

# Minutes of Faculty Senate Meeting

## February 19, 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, Martha Alexander-Miller, Edward Allen, Daniel Bourland, James Cotter, Kevin Cox, Carol Cramer, Sonia Crandall, Jacquelyn Fetrow, Will Fleeson, Candelas Gala, Samuel Gladding, Martin Guthold, Michael Hughes, Tim Janke, Claudia Kairoff, Hank Kennedy, Rogan Kersh, Nina Lucas, Linda McPhail, Hof Milam, Gail O'day, Emmanuel Opara, Wilson Parker, Cathy Seta, Gale Sigal, Michelle Steward, Rosalind Tedford

### **Welcome from President Hank Kennedy (4:00 pm)**

Professor Hank Kennedy asked if there were any comments or corrections to the minutes of the January 22, 2014 meeting. No comments or corrections were voiced; therefore, the minutes were approved as posted on the Faculty Senate website.

### **Standing Committee Reports:**

**Resources Committee:** Professor James Cotter reported that the committee has met with Hof Milam, Andy Chan and Jim Dunn. Professor Cotter will prepare a report in conjunction with the Resources Committee for the Faculty Senate regarding these meetings.

**University Integration Committee:** Provost Kersh informed the Senate that he spoke with Professor Gillispe and Dr. Bourland regarding the progress of integrating student access policies at the medical school. They both expressed enthusiasm regarding the progress being made with this issue.

**Committee of Collegiate Senators:** Professor Ed Allen reported that he has written a document that he will be sharing with the committee soon. The document summarizes information from several meetings with administrators. One of the items is regarding what we would expect from the administration if they decide to increase student enrollment.

### **Informal Reports from Faculty Senate BOT Representatives:**

**Academic Committee:** Professor Cathy Seta reported on the recent Board of Trustees meeting held on the Charlotte campus in January. She noted that the new Charlotte campus is beautiful and impressive. Below are the highlights of the AC meeting:

- AC Voted to approve a charter for the committee
- Rogan presented an overview of research & data regarding grant funding, Rhodes Scholars and Beckman Award
- Presentation regarding a master of Legal Studies and program's planned expansion to the Charlotte facility
- Dean Fetrow presented on tenure and promotion process

**Athletic Committee:** Professor Nina Lucas reported on the Athletic Committee of the Board of Trustees meeting. Below are the primary points:

- Trustees charged to review bylaws
- Ron Wellman discussed academics and the four athletes that were dismissed from the university
- Discussed new football coach (Dave Clawson) and his innovative ideas
- Discussed admissions process and how the university admits students
- Talked about Reynolds Gym renovation and new Strength and Conditioning Center

There were several questions that Professor Lucas and Provost Kersh addressed:

*Q: Where will the new Strength and Conditioning Center (now called the Sports Performance Center) be located?*

*A: It will be next to the Miller Center and adjacent to a new indoor sports field.*

*Comment: (Provost Kersh) The Indoor Practice Facility is a 120 yard field which will only become a reality through fundraising dollars and is in the long range plan.*

*Q: What is going to happen to Reynolds gym?*

*A: (Provost Kersh) The renovation and expansion of Reynolds gym to become the Health and Wellness Center is contingent upon obtaining funding through donor gifts. This new wellbeing space will enhance the variety of exercise options, offer new programs, provide additional ways to reduce stress, and living room space for students, faculty and staff.*

*Q: Are there plans to float another bond for these new buildings.*

*A: (CFO Milam) We will probably do another bond issue but this will be driven by the needs of the residence halls.*

*Comment from senator: When the Miller Center was built, it was a student recreation center. It was colonized by the Athletics department over the years. The Athletics department continues to expand its turf without any regard for necessity or even performance. As we are looking at ways to deal with these budget shortfalls, in my view athletics should not be dealt with separately.*

*Response: (CFO Milam) We have been very careful that Athletics is not looked at separately. We are forcing them out of Reynolds Gym at their own expense. The expansion related to Athletics Department is entirely from their own fundraising efforts.*

### **Update on Sexual Harrassment Policy and Protection of Minors Policy**

Senate President Kennedy reported that the committee is getting close to formulating a sexual harassment policy for faculty and could be in place before the end of this semester. The Faculty Senate has been instrumental in the development of this policy and will continue to play a significant role. A representative from the university counsel's office plans to meet with the EXCOM of the senate at its next meeting to discuss issues that are of concern to the excom in the new policy. These issues are: the inclusion of a time-based statute of limitation on when sexual harassment claims must be made and the composition of hearing panels in particular categories of harassment claims.

The other policy in development is the Protection of Minors Policy. The Senate has played a vital role in this process. Comments concerning the importance of this policy were made and the fact that the protection of minors seems to be distantly connected to the overall activities of the policy was noted. There are concerns about the drug-testing of potential and current faculty. Senators request that the senate thoroughly discusses and evaluates this policy. It was noted that this policy will follow the same path of development as the Sexual Harassment policy.

### **Update on Health Sciences/Medical School Issues**

Hank informed the Faculty Senate that the issues with this committee are a work in progress and require a lot of time and attention. The response by the Medical Administrators has not been entirely in accord with the position of the senate and is at variance with national AAUP standards. This issue will continue to be spotlighted by the senate and its excom.

### **Discussion of Budget Shortfall for FY 2015 in Context of Special Faculty Senate meeting of February 5 and resultant Faculty Senate Executive Committee memo regarding Fringe Benefits and Budget Shortfall**

In the last Faculty Senate meeting that was held on February 5, 2014, we discussed the budget shortfall resulting in upcoming staff/faculty benefit cuts. This conversation led to the drafting of a memo (Addendum A) to CFO Hof Milam and Provost Kersh. What followed was a lengthy and lively discussion of issues related to the university budget process. [ *caveat*: These comments 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.)

*Comment: I think the administration keeps putting a Band-Aid on the problem. If you talk to various people about when student enrollment was increased several years ago, the consensus is that the plan was not well formulated. The number of faculty that they needed to hire was inaccurate because they thought they could cancel sections with fewer than ten students and repurpose them for other things but did not realize that many classes were cross listed and in reality the classes had 22 students and couldn't be cancelled. The money that was set aside for additional faculty was not enough. Dean Fetrow had to go back to the Provost for additional money. Also part of the model involved an increase in the number of value of course and students were going to be able to take fewer course as a result, which would have helped solve the problem...., but the government put a stop to it. We need to look at the model again, we did five to seven years ago and figure out how we make it work in the future because it was flawed.*

*Q: (Dean Fetrow) Which model are you talking about?*

*A: The enrollment growth plan. We were under the impression that money would be set aside for new faculty to cover the enrollment growth.*

*Comment: An issue I've raised previously is the increase in overall staff of 47% and an increase in Executives and Professionals in the amount of 112% (figures taken from addendum B). We*

*are experiencing and average increase of 5% a year in staff, which is unsustainable. I think WFU should consider a staff hiring freeze.*

*Response: (CFO Milam) Rogan and I agree that we cannot sustain the staff growth that has taken place.*

*Comment: (Provost Kersh) Some issues that arise, we can do what we can do. We are unable to do anything about the past. Having been here for 1 1/2 years, I have only had a 1.7% growth in staff this past year. We have something like the equivalent of a hiring freeze. Effective at the end of this past academic year all new hires must be approved by Hof and I. If we announce a hiring freeze that suggests that we are in "dire straits." If you watch the percentages from year to year, Hof and I are taking this seriously. Give us a little time, we have a good record thus far, and we are headed in the right direction. Allow us to defend our numbers.*

**HK referred to Addendum B that was distributed at this meeting (see attached). What followed was a discussion of the data presented therein.**

HK pointed out from addendum B that he didn't think the university had done that poorly in staffing the faculty. Looking at the figures, in 2000 there were 87 faculty members per thousand students but more alarming is what happened in 2012, with 83 faculty per thousand students. HK feels that it is far more disturbing when you look at the extraordinary rise in staff and administrators on Reynolda campus. Professor Kennedy pointed out that between 1999-2000 there were 56 Executives and Managers, between 2009-2010 that increased to 167 and between 2011-2012 there were 224 (before Rogan came to WFU). These figures were derived from WFU, Office of Institutional Research, Fact Books.

*Response: (Dean Fetrow) I would like to comment on this data. What happened during that period if you look in the fact book, it suggests that many of the faculty were reclassified to staff and therefore they were actually not new hires. I still do not have an answer as to why this was done and I am working on tracking down the details of this situation.*

HK agreed that there might be some problems with this data. The people that fall into the categories of Executives, Managers, and other Professionals are what Hank thinks are referred to as exempt employees, not hourly employees. Those who fall in the exempt category are higher paid than the "non-professional" category. If you look at the increase on Reynolda Campus it has been with higher paid exempt employees, from 2000 until 2012 there has been an increase of 477 people in the Executive and Professional category. That is an increase of 112%. Almost 200 people alone have been added to this category in the past two years. This is truly unsustainable.

*Comment: (Gail O'Day) If you look at the "Non Professional" category for the same period there was only a growth of around six people. The numbers themselves are not telling you exactly what is going on with mid-level staff. The reason is I have upgraded many people from non-exempt to exempt and if you play that out in all of the categories that is a big piece of what is occurring. Most managers work with their staff when it is appropriate to their job description to move them up. If you consider those folks when comparing it to the 609/615 and 719 /902 figures, it gives you a better picture of what is going on with the staff. It is not that it is all higher paid or lower paid, there is a huge middle category that is being moved up into a different*

*category. They are not a highly paid group but they are now in the exempt ex professional category.*

Hank stated that when you look at the overall number of people employed and the “non professional” category members have actually stayed relatively constant in number overall. To the extent that this change has occurred, it has been very heavily weighted towards exempt employees and they are more expensive. He concluded that he was sure there are people who have been promoted or their job reclassified but he does not think this fact explains this kind of movement seen in the data presented.

*Response: (CFO Milam) When I look at these numbers, especially the ones presented at the last meeting, I find them alarming. I have been looking at these numbers and would love to have the figures you mentioned to understand how the dollars across these categories have changed. Rogan and I have been looking at where the growth has occurred and asking ourselves, does it make sense? A significant amount of growth occurred in the advancement office gearing up for the campaign. It is necessary to invest in people to raise funds. In OPCD there was also significant growth but 2/3 of the cost is raised by Andy Chan. I could not agree more seriously that the numbers here raise questions. Rogan and I need to get comfortable with what we are seeing and be careful about where we grow going forward. We are not going to get anywhere today trying to figure out what these numbers mean because I have been deep enough into them to tell you that once you get into the detail, it raises numerous questions.*

Hank feels the phenomenon is large and disturbing. Look at this in terms of students. The number of staff related to students has grown enormously. This has not happened in relation to the faculty it has occurred with exempt staff. When you look at the number of staff at the Executive and Manager level they went from 10 per one thousand students in 2000 to 35 per one thousand students in 2012. In the Other Professionals category went from 76 per one thousand students in 2000 to 106 per one thousand students in 2012. These are stunning changes. Hank said I am not saying these people are not doing their job or not valuable but I am just pointing out that we can't sustain this growth.

Several comments were made from the senate-body:

*Comment: I'm not quite as stunned as everyone else in this room about the ratios. I feel like things are much smoother with the academic units. I am not sure that it is a bad thing to have too many staff. Seems to me like we should look at each unit. When the library hires additional staff isn't it a decision they make out of their budget? I want to hear more why this is such a serious problem?*

*Comment: (Concerning growth in staff) It's just not sustainable. I look at the growth here and the revenue growth we have and I do not see how we can conceivably continue hiring people at this rate without eventually having to fire people because we cannot afford to pay them. I wish I could agree with you that my interactions with staff have been wonderful improvements. There are many staff that are very dedicated and serve very efficiently but many other offices that have gained more people that have become more bureaucratic.*

**Comment and question: [Chair of the Fringe Benefits Committee PS]** I just wanted to say that we are facing two time horizons, this meeting and the time horizons of the budget process. I was wondering what Hof and Rogan thought about the memo (sent by the excom)?

A: (CFO Milam) We need to solve a budget based upon the lowest undergraduate tuition increase in thirty five years. We are going to have to make decisions and fringe benefits are one category we are going to have to address. HR staff is actively working on ideas of how we can manage the increasing cost of benefits. Remember we are increasing next year's budget; we are just trying to make sure that the increase is not greater than our ability to pay it. We are open to the Fringe Benefits Committee calling a meeting at any time and the HR staff will be there to hear what you have to say. We have already heard from the SAC, they were afraid they were being cut out since it was a closed senate meeting. We got suggestions from them saying we would like you to start with these four or five things and we consider these four or five things entirely off the table. If the first five things do not get us where we need to go then here are a few things we could talk about more and by the way here are a few other things we thought of that you could look into. The SAC suggestions have been helpful. We need to move ahead, need to present a budget in April to the BOT's. Staff is working on this just as they always have in the past. We were trying to demonstrate with our intentions early on that we would like to have your input early in the process. We are not trying to use the committee as a shield. We just want people to have an opportunity to comment. We will not call the meeting. I apologize if we were wrong in the way we started this by calling a meeting of the Fringe Benefits Committee to get early input. We will back off and let the Fringe Benefits Committee decide how and if they want to proceed. Is that fair enough? I do not know how we got off to a bad start but there were good intentions there and I think it is time to get over the misunderstanding and make some decisions.

Comment: I wanted to make a comment, kind of in the same vein that you were making earlier, about if an increase in staff is that bad. I've been thinking about this a lot in the last couple of weeks and what I came to, is that on the income side, we depend very heavily on a certain core of students who can afford to pay full tuition and if those students chose to go elsewhere we are in serious trouble. That is a very small slice of students that have very high expectations. That growth is happening because those students are going to schools that have those tremendous services. If we do not provide those same student facing offices that the other schools we compete with offer, we are going to be in big trouble in terms of what revenue we are going to get.

Comment: When looking at staff increase, my program had not support. I am thankful to the administration for listening to the faculties needs.

Q: I got the impression at the last meeting that there was a spike in medical costs and that's where the concessions needed to be made. Is it still confined to this budget category?

A: (CFO Milam) Yes, still confined to the fringe benefits pool although we are considering other expense reductions. Remember, with benefits we are saying it will increase our overall spend. In benefits it will increase 2 1/2%, we didn't say let's figure out how we can reduce what we are currently spending on fringe benefits. There are other things we are looking at to see how can we reduce spend in other areas. The savings we would get in other areas would go to other challenges we have here, like figuring out how to avoid the debt service on residence halls that are going to have to be dealt with and faculty compensation. What we are trying to do is

*maintain a reasonable increase in fringe benefits, find our savings elsewhere in the budget to deal with other problems. As Carol said, there are numerous pressures on student services and it is going to be difficult to hold the line there so we have to hold it somewhere else.*

*Comment: That model is out and we are where we are now but time now to figure out what that is. You cannot just do great in one area and bad in another because one offsets the other. I think it is important to look at the entire budget piece.*

*Comment: (PS, Chair of FB com) I appreciate what Hof is saying, I'm just here as a representative of the Faculty, that's the job I'm trying to do along with the senate. Overwhelmingly there is a sense that the administration reached out in this process with an opportunity to engage in a debate but constrained within a very small framework. What we are trying to do with the motion that the senate passed is we want to open it up to a wider debate. There is a sense that the committee is being used as a front. I cannot change that, and I might not necessarily feel that way. I think emotions have been very high surrounding this issue all around campus and there have been some inaccuracies communicated. At the same time with this high level of emotion, I think what happens is people stop understanding the position of the other people engaged in the debate. I think it is very important for you to know what the perceptions are out there if changes are made and it is perceived to be unilaterally no matter how much you are trying to reach out to us there is going to be quite a reaction. The other thing is, this is a real conundrum for the fringe benefits committee because we would like to engage in this process but the people we represent are going to say why are you doing this and why are you allowing this to happen? I would like to find a way to get out of this fix.*

*Response: (CFO Milam) In the past premiums have increased ,coinsurance gets changed, copays change, maximum out of pocket gets changed and some kind of medical management program is put into place. These things have been done in the past and for some reason there has not been all this resistance.*

*Comment: (PS) The difference is the magnitude of the changes that were mentioned.*

*Comment: I have mixed feelings about this. I understand the question of why the box of the debate is so small. The part that worries me is what you said about not calling a meeting (referring to CFO Milam's comment earlier...see text above). The intention was to increase the dialogue. What changed this year is we were able to be involved in the process. I'm afraid we are going to lose a great step forward with communication and involvement in the policies with the administration. I would hate to see a casualty of this process because of coming to us early in the process and involving us in the discussion.*

*Comment: (PS) I think it is unfortunate that the magnitude of the cuts that we are talking about took place in the context this year when we are beginning the process of dialogue. But if we are talking the elimination of major programs, that's something that needs wider debate and maybe opening up that box a little bit.*

*Comment: (RT) We aren't talking about the elimination of major programs. Isn't that part of the misinformation that occurred. I do not expect that HR was anticipating total program cuts.*

*Comment: (PS) In terms of what happened at the January 20<sup>th</sup> meeting, we did simulations of what could happen with cuts to total programs. There was what if scenarios and so people naturally took away from that exercise that this could be possible.*

*Comment: (CFO Milam) What started this was we got a note from Hank asking Rogan and I to come talk to the Senate about benefit changes planned for next year. Rogan and I had a conversation that, since we hadn't thought about the benefits changes ....why don't we get the Fringe Benefits Committee involved earlier in the process this year. I would not do it this way again but it was with the best intentions. I said let's not go to the meeting with what we think should be done ,lets present the committee with the full range of options in trying to close the gap. We listed things that could be changed and what the dollar value of it was. I do not recall anything on the table being terminated with the exception of the dental plan. We said if the dental plan was continued faculty and staff would be responsible for the full cost. Although this alone was not enough to close the gap.*

Hank commented that we are facing significant budget challenges and it seems to him that the big items that are out there ..... where there could be significant changes in expenditures..... are off the table. He feels we cannot talk about athletics, for example. The second thing is the issue of increase in staff. Maybe it does make us more competitive with those students that want to and can pay full tuition. If you look at this in a comparative context with other schools, we are way above the average rate of change in terms of staff. Nobody is talking about putting constraints about additional staffing. Is there a possibility of curbing this?

*Comment: (Gail O'Day) I'm just curious what do you want out of this conversation? Is the only thing that's acceptable a staff hiring freeze? Is it not enough of an affirmation to hear that it is an institutional commitment to pay attention to staff along with an affirmation that there was only a 1.7% growth in staff and that there is a double check on staff hires? Since the last meeting, Hoff has taken those numbers and really worked them to try to get inside of them. What is the desired outcome?*

*Response: (PS) What I've heard Gail, is if someone came to the table and said they wouldn't just take it from fringe benefits.*

*Comment: (Gail O'Day) I think there are two issues, one is that for this current situation that multiple things are being looked at to make sure the fringe benefits expenditures stays the way it is and that there is attention to the ongoing problem regarding staff growth, which I think has been affirmed.*

*Comment: (PS) As the representative of the faculty I think if there was some sense of shared sacrifice that things were coming from different places and I know Hof you indicated that you are trying to systemically do this in other places. However, I think if there was some kind of recognition that we are not just going to take from benefits to pay this bill it might calm the waters a bit.*

*Comment: Could the fringe benefits committee take that to Hof and have a meeting?*



*Response: (PS) We could as long as the debate was not just that the cuts have to stay within the ecosystem of fringe benefits.*

*Comment: If the issue was utilities and we had to build a new substation resulting in a two million dollar deficit in utilities. This unit would probably say it needs to come out of facilities budget. You would not be happy if they said it was coming out of fringe benefits. This is a fringe benefits deficit because our healthcare costs are rising so it seems that it needs to be a fringe benefits solution.*

*Response: (PS) Already medical payments come out of the university coffers because we are self-insured. The money comes from the premiums and then some other areas of the budget. I know the theory is that everything needs to stand on its own these days but I do think there is movement between budget areas. I am not a budget expert. What I'm saying is that the sense is not that every single unit has to be free standing. If something could come out of the committee that there is some way to avoid what the faculty perceive as a cut in benefits and pay.*

*Comment: Two comments, on the utilities thing if we get a 9 % rate increase on utilities you don't come to the senate resources committee and say you need a 9% cut in electricity usage across units on campus. That increase in the utility budget is dealt with across the budget of the institution as a whole. The analogy seems to hold for fringe benefits. On the staff thing, I am pleased that Rogan and Hof are attending to this issue and I will certainly accept the numbers that they are giving. I would be willing to push a little harder to ask you to think about what is the overall reasonable staffing level for the institution.*

*Response: (Provost Kersh) That is what we are doing.*

*Q: In the discussion I think we have strayed from what was in the letter. The focus of the letter is about the compartmentalization and it is in the initial formulation in arbitrary numbers that this is a university budget shortfall. We have an athletics director it's his job to run his department. We can't have the senate micro manage every department. I do think that in terms of institutional priorities that should be a collective decision and there should be some input. There are references to athletics department being a sacred cow that no one can touch and yet we subsidize the athletics department to the tune of 13 million dollars. Is that true it is a sacred cow and is off the table for discussion? Can the university senate never say we want to be recognized for other things other than our athletics department?*

*A: (Provost Kersh) No there is nothing sacred about athletics. This area can be looked at. We have a set of major challenges ahead; aging dorms need to deal with that, some savings from athletics are going towards that area. We are finding savings elsewhere in the budget to do something about faculty compensations because we do not have the enormous tuition increases and big student enrollment growth. We do look at the budget globally.*

*Comment: As a negotiating strategy, I think it should be put in a global context that there is a global shortfall and we are looking at all the areas of the university to generate revenue. This way when you go the fringe benefits committee it's what are ways you can see we can tighten the ship rather than saying there is a responsibility for you to fix the shortfall. Do you see this as a university problem or a fringe benefits problem?*

*A: (Provost Kersh) We see this as a global problem. Several millions involved in both the shortfall from this year in the medical benefits area and there is a shortfall anticipated for next year. We are covering this year's unexpected rise in costs from other parts of the university's budget. The rise in costs was caused by unexpected levels of faculty and staff utilization. We have increased the budget for benefits next year and we will still face a shortfall (we hope not permanent). It is important to note that on a larger content that millions of dollars are coming from other parts of the university's budget to deal with this year's shortfall and a significant proportion of next year's. Maybe if we had approached the fringe benefits committee with a more clearly widely articulated message we may have been spared much of this high emotion. My general attitude since arriving here has been for difficult decisions let's try and do these things collectively.*

*Comment: I know in the law school we are looking for ways to reduce costs. It's very unfortunate that it wasn't put in a global context. Transparency in my view is always a good thing.*

*Q: Since this is a global problem, isn't the athletic program ever asked to make sacrifices to help alleviate the shortfall? If someone is donating 2 million dollars to the athletics department, I take it that has a powerful impact on the athletic budget. I would take that to mean that WF would have less pressure on the global budget to subsidize the athletic program.*

*A: (Provost Kersh) On the contribution, if the sports center is built the funds will come from donations such as the two million dollars recently donated to the athletics department. We are looking at everything. SRI looked at athletics and they contributed during the process*

*Q: (Kennedy) We are talking about expenditures, shouldn't we talk about revenue? Our endowment is not doing well. The issue of declining endowment per student should be a concern.*

*A: (CFO Milam) The campaign is important for fundraising, we do need more gifts for our endowment. In terms of investment performance, the setup of Verger was done to improve the return on our investments.*

*Comment: (PS) One of the biggest problems I see, it does not matter how many number we talk about and the data we show. It is what people think and perceive that I am trying to communicate. We have to manage perceptions better. I do not know if it is through an open meeting where we address some of this issues; where we talk about that not only are fringe benefits on the table but exploring other things as well. The perception out there is terrible.*

*Comment: (Provost Kersh) One possibility let us meet with the committee, talk about options in this global context. Have something to have a meeting about besides emails that misrepresented most everyone's opinions. We would love to get a process that helps us move forward.*

*Comment: (CFO Milam) The other context that was provided to which I think speaks to this global issue is how much revenue increase we are dealing with which is less than 2%. Two thirds of the budget is compensation, faculty want an increase, we need to manage benefits. The other third of the budget we have significant utility increases and we can't do anything about those. I did provide that context in the fringe benefits committee meeting. We really were trying to preserve as much as we felt like we could with fringe benefits given the tight budget. That's*

*the global aspect, we felt the best we could do was a 2 ½ increase and we went to the committee to give us some feedback. I understand perception is reality in so many ways. What I've heard here today has been very helpful. That's my additional explanation for what I've been trying to explain all along. It isn't just looking at one part of the budget and say it has to be made up here. We have several challenges to deal with and it is a global issue.*

Adjourned 6:10 p.m.