

Faculty Senate Minutes January 26, 1998

Senators present: B. Anton, B. Beardsley, N. Bristow, T. Cooney (ex officio), C. Hale, K. Hummel-Berry, J. Kay (ex-officio), G. Kirchner, B. Lind, K. Maxwell, R. Steiner, A. Tiernan, A. Wood

Visitors present: K. Bartanen, B. Bauska, M. Rothman, T. Rowland, R. Singleton, D. Smith, P. Wimberger

1. Approval of Minutes. The minutes of December 1, 1997 were approved with minor revisions.

2. Announcements. Kirchner announced that the third Monday in March will fall during spring break, and the senate agreed to schedule a meeting for March 23rd, to be held if needed.

The senate was reminded that the university's Faculty Medical and Family Leave and Faculty Disability Policies have been posted on the web. Faculty are encouraged to forward questions and comments to John Hanson.

3. Chair's Report. Kirchner distributed a new draft of the Bylaws, dated January 23, 1998.

4. Discussion of Bylaws Amendments Regarding Duties of the Diversity Committee. Kirchner directed senators to the email she had distributed from Carolyn Weisz, current chair of the Diversity Committee, in which, on behalf of the Diversity Committee, Weisz asked the senate to reconsider the charge included in H.b.6. in the drafted version of the new Bylaws. The senate's proposed charge read: "6. To report annually to the Faculty the University's efforts and results achieved in recruiting and retaining members of ethnic and minority groups on campus. The report shall be presented and published as the Committee deems appropriate." The Diversity Committee proposed alternative wording to read "6. To circulate annually to the Faculty administrative reports on the University's efforts and results achieved in recruiting and/or retaining members of groups mentioned above in b.1." This new wording would exempt the Diversity Committee from the responsibility of generating reports. Kirchner acknowledged that there was a range of opinions on the Diversity Committee, but that concern about the generation of reports had led to their request for this reconsideration.

Cooney expressed his concern about this charge, in particular the possibility of placing demands for administrative reports in the Bylaws. He suggested that administrators would feel the same way about the requirement for reports, and that it was no more appropriate here than for the Diversity Committee. He articulated his preference for the removal of item 6. Kay agreed that item 6 was fraught with difficulty, suggesting that given the categories of groups included in H.b.1. ("race/ethnicity, gender, national origin, religion, socio-economic class, sexual orientation, and physical ability"), it would be difficult to report on all of them, particularly given that the university does not have information for some of these categories.

Bristow attempted to provide some background on how this item came to be included in the proposed Bylaws. She noted that during her previous term on the senate she had headed the Bylaws sub-committee on the Diversity Committee. Her recollection, though she conceded it could be faulty, was that the committee had been concerned about the issue of accountability, and with the question of how to let the faculty know what is and is not being done in terms of diversity efforts. Lind asked why the university would promote activities without having a process by which progress on those activities could be reported, and reminded the senate of the issue of assessment that has arisen as part of the accreditation efforts.

Cooney suggested that though the President's Report on Diversity of 1990 was received by the president, it does not have the status of university policy. Further, he asked if there were any goals

for which there was not adequate reporting, and pointed out that there is no lack of reporting on admissions, for instance. He argued that there are no goals for which there is no accountability. Bristow asked if reports that are currently completed on diversity efforts are circulated to the faculty. Cooney asked the senate to keep in mind that as written, the Diversity Committee's proposed change to Item 6 would add many additional categories to the charge. Kay noted that the Diversity Committee had spent a great deal of time wrestling with terms, for instance finding the term "minority" problematic.

Beardsley directed the senate to Item H.b.1. in the draft Bylaws, in which the Diversity Committee is asked, in part, "To promote the involvement of all sectors of the campus community in the implementation of the University's mission to develop an increasingly diverse community," and asked why there would be any problem with checking to ensure that this mission is fulfilled. Cooney pointed out that this language is not a part of the university's mission statement, and so Item H.b.1. is also problematic.

Kirchner asked if there was any proposal for action. A motion was made and seconded to insert the word "available" between the words "Faculty" and "administrative reports" in the Diversity Committee's proposed Bylaws revision, thus changing the purpose to the circulation rather than the generation of reports by administrative offices. Cooney spoke against the motion, suggesting that asking for the circulation of reports is a funny thing to have in the Bylaws, and that this charge might lead to the presumption that the Diversity Committee should ask for reports where they don't exist. He also suggested there might be reports that could not be circulated as a result of privacy issues, for instance in cases of faculty hiring where the identity of the individuals included in the reports would be obvious. Cooney concluded by noting that this charge could create tensions, that it had problems buried in it, and argued that the senate should not ask the faculty and trustees to accept it. The motion failed.

Kirchner noted that without a new proposal the proposed Bylaw would stand in its original language, asking the Diversity Committee to write reports on a narrower range of topics. Beardsley picked up on the point made by Cooney that Item H.b.1. about the language of a "mission" being used for matters not included in the university's mission statement. He also suggested that the reference to the President in Item H.b.4. might be problematic if the original president's report is not university policy. Cooney acknowledged Beardsley's point, and Lind suggested that the word "mission" in H.b.1. be changed to "intent." A brief discussion ensued. **M/S/P to change the word "mission" in H.b.1. of the proposed Bylaws to "intent."**

5. Report of the Budget Task Force

Dean Cooney opened the report, offering introductory words on the role and nature of the Budget Task Force (BTF). Cooney suggested that the BTF serves in an advisory capacity to the president. It is composed of two administrators (the Academic Vice-President and the Vice-President for Finance and Administration), two faculty members, two staff members, and two students. Members this year include Terry Cooney, Michael Rothman, Ross Singleton, David Smith, Sharon Mihelich, Paul Robertson, Lisa Bloedel, and Angela Welch. Normally the faculty members are the faculty representative to the Board of Trustees Finance and Facilities Committee and the previous chair of the Faculty Senate. This year, because the former chair of the senate is also the current chair, Grace Kirchner asked David Smith to serve in her place.

Cooney explained that the BTF operates in the context of the established goals and priorities of the institution. These goals and priorities have been established periodically through the long range financial planning goals of 1986, by the Committee on the Nineties, and in the current facilities plan. Some of "budget drivers" in the current year include the university's aim to slowly decrease the student body size by recruiting freshman classes of 650, increases in financial aid within an ongoing program to do so, upcoming building projects and the borrowing they require, and the larger framework of the wider society—the low consumer price index and the national pressure for a lid on tuition hikes.

Cooney next introduced David Smith, who described the process used by the BTF. The BTF met weekly during the fall semester, meeting with a wide range of constituencies, including for instance representatives from the Faculty and Staff Salary Committees, the academic administration, the Dean of Students, ASUPS, the Office of Information Systems, student employment, Financial Aid and Admissions, University Relations, and Human Resources. Smith explained that in their deliberations, the BTF worked to consider all requests as fairly as possible.

Ross Singleton followed with a discussion of the budget itself. Singleton explained that the BTF began by running a budget model to get a clear idea of the required expenditures and projected revenue. In the previous two years, Singleton noted, the BTF at this point had the luxury of deciding how to spend a surplus (beyond fundamental commitments) that was reasonably large. This year, he suggested, the surplus about which discretionary choices could be made was small, about \$100,000, while requests for new funding amounted to \$2 million. Even so, Singleton emphasized, the BTF was able to fund several new and significant items.

Singleton then explained why there was less money this year, pointing out that the purposeful decline in student numbers also meant fewer tuition dollars. Singleton then explained the benefits that accompany the reductions in student numbers, reminding the senate of the reasons for these reductions—smaller class sizes, reduced disparity in the academic preparation of students, and the resultant rise in the quality of classroom discussions and the accessibility of assistance for less prepared students.

Singleton went on to describe the new initiatives the BTF was able to recommend for funding. First, the BTF recommended funding for the Dean of Students' request for two new Area Coordinators to provide support for Resident Assistants. One of these positions would replace an existing position; both would be funded out of auxiliary services income not out of the tuition-based budget. Second, the BTF recommended funding for a new full-time employee for Security, citing the importance of student safety and the related liability issues. Third, the BTF recommended partial funding for officiating in Athletics to alleviate needs produced by changing requirements. Fourth, the BTF was able to recommend full funding of the request from Admissions for financial aid, with some of the funding coming within the tuition-based budget and some from increased revenue from endowment and gifts. Finally, the BTF recommended an increase in faculty and staff salaries to match increases in the cost-of-living of 2.2%

Singleton also described the short-list of proposals that the BTF was unable to fund, but that they have recommended be funded either through the President's discretionary funds, or through any additional budget surplus. These included a replacement server in the library and an upgrade of the network backbone. The BTF was not able to recommend funding for several other requests, including the effort to accelerate once more the replacement cycle for campus computers, the purchase of additional laser printers, an increase in planned major maintenance, funding to cover the amount to which library material purchases have exceeded the rise in the consumer price index, and increased funding for the production of the bulletin. Smith added that there was also no room to increase funding for general operating costs.

Vice-President Rothman then explained that each year there are some one-time costs in the budget that do not continue on to the next year. This year, for instance, the one-year cost of new equipment in Thompson Hall will not continue in next year's budget. Rothman then suggested that the key decision in determining revenue for the budget is the decision regarding tuition. Next year the tuition will increase by 4.5% to \$19,640. Room and board will increase by 3% to \$5070. The overall increase is 4.2%. Rothman emphasized that the university remains committed to keeping increases low, and to keeping them close to increases in the Consumer Price Index. He also noted that increases in financial aid will help to offset some of the increase in tuition. Rothman then introduced a chart that allowed for comparison to peer institutions that shows the university in the low end of tuition costs among peer institutions, but he also noted that our financial aid also remains less generous. When these two factors are considered together in the

net amount our students pay, the university sits closer to the mid-range of our comparable institutions.

Rothman also discussed the relationship between the university's debt and its endowment. The debt is currently about \$10 million, the endowment about \$145 million. The institution plans to take on an additional \$20 million in debt to fund the upcoming building projects. This will still leave the university with a debt to endowment ratio of about 20-21%, roughly comparable to where the institution was in 1991 and 1992. This will result in a \$1.3 million / year payback expenditure.

At this point the BTF opened the floor for questions. Kirchner asked about the interest rate for borrowing, and Rothman noted that the rate is very low right now, at about 5.5%. The timing for the university's anticipated borrowing could not be better, he explained. It was asked if the university should anticipate the budget remaining so tight in the future. Rothman suggested it might do so for the next three or four years, to be followed by greater flexibility. Maxwell asked about the proportion of tuition that is paid by financial aid. Rothman indicated that in terms of a so-called discount rate on tuition, and we are moving from 22.5% toward 23%. Maxwell asked for a comparison to peer institutions. Rothman suggested that such a comparison made more sense when based on the total financial aid relative tuition, combining aid within the tuition-based budget and aid from endowment and gifts. Puget Sound currently stands at about 29% by this measure, a lower level than most comparison institutions. Cooney noted that some institutions with very high rates have been trying to bring their numbers down, and that this proves as difficult as our efforts to raise financial aid. Wimberger asked about the increases in tuition and room and board over the last few years. Rothman noted that it has recently been about 4%, and so this year's increase will seem comparable. Cooney added that in 1995-1996 the increase was 6.7%. Singleton commented that the BTF looks carefully at a variety of tuition rates early in their meetings, and then decides on an appropriate figure that is a compromise that allows us to finance the institution and to remain comparable to our peer institutions. Kirchner wondered whether a time would come when tuition could no longer rise. Rothman reminded the senate of the need to keep thinking seriously about cost containment, and Cooney noted that the institution must operate in the context of operations like the University of Phoenix which sells low-cost education at a distance. He suggested we need to continue illustrating the value of our version of education—a liberal arts education in a campus setting.

Cooney announced that the budget process leaves room for comment to the president on the recommendations of the Budget Task Force until February 4th.

The senate adjourned.

Respectfully submitted,

Nancy K. Bristow