

Faculty Senate Minutes
Tuesday October 19th, 2010
Plaza Room, Administrative Center, 3 p.m.

Present: Ebersole, Ward-Smith, McArthur, Stancel, Burnett, Wyckoff, Plamann, Pick, Durig, Peng, Baker, Mirkin, Sohraby, Madison-Cannon, Sherburn, Rice, Nilsson, Carbone, Luppino, Alleman, Yang, Krantz, Stanley, Johnston, Bethman

Absent: Gardner, Holt, Wang, Hermanns

Excused: Thiagarajan, Hinds, Finchman

Visitors: Ron MacQuarrie, Vice Provost and Dean, School of Graduate Studies; Beci Edmundson, Faculty Affairs Specialist; Karen Bame (School of Biological Sciences); Rick Anderson, Vice Chancellor for Administrative Services and Bob Simmons, Assistant Vice Chancellor of Campus Facilities Management.

Welcome at 3 p.m. Called to order by the Chair, Gary Ebersole.

Informational Items

A Town Hall meeting with President Forsee is planned for November 11th from 9-11 a.m. in the new student union theatre. Scheduled after the November 1st Curators' subcommittee meeting allows the President to provide an update on that topic.

The Curators' subcommittee on Compensation and Benefits, scheduled for November 1st, will be held in the tele-presence room. Senator Luppino, a representative from the Faculty Senate Budget Committee, and other UMKC employees will be present and provide a report to the Faculty Senate.

The Senate welcomed Erin DeSeure, a master's student in the Theater Department and our new student assistant. Erin is editor of UMKC' publication *Theatre Training News* and has web experience. Erin will assist with Faculty Senate communications.

The need to replace Lori Holt on the Student Success Committee has been filled with the Nominations Committee recommendation of Steven Dilks (A&S, English), the former Director of FACET. With no objections to this nomination, his name will be forwarded to the Provost.

Visitors were introduced.

Approval of Agenda

To the agenda Chair Ebersole added a report from Senator Luppino immediately following Karen Bames' report. Senator Krantz moved to accept the amended agenda and Senator Wyckoff seconded. The agenda was approved.

Approval of Minutes for October 5, 2010

Senator Rice moved to approve the October 5th minutes and the motion was seconded Senator Sohraby. All approved.

Chancellor's Remarks: Leo Morton

The Chancellor detailed the recent General Officers meeting. Then he reported that the financial picture for UMKC is that we are doing a great job in revenue enhancement, ahead of the plan for this year. On the expense side, however, we are not doing as well. The Chancellor recommends re-focusing and continuing to review performance.

Chair Ebersole mentioned the *KC Star* article reporting a national study that identified a decrease in charitable giving this past year. This report stated that as a city, Kansas City is doing fine, that KU's charitable giving was decreased by 15% and UMC charitable giving was down 2.5%. Do we have any figures for UMKC?

Chancellor Morton reported that last year was our 4th best year in history at \$27 million. Noting that \$29 million was raised in the previous year, this included a one-time gift of \$8.5 million to the Dental School (it's the largest gift ever). Chancellor Morton feels that overall, we have done well. A new capital campaign is to be launched within the next year. Our profile of donors is unusual, with 60% coming from foundations or corporations. Usually, the majority of donors are alumni, at UMKC alumni encompass 13% of our donors. Relationship building is key to securing donations, and we are making progress on ways to increase alumni donations.

Chancellor Morton is confident that the retirement plan is secure, per the data presented at the General Officers meetings. There is no question the plan will get more expensive and will require more contribution. He recognized that retirement plan decisions are not easy, the analysis is complex, and timing is a concern. Collaboration with everyone requires time.

Provost's Remarks: Ron MacQuarrie, Vice Provost and Dean, School of Graduate Studies

Dean MacQuarrie reported that the Olson Professorship Program has been approved (handout provided) and there are several applications that have been forwarded to the Provost's Office.

There were several specific questions and answers about how the arrangements are to be worked out. Beci Edmundson, Faculty Affairs Specialist, reported that information is available on the Faculty Affairs website. [www.umkc.edu/facultyaffairs then click on the "Olson" tab] The site provides all the information needed to complete the application, a link to the retirement plan, and the denial/acceptance notification procedure. Ideally, one works with their HR facilitator, the Chair and the Dean, who signs the document. Once approved by the Provost, the application is sent to the faculty member.

Senator Wyckoff inquired if there was a mechanism in effect such that graduate faculty status is renewed at the same time? MacQuarrie stated that was a good suggestion and it will be discussed further within administration.

Retirement and Benefits Discussion: Karen Bame

Dr. Bame is one of two faculty members on the UM System Benefits and Retirement Committee; she has been a member since 2006. She reported that this committee has been previously

charged by former President Floyd to look at defined benefits versus contribution plans. Although this has been discussed before, this is the first time it's being done with an intent to move to a different plan. The current defined benefit plan is very good, and has been well managed for 30, 40, 50 years. The plan includes faculty and staff, which makes it unique from plans at other universities. While advantageous, it makes plan-comparison difficult. The Committee has met twice in Columbia since the semester started. One concern is the "held harmless" notion.

Of five plans examined, the Committee felt strongly about two of them: one that rewards service and one that was a match in place. Betsy Rodriguez reiterated to the Committee that the Curators want input from faculty and staff, despite the short time frame. Dr. Bame stated that she hoped that once the November 1st meeting happens, the Curators are going to realize we don't have enough information to make any kind of decision in the time frame that has been put out there.

Chair Ebersole stated that in the IFC meeting last month, attended through the tele-conference room, the President said: I'm relying on you as faculty leaders to sell this. Chair Ebersole stated that he could not support anything without data. Any analysis has to be data driven and no one should make a decision without all these data, and time to interpret these data.

Senator Wyckoff stated that is it not the Chair Ebersole's job to sell us on anything.

Chair Ebersole agreed. Senator Wyckoff stated that this is just one issue. You don't tell an elected faculty leader that it's your job. Let the record reflect I'm mortified.

Chair Ebersole responded by stating that he continually states he represents the faculty and listens to faculty as a whole. Senator Wyckoff suggested that we would all agree on a Senate resolution on how mortified we are.

Karen Bame reported that she is happy to share the documents she has been given. Mention was made of a University of California report, which has a Defined Benefit plan facing severe problems because during the late 80s, early 90s they were overfunded and ceased to fund the plan, but now they are in financial trouble. They took 1½ years to study retirement plans and decided to continue the Defined Benefits plan – not knowing how they are going to fund it—convinced that it is necessary to retain and attract faculty.

A comment was made expressing skepticism about the transparency of the System decision-making process.

Faculty Senate Budget Committee: Senator Luppino

Senator Luppino's report was presented in two parts: process and substance. Two weeks ago there were two concerns (1) the time frame was short and (2) information was still needed on key issues to have informed discussion on impacts of possible courses of action. It does not seem likely that the time table will be changing. All of the indications so far show there will be some kind of proposal will be discussed on Nov. 1 with a view toward a recommendation at the December Curators Meeting. In terms of our Faculty Senate submitting timely input it seems it would be a mistake to assume the date will be extended. On the second part, we were frustrated we weren't getting answers to questions in a timely manner. After the last Senate meeting, Betsy Rodriguez has been more forthcoming with materials and citations to reports and Tony had a

very good conversation with her last Wednesday (October 13) explaining that our subcommittee didn't go into the meeting with an agenda, but just wanted to know what the numbers are that say the plan is in trouble and, when available, what options are being studied. If it's heading for disaster, none of us should want a plan that can't meet its intended obligations. Betsy indicated intent to send information and have a transparent process. But we still need the numbers, some of which may not yet be available for reasons beyond her control.

We've drafted a subcommittee preliminary report and, though we looked at TIAA and other secondary sources, based our report principally on System reports, System consultant reports, and presentations to the Curators by Betsy and others. There are three parts to our report: 1) observations and questions on health of the existing retirement plan, 2) potential impact on new hires and 3) potential impact on existing workforce. Some of the assumptions should be revisited: they may be overly optimistic in investment return; people are living longer, the mortality assumption, understating obligations, and turnover rates change. In the other direction, the assumption of an annual salary increase of 5% could be overstated. We have a common problem of how to keep the plan healthy. Important data has yet to be shared. The assumption is that new hires want portability, and this assumption needs to be studied. The report points out that the defined benefits retirement plan is a hybrid plan.

Question: What does it mean to be held harmless?

Senator Luppino responded that this means a new plan is adopted without an increase to employee contribution and no freezing of benefits.

Another question inquired about what would happen should there not be time for faculty input? Senator Luppino inquired if people agree that getting the Curators something in writing that is fact-based is the way to go?

Everyone agreed. Senator Luppino then stated that he did not know if we have time to have another Faculty Senate meeting before we need to get this preliminary report out the door and in whose name should it go? He thought that ideally the document should come from the Faculty Senate but expressed concern about the timing, unless we have special meeting.

Chair Ebersole suggested a special meeting or vote electronically. Whatever we decide, we must be expeditious. Senator Luppino thought that electronic would be great. Chair Ebersole responded with an okay, and a plan for an electronic vote.

Major Capital Projects: Rick Anderson and Bob Simmons

Rick Anderson was ready to answer any questions on any projects on the list. He said there is active discussion at the Board and Presidential level to possibly issue bonds and address capital projects on the list.

Chair Ebersole: Can you tell us what projects UMKC would go forward with the bonds?

Rick Anderson: The top two projects based on balancing cost and addressing critical needs are a Student Success Center, re-purposing of University Center. The other alternative is to enhance classroom space on the Volker campus. The two options are an interactive learning center as an addition to the Miller Nichols Library, a brand new auditorium, larger lecture hall type

classrooms. A more affordable version would be to take the Administrative Center, in particular, the first and third floors and renovate to enhance classrooms on campus. Those are the top two projects. The last one under active consideration as the campus grows is enhancing parking on the Volker campus.

Senator Carbone asked about the status of the project to move across Oak Street and develop a plan with a commercial partner?

Rick Anderson: It's not totally off, but on delay. The commercial aspect was never penciled out. Some discussion followed about the pros and cons of building classrooms in the retail space on Oak/51st.

Senator Luppino: Several of the projects on your list say some additional cost funded by additional revenue from increased enrollment. How sure are we that increased revenues are because of new classrooms? It makes it sound like the buildings are going to pay for themselves. If there's new tuition, according to our new budget model doesn't that go to the school, do they know it'll be redirected to pay for debt of new construction? I'm afraid there might be a mismatching. Tuition increase would go to the school with the students or school teaching the students, doesn't necessarily match up with the building teaching the students.

Rick Anderson: It would involve the overhead. We've made assumptions about overhead. Let's say we don't have enough classroom space. If we need to invest in space, then a jump in overhead that everyone gets assessed will result.

Senator Luppino: The tax goes up for overhead? It's spread over all the schools.

Rick Anderson: It's matched up based on utilization. Theoretically offset by, let's say increase 5-10% gain in revenue, quite a bit more than new overhead that would come into play.

Senator Baker: You've mentioned now that parking and increasing parking structure is one of the concerns, that as we grow our student population we are going to need more parking structures. Parking didn't appear in any of these documents you gave us. What plans there are?

Chair Ebersole: We will continue to resist building parking structure in order to facilitate creating a green campus. Residential students can be told that if they receive financial aid, they cannot have a car. And yes, students have not had cars and have learned to walk.

Rick Anderson: Parking is a self fund project. If we build additional parking, that project wouldn't have effect on the operating budget but would have collective effect on us and students because the rate structure has to totally fund that project. Parking would draw on the bonding dollars. But the project would have no affect on the operating budget.

Definition of Voting for Dean's Evaluation: Peggy Ward-Smith

Chair Ebersole: We're out of time here. Peggy Ward-Smith is on our agenda to bring recommendations from her committee on eligibility to participate in the Dean's review and how we generate a voting list? We'll pass this out and make sure it's on the agenda next time. Our next meeting will be on November 2nd. We'll send as an electronic attachment.

Adjourned at 5pm.