

Wake Forest University Senate
Minutes of the 3rd Meeting
January 21, 2004

The University Senate held its third meeting of the 2003-2004 year in DeTamble Auditorium of Tribble Hall. The following were present:

Administration: Sandra Boyette, Bill Gordon

College: Bob Evans, Donald Frey, Katy Harriger, Hank Kennedy, Gloria Muday, Harry Titus, Mark Welker

Graduate School: Gordon Melson, Greg, Shelness, Mary Sorci-Thomas

School of Medicine: Mike Olympio

School of Law: Michael Curtis, Tom Roberts, Bob Walsh

Calloway School of Business and Accountancy: Sheri Bridges, Yvonne Hinson, Page West

Babcock School of Management: Jeff Smith

Divinity School:

Staff: Dana Hutchens, Elen Knott, Gloria Stickney, Eric Winicov, Giz Womack

Don Frey called the meeting to order at 4:00 PM.

The minutes of the meeting of 11/12/03 were approved as posted on the Senate web page.

Don Frey noted that there has been a change in meeting dates because the 2/4 meeting date was unavailable for Lou Morrell. . The meeting will be on 2/25 and will be held at the Law School, Room 1319.

Don Frey noted that the Senate was happy to hear that President Hearn is doing well and that the current leadership arrangements are stable and working successfully.

It was announced that the Senator is now available electronically on the web page. The web page also includes information and questions and answers from the Health Care Forum held in early December 2003.

Bill Gordon spoke with the Senate regarding several items. The first was an update on President Hearn and the changes for Gordon as a result. He announced that President Hearn was recovering well after his surgery. Bill Gordon, as Acting President, is now called on to meet more with constituents as well as being more involved in talking with each of the Vice-Presidents regarding issues in their offices. He is not able to carry out as many of the duties in the Provosts' office, but Sam Gladding has stepped in to help there with interviewing faculty candidates and looking at promotion and tenure decisions, before forwarding packets on to Gordon.

Bill Gordon also updated the Senate on the two dean searches. Babcock has two candidates, both excellent, who have gone through preliminary interviews and will come on campus starting sometime in the next couple of weeks. The College dean search, chaired by Richard Carmichael, is continuing. The committee is trying to get broad input on the kind of person we need to lead the College. They would like to involve the Senate Senior Appointments Committee as soon as they have a list of semi-finalists. They will then send the Senate committee input, along with that of the Search Committee, to Bill Gordon. There are currently approximately 100 candidates for the position.

Bill Gordon noted the appointment of Mark Welker as Acting Associate Provost for Research. He stated that we need support for an infrastructure for research that would lead to greater pay-offs for research time and efforts. The office will deal with: 1) establishing research centers, 2) establishing a policy to govern research centers, and 3) rewriting a research misconduct policy. We currently have 57 grants outstanding (41 last year), 23 awards (20 last year), and an increase in dollars up 72% at \$2.6 million. There is an internal search to fill the Assoc. Provost position on a permanent basis. The internal search is needed so that the person will have a thorough knowledge of WFU and our environment.

Bill Gordon, as Provost, established a Provost Advisory Council consisting of faculty in various units. The Council was established to gather broader input from faculty based on recommendations for members from the department chairs or Deans. The advisory council will meet on a regular basis and look at pressing issues to the Provost and/or the faculty. He also noted that he envisioned this group would change on a yearly basis in order to make sure he had a broad range of input from a variety of faculty members.

Bill Gordon addressed the issue of the budget by indicating that the budget was flat in the coming year. He indicated that the zero percent salary increase was across the board. The plan last year had been to freeze the budget with reductions, but they did end up approving a salary increase to help offset some of the increase in health care costs. He did note that the unrestricted portion of the endowment has lost significant value and has diminished at a much faster rate than is healthy for the university. Gordon explained that there are two components of the unrestricted endowment, one of which is the Salary Opportunity Fund (Fund), which was set up five years ago. This fund began at \$35 million and the plan was to invest it in a way to generate funds to support raises for many years. Raises during 2001 and 2002 were, on average, 7-8% with some coming from the operating funds and some from the Salary Opportunity Fund. He explained that those raises are now a part of ongoing salaries and so every year the same amount has to come out of the endowment. Gordon noted that there should have been enough money to do this, but changes in the market hurt the Fund. The fund was unable to generate the dollars needed and the corpus had to be tapped. The Fund was at \$20 million in December 2003 after reaching a low of \$18 million.

It is this decline in the Unrestricted Fund and Salary Opportunity Fund that is causing concern, according to Bill Gordon. The decision was made to stabilize the Fund this year. Dollars generated from operating income will be reinvested into this salary opportunity fund segment of the unrestricted endowment in order to restore its value to allow the interest from this fund to be sufficient to cover the costs of these previously budgeted salary raises. Any extra funds can then be put back into the Fund to try to rebuild it. The current plan also includes looking at budgeting, revenue generation options, and restructuring, etc. to enable us to see salary growth after the coming year. The goal for this Spring is to develop a coordinated plan to move from the freeze year to growth increases in subsequent years.

A question and answer session with Bill Gordon followed his address to the Senate. There was a request for better communication with the staff to inform them of the current situation and guarantee that the freeze is an across the board freeze. Gordon noted that it is hard to communicate with the entire campus but that he agreed that they must do a better job and find better forums for engaging and giving information. He also said that the salary freeze was indeed across the board and included administrators.

It was noted the WFU endowment has not only lost money but has also lagged behind other institutions and the market as well. Gordon noted that this would be addressed by Morrell when he speaks to the Senate.

Questions were raised regarding the bleak picture being painted, the need to focus on how we are planning to get out of it, and the low morale of people given no salary increases. Bill Gordon stated that there are a number of people involved in planning and the situation is being taken very seriously. All bases and options are being covered and implications assessed. He stated that we need to make sure we stabilize and make ourselves immune from these problems in the future. He also noted that we need to find other ways to signal value to employees. Gordon pointed out that many other universities and entities are in similar situations, but that WFU has managed to weather this with minimal impact.

Committee Reports were then presented.

Senior University Appointments: Michael Curtis reported that there was better communication through campus-wide emails thanks to Sandra Boyette. The list of names for honorary degree nominations was presented. A motion was presented and passed (with one no) to accept the list and recommend it to the Board of Trustees. It was also noted that the committee is very pleased with their higher level of involvement with the two current Dean Searches.

Fringe Benefits: Dana Hutchins noted that the Health Care Forum was a success and that the Senate web page has the Q&A and presentations posted. The committee is meeting again this week.

Healthcare: Gloria Muday reported that the information from the Health Care Forum that is on the web page also includes information on how to save money within our system and where to find additional information. She also stated that the plan is currently within 1% of estimates. If this stays consistent, we should only have to deal with national changes and increases next year. In addition, she noted that the minimum wage on campus was raised to \$8.50 an hour, which may make it more feasible for these employees to afford health care and other expenses.

Intra-University Operations: Don Frey, for Paul Ribisil, reported that the administrator feedback questionnaire has been sent to administration. There has also been a request to increase staff representation on the Senate. Don noted that this would require a change in the by-laws, which would be a lengthy process if approved. The committee is also looking at faculty concerns for overseas program liability and copyright issues when using library reserve materials.

University Oversight: Hank Kennedy reported that they are working on the endowment study and are looking at the College Teaching Load and Compensation by Division, soon to be released. Hank believes that the endowment study can be completed and delivered to Lou Morrell before he addresses the Senate. The committee is also in negotiations to find information related to parking issues. It was noted that the student shuttle can be used by faculty.

Ad Hoc Committee for the Framework for Comprehensive Athletic Reform: Katy Harriger reported that the committee has been in meetings and will wrap up the fact finding portion shortly and determine what to present to the Senate.

Don Frey reported that our At Large member, Mike Olympio, has resigned. The following motion was presented and unanimously passed:

That Senator Joe Tobin of the Medical School be elected to complete the one-year term of Mike Olympio as at-large member of the executive committee.

The following motion was presented and unanimously passed regarding the recuperation of President Hearn:

On behalf of the Wake Forest University Senate, we wish you to know that we are heartened by encouraging reports of your recuperation. We continue to hope for your rapid and complete recovery.

The meeting was adjourned at 5:21 PM.