

Report of General Faculty Meeting

March 24, 2021

1. Approve Minutes

Minutes of Meeting of 2/17/21 was approved by acclamation

2. Steve Herbert Q&A –

- Herbert:
 - Context: 2019-20 class has 725 students; by the end of 2020 our enrollment dropped below 3000 (2,990 full-time students) which continued the slow decline of the last decade. Class of 2020 started with 631 students; enrollment was down to 2771 full-time students; in the spring enrollment is at 2,675. Our retention number is in line with what it has been for the last 3-5 years.
 - Budget for 2021 is 625 students, which would bring enrollment down to 2500s. It's easier to set the budget goal low. High budget goals could cause many challenges. But simply meeting the goal of 625 wouldn't bode well for our road to recovery, considering the demographic cliff we are facing in northeast Ohio particularly in 2026. Every 100 students we gain or lose is roughly \$2.5-3m of net revenue per year. Over four years it pans out to \$10-12m. While our cost structure has not changed significantly. Higher ed market competition will grow fiercer. With the financial difficulties, we wouldn't be able to invest in our most valuable resources—faculty and students. This is what prompted the board's response.
 - Herbert's response to a faculty search committee's question—"how do we respond if a candidate has a question with regard to the budgetary hardship, tenure, and academic freedom": the budgetary hardship amendment as approved by the board is not enforced until 8/30/2021, which is fiscal year 2022. The criteria for budgetary hardship would apply to the actual budgetary situation in 2022 and the projection of the following two years. If we average a 6% gap that's generally accepted in accounting principles as budgetary deficits over the next three years based on the projection of enrollment and expenses etc., then the board would be able to declare budgetary hardship, and the process would be initiated. The process would take about 4 months to follow through. If we don't meet that criteria, then nothing changes. It's the administration's goal to never be in the budgetary hardship situation. The gap deficit is a prescribed way to calculate the deficit. Over the past 12 years, despite the many years we've operated with gap deficits, we would have only been eligible to declare budgetary hardship over this past year. Should we declare budgetary hardship, there's nothing in the amendment that requires the provost or the president to fire tenured faculty members. The board cannot force the provost to do this. Academic freedom remains enshrined in the faculty handbook. The amendment also lays out a process for faculty engagement in determining how faculty reduction would be prioritized to prevent the chilling effect on academic freedom.
 - We are going through a turn around. We have to dramatically improve our financial situation and address all the ancillary issues that affect it. We've made a lot of progress

in the past year, and we must acknowledge that the progress comes with a cost. The pain is likely to continue.

- Jim Lissemore: What's going on with Al Miciak and Sherri Crahen's appointments to vice presidents?
- Herbert: the president's message is all I can share and it's all I know. it's the president's right to do it. Not much has changed except the SLT.
- Marcus Gallo: Are you indicating that it's not the board's decision, but the president's decision?
- Herbert: I don't mean to imply one thing or the other.
- Question: how are we to understand tenure under the budgetary hardship provision? Are the faculty now clinical faculty writ large with research expectations?
- Herbert: According to the handbook, we have to send the contract, but if you are tenured, you have a position next year. The contract only tells you your next year's salary. unless. The process has not changed for untenured faculty at all. If we are in budgetary hardship, it has to be declared and we have to go through a process for that so you would know.
- Brossmann: how far into fiscal year 2022 might budgetary hardship be declared, how soon theoretically could someone be notified that their service is no longer needed?
- Herbert: Budget year starts 6/1. Into June, we'll have a good idea about enrollment that would allow us to know budget. But the amendment is not in force till September. My interpretation is that we can't declare till September. Decisions would be made at the end of a four-month process. So terminations would take effect in May 2023.
- Mindy Peden: there is a particular cruelty in the fact that we have to make the decision about how to determine which tenured or tenure-track faculty would be fired, especially considering how hard we strived at shared governance. That's a comment.
- Margaret Farrar: what does the process look like, who's involved, how are they involved, and when will we know. It's not laid out in the amendment. There are a variety of things that are laid out as criteria, but there's no process per se.
- Herbert: within 15 days of declaration the budgetary group has to have an initial plan. If it's not good enough, they have another 15 days to work on it.
- Farrar: so we won't know until hardship is declared what the criteria are for our dismissal? And they could change depending on who the provost and the deans are?
- Herbert: to have a rigid rule on this would be detrimental. Faculty would have representation to contribute to the shaping of the criteria.
- Question: Adding senior leadership positions at this juncture would add cost. How were these decisions made. How do we pay for this?
- Herbert: In the grand scheme of things, these costs are not the significant drivers. Beyond that, I'm not prepared to comment.
- Hessinger: a narrative I've heard about the amendment is that in case of hardship we'd cut part-time positions first, then visiting position, and then full-time positions. But we already did that. Our enrollment went down by 8% last year. We cut the number of sections we offered by 15%. We offered 22% fewer part-time contracts. Visiting faculty are hired when there is a real demand. To say we'll cut them before full-time faculty is not credible and disingenuous.

- Herbert: that was what the amendment was crafted to counter. In some places it's counter to the institution's best interest to go through this prescription of going through a hierarchy of lists. The flexibility to adjust and make those changes was what this amendment was trying to address. That said, there's nothing in there that requires to fire tenured faculty. The budgetary hardship amendment has been a blow. But I can't focus on that. My focus has to be on strengthening our existing programs, starting new programs that would attract students, and using marketing techniques to leverage them better.
- Gallo: I need a bit more clarification on the prioritizations. The original language is "a tenured faculty member whose appointment is terminated for reasons of financial exigency will not have such terminated position filled by a replacement within a period of 3 years." The new language is that "a tenured faculty member whose appointment is terminated for reasons of financial exigency or budgetary hardship will not have such terminated position filled by a full-time replacement within a period of 3 years." I would interpret it as a fired tenured faculty member could be immediately replaced with an adjunct faculty. How does that jibe with the idea that tenured positions will be prioritized?
- Herbert: I don't interpret it that way. I agree it doesn't make sense. I can't answer why that language was inserted. I understand how faculty might be worried about it.
- Gallo: it's very frustrating to hear that full-time positions are being prioritized when the language of the amendment specifically says otherwise.
- Amy Wainwright: this last year or so, we have had numerous appointments of people into fairly high level positions without any search. Can you comment on the ethicality and legality of that?
- Herbert: it's a reasonable question that I will not address. I'm aware that at other Jesuit campuses some of these appointments are made. This is not a forum that I'll address these HR issues.
- Waner: You said that it wasn't the intent of the handbook to have that language about replacing full-time faculty. I think we are way past that point of intent, because the Board of Directors went out and hired external legal counsel to interpret the handbook prior to coming to the procedure that's in the handbook for interpreting the handbook related to how they could reduce salaries. So they've shown they are not going to work with intent of the language. I just wanted to make the statement that we are trying to approach it now from a legal perspective and what the language actually says not what we think the intent is. My question relates to the official university statement that these amendments are meant to protect tenure. This statement has been attributed to the board and the administration. Can you tell us in your mind how that statement jibes?
- Herbert: yes I will, but I cannot interpret it for the board. The big question is what tenure means when I cannot pay your paycheck. The best protection for tenure is a healthy institution where this never comes up. We are not that yet. We are in a situation where I can't give you meaningful raises each year. I can't even tell who I'd be able to pay. Then your position is at risk. In that sense making a stronger institution does protect tenure.
- Bill Elliott: the recent organizational changes are obviously planned, and other changes must be in the queue. Can you share where we are headed, what the organizational chart would look like?
- Herbert: it's more appropriate for Al Miciak to comment on this.

- Johansen: We kept hearing that we are facing a structural problem. But you have also said that in three years we might grow out of the problem. If a problem can be fixed in 3 years, that's not a permanent problem and doesn't justify a permanent solution. We have proposed many temporary solutions such as furloughs which might be better fit for a 3-year problem. Can you comment on that?
- Herbert: we need to grow our way out of this. We are invested. But the market is against us and success is not guaranteed. The strategic planning should work. It worked for other institutions, but there is no guarantee. One of our biggest problems is that our net tuition revenue is around \$12.5k per student out of a \$30-40k tuition. Our discount rate is way too high. We are trying to roll that back. It's counter market, but I know we have the quality of product to do it. Now that also is not going to be guaranteed to take place so we have to be cautious about it. Last year we had \$400,000 saving from cutting adjuncts. That's significant. We have to consider how to make the cost cutting and increase efficiencies to get us through but not cutting so deep that it hurts our product. It's a challenge.
- Question: can you speak to the recent Forbes' rating of financial stability which gives us a B, its long-term and short-term implications?
- Herbert: we are in the top 100 of 900 schools. It was based on IPEDS data from 18-19, no later than 19-20. It was based on demographics and other information a good 2 years ago. And they are not looking at all the budgetary information. They are looking from the outside at what's publicly available. I wouldn't say I'm suspicious, but I don't know what it means. I don't think it speaks to some of the challenges we've got.
- Webinger: in your opening remarks you said that with a smaller student body we need a smaller cost structure to meet that. But you haven't talked about the other issue of over-capacity—our campus, the fact that a smaller student body is not going to fill the dorms. There are plans to revamp a dorm. I'm curious about our investment in fixed asset particularly when our fixed asset is not going to be well utilized at least based on the projection you shared.
- Herbert: the plan is to renovate Dolan. Our residency rate has been dropping over the last 5 years. As we introduce new freshmen classes the requirement for residency still maintains. We need to be able to attract them into a more modern dorm spaces especially ones that are air-conditioned. We have to upgrade them in order to attract students.
- Webinger: do you think it's financially responsible to renovate dorms that will likely not be needed?
- Herbert: then the question is what our capacity is. Depending on what our student size is, those are ongoing conversations.
- Question: given all of the sacrifices that everyone's being asked to make, how can we justify the expanding of the SLT at this time?
- Herbert: it's a question that I can't address.

3. Announcements

A. UCRA (University Committee for Resource allotment): 2 open slots vacated by the retirement of two faculty members. FC appointed Desmond Kwan for one of the slot till the end of this year, which would be open for election in the beginning of fall. Is anyone else interested? Arthur Petzel volunteered for the 2nd interested position, which was approved by a FC vote after the meeting.

B. Grievances Updates: 3 grievances this year have all reached conclusions. One has advanced to the president for a determination. One of them also raised a couple of handbook issues, which have been forwarded to the handbook committee.

C. Test Optional Extension: the university made the decision to make ACT/SAT optional for a year. It is a process issue, not a substantive issue, therefore the faculty don't have control over this. A request of a two-year extension of test optional came to the FC last month. The FC voted to approve it although we didn't have the right to oppose anyway.

D. Administrative Assistant Award: this is the only staff award that faculty provides. Faculty members are strongly encouraged to nominate someone for this award.

E. Faculty Council Resolution in Support of Staff: FC passed a statement—"Faculty Council pledges its support for the Staff in their efforts to find a fair and equitable resolution to concerns about requiring all Staff to return to the office by March 29, 2021." This is a multi-faceted issue. There is no consistency among the members of the staff as to what is a fair and equitable solution. After talking with multiple staff members, we made the decision to voice our support but not to get involved in any particulars.

4. Board Reps – each Faculty Representative to the Board gave a brief update

- Barnes: Student Affairs Committee Meeting with the board
 - Dr. Sherri Crahen is now Vice President for Student Affairs.
 - We have hired Dan Fotopoles as the new Title IX Coordinator, who is starting 3/18.
 - The COVID-19 testing programs have been going well. The COVID-19 Dashboard Information was reviewed. Recently we have had fewer positive cases. Discussions are in-progress about vaccine options. JCU will be encouraging & tracking which faculty & staff are vaccinated. Assume most students will be vaccinated over the summer. Ideally, we could be certified to give vaccines on campus, otherwise will partner with others.

- Angie Canda: the committee of properties, facility, and tech
 - There are two offers for \$3.2m on the Green road property. The sale is expected to close in late May/early June.
 - For facilities we are still on budgets despite many delays due to Covid.
 - Deferred maintenance and special projects include the Dolan renovation, tennis courts, counseling center relocation, library.
 - IT is also on budget. They are working on improving our classroom technology across the campus.

- Malia McAndrew:
 - new capital campaign of \$150m rolling out later this summer, currently under revision.
 - Advancement took a 20% budget cut. Three members of their staff were let go.
 - Recent lectures offered by John McBratney and David La Guardia etc. have been very successful, brought together alumni from across the world into our alumni network.
 - \$100m cash donation for Deborah Pall professorship in Biology.
 - Caroll fund had a goal of \$1.7m. we are at \$1.4m. We are hoping to engage more alumni. One of the biggest areas of growth in the annual fund has been from student parents. 896

student parents, mostly of student athletes, have donated. 83 staff and faculty donated to Carroll fund.

- Colin Swearingen: subcommittee on diversity
 - The anti-racism discussion focused on not only representational diversity but also inclusivity.
 - The liaisons gave a 10 minute talk. Swearingen talked about the hardship amendments and gave some pointers from faculty, also brought up the appointment of Al Miciak, expressed concerns of faculty on the process of this appointment.
 - Swearingen was asked one question: Would faculty use the training they've received over the past year, in terms of online and hyflex instruction, in future semesters. He answered that yes, a number of faculty I've talked to have benefitted from the trainings and will be implementing these pedagogical strategies in the future.
- Mark Waner: investment committee
 - Our investment doing pretty well, 16.5% up in the investments in 2020, in the 12th percentile among the group that Monticello ranked.
 - The endowment is performing well
 - Campus ministry approached Lauri about whether JCU is part of the group that signs on to the "Laudato Si" document, which is about divesting in fossil fuel. Turns out we have less than 1% exposure of our portfolio to any kind of energy and nothing active in fuels.
 - Lauri gave the number of \$60m as the total deferred maintenance cost that we have right now, most likely given by an external appraiser. There is a plan to spend over time to meet that.
- Brossmann: academic affairs committee
 - Brent given 15 minutes to talk about the hardship amendment.
 - Bonnie provided many details about restructuring CAS. There were discussions about growing grad school and new programs.
 - Three in-person commencement planned: 1 for graduate students this year and last year; 2 for undergraduates this year and last year respectively.
- Rosanna Miguel: finance committee
 - Al Miciak said he would make it a priority to restore staff retirement benefits.
 - We received a \$6m government allocation, 50% of it is for student grants, 50% for institutional expenditures. Research will be done to figure out what expenditures are included in the institutional category.
 - It was reiterated that salary cuts for faculty is temporary.
 - Miguel communicated that the finance committee is working with Webinger on a financially sustainable measure of faculty productivity, and will try to come up with some options.

5. First Election Notice – Medora Barnes

Election upcoming in next meeting; members of each committee and their times are on FC web page