculty. I am not sure the faculty perceives that the president is always going to be able or willing to speak for the faculty. That's one issue, the second issue, to me, which is an example of this process, is the question about bonuses, and I think we are talking about them as one issue and I think it would be warranted, they are both very important, to break into two separate issues and talk about the process of communication and what that means for this community. Second of all, the issue of the bonuses.

Chair Summons: I'm hearing what you are saying about the communication and I am pondering it. I understand what you are saying. I don't have a response right now. You are right, they are two separate issues.

Senator Thompson-Casado: I think they are tied together, because if we had had some sort of communication with the Board previous to this, we could have worked out some of the issues that had come up. It's been very embarrassing for me as a faculty member in the Humanities. I had to justify to my neighbors about these bonuses these administrators are getting, and they are wondering if I am getting same type of bonuses. I tried to explain to my neighbors that Humanities professor according to my Collective Bargaining Agreement, our bonuses are tied to one half of one percent and I brought this up at the last meeting that in the Humanities this is about \$300 or \$400 a year. This was agreed as part of the Collective Bargaining agreement in a hierarchical difference there exists is that between faculty and administrators, the scale of the bonuses is tremendous and the community doesn't understand it. So the faculty have to continually go around and justify their salaries. It's harder on us and it's embarrassing.

Chair Summons: I totally understand. I work for what everybody else thinks is an oil company, and we are not. Sunoco does not own the crude oil. Last year when gas was up to \$4.00/gal., everybody thought we were raking in the money. I had to tell everybody that we are a refinery and we had to buy the crude. These are apples and oranges. But I understand your pain.

Senator Barnes: You could debate whether people have the right to bonuses, but I think, and Mike made this point at the last meeting, it's important to highlight the kind of sacrifices we have been asked to make as faculty members. He mentioned cutting part-timers, but we also are cutting our travel and absorbing expenses and these things affect our promotions, our future and our income. I am having a problem with the whiteboard in my classroom, and I asked our secretary what I can do, and she said, "Buy some paper towels." We don't have that in our budget. When it comes down to basic supplies, we are being told we just don't have the money for these kind of things. It's frustrating. This is the cause of some of the anger you hear in the room. If we are in it together, we should be sacrificing on a similar level.

Chair Summons: I hear you.

Senator Hottell: I want to follow up on some of the comments recently made. I don't know how far down the academic side that the Board gets interested in, but along the lines of the direction the university is headed--I would like you to think about looking into the state of affairs in the Humanities, Fine Arts, and Social Sciences in tenure-track hires. We are very close to not being a university any longer. We are very close to being a medical school and a technical school. We are even in trouble with Spanish. In the five institutions that I worked in, I never

thought I would see the mammoth in trouble (the other languages often call Spanish the mammoth since those programs are always the biggest). I never thought I would see them in trouble. They can hardly take sabbaticals, which they need to become full professors. We are in a new building and that's wonderful, with a state of the art facility and we are very happy with that, but we need faculty. That's the case for Foreign Languages. It's the same for other Humanities, Fine Arts and Social Sciences.

Chair Summons: I am an English Literature major with a History minor, and into the arts. This is being recorded, right? I am not taking any notes so I hope to get a transcript of this. I don't want to lose these thoughts that you are sharing with me. So, duly noted.

Senator Anderson: Just asking for our input is not enough because you can always forget input. You really need a committee report or some kind of paper that says, this is valuable and will be used in a following way.

Chair Summons: Okay.

Senator Laux: From your perspective, there are some of your colleagues on the Board who are less interested in having that dotted line than you may be. Is there anything that we, as faculty, can do to help encourage them to see things more openly?

Chair Summons: I don't know. I have to ponder that little bit.

Senator Laux: Would inviting them here help?

Chair Summons: Not necessarily.

Senator Piazza: I want to stay with John's comment that this dotted line is very important. Yes, you are open to communication but you are not always going to be the chair of the trustees. As the President says, he has an open door policy, but I worked under presidents who didn't. I worked under presidents who insisted that everything come through them and killed them on their desk, so it never got to the board. I've worked for presidents who said if you talk to the Board directly that's cause for termination. So when you put an organizational chart together that does not have that dotted line, what you are doing is putting the organizational chart that is structured around people in positions now. We don't know who is going to be in those positions later. That's why you put together an organizational chart is to protect those lines of communication regardless of who is in them. You don't put an organizational chart together because of who is in those positions. I would strongly encourage the Board to consider that it wants a channel of communication with the faculty, especially in those times when circumstances become most dire.

Chair Summons: I hear you and I understand your point.

Senator Dowd: To follow up on Senator Piazza's point. The Board has delegated authority to the President and so on down the line. We don't dispute that at all. We are just talking about a line of communication, not authority. Because authority of Faculty Senate rests with curriculum and some other issues, Senate doesn't get involved in most of the decisions made at this institution. The question of authority has never been an issue here. Further, following Senator Thompson-Casado's comments, on the issue of the bonuses, and I have to come back to this, the President came to Senate and asked for our help because the university was facing serious financial conditions. We're laying-off staff, and we are increasing the tuition of our students. The President came to this body asking for our help knowing that hundreds of thousands of dollars were going to a handful of people. When he came to the Senate at the last meeting, many senators expressed their feelings about this issue, as I did. Do you honestly think he would have given you a full report of the comments he received at Senate.? I am not actually asking for an answer to that question. He came to us and asked for our help, but he didn't give us the full information. Where is the faith, the trust? We need to have that. As Senator Thompson-Casado said, we are out in the community, we are dealing with students, and the administration broke faith.

Chair Summons: Thank you.

Senator Hoblet: I hear what everyone is saying, but I come from a little different perspective. I have been on the Faculty Senate Executive Committee one year for the Health Science Campus, this is my second year and I have seen, and I know it's not a perfect job, but I have seen

movement by the Board and the administration to try to be more inclusive on faculty. I think that we have a long ways to go and I don't think the communication is mutually exclusive from the Board. I think that you care about what's been said here today. I think you are going to build the bridges and you have offered to come back more frequently than less. I would appreciate that. I would also support that more information at times like these is imperative for all of us. The transparency that many of the feelings of discontent, of concern, of misunderstanding and confusion when we are broke but money is being given, could have been alleviated with good communication of how and why bonuses were being given. So I don't think we are as transparent as anyone of us wants to be. I don't think the faculty want to be adversarial to the administration or to the Board, but we want to partner to move this university to a position of leadership within our community and our state. I think all of us want to do that. What you are hearing from all of us is that we just want to understand.

Chair Summons: I hear it. I hear your frustration and I hear all of these things.

Senator Heberle: I am sorry I got a little shrill with my last comments. It's pure frustration. I listened to this two weeks ago and I'm listening today. What can we say to the Board to show them they will benefit from this, and they will only benefit when we both can be crisis oriented and 'we're having a problem' kind of talk. They won't have to do what you are doing.

Chair Summons: I am very happy to hear what you have to say.

Senator Heberle: I am not happy with this session. This is not how I want to communicate publicly about the issues of this university.

Chair Summons: Today it gives everybody a chance to vent.

Senator Heberle: I don't want to vent.

Chair Summons: But now we are going to move forward.

Senator Heberle: Thank you. Let's create a space in a way of doing it for the Board's sake.

Chair Summons: For the Board's sake or for the University's sake? This is about the University.

Senator Heberle: Absolutely, and the Board is a part of the University. For the Board's sake, for their benefit as those who were appointed by the Governor and are accountable to the taxpayer who are really the public face. We are really the ones that have to explain everything. The Board should be explaining the bonuses to the community. So it really would benefit the Board in terms of their reputation, and this kind of session would not have to be covered in The Collegian or The Blade. This is not how I want Senate meetings to go on.

Senator Jorgensen: We have a lot to offer. For example, a year and a half ago the President announced in his State of the University address that there was going to be a change in a policy for conditional admit students. They would only be allowed to take 11 hours. There was no discussion by the faculty and no input from the Academic Regulations Committee of the Senate which should have been consulted. When it was announced, a Board member came to me asking what I thought about the proposal. I said that it was a big mistake. It would mean that students can't be on their parents' insurance and can't get full-time financial aid. This was instituted without any faculty input. Nine months later the university rescinded it because it was a bad decision. Any advisor on the campus could tell you this was a mistake. There are faculty asking us why are we not voting 'No Confidence' in the President. They are wondering if the Senate is doing its job, if are we really speaking publicly to the Board and this community about our discontent. I am not saying we should do that at this point, but I do think you need to do an objective evaluation of the President and the Provosts and then go from there. I'm not sure what the one thousand faculty in the colleges are thinking? But I think we need to get a means of determining what that is for both, you as the Board member, and us as the faculty representatives.

Chair Summons: Thank you, and as I would say I would welcome the opportunity to process this and John and I might be talking sooner than we thought. I want to thank you all and I appreciate you having me. I will see you around.

President Barrett: If you can think of ways the Faculty Senate can help the Board in its decision making, please contact me and I will pass along your requests to all the members here. I also apologize to Scott Scarborough. I thought we would have more time for him. We will bring

him up now, but will probably bring him back sooner rather than later. I do want to interject one more thing. I want to echo Karen Hoblet's view point and respond to what Andy just said. We have worked very hard the last two years to increase communication and dialogue with the Provosts, with the President, and with the Board. We have been seated on one Board committee and are at the threshold of being seated on almost all the committees. It is imperfect. I have been advocating the dotted line as many of you have been saying today, but I have been losing that discussion. Olivia has heard more voices than just mine today. What we have is not a perfect mousetrap, but we continue to try to build a better one. The dialogue and communication is much better. The trust is much better. That's not saying that I hear about everything, I don't, and that's not saying the situation is where I want it to end up. It's not. But we are making progress, and don't take the view point that progress isn't occurring or that current situation is just an unmitigated failure. It takes time to build trust and a relationship. I see a lot of progress but there is a lot more to be done.

Senior VP for Finance Scott Scarborough: Thank you for having me. I prepared way too much and so I am going to adjust. Since this presentation was sent out to all of you, I will just narrate it quickly. If you want me to come back and discuss any particular element in more detail, I will be happy to do that. I want to talk about,

- What are we trying to achieve together,
- The University of Toledo Economic Model, the Ohio model, the multi-million complex, and I want to spend some time with you to understand all of the different economic elements of our university,
- University's Financial Condition, however, we are a little early to talk about the end of the fiscal year 2009 because we are in the middle of the external auditors auditing our financial statements. Usually we let that process complete, have final numbers, then prepare a report of the final year-end report that we share it throughout the campus. We are not exactly at that point. When final year-end reports are ready, I can come back.

I want to update you on the current year operating budget, also John asked me to talk about what our ongoing challenges look like and have some time for question & answer period. At a recent retreat with the deans, the dean of College of Arts & Sciences, said, "We have to have something that is unique for people to want to choose us over our competitors." What I sent you in advance is a document that we have blown up and included on the wall of the Finance Office, to remind us that we are not finance driven organization. We are a mission driven organization. The slides I sent you in advance is a summary of our strategic plan reminding us of what we are all about. The finance is only part of enabling the institution, and not the driving force of the institution. Our economic model, I think it's important that if you look at this, this gives you a sense of how we make a whole balance. Because some elements of our economic plan actually generate that positive cash flow for the university. Other elements of our economic model require subsidy for our other elements of the university. Then there are other parts of our economic model that break even. So what this tries to do is the color coded methodology to show you here is where we have positive cash flow, here is where we have negative cash flow, here is where the break-even operations occur. Our job, collectively, is to find a way to make it all balanced in a fiscally responsible manner.

The key financial reports of the university that we prepare on regular basis, are well documented with a cover memo to help the reader understand significant elements. Our quarterly financial report is our absolutely the important overall financial report that we prepare to give it to Board and we distribute it internally. The hospital is a whole other level of analysis, there are key performance indicators and there are quarterly investment reports. This is kind of a stable of the menu of the key documents that we try to share routinely.

KPMG is an external accounting firm that has developed a mechanism methodology by which to assess the financial condition of a public and private university. I want to spend a little time based on last year's fiscal data, once the audit is complete for this year, to just give you a sense of where our strengths are and our weaknesses are. These four ratios in this diagram in order to illustrate, for the most part our reserves are okay. Our reserves relative to the debt that we carry are kind of okay. The return that we earn on our assets, at least for fiscal year '08 are likely to change, '09 is okay. Where we really struggle is developing a budget that delivers sufficient positive cash flow. What KPMG then does is combine these four measures into an overall composite score. The next slide shows the composite score for the University of Toledo and the period of time prior to the merger simply combined them as if we hadn't merged during those years. What's really nice about KPMG is that it's a well documented methodology. They publish books that are widely distributed and available for sale that walks the reader through this. It's a nice way to independently assess, and the different levels are there to give the reader a sense of how strong is your institution. At the top it says, you got resources available to achieve a robust mission. At the bottom it says, you better assess your viability to survive, and then everything in between. I said often having come to the University of Toledo about a year and a half ago, our financial condition is okay, but not great. That's really what this shows. Over time as we attempt to achieve all the other elements of our mission, I would hope that we would see incremental positive trend. What you don't want to see is an incremental negative trend. That's what we try to do is manage the University of Toledo totally economic model, because this is on a consolidated basis such that our financial condition at a minimum is stable and ideally improving and we work very diligently to make sure it's not deteriorating.

The operating budget has been widely communicated through Town Halls, through Finance & Strategy Committee and all the other different venues in which we discussed it. When we ultimately passed a budget, we passed a budget for the hospital, we produced a 3% Operating Margin. We are essentially break even for the non-hospital part of the University.

Senator Dowd: I believe we are the academic side of this institution. I find it deeply offensive when you refer to us as the non-hospital part of this institution. We are not the non-hospital part of anything. We are academic portion of this University.

Senator Olson: This is a University with a hospital, not a hospital with a university.

VP Scarborough: The reason I have adopted that language is because another group that I spoke to was offended when I called it the academic enterprise. Because in that definition of the academic enterprise, also included are Human Resources Dept., the Physical Plant, the IT. I will try to be more sensitive to your preference the next time. We did achieve \$9.7 Million reduction in administrative budgets in this last budget we were able to make some strategic plan investments; we did honor the collective bargaining agreements in the budget, the Board provided the much more need-based financial aid in spite of the economy; we fixed a lot of the historical structural deficits in the budget; we attempted to provide for the budgeting of carry-forward balances up to an acceptable level; we were able to fund about \$35 million of the \$44 million of depreciation. This means we did a pretty good job. Better than what we have done in the past in terms of reinvesting and keeping physical plant current and operating at an acceptable level.

The State keeps making it a little more difficult. Just as we think we turned the corner, we get another memo from the State saying that they have reduced the amount of state funding we receive. In the last round which was probably the most challenging round, these are the areas where they took the cut, and in the next slide shows the quantification of that which our state funding was reduced. The very bottom however, is the new expense for the hospital. So there is a new tax on hospital revenue that the State passed and we budgeted as a \$ 1 Million expense that ended up being a \$2 Million expense that has a negative impact on the budget.

The next slide, is the process that we have done at least as long as I have been here to seek input, to communicate issues, to solicit ideas, and the Finance & Strategy Committee has been working well.

Senator Olson: When are we going to meet? We have not yet met this semester.

VP Scarborough: It's a little early in the semester. We had Town Hall meetings, responsibility groups typically vets all the issues with all the deans and vice presidents. The responsibility group then has the ultimate responsibility to recommend a budget to the President, and once we are at that level, we go back to The Finance & Strategy Committee to receive that input and then move forward recommending a budget or a budget amendment to the Board. This is the process that we have followed. In terms of dealing with the State loss for the academic enterprise, this is the current plan in terms of dealing with that \$7.9 Million loss in State funding, we have implemented a reduction in force and agreed to take the State offer to increase tuition beginning with spring semester. We looked at particular program eliminations and at the end, we substituted what was initially thought to be a need for a furlough program. We replaced that with better than expected budget enrollment after the census day. So that is the approach to handle with the loss. To deal with the additional tax on the hospital, we are in a process of working with our vendors to try to secure better pricing on some of the medical implants and supplies. We are working with some of our outside professional services companies and negotiating better contracts, and if necessary, there is still a possibility of a reduction in force as it pertains to the hospital. Again, just like the furlough program, this measure as a last resort on the academic side, a reduction in force in the hospital as a measure of last resort for the hospital.

We try to develop a process that is participatory, conversational, transparent, pragmatic. Any time anyone asked us for a data, we have provided. We have made all the reports available and we believe we have produced a process that is consistent with those values.

Future Challenges. We are going to have to deal with the reality in both higher education and health care,- the society is getting increasingly frustrated with the historical levels of cost increases that we have had. I think that we are certainly experiencing a trend when the recession hit, it only exacerbated that particular problem. What it has turned out to be for most universities in the United States, is we have taken a hard look at various ways the administration is trying to take, take costs out of those areas, again in our last budget we took nearly \$10 Million out, but it also meant that we have less money for visiting and part-time faculty, as we tend to prefer more diligently to protect the full time faculty in the budget process. The unavoidable consequence of less money flowing from the State a societal expectation to hold down tuition increases as much as possible, the impact of federal government and a business community is trying to take money out of the health care spent and bring it more in line with other industrialized countries. The overall consequence of that is that we had to find ways to be more productive, or if we run out of options on the productivity side, we are forced to deal with new paradigms. Question on our overall priority relative to our core mission.

So this is the life we are currently living and the life we will most likely experience for the next many years. The reality is that we have also reduced the overall workforce the last few months by 300 positions that stresses the organization. These people did meaningful work. In our area we got more people wearing more hats than they were two years ago. That's the reality of that and that's how we are making due. On the downside, for the very first time, however, in this last budget, we did not fully fund the capital budget for the hospital. Nor to make everything balanced we shorted the hospital in terms of its capital reinvestment by about \$5 Million. That's not a sustainable outcome in the long term, in the near term we will have to find ways to reverse that. It's also important to call out the hospital is sending an ever increasing amount, since I have been here, to support the academic enterprise. That is also not a sustainable trend. The hospital has to hold some of its cash to reinvest in current technology that differentiates in the market place.

Next slide, some quotes out of the *Trusteeship* magazine, which would be the magazine the Chairperson, Olivia Summons and all of her colleagues here and across the country subscribe to. These are examples of quotes and opinions that they are reading.

The next slide opinions from the *Hospital Literature* that again presses the reality for everyone involved in running a hospital of what they are likely to deal with, and will have to do over the next several years.

In times like these we are so focused on budgets and finance that we lose site of a reality that we have to continue to innovate, we are a University. We have to be entrepreneurial and to remind you that we are very cognizant of trying to continue to make the strategic plan investments as difficult as it is, and as difficult as it is to find the money. The need to try and advance the university is all of our obligation. Those universities can do that, become more productive, implement new paradigms, position themselves better in the market when things get better. The last slide is what we are trying to remind us what we are trying to achieve together.

Senator Olson: How much was your bonus?

VP Scarborough: You tend to frame the issue in the context in which makes your point. Allow me to frame the issue in the context which explains a different view point, one that you might share. Most people who are recruited to universities when it become time to negotiate your compensation there is always a conversation that exists in public or private or corporate enterprises that goes something like this, the search consultant will inform the hiring official what is the market range for a particular position. I will give you an example that we dealt with today. We need to hire a new orthopedics surgeon for the hospital. The range for the faculty salary for orthopedic surgeon is a minimum of \$300,000, a mean \$481,000 and a maximum of \$1 Million. So we are trying to recruit an orthopedic surgeon to the hospital to accomplish our mission to raise the revenue necessary to pay debt service, to pay the people who are also employed at the Orthopedic Center and then with that information we will began negotiating with this person we are trying to attract. He might say, 'I'm currently making \$600,000 at my current job. I would be willing to accept \$700,000 to move to your institution.' Our response might be, 'that's a little more than we are accustomed to pay. How about if we counter and offer you \$485,000, and if it turns out you are as good as you think you are, we will make up the difference with a pay for performance structure, such that it will get you to the \$700,000.'

In essence, that is what we end up with. We ended up with a base salary and with pay-for-performance structure of the compensation, that some people prefer to call a bonus, which is actually better for the institution because that orthopedic surgeon that we need we had to provide a market-competitive compensation structure. But we protected the institution in the event that this person was average or a low performer, we only obligated ourselves to pay \$485,000. So that's just an example of something that occurs every day. We have faculty members at this university who make \$2.5 Million a year here; we have coaches here that make whatever the market demands; there is a market for administration that is negotiated in the same way that have pay-for-performance structure; we have union negotiated contract that has pay-for-performance structure; \$10,000 research award given for pay-for-performance. Some people might call it bonus. At the next Board of Trustee meeting there will be a faculty member by the virtue of their negotiated compensation structure will be recommended for a \$44,000 bonus. There have been pay for performance as part of the fabric of higher education at the institution from which I came at almost identical compensation structure at De Paul University.

Senator Olson: Was it a private university?

VP Scarborough: It was a private university. There had been pay-for-performance structure at public universities as well, especially in some of the scientific fields. Another issue that we dealt with today is the start-up packages for faculty, another form of very generous and expensive but very much a part of market based compensation for getting a faculty member in Engineering. We routinely started packages for engineers at \$400,000, \$300,000 or \$200,000.

Senator Olson: You have been talking for ten minutes and haven't given me a number. What was your bonus? How did his number affect the opinion of the people outside this university when they saw that number, hearing that the university had to lay-off people?

Senator Dowd: Senator Olson, would you mind if I asked a substitute question? Dr. Scarborough, you talked about pay-for-performance. You are the chief financial officer at this university. Please explain in what way your performance justified whatever your bonus was. I don't care what the dollar amount is, but please explain the performance of the university's financial assets under your management. Was the return positive or negative? What happened to the value of our intermediate-term bond holdings that we have as assets? What happened to the long term assets between January 2008 until January 2009? Then, let's talk about how the university's debt has risen under your management. You spoke about pay-for-performance, so what happened to our operating assets over that calendar year, was the growth positive or negative?

VP Scarborough: We are waiting for our audited numbers, we will then be able to give you conclusive, realistic numbers. Actually, I got a draft and see the slide on the screen, so you are asking about the performance of our assets assuming what you are asking about is performance of our long term investment portfolio.

Senator Dowd: I am asking primarily about the operating assets used to manage the university in the short term.

VP Scarborough: Let's go to the next slide.

President Barrett: We are past 6:00 o'clock. Senate goes from 4:00 to 6:00. Why don't we stop and invite you in the near future. Are there any calendar questions? Any new or old business?

Senator Humphrys: I am from the Colleges of Business and I would like to request that as the Chair of Senate that you request we be given copies of the contracts of anyone who received a bonus. Then when we talk about these things at least we will have a basis upon which we can have these conversations about what the expectations were and what constituted the rationale for them to receive these bonuses. I'm sure that must be public information.

President Barrett: I believe it is, although I am not an expert on that. I am a little concerned as to the breadth of what you are asking because anybody who did an overload teaching, for example, could potentially be classified as getting a bonus. And they were quite small.

Senator Humphrys: How about anybody who received a bonus of \$10,000 or more.

President Barrett: That's still going to be a reasonably long list.

Senator Humphrys: How about non faculty?

President Barrett: I will look into what we can do, I can't answer if that's possible or not. Any other new business? May I have a motion to adjourn? *Motion was made and seconded.*

V. Calendar Questions: None.

VI. Other Business:

Old business:

New business:

VII. Adjournment: Meeting adjourned at 6:10 pm.

Respectfully submitted,

Nick Piazza
Faculty Senate Executive Secretary

Tape summary: Kathy Gabel
Faculty Senate Office Administrative
Secretary