FCBC
Agenda
March 28, 2018
2:30 -4:30pm
Room 200 Bricker Hall

Meeting with President Drake and Provost McPheron

Introductions
President Drake stated his appreciation for the work of this and other committees and pointed out that he will continue working to support the work of the faculty. He pointed out universities need two (or maybe 2.5) things: faculty members and students, plus a space in which to operate and staff to support those operations. He also noted that OSU is particularly special because it is comprehensive in ways that many other educational institutions are not, e.g., it is a public research university with a national impact.

Mitigating Rate
Provost McPheron started by discussing the question on the mitigating rate. He pointed out that it is tough sledding to work on that one, and it will be difficult to get the legislature to change. During the last budget cycle, they focused on concerns about legislative efforts to restrict tenure and other efforts pushed by the legislature.

President Drake noted that there are lots of things the legislature brings up that they push back on. The tenure issue is one. There are concerns that faculty promote a narrow selection of views. There also are concerns about student debt load related to tuition. For instance, questions are raised about universities raising tuition at a time when students are taking on an increasing debt load, effectively encouraging students to take on more debt.

Nick Basta pointed out concerns that this is a recruiting and retention issue and Provost McPheron responded that we need to make sure that people are informed.

Senior Vice-President Basso pointed out that the university contribution to retirement is very generous compared to peer institutions (e.g., the 9.5% university contribution is still larger than most other peer institutions). Basta asked for clarification because the 9.5 % university contribution is less than other peer institutions after adjustment for the 6.25% provided by peer instititutions. (i.e., OSU at 2.75% university contribution vs. Penn State at 5% after adjustment for Social Security). Associate Vice President McGoldrick pointed out that the university has helped on this issue in the legislature during the last effort over HB520. They will continue to monitor this. Basta noted 30% of OSU faculty are ARP and are upset and confused by this issue warranting further study.

Faculty numbers:
Provost McPheron stated the decline in faculty numbers has been a huge concern of his. He also noted, however, that estimates of what may be possible with the parking money have

been calculated with faulty mathematics. Earlier widely discussed estimates of up to 500 new faculty was overly optimistic given costs and budgets. The funds from the parking partnership may provide funds for closer to 200 new faculty if anything.   Thus, the targets on the Board of Trustees scorecard is an overestimate.

The Provost suggested that we are the flattest tuition revenue generator of many other universities (see article in the *Chronicle*). Thus our efforts to fight against the trend of higher tuition as many other institutions have charged, do have an impact on hiring.

The Provost also pointed out that colleges are in different places with respect to addition of faculty. They (upper administration) cannot dictate to colleges, as fund allocations are based on current budget model. That model has not been rebased in about twenty years. Provost Mcpheron suggested they were in the process of rebasing when Vice President Chatas left. That work will continue and we likely will rebase in the future.

In response to our question about revenue sources, the Provost noted that he does not expect significant changes in student numbers based on current recruiting plan. We seem to be at capacity in terms of physical space in any event. The Provost pointed out that a large share of our state funding is due to our strong and fairly large graduate programs. State funding is about 25% of our total funding, and graduate credit hour subsidies amount to about half of that.

The Provost stated that their goal is to continue to see the growth in TT faculty. But also need to pay attention to balance in responsibilities. The President and Provosts Advisory Committee has also suggested that the university increase faculty numbers and faculty salaries, while at the same time reducing teaching time, and increasing associated faculty to do more teaching.

Carla Curtis asked whether it is a realistic goal to get to 200 net new faculty members? The Provost suggested that with the current model where half of the funds are from the Discovery Themes and half come from pools in the University (e.g., within the colleges), it is plausible.

President Drake noted that he is more interested in seeing us be a more effective university, including supporting faculty.

Provost McPheron discussed issues related to how we balance different categories of faculty. For example, many departments have lost significant numbers of faculty in recent years. According to OAA, an academic department or school should have “A minimum of 10 faculty positions spread through at least the three academic ranks from assistant professor to professor.” Several ASC units have 10-14 faculty. Regional campuses have large differences in teaching opportunities compared to main campus, yet many of them also have research expectations.

Dana Renga noted that there are substantial concerns in A&S about potential freeze in faculty numbers in that college, and whether the current budget model works.

Provost McPheron suggested in response that as we go through CFO transition, the budget model, or at least the flow of funds could change monetary flows, e.g., through rebasing.

President Drake noted that there are questions about how changes in the budget model will affect GE revisions.

President Drake mentioned that another revenue stream will come through cost savings. He raised the example of recent cost reductions in the health plan, which have saved a fair bit of money. A number of folks in the lower income brackets saw a reduction in their health care premiums. They are looking for additional efficiency work to have an impact raising funds.

Raimund Goerler asked whether the energy initiative is a source of funds for new faculty or salary increases?

Provost McPheron noted that they are working on that with the board.

President Drake suggested that there are some philosophical differences within the board about where the funds should be spent, but he also believes there are numerous ways to leverage those funds through fundraising campaigns and other means.

Salary

Provost McPheron stated that he would prefer to have more money spent on faculty salaries and would like to see more funding go into that. As a public university: our best metric of comparison is with other public universities, not necessarily all of the universities in the AAU.

President Drake stated that the cohort they would like to compare us with is other Big 10 Universities, except Northwestern.

Provost McPheron addressed concerns about differentials between faculty and administrator salaries. He stated that the board has the same concerns and has defined their expectations about salary benchmarks.

President Drake discussed efforts to find the right categories to make benchmarks for comparison and to set salary expectations at the median level when hiring upper level administrators. Also, they noted that many administrators have in recent years gone without salary increases. They have worked hard to try to hold the line on upper administrative salaries.

Senior Vice President Basso acknowledged the HR team has done a great job trying to provide the data to make better salary decisions.

Provost McPheron stated the they are working to reduce the equity differences in pay across units. They have directed savings from the composite benefits rate to target equity issues. Colleges will be reporting to the Provost on this, and he will hold the Deans accountable as far as using these funds to reduce equity concerns. The funds from the composite rate are in escrow to work on equity issue.

Dana Renga asked if this information will be publicly available, and the Provost answered yes. President Drake pointed out that the decrease in the composite rate is a great thing. As units are directed to address equity. On administrative salaries, he pointed out that many of the really high salaries were mainly legacy salaries. There has been a change in the last few years.

President Drake pointed out that we are on target to achieve $200 million in savings in administrative costs. We started off at $29 million, and last year achieved $57 million in savings. He also pointed out that he believes next year will be a better year than ever in our ability to support faculty.

Benefits
Provost Mcpheron asks many of the same questions we do. He noted that there is an inherent tension between providing the service and provide the insurance. OSU seems to be handling it well.

Regular Committee meeting

Review and approve minutes from previous meeting
Joanne McGoldrick motioned to approve the minutes; John Maharry seconded. Approved by voice vote

Discussion over what we heard in our meeting with the President and Provost.
Carla Curtis raised a question about the completion grants the university now gives to students and whether there is something comparable for faculty. There was some discussion on this, but no conclusion.

Carla Curtis asked about the energy management piece and whether there is a concern about how that money will be spent? Kay Wolfe and Joanne McGoldrick pointed out that the proposal from the President and Provost for how the money would be spent was tabled at the last meeting, but the Board of Trustees will take that up again at the next meeting. They hope to have approval for the plans by the conclusion of that meeting.

Stephanie Schulte asked about the philosophical tension between the administration and the Board of Trustees. Joanne McGoldrick suggests that such tension is ok, given that the Board is appointed by the Governor. Board members have a wealth of experiences and those are useful for the University, but they don't always agree on all things.

Proposed by-laws

Brent Sohngen introduced a proposed set of bylaws, and opened up some time for discussion about them. He proposes to discuss them at this meeting. Recommend changes between now and the next meeting and then vote on them at the next meeting. Several comments were made, many of which can be easily incorporated.

One issue raised is whether to change the definition of members in proposed Article III, section 1. That section is taken straight from university rules, so university rules would also have to be changed. The change discussed is whether to broaden this statement to allow more types of faculty to be members of FCBC. For instance, faculty rule 3335-5-19 defines faculty to include "persons appointed by the board of trustees with tenure-track, non-tenure track, and emeritus faculty titles on full or part-time appointments, with or without salary." The group seemed willing to entertain expanding membership to include additional categories. Brent Sohngen will explore this with Kay Wolfe and make a proposal for the committee to consider.

A second issue raised is whether to expand membership if we do incorporate colleagues from a broader definition of faculty than used in the past. The group seemed to agree that we should consider increasing membership by up to 2 members to accommodate this. Sohngen will discuss with faculty leadership, given that both these issue will require rule changes.

Discuss annual report
Brent Sohngen presented an initial draft of the annual report. The hope is that we can complete this report and approve it by the end of the May meeting. That may be a tight timeline, depending on the timing of the data we normally obtain from HR regarding the salary comparisons with other universities.

The committee discussed action on the goals from last year. The first goal, related to consolidation of retirement providers, will be discussed at the next meeting. We can use the data from *The Lantern* to comment on the next two goals. Pam Dosek provided data for the fourth goal.

The committee discussed goals for next year. The ones proposed and discussed at this stage were

1) Improved communication of FCBC reports and activities.
2) Monitor the effects of the GE changes on faculty workload and related compensation.
3) Monitor potential changes in budget model and implications for faculty salaries
4) Monitor changes in provision of retirement accounts through 403(b), 457, ARP, etc.
5) Monitor how savings from the composite rates were used to reduce salary differences.

Other business items
As we were at the ending point of our allotted time, we tabled the remaining issues to be discussed at the next meeting.

4:30 Adjourn