

**IOWA STATE UNIVERSITY FACULTY SENATE
FACULTY SENATE MEETING MINUTES
SEPTEMBER 12, 2006
305 Carver Hall**

Present: Anderson, D; Anderson, P; Bailey, T.; Baldwin, C.; Beell, T.; Bradbury, S.; Butler, L. M.; Carter-Lewis, D.; Chacko, T.; Chang, M.; Courteau, J.; Crase, S.; Cross, S.; Day, T.; Fiore, A.M.; Ford, C.; Freeman, S.; Geske, J.; Girton, J.; Gregorac, R.; Grudens-Schuck, N.; Hargrove, M.; Haynes, J.; Heising, C.; Hendrich, S.; Jeffrey, C.; Jolls, K.; Laanan, F.; Larson, S.; Loy, D.; Luecke, G.; Madon, S.; Mansbach, R.; Martin, C.; Murdoch, A.; Olsen, M.; Palermo, G.; Paschke, T.; Porter, M.; Post, C.; Pruetz, J.; Schmerr, L.; Selby, M.; Thompson, J.; Torrie, M.; Trahanovsky, W.; VanDerZanden, A.M.; Wallace, R.; Wong, J.; Zanish-Belcher, T.

Absent: Babcock, B.; Bado-Fralick, N.; Beetham, J.; Bracha, V.; Braun, E.; Cai, Y.; Chen, M.; Clough, M.; Dark, R.; Engler, M.; Fehr, C.; Ghandour, M.; Kline, K.; Manu, A.; Mayfield, J.; Mennecke, B.; Mitra, A.; Nutter, F.; Rosenbusch, R.; Rule, L.; Sadosky, L.; Stone, R.; Thacker, E.; Townsend, A.; van Leeuwen, H.; Vranas, P.

Substitutes: Pederson, P. for Owen, M.; Vleck, C. for VanDerValk, A.

Guests: S. Carlson (Provost's Office); D. Holger (Provost's Office); Ross LaDue (ISU Daily); Lynne Mumm (P & S Council); Lisa Rossi (D.M. Register); Ellen Rasmussen (Provost's Office); Doug Epperson (Associate Dean, College of LAS); Johnny Pickett (Business and Finance Office); Melinda Thack; Dave Biedenbach (Provost's Office); E. Rosacker (University Relations)

I. Call to Order – 3:30 p.m.

A. Seating of Substitute Senators

The meeting was called to order and the Substitute Senators were seated.

II. Consent Agenda – 3:32 p.m.

- A. Minutes of Faculty Senate, April 25, 2006 - [S05/M/10]
- B. Agenda for September 12, 2006 – [S06/A/1]
- C. Calendar – [S06/C/1]

A motion to approve the consent was made by Senator and seconded by Senator Zanish-Belcher. The consent agenda was approved.

III. Announcements and Remarks – 3:35 p.m.

A. Faculty Senate President

Status Update on 05-06 Actions:

- (1) University Professor (UP)/Distinguished Professor (DP) Policy (S04-16). The [University] President has not accepted the Faculty Senate's proposed changes; the Provost's Office has established a committee with Senate representatives to review the changes and the objections. Their recommendations will be returned to the Executive Board for determination of further action by the Senate.
- (2) Position Responsibility Statement (PRS) Mediation policy (S05-13) has been accepted by administration; we are finalizing the *Faculty Handbook* language.
- (3) Promotion and Tenure (P&T) Policy changes regarding voting (S05-18) and definitions of scholarly teaching and the scholarship of teaching (S05-29) have been accepted. The Governance Council is working on *Handbook* language. Senator Freeman was thanked for his continuing work on development of these policies.
- (4) P&T policy changes regarding external reviews (S05-19) have not been accepted and the P&T Task Force is exploring the objections. Their recommendations will be returned to the Executive Board for determination of further action by the Senate. TF is chaired by Senator Freeman.
- (5) Part-time Tenure policy (S05-7) is ready for implementation; it just needs final *Handbook* text.

Current Year Considerations:

- (6) A Non-Tenure Eligible Faculty Task Force has been established to explore the issues surrounding NTEF research work, titles, etc. TF is chaired by Denise Vrchota.
- (7) The Task Force to Review the Office of the President and the President has been formed in accordance with our by-laws. Ann Thompson will chair.
- (8) Senate appointments have been made to two new Provost task forces addressing campus community, equity and diversity, Dialogues on Diversity offerings, and exploration of the formation of an Institute for Social Justice.
- (9) Today's meeting will be an opportunity to learn about development of the new budget model and to offer our observations to the Budget Model Review and Implementations Committee (BMRIC).
- (10) Provost Search. All are encouraged to attend open sessions in the coming weeks. The FS Executive board will meet with the candidates.

- (11) This past year we revised our Constitution. Over the summer the Regents approved the revision. The revised policy calls upon the President of University to respond in writing to policies received from FS; not just where senate has legislative jurisdiction, but also to any advisory opinions. President Palermo added, "We need to understand that the Senate is empowered to act on behalf of the faculty on shared governance issues" and the new policy is expected to strengthen our ability to do this.

B. Faculty Senate President-Elect

President-elect Crase offered a warm welcome to new and returning Senators. She has been working on issues related to councils and committees, which she noted are "work-oriented," where "the work of this body takes place." Summer has been busy with populating the councils and committees and nearly all placements have been made. Most will begin meeting this month, if they have not already. See FS website for a listing of titles and members at <http://www.facsen.iastate.edu/Membership/councils.htm>.

The FS is also asked to nominate members for university committees (not FS committees). A survey about willingness to serve will be put forward from the Senate. Also, look for the new University Committees website in the near future.

C. Provost's Office

Interim Provost S. Carlson reported.

(1) There have been adjustments to the organization of the Office to account for anticipated new responsibilities for budgeting and planning to enable the Office to "serve the colleges and university well." Faculty members "may not notice changes from the outside" but the restructuring should make work more efficient.

2. The Search for new Provost is continuing with campus visits upcoming. See website at <http://www.iastate.edu/~provostsearch/>. As part of the search, the Office is attending closely to the Strategic Plan, which states what we pledged to do over the next five years, as well as focusing on the need of a prospective Provost to implement the Community Equity and Diversity Plan, which now has in place a Task Force to strengthen Dialogues in Diversity and a Task Force considering establishment of a Center/Institute for Social Justice.

4. David Holger from the Provost's Office is leading the consideration of revisions for criteria and processes for DP/UP and will come back to this group.

IV. Special Order – 3:50 p.m.

- A. Budget Model Presentation**
- B. Q&A discussion**

Presentation with PowerPoint™ by Associate Vice President for Budget and Planning Rasmussen; Associate Dean Epperson – chair of the Budget Model review and Implementation Committee

(BMRIC); and Johnny Pickett, Associate Vice President and Controller. Title: "ABM3: The View from 10,000 Feet"

Associate Vice President Rasmussen thanked the Senate for hosting the presentation. Since August 2, 2006 until now they have been doing presentations as part of their charge to elicit "broad public feedback" on the Fourth report <http://www.iastate.edu/~budgetmodel/reports/080906.shtml> with electronic comments to be sent to budgetmodel@iastate.edu. She noted that there has been "a lot of discussion and a lot of debate . . . not all positive, but also issues and concerns." The purpose of the presentation was to start broadly and "drill down" to greater detail and implications. She also noted that it was important to remember "why we embarked on this. The President asked ISU to "explore other budgeting philosophies." We now have a specific model proposed. She clarified that questions were welcome during and after presentation.

The "Alternative Budget Model 3" slide. "Align revenues and expenses". Associate Vice President Rasmussen stated that the new budget model was based on a "fundamentally different philosophy". Budgets in the past were not responsive to workloads, research foci, outreach, etc. independent of resources. The current proposed model better depicts "where resources flow." She provided further explanation of the diagram. She also introduced the term "responsibility centers" to describe some of the entities of the model.

ABM3 slide: "Tuition Distribution".

Time was spent clarifying how tuition from different student sources was distributed differently according to status of undergraduate, graduate, professional (mainly Vet Med) and continuing education. In this and other slides, areas that were red in color indicated "parameters that ought to be revised" or were otherwise tentative.

Senator Wallace asked for clarification on the way in which a department was defined. Associate Vice President Rasmussen clarified. Senator Geske asked about definition of professional education, which was clarified as mainly Vet Med. Senator Maddon asked for an explanation of the way in which the model would account for undergraduate cost of instruction across colleges and departments. Associate Vice President Rasmussen stated that that actual costs of education were variable due to many factors, such as equipment, ratios of students to faculty in course, etc.. She stated that ISU currently charges all students the same, except there has been approved in engineering a differential tuition for juniors and seniors. The issue was "hotly discussed" in the budget developmental committee. Rasmussen further stated that resident tuition did not wholly cover the cost of education in the first place. She said there were several choices, such as distributing tuition by weighting by credit hours, obtaining more tuition revenue, and so forth. However, that generally meant that a unit would need to be ranked overall below "1," the base standard nationally for cost of instruction. She stated that ISU "does not have agreement on whether, or how" to implement a differential cost of instruction process into the model. Senator Maddon observed that faculty members in Engineering generally were paid more than faculty members in other fields. She wondered if this fact was typically figured into the cost of education construct. Associate Vice President Rasmussen said "if" it were decided that faculty salaries were to be built into the method. This would require careful consideration, but was not presently being considered at this level of detail because no general decision on whether to integrate cost of instruction into the model. The possibilities for magnifying existing inequities concerned Senator Maddon greatly, capped by her statement, "The rich get richer."

Associate Dean Epperson added that a key question was: "What is the most equitable and transparent way" to make decisions and communicate them? rather than focus on equity as a principle for decision making. Senator Geske mused: "But the old budget model was not transparent, so how does one tell" when transparency has been achieved?

Senator D. Anderson inquired further about Engineering and differential tuition, wondering if tuition generated by the college would cover 100% of instruction in their case? If not, why not? Moreover, he asked whether this principle would be built into the model and would apply to other colleges. He noted that this would enable ISU to avoid having a cost of instruction of some college that was less than one. Senator Heising stated for the record that Vet Med also had differential tuition—not just Engineering. Associate Dean Epperson acknowledged that differential tuition would be one possible method, also through subvention, weighting student credit hours, or a combination, were also possibilities for methods. He emphasized that no decisions had been made and that the simulation data were not representative of any decisions in this regard. Associate Vice President Rasmussen added that the College of Engineering decision was made on more than the cost of instruction criterion.

Senator D. Anderson asked about implications for out of state tuition. Associate Vice President Rasmussen responded by clarifying that residence status would not follow funds, which would be pooled before they were distributed. They did not want residency status to affect decisions regarding acceptance.

A senator asked about tuition dollars of graduate students in interdisciplinary programs, which he guessed would be hard to assign. Associate Vice President Rasmussen said that interdisciplinary programs can still be the attraction but resources can "flow behind the scenes" in a way that better fit the structure of the university. Associate Dean Epperson said that in all such programs, the "main expenses are faculty salaries" and that would be the main thing to be tracked. "Not creating new obstacles" to interdisciplinary was the goal.

SLIDE ABM3: "State Appropriation Distribution."

Associate Vice President Rasmussen said that "attributing revenues" was key to the model, but was not as relevant to distribution of state appropriations, so there would have to be special processes for managing state appropriations in ways that supported and followed the model. There are five areas of special shared concern. Responsibility centers would "pay directly things that they are accustomed to paying for now" plus the model distributes the rest of the support costs, such as IT and student services. Then there was a GAP where no college was anticipated to be able to pay. The gap would require "subvention to make revenues and expenses balance". The calculated amounts would be based on figures from "Year 0," prior to start-up of a new model.

Associate Dean Epperson also noted that "one way that the university provides steerage" was, and would continue to be, based on "leadership decisions" of administration including the Office of the President. Senator Hendrich inquired, "Will we know how transparent those leadership decisions will be?" Associate Vice President Rasmussen described committees, and their potential membership, that would advise on such decisions. She suggested that there was likely to be "more information probably than we are accustomed to now." However, she added, "Is it perfectly transparent and public? Probably not." Senator Wang inquired of the effect of state appropriation on the current budget. Johnny Pickett responded with a discussion of figures.

SLIDE: "Distribution of Indirect Cost Recovery."

Associate Vice President Rasmussen noted that the model would push "more to the colleges" and VP research institutes. It was 19% now, and the proposal would push up to around 65%. Senator Bradbury asked several questions about how the figure varies according to college and source, with an example from the College of Design where 8% indirect is frequently the high limit, and it is not typical to be able to get full costs back. She projected that "pressure to get grants with full indirect would impact academic freedom" by providing incentives for colleges, and not just faculty members, to seek particular grants and not others. Eventually, this would impact outreach and other areas. She expressed concern about the ways in which the new budget process would "impact the overall land-grant mission of the university." Associate Dean Epperson said that research was currently heavily subsidized anyway. "Indirect costs were a small portion anyway." Main way that the university is benefited is through [a grant's payment for] direct costs." He added that "each college is going to have some subvention." He also spoke to the role of the Dean, who would need to ask "What is the balance?" to strive for with respect to a suite of grants with different proportions of indirect costs allowed. President Palermo underscored that, "We will be getting more money back, but paying more money out" in this model. Epperson affirmed that the "budget model does not create any new money." He specified that the model would make units "whole in the base year" and that the issues would come to bear "when you march forward" and the research portfolio changed. He added, "We are a land grant mission and we will always take that mission seriously" but we can't do everything we used to do.

Senator Selby asked for clarifications about colleges' actions—were they not defined yet? Associate Vice President Rasmussen said "colleges are working through" to "begin that thought process" about revenues and expenses. A senator asked: "Why stop at the College? Why not the department?" Associate Vice President Rasmussen said that a Dean's role would be preserved in this matter. Interim Provost Carlson said that they are "working with the deans on a set of principles" but details would be their province. Associate Dean Epperson noted that "a practical reason" for working at the level of the College and Dean, and not the department, was "volatility" in expenses and other unpredicted effects on revenue. The smaller the unit, the less able the unit would be able to deal successfully with volatility. "The college level is more local, with some control over expenses and revenue" and with the capability for "strategic planning creativity." He closed by saying, "I would not want the model driven there (department)—speaking for himself. Senator Hendrich inquired whether a concept such as a "cost of research" similar to "cost of instruction" could be implemented to "make it more equitable." Associate Vice President Rasmussen said, "Probably this is something we should pay some attention to."

SLIDES: "Allocated Indirect Expense Pools" and "Distribution of Expenses."

Associate Vice President Rasmussen explained the slides. She noted that the method for distribution varied as appropriate to the task, and that each task had a work group. There were need to analyze data to fit into the conceptual model, ask if there was a good allocation process, whether we had the data, and so forth. She noted that the planning group was "sensitive to the complexity in the model" but consultants said to "keep it simple" even if that meant giving some complexity. She closed by saying, "I am a big advocate of simple because it means more people can participate in this process."

Senator Maddon asked about facilities and utilities. Associate Vice President Rasmussen clarified that "occupants" meant "colleges" and colleges would decide where to allocate revenues and

subventions. Senator D. Anderson asked about shared facilities? Associate Vice President Rasmussen responded.

President Palermo interjected that little time was left, and that there were 13 slides all together. To remedy the situation, Senator Girton moved to extend the meeting by 15 minutes, with Senator Heising seconding.

Motion passed. Presentation continued. The Faculty Senate thanked the presenters, and the Special Order ended at 5:05 p.m.

V. Old Business – 5:05 p.m.

There was no old business.

VI. New Business – 5:06 p.m.

There was no new business.

IX. Good of the Order – 5:10 p.m.

President Palermo thanked the senate for the lively participation and reminded all that we will have a chance to further review and act upon the model after this fall. Please offer your observations to the BMRIC via the address on their website.

X. Adjournment – 5:12 p.m.

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| <p style="text-align: center;">NEXT MEETING TUESDAY, OCTOBER 10, 2006 3:30-5:00 P.M. – GREAT HALL, MEMORIAL UNION</p> |
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Documents

1. ABM3 10000 Feet – Faculty Senate 09-12.ppt provided to senators electronically on September 15, 2006.
2. ABM3 Diagram 09-12-06.ppt provided to senators electronically on September 15, 2006.
3. "Fourth Report (V. 4.1) of the Budget Model Development Committee, Aug. 9, 2006" at <http://www.iastate.edu/~budgetmodel/reports/080906.shtml>
4. FS Docket Calendar September 12 2006.doc
5. FS – PresRpt 120906.doc
6. FS – Agenda September 12 2006.doc
7. FS - Minutes April 25 2006.doc