

CASE WESTERN RESERVE UNIVERSITY  
Faculty Senate

October 24, 2007  
Adelbert Hall, Toepfer Room– 3:30-5:30 p.m.

**AGENDA**

1. 3:30 Approval of Minutes of the September 20, 2007  
Faculty Senate meeting *attachment* D. Matthiesen
2. 3:35 President's Announcements B. Snyder
3. 3:40 Provost's Announcements J. Goldberg
4. 3:45 Chair's Announcements D. Matthiesen
5. 3:50 Report from the Executive Committee G. Starkman
6. 4:00 Report from the Budget Committee K. Ledford
7. 4:20 Discussion of the Faculty Senate's role in creating  
priorities and budget impact D. Matthiesen
8. 4:35 Update on the Strategic Planning process J. Goldberg
9. 4:45 Presentation by the Senior Vice President for  
University Relations and Development B. Loessin

CASE WESTERN RESERVE UNIVERSITY

**Faculty Senate**

Minutes of the Meeting of October 24, 2007

Toepfer Room, Adelbert Hall

Members present

Kathryn Adams  
Jay Alexander  
Keith Armitage  
Olivier Arnoult  
Cynthia Beall  
Joseph Carter  
David Crampton  
William Deal  
Mark DeGuire  
Dave Diles  
Dominique Durand  
Thomas Frank

Steven Garverick  
Jerold Goldberg  
Julia Grant  
Christine Hudak  
Kathleen Kash  
Elizabeth Kaufman  
Uziel Landau  
Wilbur Leatherberry  
Kenneth Ledford  
David Matthiesen, Chair  
Sena Narendran  
Eric Neilsen

David Poerschke  
Joseph Prael  
Alan Rocke  
Paul Salipante  
Benjamin Schechter  
Barbara Snyder  
Glenn Starkman  
Philip Taylor  
Whitney Tice  
Elizabeth Tracy  
Terry Wolpaw  
Susan Zull

Members absent

Jeffrey Alexander  
Nabil Bissada  
John Blackwell  
Robert Bonomo  
Christine Cano  
Susan Case  
Shami Chogle  
John Clochesy  
Stanton Cort

Robert Davis  
Faye Gary  
Marion Good  
Lawrence Krauss  
Jacqueline Lipton  
Judith Lipton  
Sana Loue  
Charles Malemud  
Kathryn Mercer

Vincent Monnier  
Shirley Moore  
Diana Morris  
Roland Moskowitz  
Carol Musil  
Ronald Occhionero  
Sandra Russ  
Joram Sawady  
Rhonda Williams

Others Present

Christine Ash  
Adrienne Dziak  
Joanne Eustis  
Donald Feke  
Lara Kalafatis

Bruce Loessin  
Jeanine Ornt  
Dean Patterson  
Kay Ridolfi  
Chuck Rozek  
Faculty Senate, called the  
meeting to order at 3:30  
p.m.

Ginger Saha  
Chris Sheridan  
Jeff Wolcowitz

Upon motion, duly  
seconded, the minutes of  
the Faculty Senate meeting  
of September 20, 2007  
were approved.

Call to order

Professor David  
Matthiesen, Chair of the

Approval of minutes

### **President's announcements**

President Snyder had no announcements.

### **Provost's announcements**

Interim President Jerold Goldberg had no announcements.

### **Chair's announcements**

Professor Matthiesen reported that he addressed the Board of Trustees at their October 19-20 meeting. He informed the Board that the faculty have expressed concern about the affiliation agreement with University Hospitals. He also informed the trustees that the Faculty Senate Budget Committee continues to be supportive of the university's financial recovery plan, and that requiring each school to have a budget committee was a faculty initiative.

### **Report from the Faculty Senate Executive Committee**

Professor Glenn Starkman, Faculty Senate Chair-elect, reported on the October 10 Executive Committee meeting. At that meeting, the committee elected Professor William Dean to represent the Faculty Senate on the University Undergraduate Faculty (UUF) Executive Committee. The committee also approved the campus smoking policy, which incorporates revisions recommended by the Faculty Senate. The committee briefly discussed a proposal from the law school to offer three new degrees, and forwarded that proposal to the Faculty Senate Committee on Graduate Studies. All other topics discussed at the October 10 meeting are being brought to the full Senate at this meeting.

### **Report from the Secretary of the Corporation**

Jeanine Arden Ornt, Vice President and General Counsel, and Secretary of the Corporation reported on the October 19-20 Board of Trustees meeting. At that meeting, the trustees approved a number of routine resolutions, and endorsed President Snyder's financial recovery plan. Mr. Richard Jamieson provided an update from the Security Task Force, and Dean May Wykle gave a presentation on the Frances Payne Bolton School of Nursing. Interim Provost Jerry Goldberg reported on the academic strategic planning process, and Vice President for Enrollment Randy Deike explained the complex interplay of factors that affect recruitment, admission and financial aid policies and practices. Several of the board's standing committees – Academic Affairs and Student Life, Audit, Development, Finance, Investment, University Relations – reported, and the meeting concluded with an executive session.

### **Report from the Faculty Senate Budget Committee**

Professor Ken Ledford, Chair of the Budget Committee, read a committee report, which is appended to these minutes, and responded to general questions. Professor Ledford made special mention of the outstanding performance of the university's pooled endowment fund. He credited Chief Investment Officer Sally Staley and her staff for the recent year-end result: 20.1% growth in assets, and for maintaining the university's position in the top quartile in university endowment performance.

### **Discussion of priorities/budget impact**

Professor Matthiesen reported that he has requested all Faculty Senate standing committee chairs to present issues/items currently being discussed in the committees that will have budgetary impact to the Executive Committee at its November 5 meeting. The Executive Committee will prioritize these items, and forward recommendations to the full Senate in January. Professor Matthiesen added that the committees should be thinking not only of budgeting for priorities in the coming fiscal year, but also into the future. The purpose of this activity is to obtain faculty input early enough in the process to impact the budget planning and allocation for the next fiscal year and going forward.

### **Update on the strategic planning process**

Interim Provost Jerry Goldberg stated that a consulting team to assist in strategic planning has been assembled, and a tentative timeline for activities necessary to complete the plan by spring 2008 is being reviewed. The university-wide steering committee previewed the plan today, and this plan will be presented next to the deans and smaller committees before being posted on the web for feedback from the campus community. Provost Goldberg explained the mission (“who we are, what we do, what our product is”) and vision (“what we will be in seven-ten years”) elements of the strategic plan, noting that the mission and vision should provide direction as well as declaring aspirations.

Several task forces are forming to examine issues that bridge disciplines, and individuals will soon be appointed to lead these groups. The teams will meet intensely for a short period of time, and produce results that will be vetted and incorporated in the strategic plan. The Provost urged all faculty, staff, and students to access the website ([www.case.edu/provost/uplan](http://www.case.edu/provost/uplan)) to stay informed, offer input, and volunteer to assist in the overall effort. He reminded Faculty Senators that strategic planning is also underway in the schools, and it is intended that the results of these individual plans will be coordinated with and integrated into the university’s strategic plan.

### **Report from the Senior Vice President for University Relations and Development**

Senior Vice President Bruce Loessin thanked the Faculty Senate for the opportunity to provide an update on his area’s functions and performance. Using visual aids, he presented details of the university’s income flow, offering a historical perspective and comparative data. He spoke about goals for reorganization within the unit, and shared the current organizational chart along with his office’s mission statement, values, priorities, and proposed fundraising initiatives. Mr. Loessin introduced the concept of a faculty-centered capital campaign, which would be distinctive in its concentration on substantive projects that involve and benefit the faculty

Mr. Loessin responded to questions concerning the university’s recent “branding,” the status of the development database, the Campus Center project, and the university’s current relationship with the Case Alumni Association. He credited President Snyder for “bringing alumni and friends back into the fold,” and expressed optimism with regard to future fundraising efforts. He noted the importance of recovering momentum by increasing the number of alumni who give to the institution, and the size of gifts.

The slides from Mr. Loessin’s presentation are available on the Faculty Senate website with the minutes of this meeting.

**Adjournment**

Professor Matthiesen reminded Senators that Mr. Frank Linsalata, Chair of the Board of Trustees, is scheduled to speak at the November 19 Faculty Senate meeting. Upon motion, duly seconded, the meeting was adjourned at 4:50 p.m.

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Susan J. Zull  
Secretary of the University Faculty

**Case Western Reserve University**  
Cleveland, OH 44106

**Report of the Faculty Senate Budget Committee  
to the Regular Meeting of the Faculty Senate**  
Wednesday, October 24, 2007, 3:30 p.m.

Since its last report to the Senate, the Faculty Senate Budget Committee has met once, on October 3. At that meeting, the University administration shared with the FSBC information on the final report to the Board of Trustees at the Board's meeting on October 19, as well as the Financial Recovery Plan for Fiscal Years 2008-2011, which was approved by the Board last weekend. Based on that information and the Board's action, the FSBC now reports to the Faculty Senate as follows:

**Fiscal 2007 Close**

- 1) The University missed its \$10.5 million budgeted deficit for FY 2007 and closed at a deficit of just under \$20 million.
- 2) Five management centers and UGEN finished within their budgets or with surpluses; three schools reported deficits: the Weatherhead School of Management; the Case School of Engineering; and the School of Medicine.
- 3) The largest deficit is in the School of Medicine, which has the largest budget of any management center in the University.
- 4) The causes of the deficit in the School of Medicine are complex, but some things are clear. About \$10 million of the deficit in Medicine resulted from unexpected one-time costs flowing from the April 2006 Affiliation Agreement with University Hospitals, chiefly from the consolidation of the individual specialty practice plans into a single, unified practice plan called University Hospital Medical Group. Additional one-time charges to the Medical School budget emerged as a result of the budget offices' increased attention to fiscal responsibility that also stemmed from the changes contained in the Affiliation Agreement.

**Financial Recovery Plan**

- 5) In a collaborative and iterative process in consultation with the Deans and management center budget officers as well as the FSBC and other Faculty Senate leaders, the University administration drafted a Financial Recovery Plan to return the University to financial health.
- 6) The FRP calls for the University to balance its budget by FY 2011 while following guiding principles of controlling expenses through attentiveness, discipline and benchmarking; reducing expenses in a strategic manner; engaging in open and honest dialog with all stakeholders; achieving and maintaining adequate reserves to build funds for strategic investment; and

investing in priorities that enhance academic stature.

7) Under the FRP, the five schools in balance will remain there; the Weatherhead School of Management will balance its budget after FY 2008; the Case School of Engineering after FY 2009; and the School of Medicine after FY 2010.

8) The planned deficit for the whole University for FY 2008 of \$10.5 million, included in the budget adopted this past June, remains in effect.

9) The FRP is based upon conservative assumptions about revenue streams from development and research; those projections for the schools at risk are essentially flat.

10) Budget savings will be achieved through controlling costs and staging expenditures to coincide with receipt of revenues.

11) The FRP also provides that the University will continue to identify and invest in strengths and will match its budget priorities to the academic priorities identified in the strategic planning process that will culminate in a report to the Board of Trustees in June 2008.

12) The University has retained the consulting firm Price-Waterhouse-Coopers to conduct a detailed study, which will be available later this fall, and which will provide recommendations for improvement in management and efficiency.

13) The FRP will require actual austerity in the three schools at financial risk, and a crucial component involves continued discussion with the primary affiliate hospital.

### **Continuing Pressures**

14) Budget developments since FY 2003 have exhausted one-time budget solutions so that the University as a whole now lacks financial flexibility it previously possessed.

15) Slow growth in research funding and continued uncertainty about the impact of the affiliation agreements between the University and some of its hospital partners pose challenges.

16) The increased endowment payout authorized by the Vision Investment Plan was higher than benchmarks; it has expired, and budget-planning must absorb the return to more sustainable rates.

17) Utility and fringe benefit costs, as well as infrastructure expenses, continue to increase.

18) The University's capacity to undertake new debt is limited by our operating deficit.

19) The University faces the challenge both of funding competitive faculty and staff salaries as well as faculty startup costs, and also of funding preparations for a major advancement

campaign.

### **Concluding Observations**

20) The FY 2007 close included three promising developments: a) The endowment performed strongly, so that total net assets of the University increased 10 percent over the prior year; b) by refinancing long-term debt at lower interest rates, the University improved its debt position and reduced the debt service burden on the operating budget; and c) the University fully paid off the line of credit through which part of the Vision Investment Plan had been funded, further reducing debt service expense.

21) As reported to the Senate in September, the University administration led by President Snyder has shown its commitment to transparency and collegiality in its dealings with the FSBC. The FSBC has been fully apprized of the evolving figures and principles of both the FY 2007 close and the FRP at all times, the Chair since June and the full Committee since August. The administration sought our feedback, and the Committee members saw its incorporation into the FRP. While the FSBC like the administration cannot predict the unpredictable events which may arise over the course of the FRP, we are persuaded, I am persuaded, that the administration has communicated directly and honestly with us and provided us with their best estimates and judgments, based upon hard-nosed and conservative assumptions.

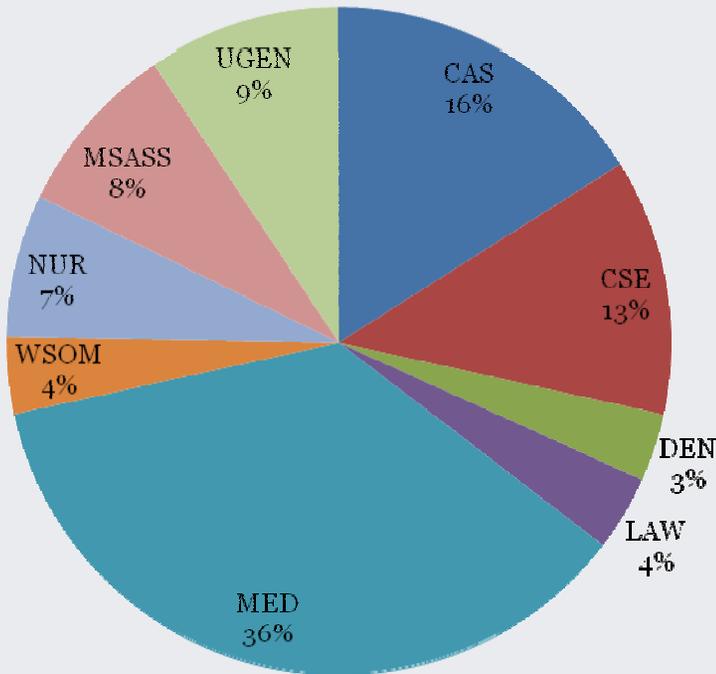
22) The FSBC has considered other business and will continue to do so, and it will include that information in its next report to the full Senate.

Respectfully submitted,  
Kenneth F. Ledford, Chair  
Associate Professor of History and Law

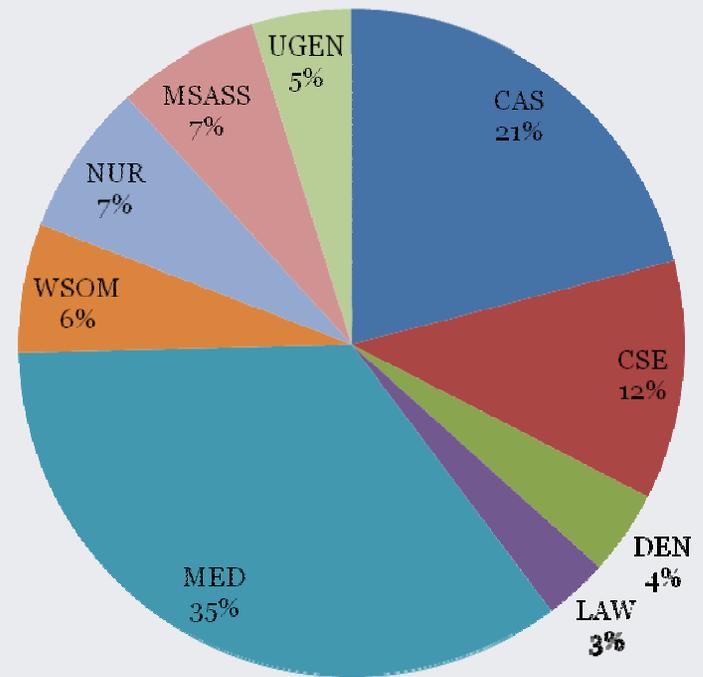
Faculty Senate  
Update on University Relations and Development  
*Bruce A. Loessin, Senior Vice President*

# Cash and Attainment by Management Center – FY07

## Cash & Equivalents

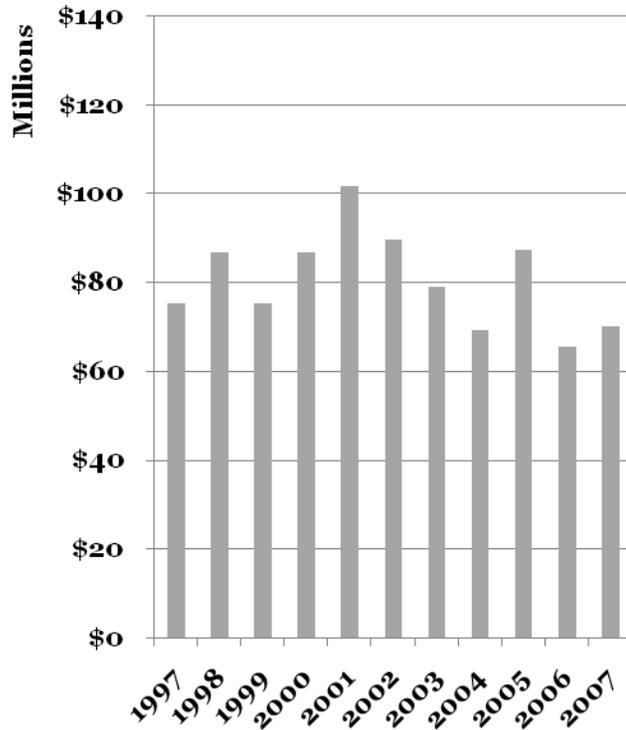


## Attainment

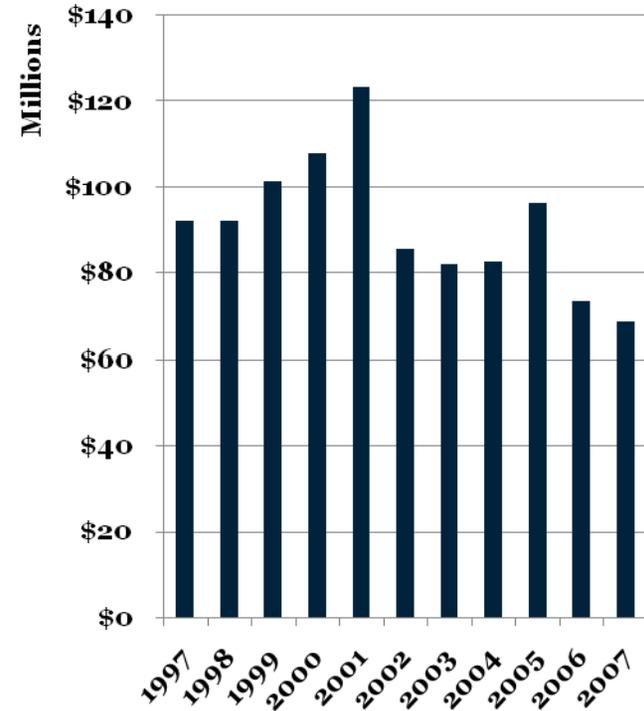


# Historical Cash and Attainment Report – FY97 to FY07

## Cash and Equivalents

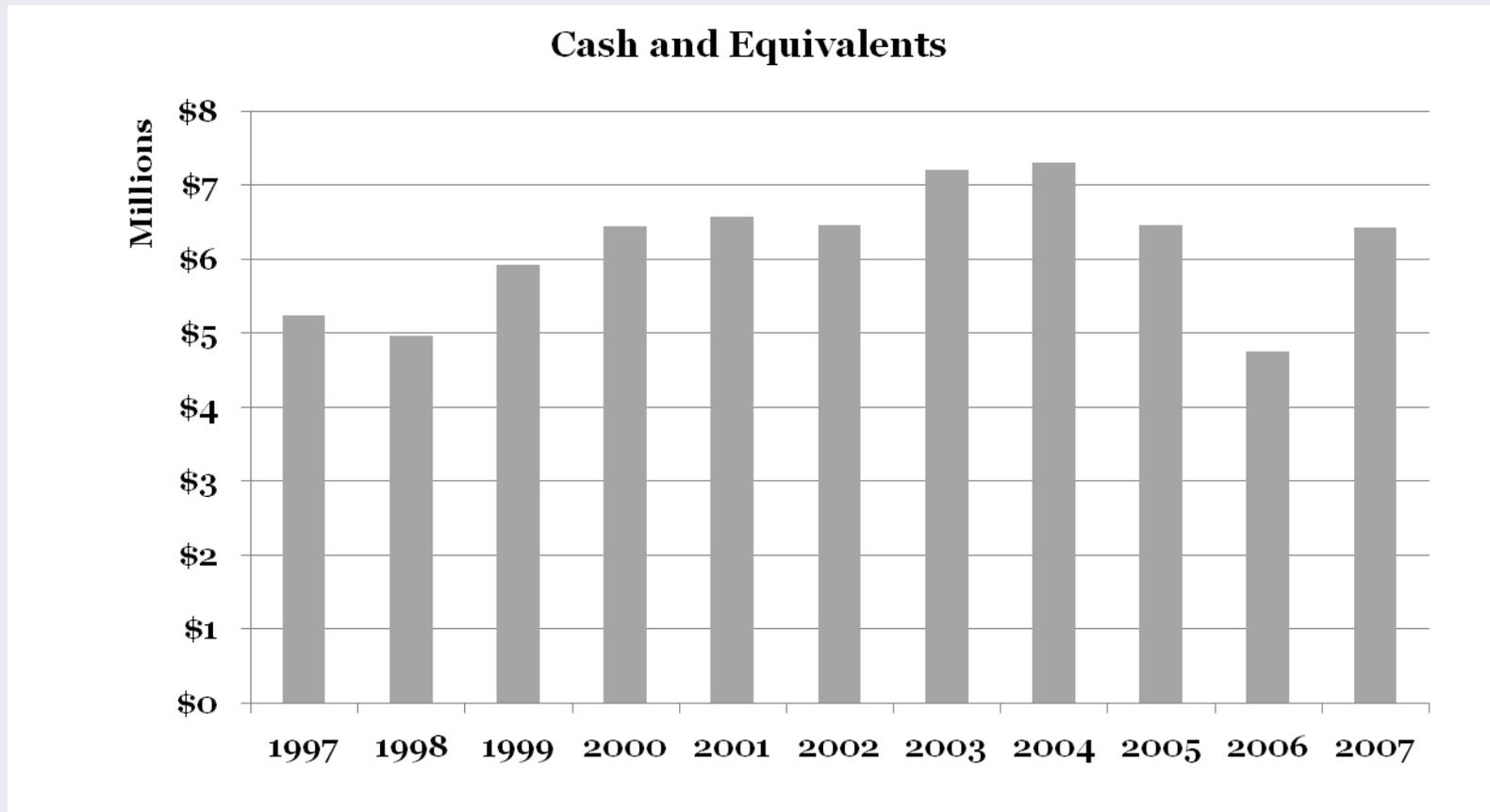


## Attainment

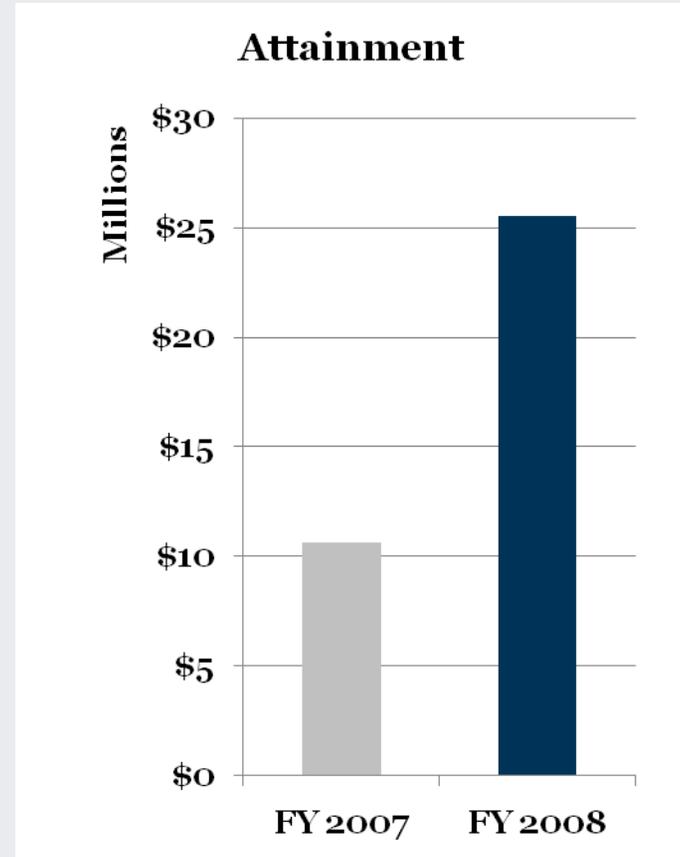
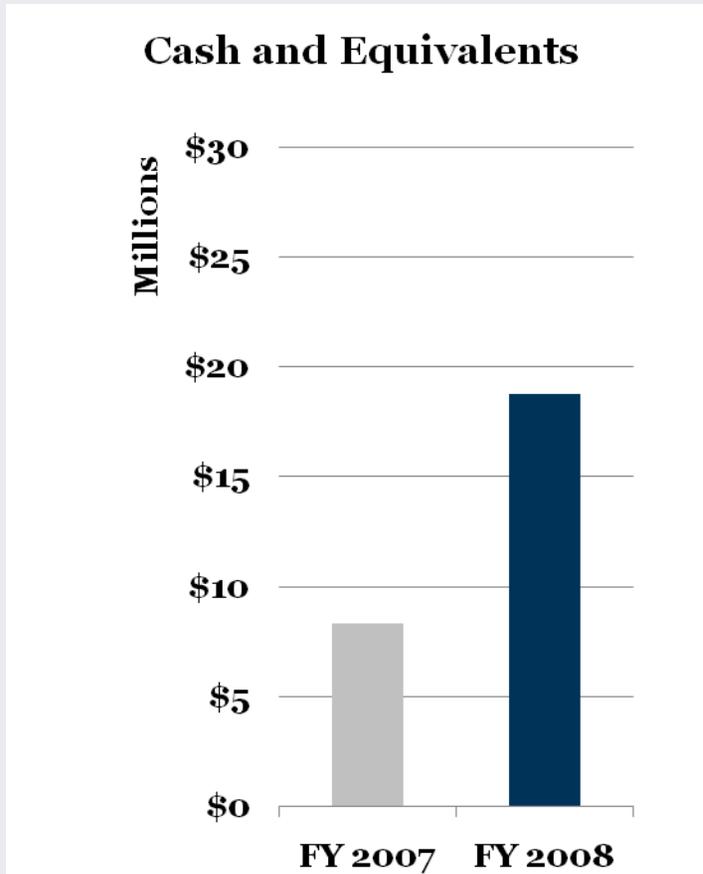


Does not include major gifts of intellectual property.

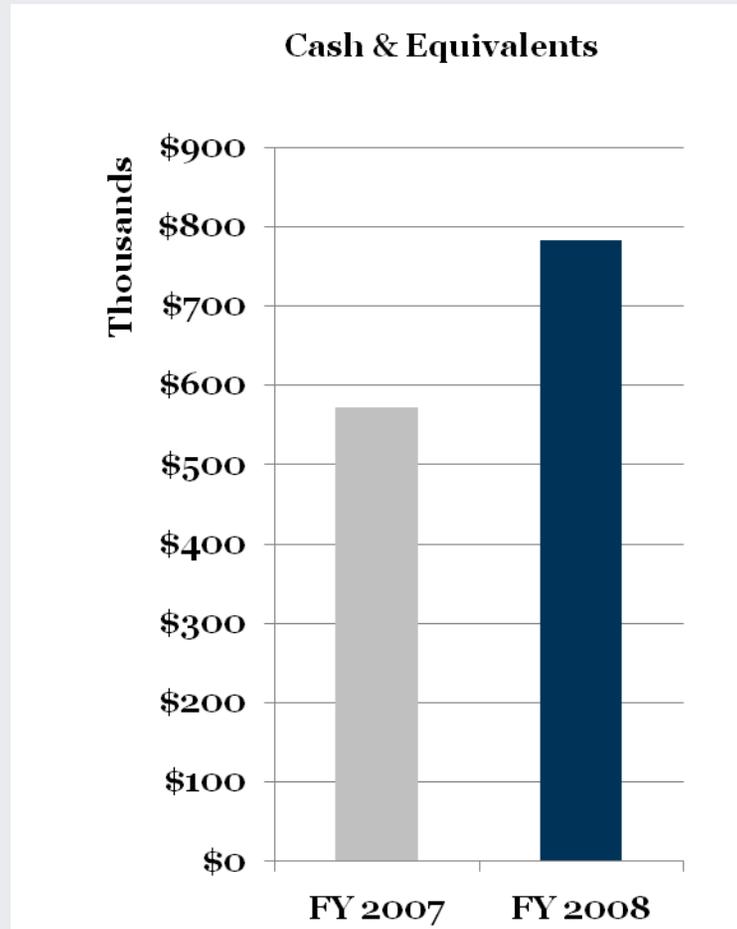
# Historical Annual Fund Report – FY97 to FY07



# Cash and Attainment Comparison Report – Sept. 2006 to Sept. 2007



# Annual Fund Comparison Report – Sept. 2006 to Sept. 2007



# Goals for Reorganization

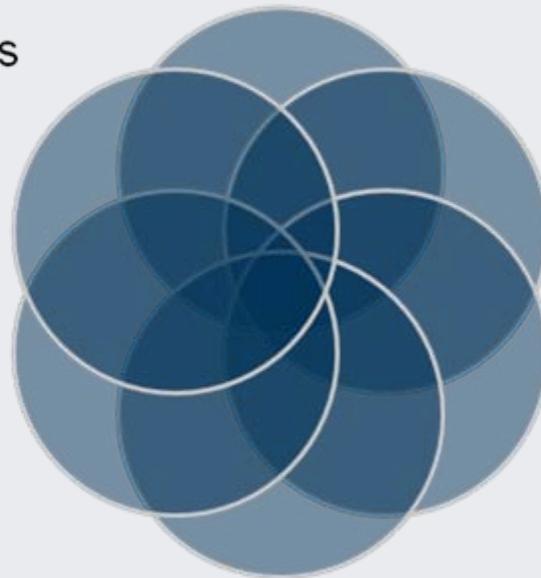
Employ best practices for a nationally benchmarked high-performance fund development organization.

Maximize efficiencies within the total organization.

Integrate private and public fund development.

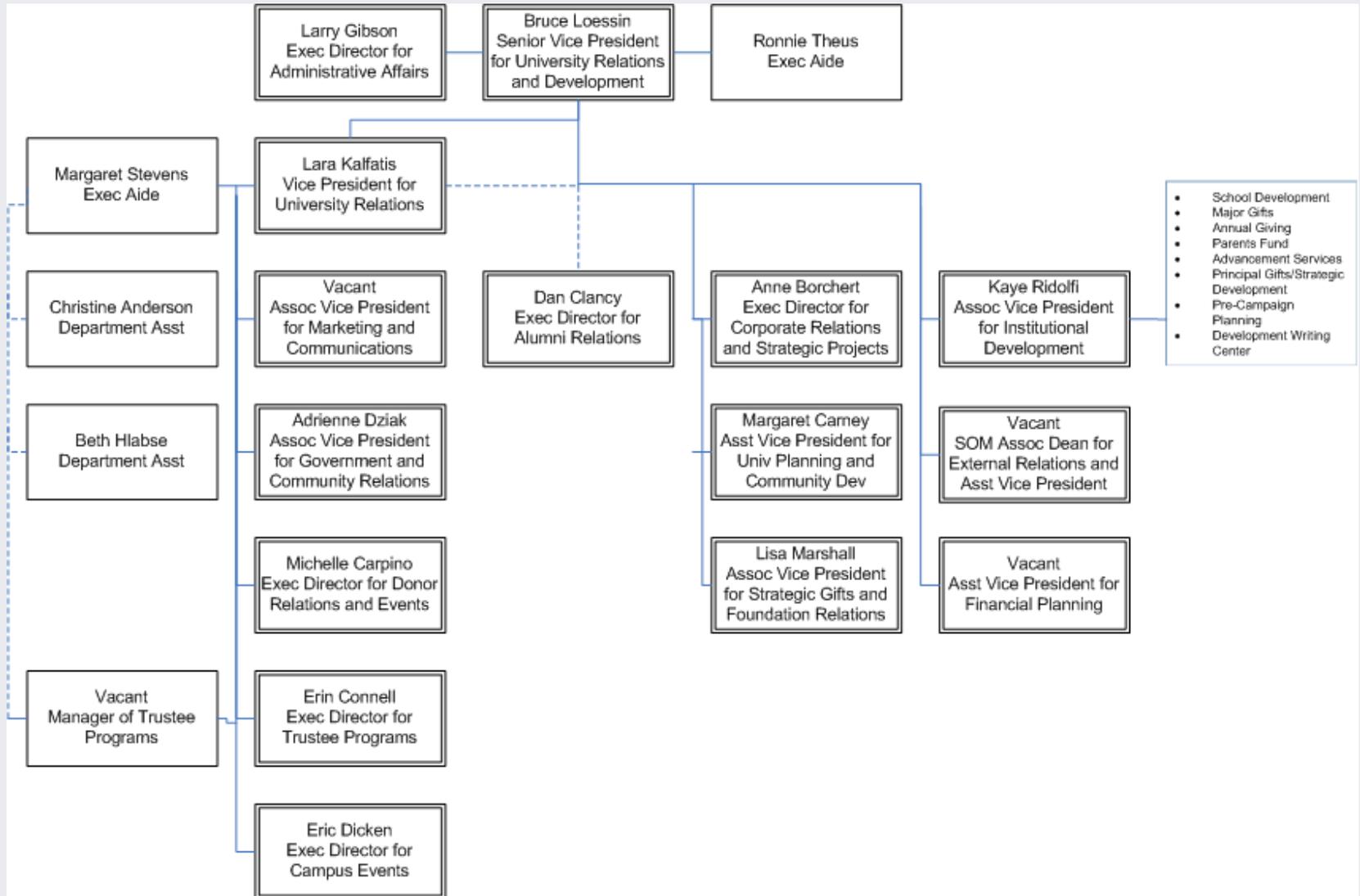
Integrate missions of communications, development and alumni relations.

Begin the process of becoming “capital campaign ready.”



Stress collaboration between central organization and Schools and Colleges. Use a classic Centralized/Decentralized model.

# University Relations and Development



# Mission Statement

We are committed to sustaining and increasing the value added by University Relations and Development to achieve our vision through collaborative leadership that strives to leverage our comparative advantages, reallocate resources, improve operating efficiencies, build an increasingly talented workforce, and communicate effectively with all stakeholders and constituents.

# Values

Encourage an atmosphere of cooperation, collegiality, collaboration and mutual trust between and with all schools and business units through frequent and open communication.

Increase university support by driving long-term and mutually beneficial relationships with all internal and external constituencies.

Communicate effective and consistent messages that support priorities of the schools and business units and advance the mission and vision of the university.

A workforce that takes initiative seeks opportunities that will have a positive effect on our priorities.

# How We Work

## COLLABORATION

- Engage members of areas that are important to the overall project team early in the process to assist in the development of a strategy and inform in tactics.

## SERVICE

- We are here to provide excellence service in all areas and with all members of our University community.
- Timely responses, clear communications, consideration for others and clear articulation of objective.

## RELATIONSHIPS

- Continued investment in people and in our relationships with our stakeholders is important.
- Nurturing and managing these relationships with communication, programs and personal interaction is vital

# Priorities FY07-08

## BUILD PRIDE AND TRUST

- Leverage momentum of new leadership to reinforce confidence in the university and our commitment to a stable financial infrastructure. Build pride and trust in our supporters: alumni, students, faculty, staff and greater community.

## REVENUE GENERATION

- Strong focus on all revenue generation opportunities including development, tuition, research and other possible vehicles which can attract and sustain external resources.
- Constituencies, communications and programs shall enrich all areas that provide financial support to the institution.

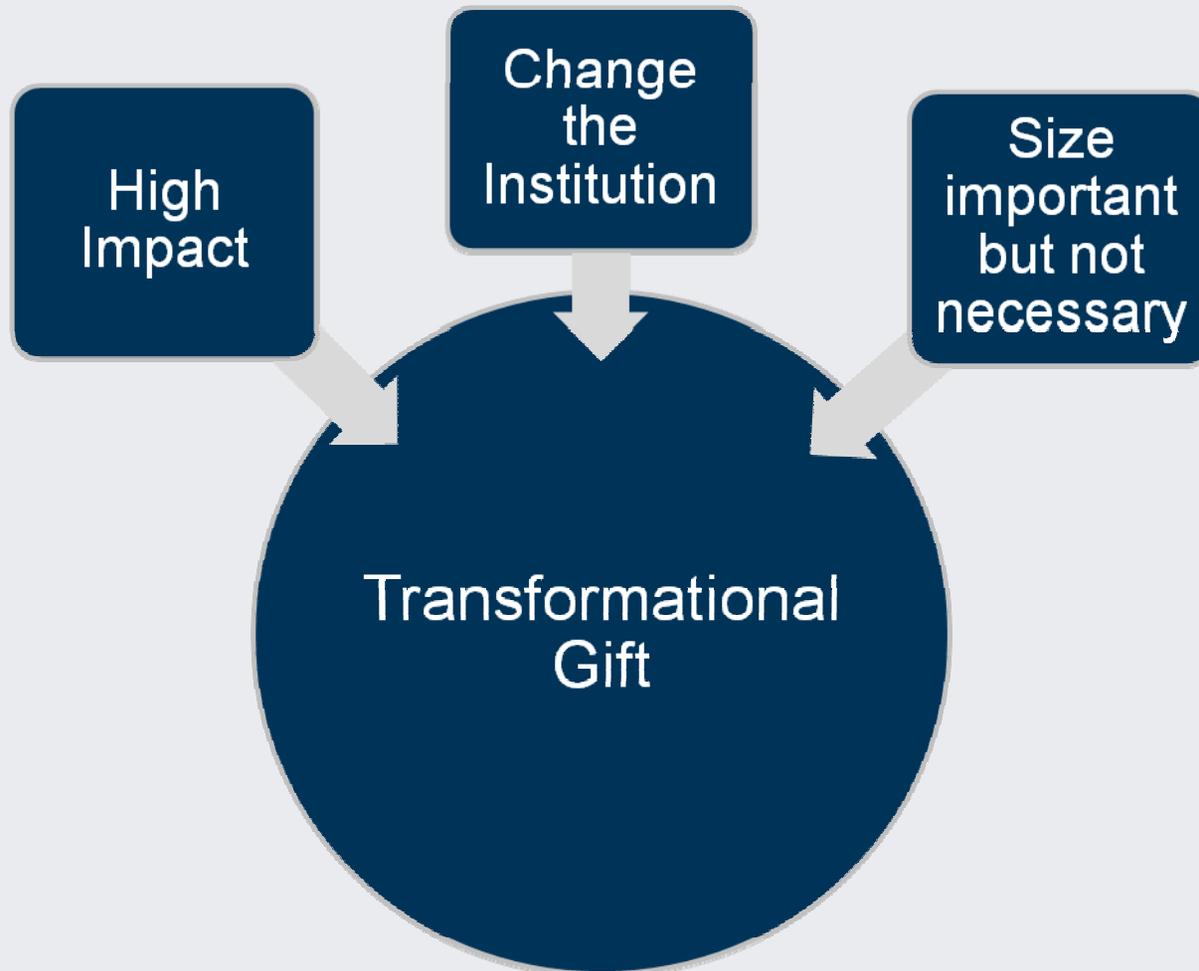
## ACADEMIC MISSION: RESEARCH AND EDUCATION

- Focus on what makes Case a great research university.
- Leverage and promote areas of excellence in research and teaching that are relevant to our society through our programs, advocacy and communication efforts.

# Proposed Fundraising Initiatives

- School and College Priorities
- Campus Center
- Alumni Center
- West Quad
- Women's and Family Initiatives

# Transformational Gifts



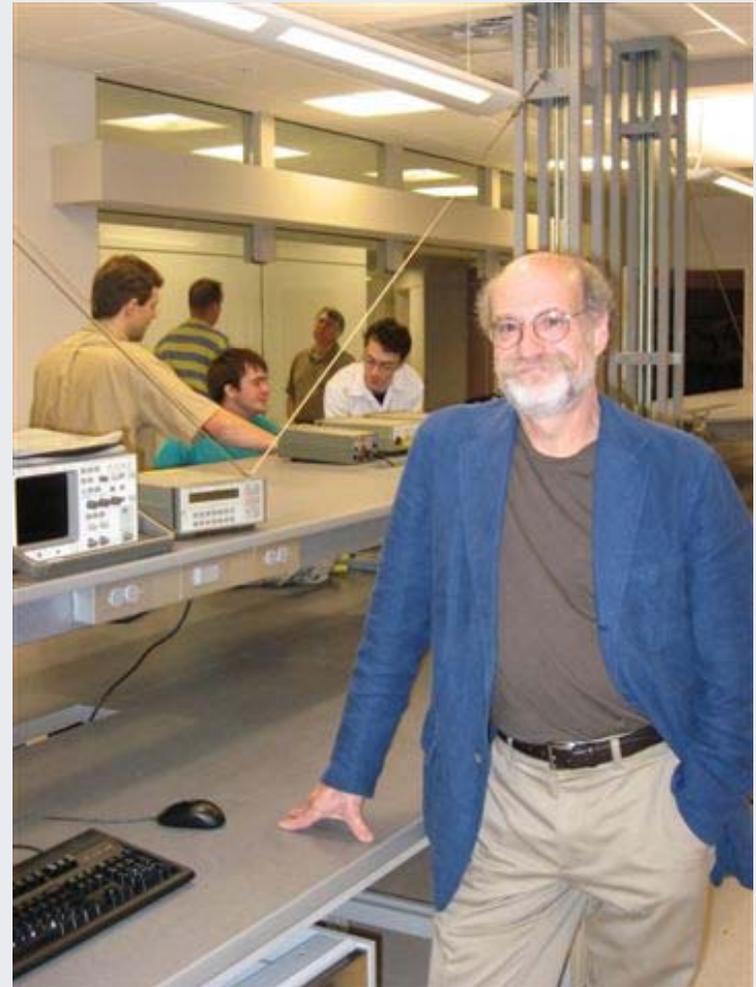
# Transformational Gifts

## Create

- Create a transformational gift channel
- Institutionalize the channel
- Isolate the opportunities
- Plan and publicize

## Immortality

- Improving the human condition
- A permanent legacy
- Age a factor



# Key Elements of a Successful Campaign





# Faculty Centered Capital Campaign

- Feature Faculty Teaching and Research
- Profile Significant Projects that Benefit Faculty

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