

december minutes

Faculty Council Meeting

10 December 2008

Kasbeer Hall, WTC

Members present: Harvey Boller, Mark Bosco, Nick Bowen, Heather Cannon, Domenic Castignetti, Tony Castro, Janis Fine, Walter Jay, Nick Lash, Mari Jo Letizia, Marta Lundy, Gerard McDonald, Hugh Miller, David Posner, Gordon Ramsey, Hannah Rockwell, Henry Rose, Bill Schmidt, Peter Schrader, Paul Schreckenberger, David Schweickart, Allen Shoenberger, Noah Sobe.

Guest: Fr. Michael Garanzini, SJ, LUC President.

1. Invocation delivered by Bill Schmidt.

2. Guest: Fr. Garanzini: Fr. Garanzini spoke about LU's current financial situation, providing handouts. He said that the numbers given were provisional, and will become more accurate and meaningful in February when the financial aid picture becomes clearer. Discount rate (i. e. financial aid) keeps going down. The goal is around 30%; Notre Dame and Georgetown are closer to 25%. We need to keep our first-generation kids. Will they be able to keep doing that (loans)? We may not get to 32% next year. We will make more \$ available in spring if it looks necessary.

Investment income: nobody really knows what will happen. 8.5% return is wishful thinking. Endowment spending fixed at 3%. Permission may be given to spend up to 5%; given to deans selectively (scholarships, e. g., at LUMC). Expenditures: \$5m requested/not funded. \$2-3m that we felt obligated to do. Salaries: Fr. Garanzini trying to avoid 0% raises. Deans want to ask the faculty to defer salary increases until January. Fr. G. says he told trustees that this is not possible, because we won't know enrollment until 23 August, at which time there may be some panic around then; kids bailing and going to public colleges. (This didn't affect us much this year, but it may in future...?) Benefits will remain the same for now. There is much uncertainty; but we'll get raises and then figure out what to do afterwards...?

Investments: plans for enrollment --> budget decreases of 1 through 5%. (See handwritten graph.) This is roughly equivalent to loss of 200-700 students (UG and grad). The budget is calculated with 3% (negative) error built in, as a cushion. So a loss of 3% of students would actually = 0. This cushion has left us with \$ at the end of the year to do positive things (endowed chairs, renovations, endowments for centers, etc.). "Play money", said Fr. G. (The goal is to fully fund the aforementioned items.) Investments are down >30% by now.

Endowment calculated on 5-year average. So 3.3% = \$12m. We are generally non-dependent on our endowment, fortunately for us. In general we haven't actually spent the amount allowed to us. Fr. G. wants to spend \$8m (of \$10-12m) leftover \$ @ end of year; e. g. from unfilled positions, and other money not used from various accounts, and not touch the endowment. There exists an old bad habit of spending (deans, etc.) and then grabbing money from other accounts at end of year; we trying not to do that any more. We're trying instead to be predictable.

“Operating Liquidity” (see handout): this is stable, says Fr. G. We have \$100m cash on hand. If kids find themselves in trouble, we will back loans (e. g. \$50m through JP Morgan Chase) to keep them on track. The student default rate ca. 1.5%; this is no big deal.

Fr. G. has been asking the VPs to plan for worst-case scenarios. How would they deal? (Staff cuts, in some cases.) In order to be prepared.

Nick Bowen asked: what's happening with Damen, and Mundelein? Answer: classrooms moving from Damen to Mundelein. Q: cost for demolition? A: \$5m (because of asbestos). Q: cost of landscaping etc. in front of library? A: \$1.5m. What will replace Damen will be a new pseudo-Dumbach (4 floors), resembling the original 3rd building in 1924 plan. We have \$25m of \$30m needed.

Allen Shoenberger asked about payments to support SSOM? Where are they hidden? A: tuition; LUH pays \$22m/yr for residents' work etc.; LUPF pays \$22m/yr. There is no \$ from LU as such, except from endowment designated by donors for same. “Academic support” on handout (= ca. \$50m). Q: how do the recent layoffs of 200 people affect this? A: 95 or so laid off; also stopped using contract services (nursing). LUMC doing \$30m budget cut this year; some from cutting PT and contract people.

David Schweickart asked if this meant we're insulated from an endowment slump, but not from a drop in enrollment? A: right. If *both* persist, then we'll have to look at budget cuts. Q: What about the sabbatical proposal? A: This is off the table in part because of PT budget cuts, so FT must teach full loads. Q: is PT budget a lot? A: \$5m. Q: but cost of program \$200k. A: Frank Fennell said to Fr. G. that there are a lot of “deals” in CAS, for FT faculty to teach less.

Hank Rose asked, regarding the Faculty Handbook: shouldn't it be something that all of us (faculty and admin) agree to? A: yes. The process has taken too long; should be (have been) more like a regular negotiation. Gerry McDonald remarked that, as far as FC was concerned, the handbook seemed to be a “now we see it, now we don't” phenomenon.

Hugh Miller asked, regarding the sabbatical issue: was the justification for not moving forward not just PT budgets, but also (per the Provost) the desire to have FT faculty teaching more lower-division u-grads; is that a factor in this decision? Isn't that rather crude? A: yes, they're two separate issues. With regard to retention of students,

an important issue, students taught primarily by FT faculty are retained at a rate of 92%; PT retention 70-low %. But: this an issue of faculty mgmt. at dept. level. This is not the same as sabbaticals/PT budget. An example given to BUGS: History 101 has 8-12 sections 1st sem.; 6-8 2nd sem.; classes too small? Do we need that many sections? 4 FT faculty teaching those 12-18 sections? We need to be cleverer about this...? Use good FT faculty to recruit majors. Fr. G. said he insisted to Frank F. that we hire 20 more people. Fr. G. sez therefore this is not directly a factor re: sabbaticals.

David S. asked whether sabbaticals are then off the table until other problems are solved? A: deans all over the place on this. Fr. G. indicated that deans are the ones who resisted automatic sabbatical, saying that faculty don't need or deserve it because average load is (supposedly) 3/2. So only ppl that need it are the 50 or so who have 3/3.

Janis Fine asked, regarding student satisfaction, why would students pay more for bigger classes? Or online courses? A: the issue is, how can we engage lower-div students better?

Domenic Castignetti remarked that the younger faculty in biology are very stressed about new faculty load plans; it's not what they were told when they were hired, and it will not be possible for them to do what they have to do to get tenure; what are they supposed to do? A: increase time to tenure (med skool just did this). also: it's a Q of placing good teachers in key sections.

3. Chair's report (Gerard McDonald): Next Wednesday, there will be a meeting with Whelton and Lee from LUMC. There will be a UCC meeting tomorrow. GM talked about FC at the School of Ed last week.

4. Allen Shoenberger, faculty status resolution: The data are from *Academe* ca. April 2008. It shows comparisons with peer institutions; a long baseline. The point: we're still not at 60%, nor will we be anytime soon, but we aren't going to lose ground over the next year either. We're also behind on benefits. [AS read the motion/resolution.] Some actual good news, sort of: our real compensation now > DePaul & Marquette. Gordon Ramsey: what will this cost LU? and what is a reasonable timeframe for LU to catch up? AS: as of next year, target should be 80%, within three years; difference in cost is only \$2m. Q: What would it cost to get to 60% right now? A: about \$500k, probably. AS says that the administration figures of 28% fringes are imaginary; truth closer to 24%. Hugh Miller asked whether we should say: "increase faculty status *on an equity basis* to 60%" [or whatever]? Answer: we have no way of knowing what they do. Motion passed 17/0/0.

5. Nick Lash, APR: IPS Dean evaluation. Should this person's relationship with the Archdiocese of Chicago be part of the evaluation? Bill Schmidt says it's an important relationship: placement, scholarships? The EC is unanimously against it. Discussion ensued. Issues: Archdiocese (vs. Church as whole); more importantly, is it any business of the Archdiocese? JF said it is not unreasonable to have it be an issue, generically.

GR: but do we have expertise or info to make this call? Allen: draft questions, so we can vote via e-mail? Hugh: one possible response should be not enough info.

Also, it's time to evaluate (Bill?) Lee from SSOM. So volunteers are needed. Walter Jay and Tony Castro volunteered.

6. Peter Schraeder on the Faculty Handbook: They're on ch. 5. 2 substantive chapters left (6 and 7). Talked to Fr. G. and Chris; will talk to FAUPC. Draft will be done by 28 Jan. Redline version getting re-redlined, going to admin. The draft will be sent out to all faculty in Feb.; faculty will have 2 weeks to comment. They will meet again at the end of February; consider changes, send to Fr. G., get everyone together to make changes by March; then to FAUPC; then meet with Fr. G. and Chris; then back to FC. Hopefully it will be done by the end of spring.

7. Adjournment 17:04