

Wake Forest University Senate
Minutes of the 5th Meeting
Apr 14, 2004

The University Senate held its fifth meeting of the 2003-2004 year in Rm G-28 of the Hanes Building. The following were present:

Administration: William C. Gordon, Paul D. Escott, Gordon Melson, Reid Morgan, Robert K. Walsh

College: Jane Albrecht, Robert Evans, Donald Frey, Charles H. Kennedy, Gloria Muday, Paul Ribisl,

Graduate School: Dale Dagenbach, Greg Shelness

School of Medicine: David Herrington, Joseph Tobin, Ron Zagoria

School of Law: Michael K. Curtis, Tom Roberts

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

Babcock School of Management: Chet Miller, Scott Shafer, Jeff Smith

Staff: Dana Hutchens, Mark Sears, Gloria Stickney, H. David Womack

Other: Murray C. Greason, Jr., Ralph Pedersen

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

The minutes of the meetings of 02/25/04 were approved as posted on the Senate web page.

Initial Business

It was announced that an ad hoc committee was being established to address issues pertaining to the Reynolda campus staff to address issues specific to staff members. Giz Womack will serve as chair. The remainder of the committee will be the 3 staff senators and one staff representative from each of the nine major administrative departments. The charges to this committee are shown in Appendix A of the minutes.

Don Frey appointed Kathy Smith to serve as Wake Forest's representative to the Council on Intercollegiate Athletics.

Greason's Explanation of Financial Initiatives Adopted by the Board of Trustees

Provost Gordon introduced Murray C. Greason, Jr., Chair of the Board of Trustees to the Senate. Mr. Greason then spoke to address the current financial issues facing the University and the plan that has been adopted to deal with those issues. Mr. Greason noted that previous uses of unrestricted endowment coupled with declines in revenue mandated compensatory measures by the Board of Trustees. Greason observed that part of the proposed plan, a one year freeze of salaries, had already occurred at a number of other institutions, and that while maintaining competitive salaries was one of the Board's highest priorities, they could not allocate resources when it was not in the best interest of the University to do so. The Salary Opportunity Fund was characterized as a bona fide effort to improve salaries that hadn't fully worked.

Mr. Greason said that the Board regretted the absence of raises, but also said that no apologies were offered for any particular decision and that it was not useful to allocate blame for past decisions. Their present decisions were designed to continue to move WFU forward from being good to being great.

He then mentioned some specific areas of financial concern, such as health care, where all schools are struggling. The goal is to maintain benefits here intact without spending every dollar on them. He noted other extent benefits, such as the tuition concession, as being strong.

He further noted the importance of WFU to the Winston-Salem community, and the vital role WFU was playing in its renewal. He closed by observing that the most important aspect of the University was its people, and indicated his belief that the strong sense of community that traditionally characterized WFU was still in place.

During subsequent question and answer sessions, he elaborated on the plan to address the current financial issues. Components of the plan include a refinancing of debt, working with the Administration and Development offices to increase unrestricted endowment by \$30,000,000, increased research funding, looking for savings from noncampus real estate operations, and better management of enrollment to keep approximately 4000 students on campus at a given point. The latter would be implemented gradually and adjusted as needed. In response to a later question, he indicated that the Board had considered the cost of doing this, such as increased Admissions staffing, in making their projections.

The success of the plan will determine how good future raises will be. The goal is to solve the present financial crisis, but he also observed that the outcome of the present initiative depends in part on components that no one has control over. Raises and benefits for staff would follow the same pattern same for faculty.

In response to a question about whether promises made to the faculty in the Plan for the Class of 2000 were broken, Greason said that those were goals that had been sought, but which did not work out.

Asked why employees don't see any benefit from the steady stream of income due to tuition increases, Mr. Greason observed that the answer was complicated. The cost of running WFU increases every year, and those increases outstrip increases in the cost of living by 3 – 4 %. Certain areas, such as the cost of subscriptions, were particularly hard to control.

When asked about whether having faculty representatives to the Board of Trustees had been valuable, he indicated that he hoped it was a good idea, and that it seemed to be working so far.

In response to a question about how one could be confident about the fate of monies raised from the current initiatives given the endowment's performance over the past decade, and noting differences between Administration and Senate committee evaluations of the endowment's performance, Mr. Greason noted that many factors contributed to the decline in the endowment, including drawing money from it for debt service, student support, and the salary opportunity fund as well as the downturn in financial markets.

When asked if it would be possible for the Senate to send information directly to the Board of Trustees, Mr. Greason indicated that the Board preferred the present arrangement in which all information first goes through the University Counsel's office.

Mr. Greason closed by reiterating his hope that the current initiatives would alleviate the financial situation.

Committee Reports

Gloria Muday reported the outcome of a College Faculty survey in response to the possibility of salary-dependent health care insurance premiums, noting a generally positive response (84% in complete or moderate support). Plans for fact gathering at a Health Care forum were also described. That forum would include members with diverse views.

Michael Curtis reported that the University Senior Appointments committee had interviewed over 10 national candidates for the various senior appointment positions currently open.

Paul Ribisl reported that the University Operations Committee had worked to establish the ad hoc committee for staff.

Dale Dagenbach reported that the Fringe Benefits Committee had prioritized working in collaboration with the Ad Hoc Committee on Health Care since the bulk of fringe benefits concerns were occurring in this area.

Hank Kennedy reported on behalf of the University Oversight committee and provided data on the University's endowment performance. Most germane were data on summed nominal investment return since this controls for the value of gifts, grants, moneys taken out, etc... and thus provides a better cross-index of performance. Those data indicated that Wake's return on investment ranked 19/20 using the comparison institutions selected by the Investment Policy Committee of the Board of Trustees for the last 3 years, 15/18 for the last 5 years, and 11/17 for the past 10 years.

Dale Dagenbach reported that the Senate Nominating Committee offered the following slate for next year:

Senate President:	Gloria Muday
Vice-President	Harry Titus
Secretary	Yvonne Hinson
Asst. Secretary	Greg Shelness
Member-At-Large	Joseph Tobin

The slate was approved unanimously.

President Don Frey made concluding remarks noting that the many activities, expected and unexpected, that had been addressed during the year, and things that needed to be addressed in the coming year.

Appendix A

Ad Hoc Senate Committee on Reynolda Campus Staff Issues

Charges for the 2004-2005 Session

General:

The Staff Issues Committee, as an ad hoc Committee of the University Senate, is an advisory body established for the purpose of examining relevant issues identified by University staff. After discussion, this committee will make specific recommendations to the Senate for their consideration. Thus, the Committee will act as a conduit for communications between the staff and the University's administration regarding general staff issues ranging from benefits to salary concerns. This committee will not function as a grievance committee. The Committee on Staff Issues is composed of staff employees and may include members who are not members of the Senate but who nevertheless can represent staff on these issues. The Committee Chair is appointed by the President of the University Senate and will report to the President of the University Senate.

Membership Guidelines:

- The Staff Issues Committee is comprised of the three staff senators from the Reynolda campus and a diverse group of staff.
- Nominees for Staff Issues Committee members come from the three Reynolda campus staff senators.
- Invitations to serve are extended to a minimum of one person per WFU reporting unit. (See reporting unit list below.) Committee members who resign are replaced by a nominee from the same reporting unit.
- The Vice President of the Senate will serve as an ex officio member.

WFU Reporting Units:

1. Facilities Management	2. Information Systems/Human Resources/FAS
3. VP of Student Life and Instructional Services	4. VP and Treasurer/President/VP and Legal
5. Athletics	6. Advancement
7. Associate Provost	8. Professional Schools-Law and Business
9. Academic Departments	

Specific:

1. Seek input from all constituencies on issues of concern to the University staff.
2. Meet to discuss the agenda of issues and develop recommendations.
3. Present these recommendations to the University Senate for consideration.
4. Explore alternate mechanisms for staff to offer feedback to the University administration.
5. Report decisions and changes to the University staff via the University Senate website.
6. Meet monthly to conduct the business of the committee.