

Minutes of Faculty Senate Meeting

April 16, 2014

*Submitted by Senate Secretary, Catherine Seta, Professor of Psychology
Prepared by Amalia Wagner and Catherine Seta, Ph.D.*

Caveat: Comments recorded are not necessarily verbatim. In addition, the identity of most senators making comments or questions are not recorded, in order to facilitate open discussion. The identity of comments from Senate Officers and Senate *Ad Hoc* and Standing Committee Chairs are given, as is the identity of persons commenting in their official administrative capacity (e.g., CFO, Provost and College Dean.)

In attendance: Umit Akinc, Edward Allen, Sarah Bodin, Daniel Bourland, Kevin Cox, Carol Cramer, Jacquelyn Fetrow, Will Fleeson, Samuel Gladding, Martin Guthold, Michael Hughes, Tim Janke, Claudia Kairoff, Hank Kennedy, Rogan Kersh, Nina Lucas, Linda McPhail, Emmanuel Opara, Wilson Parker, Paul Pauca, James Schirillo, Cathy Seta, Peter Siavelis, Gale Sigal, Michelle Steward, Lynn Sutton, Rosalind Tedford, Jeffrey Weiner, Mark Welker

Welcome from President Hank Kennedy (4:00 pm)

Professor Hank Kennedy asked if there were any comments or corrections to the minutes of the February and March , 2014 meetings. No comments or corrections were voiced; therefore, the minutes were approved as posted on the Faculty Senate website.

Announcements:

- There will be an additional Faculty Senate Meeting on May 7, 2014 at 3:00 p.m. This meeting is for the purpose of approving changes to the by-laws related to the addition of new standing committees.
- Hank Kennedy has appointed the following to the nominating committee for officers for the next academic year: Dan Bourland, Mike Hughes and Gale Sigal.
- Jane Albrecht has been reappointed as the COIA representative.
- See the addendum for several reports.

Final Reports of Faculty Senate Committee Chairs:

(For complete reports, refer to Addendum A and B)

Collegiate Senators: Professor Ed Allen presented two reports that the committee would like to present to the college faculty for discussion at the May meeting. The first one concerns issues related to enrollment and revenue. The second report concerns the new teaching professional position and implications for tenure.

Professor Allen requested that the Faculty Senate vote to accept these reports in order to have discussions with the college faculty in the fall about them. The Senate voted to accept the reports.

Q & A followed

Comment: Professor Kennedy made a recommendation to make both reports available to all schools.

Comment: (EA) Although these reports come from the collegiate senators committee I think it would be fine to share with the other schools as a point of discussion with their academic leadership. These were written with the college in mind and we should note the different cultures among the schools.

Comment: (Dean Fetrow) Asked that a correction be made to an error of fact in the first paragraph of the tenure report. It was agreed that Dean Fetrow would send a correction to Professor Allen for a revision of the tenure report. (This correction is forthcoming).

Comment: (Provost Kersh) Pointed out that there were some discrepancies in the college enrollment increases report about class sizes and the money allocated for faculty. He offered to provide Professor Allen with some suggested language.

A motion was made and seconded to accept the two reports with the suggested modifications to be sent to the entire college community. This motion passed by a unanimous vote of the Faculty Senate. The Faculty Senators will distribute the revised reports to their schools.

University Integration: Professor Dan Borland gave an update regarding continuing issues and progress toward facilitation of onboarding process in the medical school. Some progress has been made but there are still barriers that often prevent timely onboarding of students from Reynolda campus into internship positions, for example. Professor Borland met with Josh Christian and Cheryl Phibbs, who are dealing with this issue in the medical school. They have identified four tiers of onboarding. They want to work this out through an Institutional Affiliation Agreement, which does not currently exist.

Discussion ensued about the various problems that exist with the onboarding process and the often bizarre consequences of these processes, such as the entire internship time that should be devoted to research being delayed to the point that the time for these experiences expires, for example in summer internships. The Senate feels that it is imperative that the onboarding process be remedied and that there be a more effective interface between the two campuses.

Senior Appointments: Professor Mike Hughes reported that all honorary degree nominees were approved this year. He suggested that the Faculty Senate convey to the administration that the Senior Appointments committee takes their responsibility seriously and would like to receive the slate of nominees in a more timely fashion.

Resources: Jim Cotter will submit a report in the May meeting.

Fringe Benefits: Professor Peter Siavelis was not present. Professor Kennedy read the statement below from Professor Siavelis in his absence.

Statement from the Fringe Benefits Committee of the Senate—April 2014

The Fringe Benefits Committee had a productive but challenging year.

While the unfolding of the challenges we have faced as a committee have been painted by some as a failure of faculty governance, it was actually a success. The faculty made its wishes clearly known, they were communicated through the structures of the Faculty Senate and an agreement was ultimately reached that stemmed the major cuts envisioned by the administration.

Unfortunately, though the Committee was instrumental in stemming the tide and limiting the magnitude of cuts, the outcome for individual employees was still profoundly disappointing.

The Fringe Benefits Committee was very disappointed to see health care costs increase by over 10% and the dental plan increase by 30%. We are also profoundly concerned and urge the administration to reconsider the penalty of \$75 charged to the spouses and domestic partners of faculty and staff who opt to forgo health insurance offered by their own employers. These spouses and partners are taking advantage of the insurance coverage that was one of the conditions of faculty and staff employment and which has now been changed. We would like to see more information on additional costs and co-pays as well. The Senate has requested such materials, but they were not forthcoming in time for this meeting.

The Fringe Benefits Committee is also concerned about continued potential moves by the administration to further cut benefits and such efforts will be resisted in order to keep the high quality of employees and faculty we have been able to attract and to shore up sagging morale among the faculty and staff. Morale has particularly suffered given that high level administrative staff continues to enjoy substantial pay increases and bonuses, while faculty and staff bonuses are cut and salaries remain stagnant.

The Fringe Benefits Committee is deeply concerned about the steep cutting of tuition concession benefits for new employees. As all major benefit changes this year that affect so many faculty, dealing with those cuts has been passed on to the Senate which will discuss a resolution as a whole given that the magnitude, severity and consequences of the cuts warrants complete consideration beyond a Senate Committee.

While this has been a good year for faculty governance, it has been quite a bad year with respect to a further and troubling erosion of the benefits offered to attract and retain the best faculty and staff.

Reports of Senate Representatives to the Board of Trustees' April 10, 2014 meeting:

Academics Committee (for complete report, refer to Addendum C attached):

Professor Catherine Seta gave an overview of the meeting, below are the topics, which were discussed.

- Approval of AC charter, which sets out the purpose, authority and responsibilities of the AC.
- Dean Martha Allman reported on the admissions of our new incoming class. 34% of applicants were admitted, and 22% were from NC. Poll admitted came from 44 different countries. This year was a record year across the country for early decision applicants.

- The admissions office started and admissions blog this year which seems to be engaging.
- Phil Handwerk, the new Director of Institutional Research, presented his work on running simulations to induce a regression equation that best mimics the weighting factors that may underlie this year's top 25 ranking of universities in the US NEWSs national college ranking report.
- The top 5 weighting factors were: this average graduation variable, followed by peer assessment scores (15%) educational expenses/total FTE students (10%), SAT/ACT midpoint (8.13%), and tied were high school counselor's assessments and 6-year graduation rate over/underperformance.
- Dean Gail O'Day reported on the School of Divinity, which is now 14 years old. The school has established an outstanding reputation among programs that have a much longer history and has achieved goals for admissions diversity in its student body, good job placement and fund raising.
- Honorary Degree Nominations were submitted and unanimously approved.

Discussion followed

Comment (Provost Kersh) What Phil has done is unique because he has replicated the actual data. He has spoken with Bob Morse, the person that creates the rankings report for US News. Phil has built a model that allows him to manipulate the numbers so he can see what would happen to our ranking. Phil's model has 25 variables and the plan is to build something called "build your own rankings" and embed this on our website. Phil's model has a lot of potential and would allow us to crowd source and run rankings.

Athletic Committee (for complete report, refer to Addendum D attached):

Nina Lucas met with the Board of Trustees Committee on Athletics. She reported that Dr. Hopkins presided over the meeting. Ron Wellman introduced our new basketball coach, Danny Manning, and football coach Dave Clawson. Both coaches spoke about their goals, transitions and recruiting, and laid out short and long range goals for their teams. Highlights from the meeting are listed below:

- The committee reviewed the Athletic Committee Charter and made some corrections and revisions.
- Ron Wellman shared the Competitive Review, and Wake remains 27th in the 2013-14 Director's Cup standing through January 9, 2014.
- The status of the Sports Performance Center is in the final phase of design; the Golf house is 80% complete with design and pricing; next phase of Baseball will feature upgrades to the locker room, player's lounge, indoor batting cages and fan viewing deck, and last, the Coliseum committee is narrowing down the priorities for facility renovations to be performed as fund raising success occurs.
- The Capitol Campaign is going well and pledges are coming in.

Administrative Committee (for complete report, refer to Addendum E attached):

Below are the highlights from the Administrative Committee meeting with the Board of Trustees Committee as reported by Mike Green.

- Reviewed Administration Committee Charter
- Carmen Canales reported on the changes to Fringe Benefits for employees. In order to keep the fringe benefit percentage at 27.4% employees will incur premium increases. Additionally there will be a spousal and domestic partner surcharge of \$75/month for spouse/partner who is covered on another policy.
- The Capital Projects Budget for approved capital projects was presented but not acted on.
- Results of further investigation into solving the mold problem at Kitchen Residence Hall. The difficulty is that Kitchen is currently an asset that produces income. Rebuilding it will require borrowing and thereby eat into the revenue stream it provides and affect the University's costs of borrowing for other capital projects. Other halfway measures are on the table, somewhat cheaper but have disadvantages.
- Update on Major Planned Capital Projects, which include:
 - HES will move from Reynolds gym into Worrell where the university is going to construct a three-story addition for them.
 - An addition will be built on Reynolds gym.
 - Athletic Sports Performance Center will be constructed behind Miller Hall and Strength Training will move there from Reynolds Gym.
 - Rec facility in Miller will be moved to renovated portion of Reynolds Gym, while Sports Medicine moves from the Gym to the Miller Center.

Q & A followed

Q: Could you give us the alternative options for Kitchen?

A: (CFO, Hof Milam) To tear down and replace the cost will be approximately 27.5 million for each residence hall. The most expensive renovation option will cost 19.5 million with an elevator added social spaces and enlarge the bathrooms. The second renovation option costs 16.3 million without the elevator and added social space, still has the larger bathrooms. The third renovation option costs 15.3 million and just upgrades the finishes. With the third renovation option, we don't lose as many beds. In addition, we looked at taking out the cooling capability out of the residence halls. The cooling systems are the major contributor to the mold issue but this is actually a more expensive option when you take into account the loss of summer use of the dorms and the impact to the budget.

Q: How many dorms need renovation?

A: (CFO, Hof Milam) We need to do all the ones on the quad, multiply the figure I've given you times five.

Q: Sounds like this would have a huge effect on our operation budget for many years. Is that right?

A: (Provost Kersh) WFU is in an odd situation because all of our 1956 buildings are in need of major repair. Unfortunately, no one had the foresight to set aside maintenance or repair money and our entire campus of original buildings are in dire need of repair.

Finance Committee (for complete report, refer to Addendum F attached):

Professor Kennedy pointed out a few items of interest in John Stewart's report in his absence.

- Development of University Dashboards: A webpage that displays in a glance real time facts, figures and trends.
- Discussion of underperformance of endowment. Reynolda endowment total market value is \$631 million, which is up 7.5%. The return of 7.9%, however, underperformed the policy portfolio benchmark by 2.2%.

Q & A followed

Comment: (Professor Kennedy) Hank expressed that this is not a short-term issue with respect to the under performance of the endowment. Over the past four years, the WFU endowment has underperformed against the medium endowment of the 800 schools that report to NACUBO by a significant amount. If you look at this over the past four years, WFU return has been 39.3% while the medium return has been 49.2% and that translates into \$87.5 million less in earnings. I think this is mostly due to the policy of the Boards Investment Committee. It is likely that WFU performance would rank in the lower 10% of the 800 schools. This is something that I think needs some consideration.

Comment: In the meeting, they made it clear that this was an intentional strategy and the strategy is to avoid risky investments that may have potentials for higher rates of return but also have the potential for greater loss. The strategy is to NOT to get the maximum return but rather to have a safer policy to avoid the volatility of the markets. Our mean might be lower in terms of our return but our standard deviations have been lower than other universities. Thus this should not be considered an underperformance.

Comment: All of this is post hoc reasoning. This looks like a low rate of return only from hindsight.

Comment: The resources committee met with Jim Dunn and his discussion was very illuminating. Maybe he could come and speak at a Faculty Senate meeting next year.

Advancement Committee (for complete report, refer to Addendum G, see attached):

Professor Michele Gillespie submitted a written report in her absence.

Consideration of Executive Committee's Resolution on Tuition Concession revisions:

President Kennedy introduced the resolution below. This resolution came from the Senate EXCOM. The EXCOM is concerned the recent changes to the tuition concession benefits for new employees may have unintended negative consequences and feel that the senate should

monitor the impact of this change on the university. (See below) An initial resolution was put forward that was amended, resulting in the following final resolution:

Resolved:

The Faculty Senate remains concerned regarding the adoption and anticipated implementation of the modifications made to the tuition concession policy applicable to new staff and faculty hires made after January 1, 2014. Specifically we are most concerned regarding the reduction of the tuition concession accorded to relevant students who decide to attend Wake Forest College from the pre-2014 level of 94 percent of Wake Forest College tuition to 80 percent of Wake Forest College tuition. Such a reduction may result in significant, if unintended costs, to the university. It is possible that fewer staff and faculty children will be able to attend Wake Forest which in turn may:

- *Challenge the goal of the university to increase ethnic diversity in the student body;*
- *Challenge the goal of the university to increase economic diversity in the student body;*
- *Reduce the attractiveness of Wake Forest university employment to prospective employees;*
- *Further reduce the fringe benefits package which is afforded Wake Forest employees, already considerably lower than the mean fringe benefits package offered to the universities and colleges most often compared to Wake Forest – cross admits; Colonial group of universities; USN&WRs “best national universities” and “best national colleges”. Such considerations would further reduce the attractiveness of Wake Forest university employment to prospective employees;*
- *Lower the retention rates of newly-hired faculty and staff;*

It is also the case that the provision to lengthen the wait-time for new employees to receive such concessions from three to five years may in addition to the foregoing concerns will possibly result in making it particularly difficult to hire and retain mid-career faculty and administrators (i.e. those most likely to have college-aged children).

We are also uncertain what specific benefits (financial or otherwise) would accrue to the university by implementing this policy; and remain skeptical that such benefits would outweigh the costs.

Therefore, we direct that the efficacy of this policy be fully re-visited within the appropriate committees of the Faculty Senate with the full cooperation of the administration within three years of its implementation, i.e. no later than January 1, 2017.

Following discussion and the acceptance of two friendly amendments, the resolution was adopted by the senate by unanimous vote.

Adjourned 6:00 p.m.