

CASE WESTERN RESERVE UNIVERSITY
Faculty Senate

March 27, 2008
3:30 p.m. – Toepfer Room, Adelbert Hall

AGENDA

1. 3:30 Approval of Minutes of the February 28, 2008
Faculty Senate meeting - attachment D. Matthiesen
2. 3:35 President's announcements B. Snyder
3. 3:45 Provost's announcements/updates
DRAFT "Planning for the Future of CWRU"
attachment J. Goldberg
4. 3:55 Chair's announcements
Resolution to support the provost's "Proposal
to Alleviate Classroom Shortage" attachment D. Matthiesen
5. 4:05 Report from the Secretary of the Corporation J. Arden Ornt
6. 4:10 Report from the Executive Committee G. Starkman
7. 4:15 Report from the Budget Committee K. Ledford
8. 4:25 Year-end reports from Faculty Senate standing
committees - attachments
Committee on Graduate Studies J. Clochesy
Committee on Minority Faculty S. Loue
9. 4:45 Report from the Vice President for Research and
Technology Management - attachment M. Coticchia

CASE WESTERN RESERVE UNIVERSITY

Faculty Senate

Minutes of the Meeting of March 27, 2008

Toepfer Room, Adelbert Hall

Members present

Jay Alexander

Jeffrey Alexander

Keith Armitage

Olivier Arnoult

Cynthia Beall

John Clochesy

Mark DeGuire

Dave Diles

Dominique Durand

Steven Garverick

Faye Gary

Jerold Goldberg

Marion Good

Julia Grant

Kathleen Kash

Elizabeth Kaufman

Uziel Landau

Kenneth Ledford

Sana Loue

Charles Malemud

David Matthiesen, Chair

Vincent Monnier

Diana Morris

David Poerschke

Joseph Prah

Barbara Snyder

Glenn Starkman

Philip Taylor

Elizabeth Tracy

Rhonda Williams

Terry Wolpaw

Susan Zull

Members absent

Kathryn Adams

John Blackwell

Nabil Bissada

Robert Bonomo

Christine Cano

Joseph Carter

Susan Case

Stanton Cort

David Crampton

William Deal

Thomas Frank

Christine Hudak

Lawrence Krauss

Wilbur Leatherberry

Jacqueline Lipton

Judith Lipton

Kathryn Mercer

Shirley Moore

Carol Musil

Roland Moskowitz

Sena Nerendran

Ronald Occhionero

Eric Neilsen

Alan Rocke

Sandra Russ

Paul Salipante

Joram Sawady

Benjamin Schechter

Whitney Tice

Others present

Jeanine Arden Ornt

Paula Baughn

Richard Baznik

Glenn Bieler

Randy Deike

Donald Feke

Lev Gonick

Dean Patterson

Timothy Robson

Charles Rozek

Chris Sheridan

John Wheeler

Jeff Wolcowitz

Call or order

Professor David Matthiesen, Chair of the Faculty Senate, called the meeting to order at 3:30 p.m.

Approval of minutes

Upon motion, duly seconded, the minutes of the Faculty Senate meeting of February 28, 2008 were approved.

President's announcements

President Barbara Snyder announced that the Provost Search Committee has been formed. She will meet with that committee to deliver the charge, which will include an aggressive timeline. Committee members have been reminded that they are not necessarily representing their own constituencies, but rather the university as a whole. The committee will invite faculty to offer input to the search and selection process.

President Snyder reminded the Faculty Senate that this is “crunch time” for student recruitment. Admission letters have been mailed, and the university is anxious to increase its yield of admitted students. Randy Deike, Vice President for Enrollment, added that faculty assistance in the form of telephone calls and personal meetings is critical at this time.

The president stated that committees are being formed to examine priority issues recently advanced by the Faculty Senate – faculty compensation, and a childcare center. A survey will be taken soon to help inform planning for an on-campus childcare facility.

Finally, President Snyder reminded Senators of the meetings she had with the individual schools when she took office last year. She announced that “round two” of similar meetings is being scheduled for late April/early May.

Provost's announcements

Interim Provost Jerold Goldberg stated that a draft strategic plan has been completed and will be posted on the university's website on March 28. Goals and strategic initiatives have been articulated; “action steps” need to be more clearly defined. The information on the website will be vetted at campus-wide forums in early April, and metrics will be added. In early May, there will be another series of campus-wide forums to further distill the document.

Professor Goldberg presented the “Discussion of Draft Mission/Vision,” and Senators offered suggestions on the general concepts and specific language. He urged Senators to provide further input to Dick Baznik as soon as possible, and thanked them for their thoughtful comments. Professor Matthiesen added that specific material will be distributed to the appropriate Faculty Senate standing committee for further comment.

Chair's announcements

Professor Matthiesen reminded the Senate that this governing body delegates certain responsibilities to the University Undergraduate Faculty (UUF). The UUF is considering changing its structure, and the Faculty Senate Executive Committee is appointing an *ad hoc* committee to explore the issue of creating a Senate standing committee on undergraduate education and life.

Professor Matthiesen re-introduced a “Proposal to Alleviate Classroom Shortage,” a topic that has been discussed by the Executive Committee and the full Senate in recent months. The Executive Committee presented a resolution, which was seconded, to support that proposal. The text of the resolution is appended to these minutes. The resolution passed

by majority vote; there were 3 opposing votes and 1 abstention.

Report from the Secretary of the Corporation

Jeanine Arden Ornt, Vice President and General Counsel and Secretary of the Corporation, reported on the March 18 Board of Trustees' Executive Committee meeting. The trustees voted to refinance the university's tax exempt bonds, and approved resolutions to establish endowment funds. Bruce Loessin, Senior Vice President for University Relations and Development, reported on recent fundraising successes and also noted that planning for the capital campaign is ahead of the established timeline. Chief Finance and Administrative Officer Hossein Sadid provided an update on the university's current financial status. Vice President Ornt provided the annual report on legal issues to the trustees, noting that there are currently 28 matters requiring litigation outstanding, and that her office opened 1,500 new cases in the past year.

Report from the Executive Committee

Professor Glenn Starkman, Faculty Senate Chair-elect, reported on the March 7 Faculty Senate Executive Committee. At that meeting, Professor Bill Deal, the Executive Committee's representative to the UUF Executive Committee, reported that the UUF Curriculum Committee has tabled a recent motion by the Case School of Engineering to modify the SAGES curriculum for engineering students. That motion, which will come forward for consideration again in the Fall 2008 semester, will be vetted by the appropriate constituent faculties. The Executive Committee also heard reports from the Faculty Senate Committee on Faculty Compensation (Chair, Professor Susan Case) and the *ad hoc* Committee on Pandemic Flu (Chair, Professor Jay Alexander). Issues being considered by these committees will come to the full Senate in April.

Report from the Budget Committee

Professor Kenneth Ledford, Chair of the Senate's Budget Committee, provided highlights of the report distributed with the pre-meeting materials. That report, which is attached to these minutes, details the discussions that took place at the March 5 and March 19 Budget Committee meetings. Professor Ledford responded to questions.

Report from the Committee on Graduate Studies

The year-end report from the Senate's Committee on Graduate Studies, chaired by Professor John Clochesy, is appended to these minutes. To a question concerning production of a "Mentoring Handbook," Professor Clochesy responded that this project is being managed by the Graduate Student Senate.

Report from the Committee on Minority Faculty

The year-end report from the Senate's Committee on Minority Faculty, chaired by Professor Sana Loue, is appended to these minutes. There were no questions on this report. Professor Matthiesen thanked Professors Loue and Clochesy for their work as committee chairs in the 2007-08 academic year.

Adjournment

Professor Matthiesen informed the Senate that Mark Coticchia, Vice President for Research and Technology Management, who was scheduled to give a presentation at this meeting, had been called away from campus. Vice President Coticchia's supporting material was distributed; he will attend the April 22 Senate meeting to address questions and comments.

Upon motion, duly seconded, the meeting was adjourned at 4:45 p.m.

Susan J. Zull
Secretary of the University Faculty

Resolution

Whereas the university is facing a shortage of classroom space at mid-day teaching times,
and

Whereas the Interim Provost and University Vice President, and the Vice Provost for Undergraduate Education have solicited and been provided feedback from the Faculty Senate Executive Committee and the Faculty Senate on a proposal to alleviate the classroom shortage, and

Whereas the Executive Committee has reviewed and discussed the December 27, 2007 memorandum entitled "Proposal to Alleviate Classroom Shortage," and presents the following resolution to the Faculty Senate for their consideration,

THEREFORE, be it resolved:

"The Faculty Senate supports the provost's "Proposal to Alleviate Classroom Shortage," which modifies the teaching grid to release the current "Provost's Hour." Be it further resolved that the Faculty Senate suggests preferential scheduling of graduate level or upper level undergraduate courses as needed during this newly released time period."

March 27, 2008
Faculty Senate

Case Western Reserve University
Cleveland, OH 44106

**Report of the Faculty Senate Budget Committee
to the Regular Meeting of the Faculty Senate**
Thursday, March 27, 2008, 3:30-5:30 p.m.

Since its last report to the Senate, the Faculty Senate Budget Committee has met twice, its ninth Regular Meeting on March 5, 2008, and its tenth on March 19, 2008.

At the March 5 meeting, the first item on the agenda was a joint consultation with the Faculty Senate Committee on Information Resources regarding the process for faculty consultation and budgetary impact of administrative decisions regarding information technology. The specific context was the decision by ITS to change the default position for email service for new students from university-provided email to Gmail. Prof. John Blackwell, Chair of FSCIR, reported that FSCIR views its role as looking to promote information technology that is of utility to the faculty. It reviews the budget of ITS and the stated priorities of the ITS administrative leaders but does not have the responsibility to establish priorities. With regard to email, the FSCIR at its February 27, 2008, meeting, when presented with the issue, concluded that the expanded storage capacity of Gmail for each user and its improved virus and spam protection capacity made it a preferred solution. The cost of email to the entire campus is only 1 percent of the \$12 million budget of ITS. Prof. Blackwell indicated that FSCIR wishes an ongoing process of interaction with the FSBC over ITS budget priorities, and Prof. Ledford responded by accepting that offer. Questions from members of the FSBC addressed issues such as whether the costs to faculty and staff of the switch to Gmail were included in reaching the decision to promote the switch; the efficacy of consultation in the form of posts to wikis and blogs; future plans to require faculty to switch to Gmail; the representativeness of faculty presence on ITSPAC; and the process of the transition of specific information technologies from pilot adoptions to internalized utilities. The answers were: not very clearly; consultation could be handled better; no firm plans exist at the future but technology will necessarily “dictate” a shift at some unspecified time in the future; ITSPAC could be more representative of faculty and is dominated by ITS employees; and the university does not do a good job of transition from pilots to utilities.

The second item on the March 5 agenda was a report by Chris Ash and Ginny Leitch on the 5-year budget plans, revenue assumptions for the FY 2009 budget, and other issues. Seven of eight schools met their targets on the updated 5-year plans, and the plan of the School of Medicine was returned to meet those targets. Simultaneously, the issue of the shortfall in the financial aid budget arose. As previously reported, for FY 2008 the shortfall of almost \$2 million (\$1.92 million) in net undergraduate tuition will be covered by the contingency in UGEN. For FY 2009, the revenue projections have been adjusted downward by \$3-4 million, but the President has directed that the impact on the undergraduate schools be reduced as much as possible. On March 3, faculty salary guidelines went out to the Deans, with average faculty increase pools ranging from 3 percent to 4 percent among the schools; promotions are still

directed to be substantial increases in salary, with 10 percent as a recommendation. The reduction in tuition will be offset by a reduction in costs, including the completion, it is hoped, of the sublease of the Halle Building lease at a net break-even rate by July 1, 2008. Staff salary increases will average 3 percent across the University. UGEN units will have 3 percent staff salary pools, but non-salary UGEN budgets will remain flat, to soften the blow to the schools. Ash announced the constitution of a group to review income allocation rules and indirect cost allocation rules and to provide reviews of the performance of UGEN service centers. For FY 2009, the fringe benefit rate, previously slated to be reduced from 29.5 percent to 28.5 percent, will in fact fall to 28.0 percent. Within UGEN, the 1.5 percent difference will be recaptured in order to fund increased expenditures handled as extraordinary expenses during FY 2008. The Office of Financial Planning and budget will review the 5-year budget plans while the schools are completing their FY 2009 budgets, refreshing them to accommodate the reduced net undergraduate tuition revenue projections. Ash cautioned that whereas the FY 2008 budget had a \$7.5 million contingency, the FY 2009 budget of almost \$900 million will have none, although the budget office will try to find ways to provide one.

The final March 5 agenda item was a presentation by Randy Deike and Don Chenelle on the class of 2012 (entering Fall 2008) and changes in the financial aid environment generally. Offers of admission will be completed by March 15, about 1 week later than 2007. The goal is to yield a class of 1,050 from 7,273 applications (19 ahead of 2007). Some 3,500 offers have been made, and another 1,300 to 1,500 will be made. One encouraging point is that the number and quality of early action applications is ahead of last year. The financial aid aspect of admissions presents a number of challenges. As previously imported, our student body has already in 2008 qualified for additional need-based financial aid, at a time when the financial aid market is suffering reverses in a general atmosphere of capital and credit reduction. The “School as Lender” program, largely used for graduate students, which permitted the University to generate income of \$1.4 million as loan originator fees will cease to accept new students on July 1 because the federal government is ending it. The University will lose that sum previously devoted to funding undergraduate financial aid. Students whose families have no or bad credit records will face significantly higher interest rates on loans. Competition in the market is sharpened by competing universities adopting “no loan” policies or “fixed percentage of tuition” policies for families with incomes below figures as high as \$200,000 per year (Yale). This makes this year’s admission cycle and yield likelihood harder to predict than historically has been the case. The University cannot afford “no loan” policies; that at Washington University cost an additional \$2.5 million per year in financial aid. The key continues to be the need to raise endowment to fund undergraduate scholarships. A lively discussion ensued among the FSBC members about the role that the schools can play in development efforts to raise funds for those scholarship endowments.

At the March 19 meeting, Provost Goldberg reported on the University Strategic Planning process, indicating that a “straw-man” draft was out for review and comment by the College and Schools Planning Committees, and that a revised version would come to the Senate on March 27 and be posted to the web on March 28. A series of open forums for the University community will begin on April 2, after which the document will again be referred for revision

and comment. By May 1, the major remaining task will be to polish the language and present the draft in time to go to the Board of Trustees in early June.

Vice President Ash reported that the FY 2009 budgets are due from the College and Schools on April 11. She also reported that a special committee has been empaneled to study the impact of the demise of the “School as Lender” program and to report promptly to the Provost and CFAO, and that preliminary indications are that the adverse impact for the FY 2009 budget may not be as bad as first feared. Regarding the FY 2008 budget, monthly reviews since the Second Quarter forecast show no major changes through the end of February, and that the budget is on track to report a \$3 million contingency cushion even after accounting for the additional \$1.9 million in undergraduate financial aid previously reported.

Vice President Ash also reported the administration’s plan to reexamine both income allocation rules and formulae and indirect cost allocation rules and formulae during summer 2008. She had previously consulted with the Chair of the Committee, included him on the communication of the plan to the Deans, and provided assurance of FSBC participation in that reexamination. Aspects of RCM (“Responsibility Centered Management”) may be considered in the course of that reexamination..

Sally J. Staley, Chief Investment Officer of the University, then provided a detailed presentation on the University’s investment policies and results. In a narrative of success, the strategy has been to maintain an aggressive and diversified portfolio that performs in the top quartile of comparable endowments, and it has worked. Investment returns over the past 5 years have been 15.3 percent annually; this policy has achieved a (slightly) positive return even in the first two months of 2008; the endowment supports a draw of 5 percent annually in support of the University budget (allocated among 2,300 separate endowed funds); and the value of the endowment has grown to \$1.85 billion as of the end of calendar 2007.

Yet significant weaknesses remain. Chief among them is the failure of the University to contribute significant capital contributions to the principal of the endowment since the end of the last capital campaign in 1994, which could have had the benefit of an historically anomalous bull market to expand the value of the endowment even farther. Further, the relatively small size of the endowment and the dependence of the annual budget on the full 5 percent draw restricts some investment strategies that have produced even higher rates of return enjoyed by Universities with significantly larger endowments. The FSBC agreed that the performance of the investment policy is impressive but that the focus of the University on securing principal contributions to the endowment is vital to the future of the University.

Treasurer Robert Clarke Brown reported on the nimble efforts of his office to respond to rapid changes in credit markets caused by the puncturing of the speculative bubble in complex mortgage-backed instruments and other un- and underregulated financial markets. Most notably, the disappearance or failure of the market for auction rated securities has redirected focus to the market for variable rate demand obligations and led to plans to shift some of the University’s short-term debt into longer-term debt. Advance planning (including negotiating low caps on

ARS contracts), nimble response, and a solid beginning point (based upon refinancing of fixed-rate debt at historic lows in November 2006) put the University in a sound condition, although the cost of borrowing may increase. In the end, the debt profile of the University will shift significantly from variable to fixed rates.

Despite the fiscal turmoil of the University in the past 5 years, it has maintained reasonably positive credit ratings for its \$600 million of debt. The turmoil has led to a “negative outlook” assignment by Standard & Poor’s in 2006, which results in increased credit surveillance by that rating agency. A full review of credit began in Fall 2007 and will continue in Fall 2008, which increases the importance of the University’s fiscal performance in hitting or exceeding the targets of the FY 2008 budget and the Financial Recovery Plan. While under this increased scrutiny, and to avoid a potential reduction in credit rating (and resulting increase in cost of borrowing), the University continues to have no capacity for additional borrowing until it significantly restores its liquidity.

To conclude the March 19 meeting, CFAO Sadid reported briefly on the considerations that have been advanced about drilling for natural gas at Squire Vallee-Vue Farm. No decision has been made; many constituencies are being heard from; financial models are being investigated to determine what possible income could accrue if drilling were successful; and CFAO Sadid assured the FSBC that it, the Senate, and the faculty will be consulted fully should the considerations advance any further.

Respectfully submitted,
Kenneth F. Ledford
Associate Professor of History and Law
Chair, 2007-08 Faculty Senate Budget Committee

Annual Report AY 2007-2008
Committee on Graduate Studies

During the 2007-2008 Academic Year, the Committee on Graduate Studies (CGS) focused on the process of reviewing new degree proposals, reviewing new and joint degree proposals, considered the role of emeritus faculty members and support for graduate students.

1. The CGS considered and recommended to the Faculty Senate approval of four new degree programs:

Master of Arts in Cognitive Linguistics
Master of Laws in Intellectual Property
Master of Laws in International Business Law
Master of Legal Institutions

2. The CGS considered and recommended to the Faculty Senate approval of one new joint degree program:

Executive Master of Science in Positive Organizational Development (in collaboration with the ESADE Business School)

3. The CGS has received a proposal for a joint MD/JD degree. It will be considered at the next meeting of the Committee. This joint degree program is currently being offered but never was submitted for formal approval.
4. It was noted that the School of Graduate Studies policy and the Faculty Handbook do not list the roles of advisor and examiner for emeritus faculty members. While these roles are approved on a case-by-case basis, the CGS recommends that these roles be approved as roles that may be performed routinely by emeritus faculty members.
5. The CGS discussed the support of graduate students at length. Committee members expressed significant concern about the ability for many of our graduate programs to sustain competitive advantages when looking at graduate student support including tuition, stipend and health insurance. The lack of clarity of who is making the commitment to potential students (faculty, department, program, University) is of significant concern also, as is the effect on graduate students by events they do not reasonably control such as non-renewal of grants or termination of their supervisor.
6. Individual committee members reviewed a mentoring handbook prepared by the Graduate Student Senate and provided feedback to them.

Respectfully Submitted,
John M. Clochesy, Chair

YEAR-END REPORT TO THE FACULTY SENATE
OF THE
COMMITTEE ON MINORITY AFFAIRS

March 20, 2008

The Committee identified two continuing priorities: (1) the establishment of a position or office within the university with accountability and responsibility for issues related to minority affairs and (2) further exploration of the need for an office of an ombudsman.

Minority Affairs Position/Office:

Committee activities related to this issue included a review of such programs at several major universities and discussions with other committees and office on campus. A similar recommendation for the consolidation of responsibilities was made by the President's Advisory Committee. The faculty senate committee's request for such a position/office was included in the listing of faculty senate priorities that was vetted through Budget Committee's process for examining the costs associated faculty senate priorities. Although it received some votes, it was not among the two highest priorities.

The School of Medicine has recently announced a search for an individual to assume a leadership role as Assistant Dean for the Office of Faculty Development and Diversity. The School of Engineering has also established a similar position. The Committee recommends that each of the schools of CWRU similarly embrace the vision exhibited by the Schools of Medicine and Engineering and create positions focused on faculty development and diversity.

Dr. Barbara Snyder has also announced that, consistent with the recommendations of the Faculty Senate Committee on Minority Affairs and the President's Advisory Committee, the responsibilities and accountability for diversity issues will be associated with a vice president position. This will involve the modification of an existing position; it will not result in an increase in persons. During this upcoming year, the Committee will establish channels of communication with the individual appointed at the university level.

Ombudsman

The Committee met with Amanda Shaffer, who has been active within the CWRU community in providing information relating to the functions and responsibilities associated with such a position. The Committee's research and consideration of this issue is ongoing.

Respectfully submitted,

Sana Loue, J.D., Ph.D., M.P.H., M.S.S.A.
Chair