Introductions:

Paul Speck, an IFC representative from UM-St. Louis, assumed his duties as Chair of IFC for 2008-2009. He welcomed participants to the meeting and asked them to introduce themselves by noting the campus they represent, their home department, and something about why they serve on the IFC.

VP Gary K. Allen was the first participant to introduce himself. He is the VP for Information Technology, University of Missouri System. He oversees the information technology infrastructure for the four UM campuses, UM Health Care, and statewide extension programs. He is responsible for student enrollment of more than 63,000. Dr. Allen is an Associate Professor of Veterinary Pathology/biology at UMC’s College of Veterinary Medicine.

Frank D. Blum, an IFC representative from Missouri S&T (Rolla), is a member of the Chemistry Department at Missouri University of Science and Technology. He feels he is a better person for doing service and has volunteered in other service areas, including work in state prisons. He is the former Chair of Rolla’s Chemistry Department.

Doug Carroll, another IFC representative from Missouri S&T, was unable to attend due to another meeting.

Tom Phillips, an IFC representative from UM-Columbia, is a Professor of Biological Sciences and Faculty Council Chair at UM-Columbia. He enjoys being on the IFC because it makes him feel part of the campus and part of the university system.

Nancy D. Stancel, an IFC representative from UM-Kansas City, is the Director of Technical Services at UMKC. She is particularly interested in non-ranked, non-tenured track issues. Nancy has a love of horses.

Kandis Smith is Assistant Vice President of Academic and Student Affairs for University of Missouri System. She calls herself a “firefighter” and feels that participating in the IFC adds value to her work in the System Office.

Alex Holsinger, an IFC representative from UM-Kansas City, is an Associate Professor in the Department of Criminal Justice & Criminology at UMKC. He said that because of Gary Ebersole he has become interested in advocating for faculty governance. He feels that learning is most effective when active strategies used. He strives to provide a
rewarding environment that encourages participation and growth, while maintaining accountability.

Matthew Keefer, an IFC representative from UM-St. Louis, is an Associate Professor and Chair of the Division of Educational Psychology, Research and Evaluation at UMSL. He is the current Chair of the UMSL Faculty Senate and has always had an interest in faculty governance. He is happy with where his campus is headed and wants to contribute.

Katina Volli is a member of the System Academic and Student Affairs support group.

William (Bill) Wiebold, an IFC representative from UM-Columbia, has an extension/research appointment related to soybean and corn management at the University of Missouri. Extension objectives include the development of cropping systems that improve productivity, enhance stability, and protect the environment. He is a member of the IFC because of his present appointment.

Deborah Nobel is a Vice President of Academic and Student Affairs at the UM System Office. She enjoys interacting with IFC because she thinks hearing the voice of the faculty is important to her work. Her goal is to make the UMS an ideal place to work.

Gary L. Ebersole, an IFC representative from UM-Kansas City, is a Professor in the Department of Religion and History at UMKC. He is also Chair of the UMKC Faculty Senate and Chair of the History Department. He is a specialist on Japan. He confessed that for twenty years of his academic career he was not involved in shared governance. Like many of his colleagues he was busy working on his academic career. He felt all he had to do was focus on his teaching and research until one day he looked up and discovered that more was needed. He found his campus dysfunctional, and he was needed to help lead the charge to put the university back on track. He now understands the importance of shared governance and that is why he serves on the IFC and other committees.

Michael Schultz, an IFC representative from MUS&T (Rolla), is a physicist and Research Engineer at Rolla. He is President of the Rolla Faculty Senate and feels that universities are becoming less academic. That is why he serves on the IFC.

J. Wilson Watt, an IFC representative from UM-Columbia, is an Associate Professor in the School of Social Work at UMC. He asked to be reappointed to the IFC because of his interest in faculty governance. His research interests are international social work issues, values and ethics in the professional and group work, and family therapy applications related to child welfare. He was in practice for twenty-two years before he became a faculty member.

VP Steve Graham is Interim Vice President for Academic Affairs, UM System. He worked on the Columbia campus for fourteen years. He sees himself as a liaison between faculty and the system administration. His job deals mainly with the collective rules and policies and he works closely with the Provosts and Chancellors’ offices on all four
campuses. He sees himself as an advocate for faculty. In some cases he gets involved with legal issues. All academic programs are approved through his office.

Paul Speck, an IFC representative from UM-St. Louis, is an Associate Professor of Marketing and a past chair of UMSL’s Faculty Senate. He is current Chair of IFC. Because of his work in the area of faculty governance, he feels that he has had significant input into policies that have been developed at UM-St. Louis. He commented, “All of you are here representing your campus, but when you are here you are a faculty member of the system. Most of the issues we deal with here are not related to one campus but affect many.” He encouraged IFC representative to bring any issue they deem important to the attention of IFC. Please call or email Paul if you have any questions.

1 Information Technology - Vice President Gary Allen

VP Allen noted that there were three issues that he wanted to discuss with IFC. In each case, he desired questions and feedback.

A. The emergency Mass Notification System
B. The Information security Program and
C. The research computing and network

1A The Emergency Mass Notification System

Comments by VP Allen:

The University of Missouri's four campuses expanded their emergency notification capabilities through a partnership with 3n (National Notification Network), the leading mass notification system provider.

The University and 3n announced last year that the 3n InstaCom Campus Alert system was selected to automate emergency communications with students, faculty, staff and administration on the UM campuses in Columbia, Kansas City, Rolla and St. Louis.

Using 3n's InstaCom Campus Alert system, the University of Missouri will be able to communicate quickly and reliably in any situation. The 3n system notifies message recipients using a variety of modes of communication, including phone, e-mail, text messaging, instant messaging, pager, fax and BlackBerry devices.

The system will allow fast communications with multiple electronic devices on or off campuses, greatly expanding the University's capacity and confidence in delivering quick and reliable crisis notifications to the entire UM community, or to targeted audiences on a specific campus. This will enhance the University's existing notification efforts, which include phone call lists, voice messages and e-mail.

VP Allen stated that The University of Missouri is committed to providing a safe and secure environment to learn, live and work.
With about 64,000 students plus thousands of faculty and staff spread statewide across four campuses, the University of Missouri's crisis notification and communications needs are far-reaching and complex. The University needed the capacity to issue event-based alerts tailored to specific, targeted audiences as well as the ability to communicate rapidly across a single campus or system-wide for large-scale emergencies.

The University identified several key criteria in its notification system selection process: ease of use; ability to integrate with existing systems; guaranteed infrastructure security and reliability; and ability to address challenges specific to a campus environment, including delivering messages using student-friendly contact paths, such as instant messaging and true two-way Short Message Service (SMS) text messaging.

According to VP Allen, a month ago UM initiated a new step that forced the students to either join the system or opt out. Ten percent of the campus body enrolled the first day. “We are currently working on initiating a step for faculty and staff,” said Allen. “Our major problem is how to encourage enrollment.”

Discussion:

A UMKC rep reported that there had been a tornado warning in Kansas City, but that no one on campus was notified. VP Allen said that the authority and decision to use the system is local, not at the System level. The System maintains the system. Each campus decides when to use it. Nonetheless, VP Allen will look into the issue.

He noted that at Columbia and Rolla, 65% of students have signed up for the emergency mass notification system but system-wide only 20% to 25% have enrolled.

One representative asked, what happens when the offices are closed. VP Allen said that we have computer people on duty at all time, so someone is always available to forward emergency information to faculty and students,

1B Information Security Program

Comments by VP Allen:

As campus CIO, VP Allen is responsible for building a campus-wide security system. One of the major projects undertaken this year was to get rid of all social security numbers in the system.

On April 16, 2008, the first UM Information Security Policy (BPM 1203) was approved giving the Vice President for Information Technology (Allen) the authority and responsibility for developing a UM-System-wide information security program. Activities and accomplishments prior to and since the policy approval are listed in the University of Missouri Information Security Program Progress Report dated September 16, 2008. Highlights discussed at the IFC meeting include the following:
System-Wide Collaboration – May 2007
Information security representatives from all business units began meeting to address common security concerns and establish UM-Wide standards where possible and practical.

Chief Information Security Officer – March 2008
Beth Chancellor was appointed as the University’s first Chief Information Security Officer (CISO) reporting to the VP for Information Technology.

Information Security Governance – June 2008
The VP for IT established the System-Wide Information Security Advisory Committee (SISAC). This committee is comprised of the Chief Information Officers at each business unit, the CISO and a representative from the Office of General Counsel. Additional ad hoc members will be added as needed. The SISAC is charged with setting priorities for the ISOs, vetting and approving information security program elements, and communicating and enforcing compliance.

The “Mandatory Requirement to Report” security incident program element was approved in July of 2008. This requirement places the responsibility for reporting information security breaches or suspected breaches on every University employee. A communication and awareness plan is under development. Not limited to computers, can be paper copies, etc.

Discussion:
MyView is the student information system. Faculty have access to all student information. Some IFC members thought this might be an issue.

VP Allen commented that his office tries to keep technology from getting in the way of faculty when they work. Still, IT can’t make access so easy that anyone can get into the system. He suggested that faculty and staff should use a different password for strategic information. They need to avoid password theft. Perhaps they need two levels of security, including one password that they NEVER share.

A long discussion was held about security management. Blum offered some suggestions based on how he keeps his information secure.

VP Allen asked IFC to advise him on how he could best provide training that will help faculty and staff fully understand their security risks. Perhaps, faculty should have one password to logon and another for files that need additional protection.

1C Research Computing and Networking

Comments by VP Allen:
A new fiber optic system will be rolled out this spring. It will be able to move massive databases. We all need to consider how to systematically build this capacity. VP Allen noted that UM was fortunate to have in Gary Foresee a President who understands the technological issues.

Discussion:

VP Graham suggested going from campus to campus explaining what is coming in the area of research computing and networking.

Reps from UMKC noted that a document was approved that says in general “your records are your records and you won’t be spied upon.” The other universities in the System may want to replicate what is being done at UMKC regarding cyber spying. The document is now in legal. VP Allen noted that IT units have a required confidentiality document that employees must sign when they join the staff. Some members of the IFC said that there are still risks even if staff sign such a document.

It was noted that emails are subject to scrutiny (Sunshine Law). We need to find out the status of the request regarding emails. One rep noted that some faculty have other email addresses (non-UM) that they use for sensitive information.

Chair Speck thanked VP Gary Allen for attending the retreat and his openness to faculty.

Other Business:

Chair Speck asked the committee if there were any additions to the minutes from the last IFC meeting. Wiebold moved that we accept the minutes. Bloom seconded. The minutes were accepted.

There was one more procedural matter that the Chair wanted to bring to the attention of the committee. Speck suggested that we hire a stenographer to take the minutes of the IFC meeting. When the job of taking minutes falls on a faculty member, this takes the faculty member out of the discussion. Since there are only a few members of the IFC, the practice seems counter-productive. Stancel, who was secretary last year, agreed that it had been very difficult for her to participate in discussions while taking minutes. Speck indicated that this year’s secretary (Murphy) would review the minutes and monitor their distribution.

Graham agreed that it was possible for IFC to hire a stenographer.

IFC decided to try this approach and test it at the next FIC meeting.

Nancy Stancel motioned to adjourn. Tom Phillips seconded. The evening session was adjourned.
IFC Retreat (Morning Session, September 17, 2008)

Speck opened the meeting around 8:30 a.m. and welcomed those in attendance. He then introduced Katina Volle. Volle went through the contents of the binder given to each IFC member. The binder consists of the following sections:

1. Agenda
2. IFC Information (salmon tab)
3. Academic Affairs (gray tab)
4. Finance and Administration (green tab)
5. Government Relations (gold tab)
6. Human Resources (pink tab)
7. Information technology (yellow tab)
8. Research and Economic Development (light blue tab)

Under each title are subtitles of information that will be presented at the meeting.

Chair Speck thanked Volle for her excellent work and said the meeting would move on to a report from Interim VP for Academic & Student Affairs, Dr. Steven Graham.

2 Academic and Student Affairs – Vice President Steven Graham

VP Graham’s agenda included many topics. Most were covered during the retreat session but two were postponed to later meetings. VP Graham determined which were covered and which were postponed.

2a Search for VP for Academic & Student Affairs

The first item on the Academic and Student Affairs agenda was the status of the search committee for UM System Vice President for Academic and Student Affairs. IFC members discussed a memorandum sent July 21, 2008 by President Gary Forsee that named the search committee to identify candidates for the position. It was noted that only two faculty were appointed to the search committee, one from UMSL and one from UMC. Members suggested that Chair Speck talk to Chancellor Tom George (who chairs the search) about adding additional faculty to the committee. It was suggested that faculty be appointed from Kansas City and Rolla. Speck said that he would take the request forward.

2b Curriculum Alignment Initiatives

[Materials for this presentation were in the binder.]

Comments by VP Graham:

Senate Bill 389 (Consumer and Curriculum Alignment) Missouri Curriculum Alignment. This bill mandates that public colleges and universities, in conjunction with the Missouri Department of Higher Education (MDHE), develop entry and exit level competencies for initial general education courses.
The Curriculum Alignment Steering Committee includes representatives from the postsecondary and secondary sectors, as well as liaisons from each of the discipline workgroups, and serves to coordinate and ensure successful completion of this initiative... The work groups cover seven academic disciplines:

- ARTS AND HUMANITIES
- ENGINEERING AND TECHNOLOGY
- ENGLISH AND COMMUNICATION
- FOREIGN LANGUAGES
- MATHEMATICS
- SCIENCES
- SOCIAL SCIENCES

There are two goals of the Curriculum Alignment Initiative (CAI) work groups: One is to develop a competency based model for beginning-level general education courses that would ensure student readiness for collegiate-level work; and second is to ensure that general education courses at any Missouri public higher education institution will be equivalent to corresponding courses at other institutions; thereby, increasing the ease of transferability. A full report is available at http://www.dhe.mo.gov/files/bb0608.caireport.pdf.

Discussion:

IFC members discussed solutions on how we can make high school students college ready, who is at the meeting, and whether they have a voice.

IFC members agreed that we needed to identify outcomes of what students should have at the end of their foundation (core) classes. If we can identify outcomes, then we can have a better idea of how to move students from one college to another and from one major to another.

In a July 29, 2008 memorandum from Hillary Fuhrman, Missouri Department of Higher Education it was mentioned that CAI needs to develop appropriate assessments for both the “entry” and “exit” level competencies; as well as develop appropriate policy revisions and/or new policies. In this memorandum Fuhrman also states that the Missouri Department of Higher Education (MDHE) has begun recruiting for a committee to review current assessment in Missouri as it relates to curriculum alignment. Volunteers thus far have come from the CAI Steering Committee and the Missouri Assessment Consortium.

Ebersole commented that the Missouri Association of Faculty Senates was meeting with MDHE in October and that was a good place to get information on the progress of CAI. He felt that it is extremely important to have UM representation.

MDHE would appreciate our role in participating or helping to identify/refer any individuals at our institutions to the assessment committee that is currently being formed. Volunteers should contact Angelette Prichett at angelette.prichett@dhe.mo.gov.
American Council on Education (ACE) Analysis of Higher Education Act Reauthorization

On July 31, Congress completed reauthorization of the Higher Education Act (HEA) by passing the Higher Education Opportunity Act. Although the act includes burdensome new reporting, disclosure, and other requirements, it reflects noteworthy progress in that Congress was persuaded to reject yet more onerous and problematic proposals. The act includes various provisions aimed at the rising cost of postsecondary education. The ten page summary of the Act provided by ACE can be found at [http://www.accnet.edu](http://www.accnet.edu). Information includes rules regarding textbooks, the bundling of information for classes and peer to peer file-sharing.

Discussion:

One member asked whether this Act is an attempt to redirect money to private colleges since private institutions are pushing it so hard.

MDHE Coordinated Plan [materials for this presentation were in the binder]

The Missouri Coordinating Board for Higher Education (CBHE) is required to develop a coordinated plan for higher education institutions in Missouri. Through the work of the Missouri Department of Higher Education (MDHE) college presidents, university administration, and other higher education stakeholders the Imperatives for Change: Building a Higher Education System for the 21st Century (Coordinated Plan) was developed to guide higher education in Missouri for the next three to five years.

There are three major goals of the Coordinated Plan. The first goal concerns increasing educational attainment, resulting in increased degree production and increased quality of life for Missouri citizens. The second goal addresses economic development with expected outcomes of meeting specific work force needs, increasing the number of college graduates in critical fields, increasing basic and applied research, and increasing learning experiences of students. The third goal focuses on resources. The expected outcomes include attracting additional resources to higher education and moving students to graduation more efficiently.

The plan gives the Missouri Department of Higher Education (MDHE) more power. The staff at MDHE prepared a plan and has authority over public schools (but not private schools). The plan did not speak to research, special education, knowledge discovery, translation of application, critical thinking, and a lot more of the learning for learning sake issues. The UMS pushed back hard to put these things into the plan. Fortunately, the President of Missouri State University in Springfield is the president of MDHE. He is a strong leader, good academic and has an excellent background that prepared him to give excellent guidance to the committee.
CBHE is doing a better job of tuning in Missouri citizens into the importance of higher education and giving them an awareness of the role of higher education and scientific development.

Discussion:

Unfortunately, the Plan may have too many benchmarks, and educators focus on the benchmarks rather than the learning that should occur.

Keefer: The higher end of research is harder to identify with assessment being required by CBHE. VP Graham: Assessment is very complicated and we need to look at a variety of forms. We need to be careful not to say that it is too difficulty to assess, we need to look for ways to look at outcomes that we can reach.

Speck: What action and/or response does this committee need to make to this issue? Does this committee have the opportunity or obligation to act in some way? VP Graham: I brought this issue to the IFC because we need to take back this information to our colleagues so that faculty can participate in development assessment, etc. We need to be represented on these committees.

Speck: So, the objective is to encourage us to go back to campus and convince faculty to get more engaged in the issue. Graham: This is going to be more important statewide in the future. We need to be involved.

Keefer: If this is important then we need to have a course release to do it. VP Graham: Perhaps it could be considered part of faculty service.

2e Institutional Conflict of Interest Policy

[Materials for this presentation were in the binder]

The system has become aware that there is not a section in our policies that deal with our position on institutional conflict of interest. We need to add this as a piece to the policy by embedding it in the Collective Rules.

Speck: We have a Conflict of Interest Policy at the faculty level, what we don’t have is a conflict of interest policy that applies to management and the institution as a whole. This issue came up several years ago, but it was not completed.

Wilson: It is about time that we had this.

Phillips: What is the timeline on getting this completed?

VP Graham: The intention is to carry this to the board sometime this year.

Keefer: On a quick reading, the draft seems to have a focus on financial issues?

VP Graham: It does focus on more. It has been presented to provosts, research, etc.
Blum: It seems to touch everyone. This needs to be shared with faculty.

VP Graham: I agree, we can get it to faculty before it is finalized.

Chair Speck: Who is the point person?

VP Graham: I am pushing it.

Phillips: An electronic format would help.

VP Graham: We need consensus from each campus.

Murphy: We could have the Academic Affairs Council review the draft copy of the Institutional Conflict of Interest Policy at UM-St. Louis. A discussion was held regarding which committees at each campus would be best suited to review the policy.

Chair Speck: Can we get feedback from each campus by the end of October – sooner if possible? Should this one be a standard that everyone adheres to?

2f Grievance Procedures

Comments by VP Graham:

Some of the campuses did not like the procedures set forth by the new Pilot Faculty Grievance Policy. The new policy has been piloted by UM-Columbia for the past three years. One of the requirements is to have an investigation officer. That person is Lori Main at Columbia. It was suggested that we need to have a more human, quicker system. VP Graham added that he talked to the new attorney for the System and that the attorney said that the process needs to have a “quick umpire.”

Discussion:

Wilson: In my opinion, the pilot wasn’t much improvement over the old policy.

Phillips: It was too long, but there were great improvements.

Discussion was held about the improvement of the policy. One member asked if another pilot could be established.

Chair Speck explained that that might be difficult. VP Graham had gone to the Board of Curators for approval of the current pilot process. It was then hoped that that policy would be sent to the other campuses. Changes cannot be made without Board approval.

Again, several IFC representatives asked if a new policy could be written and tested for another three years.
Ebersole: UMKC will not wait for another three years. In the last three years not a single grievant has won his case – many of the faculty left the campus because they were dissatisfied with the system.

Phillips: The new policy says that you can say you have run out of options and want to go to court.

Chair Speck: My understanding is that in order to change the policy it must go back to the Board for approval. Would it be more strategic to go to the Board as a group?

VP Graham: There is a huge piece in the discovery process that is not satisfactory. This outweighs some of the pluses. There is enough push back about the pilot from legal that we may need to make some changes.

Wilson: We need at least one year, but not three.

Ebersole: I suggest piloting it at Columbia and Kansas City if that happens.

Phillips: We like to think of this as a faculty generated document. We were hoping to get a vote on this in September and get it back to System in November in order to get it on the agenda in December.

Chair Speck: That schedule doesn’t seem to allow time for legal.

Phillips: We plan to do some tweaking and feel that legal will buy into it with our changes.

Chair Speck: The worst scenario then is that we implement it in the fall [2009].

Phillips provided described what is going on in the UMC committee [See the UMC committee report.] Speck discussed a time line for faculty approval.

Ebersole: At the end of the pilot can we make changes?

Phillips: Yes, at the end of the pilot we can make changes; however, no changes can be made without it going back to the UMC committee and getting Board approval.

Ebersole: I can assure you that the faculty will accept it because the present system is too offensive to the faculty.

Phillips: I don’t know a person that likes the current system. I am glad to hear that Kansas City wants to be involved.

VP Graham: We are all in agreement that the policy needs to be fixed, and that many faculty are in agreement.

Phillips: By September 26, I will send the final form to KC for their consideration.
VP Graham: A respondent must be assigned to the person making the grievance.

Phillips: We argue that this can be mediated at any point of the process. The faculty at Columbia wanted more information about mediation.

VP Graham: I would like for us to try a second pilot and add Kansas City.

**2g Lowering the Drinking Age**

Comments by VP Graham:

The long and short about lowering the drinking age to 18 is that there are a number of presidents of universities around the country involved in lowering the drinking age. The research that the system did seems to say that this is not a good idea. We do not want to make drinking a part of the culture.

**2h Textbooks**

Comments by VP Graham:

Most of the issues around textbooks have to do with cost and bundling. There is a lot of scrutiny about this. There is now federal and state law that makes it mandatory for universities to make book costs clear up front. New language increases transparency (For example, see the Higher Education Reauthorization Act – Textbooks).

Because the UM System has a rule about faculty ordering their own texts, faculty cannot get the royalties. Normally, the money is given to the Division/Department or some other source that is not a conflict of interest.

Discussion:

Phillips: I worry that the system is being abused when the money is sent back to a department.

VP Graham: Some departments are bundling information and charging $10 more than it cost. The $10 goes back to the Department.

Chair Speck: Perhaps we need to rethink the role of our bookstores. They are currently profit centers. Should we change this for textbooks?

Phillips: We need a system policy that addresses the issue of costs and bundling.

VP Graham: There are two pieces of legislation that relate to this (refer to Textbooks, University of Missouri document). Our policy must agree with the collective rules. We need to get out and make a statement. A letter from President Forsee is going out tomorrow regarding this issue.
Chair Speck: I feel this body would like to discuss the issue more but we can not due to today’s schedule. I suggest that so we put the issue on the agenda for next month.

3. Human Resources – Betsy Rodriguez

Comments by VP Rodriguez:

Dr. Betsy Rodriguez, the new VP for Human Resources was introduced to the Committee. She gave a brief description of her career (see resume). She has a strong interest in working across campuses and is happy to be back at UM. Two of the issues that she wants work on are phased retirements and recruitment and retention. She feels she has a good relationship with the Provosts and hopes to nurture these relationships.

Discussion:

Blum: I felt Ken Hutchison had done a good job of keeping track of our retirement system. There are some feelings amounts the faculty that we should be doing things differently. What are your suggestions in relations to our contributions?

VP Rodriguez: We have a defined retirement plan which is unique. It has its pluses and minuses. It’s very valuable to employees who have been here for a length of time. At this point I am not going to do anything to change the retirement system. We do need to look at a possible “85 and out” policy. Another issue that has been brought up by faculty is that we need an automatic cost of living raise for retirees.

Chair Speck: The stock market is in considerable flux. What happens if it drops 15%? Is our pension fully funded?

VP Rodriguez: As far as I know, the retirement system has always been fully funded. That is important in this market. We are starting a stabilization fund to help with market fluctuation.

Chair Speck: A stabilization fund solves the fiduciary and management issue, but if the market really gets bad, what about fear and anxiety? This committee would like to know how much exposure we have. Does the Faculty Benefits Committee deal with this?

VP Rodriguez: The Faculty Benefits Committee does not deal with investments.

Chair Speck: Who deals with investments? In difficult times, would that responsibility fall to the IFC?

VP Rodriguez: A phased retirement policy is in process. There may be some benefits.
Ebersole: Kansas City has a system where faculty can come back and teach one class for 10% of their highest salary. This is a problem for a chair. It takes money from the department and it also allows bad teachers to continue to teach because it is up to the faculty member to decide whether they want to continue.

VP Rodriguez: There is nothing in the current rules that prohibits this.

Chair Speck: Are we in for a problem in the next five years in the area of recruitment and retention?

VP Rodriguez: We need to plan and try to figure out where we are faculty-wise. We do need to get more creative on the recruitment side.

Keefer: We need to work on merit increases and who gets them. We need to be more stringent on who gets merit raises.

Blum: How do you see the university’s obligation in meeting their commitments?

VP Rodriguez: Typically you protect the ones who already are in the system and you make changes with the new faculty coming into the system. This works because new faculty is not looking at retirement. They are younger and can plan around the new system.

Blum: We hear of businesses going out of business and their people losing their retirement. Can that happen to us?

VP Rodriguez: Not under the current system.

Nikki Krawitz, Vice President for Finance and Administration, joined the discussion. She noted that the retirement money is held in a trust fund and that the retirement system is fully funded. The University has always contributed the amount necessary to keep the fund solvent. UM takes a long term investment view, at least ten years. And it has a stabilization fund. She assured the IFC members, “there has not been any discussion about not funding the retirement system.”

VP Rodriguez: The key point is that the retirement fund is fully funded.

Blum: We didn’t put the money into the retirement system last year but into merit pay. I am wondering if this is going to put us in a bind in the future.

VP Krawitz: We looked at the required contribution and projected out five years and decided that we were safe to take the 3.5 million of the state’s share out and use it for merit pay. This is not a large sum in the overall funding. We felt that we can easily get back this amount. We are also going back to the State and asking for this share.

Chair Speck: Are there still problems regarding Coventry?
VP Rodriguez: Coventry seems to be one of the easiest systems and best. There was a huge overlap of services and this is a plus. There will be 3% increase on our insurance next year, but this will be minimized by doing away with the $250.00 deductible for some medical care.

Speck: Wouldn’t it be nice to have a stronger link between the benefits committee and the faculty senates.

Phillips: It would help if that committee was told they need to report out.

4. Finance and Administration – Vice President Nikki Krawitz

4a Budget Update [materials for this presentation were in the binder]

Comments by VP Krawitz:

The Budget Book will be posted within the next two weeks. Revenue assumptions included the following:

State Appropriations

4.2% increase for Operations or $17.5 M net
$2.36 M net increase for UMSL Equity
$0.5 M net increase for Missouri Telehealth Network
$20.2 M net increase for capital appropriations

Net tuition and fee revenues

$4.1% rate increase in tuition plus other fees as approved by the Board
Plus enrollment changes related to student mix, enrollment growth, and financial aid

This year the budget was focused on technology and economic development. In addition, because UMSL was under funded, the System made a commitment to make up that difference and close the $10+ million funding gap.

Discussion:

Blum: Is MOHELA having some cash flow problems?

VP Krawitz: The Governor took money from MOHELA to fund other projects. MOHELA had a surplus at the time. With the auction rate market disappearing, the amount of income they were able to generate dropped. They would buy loans from the bank so the bank would have more money to loan students. They lost this ability because they did not have access.
Another member asked if MOHELA was going to be able to make payments and still make loans to students.

VP Krawitz: Right now it is up in the air because the credit markets are up in the air.

Chair Speck: Is it a liquidity problem or a capital problem?

VP Krawitz: Not a capital problem. Right now if they don’t get any additional money they will run out of money in 2010. The question is what will happen then? Everyone is banking that the projects will be underway and will be putting money back into the system. People are waiting until after the election to go to the legislature. I am confident that the legislature will step in and fund projects.

Chair Speck: Who is most likely to lose funding if the legislature does not step to fund MOHELA?

VP Krawitz: It would be good to get projects going. This would put money back into the system. At present, the Columbia campus has an additional 400 students who are not in budget. A 4% salary pool is in the budget. There is no increase in amount we charge for benefits in the budget.

Wiebold: Our real costs are changing. The budget is under pressure. Right?

VP Krawitz: Costs are going up 7%. This is the first year that the CPI is higher than the cost of living. Do we go with the 7%? If so do we have to go to the Board to ask to increase tuition more than the cost of living? We need to make a business case for any additional increase. It is highly unusual that we do anything less than inflation. We ask campuses to submit their strategic investments. You can’t, as a campus, come and say, “We need more money.” You are much better off to say I need “x” amount of money for “x” project. Imperative to justify needs. Where do you want to excel? Where do you want to make your investment? That is what President Forsee is asking. We do have a President that will support strategic investments.

Chair Speck: Has the Board already bought into this?

VP Graham: This is how we as a University System are planning to focus our efforts. The President sees some things that if we don’t get on it right away it will put us behind in the future. Our President looks at the numbers, understands the budget and is driven by what we are going to rise to the next level. He is not afraid to represent the University on the issues that are important to us.

VP Krawitz: Forsee is looking into more creative ways to fund our programs. How can we partner, etc. to get more resources? Foresee is not afraid to ask what he thinks we need, but wants us to think creatively about how we can get resources. We need to ask for what we want and (see expenditures) be able to defend why we need it and what it will do for our campus.
Chair Speck: Are we where we need to be in maintenance?

VP Krawitz: No. We are only putting 1% in the budget and we need to be putting more.

Chair Speck: We have unmet needs for which we have no budget.

VP Krawitz: We have $3 to $400 million dollars of (deferred maintenance) repair that we need to do. $6 to $700 million is what needs to be done. This is deferred repair. Some of this is being taken care of with renovations of buildings. We are asking for $30 to $34 million for capital improvements. $2.5 billion is our budget for this year (see pie chart in budget). Restricted are grants, contracts and gifts. The part that tuition supports is under Operations. We are expecting to have $110.4 net assets in 2009. We are not sure about this because it depends on investments and gains. (See Operations Fund Revenue Budget for figures.)

Blum: There is concern in Washington DC about investments for privates. Where do we set in terms of endowment fund? We are in the top 100 for endowments.

VP Krawitz: How we decide what to spend. We spend 5% of the average market value. In the years we have high returns on the endowment we have a ceiling and a floor. This keeps the outflow smooth. We protect the buying power of what they give us. Our expectation is that it will grow over time.

An IFC member noted that the Legislature is asking why we are not using high rate of savings on endowment to help students. Krawitz answered, in the past we have put our endowments into 60% US publicly traded equity and 40% fixed assets. We went to the Board and asked to allow us to diversify. We are in the process. If you want to know how we are doing in comparison to other land grant universities you can find this on line.

VP Krawitz offered to provide IFC with information on endowments. It is not available for general operations, 2/3 of the expense is in salaries

VP Krawitz continued. We need to have less reliance on the money for the operation budget. We need to look for other resources because the budget, in this time of uncertainty, is uncertain. We are in greater competition from K-12 Education (elementary & secondary), Medicaid, & Correction Institutions. We won’t know if we are making progress until the next legislature. We need some type of funding that is just for higher education that is not subject to other sources.

_The current fiscal year should be okay if the revenue comes in as expected_ [Chair’s emphasis]. We get paid by the month and in the past we have had to defer our payment.

4b Appropriations Request: [materials for this presentation were in the binder]

Comments by VP Krawitz:
The following appropriation request has been made (See FY2010 University of Missouri Appropriations Request for Operations – New Investments, dated July 25, 2008).

Annual Merit Increase in Compensation – 4% plus benefits - Asking for $32.14 M to support 13,000 employees, an operating budget payroll of $569 million, and a direct return of $63+million in tax to the State (2007).

Technology, Infrastructure, and On-Going Costs - Asking for 11.00 M for quality infrastructure to support teaching, research, public service, and economic development.

Competitive Ranked Faculty Compensation - Asking for 10.80 M to recruit and retain top quality faculty who annually educate over 65,000 students and generate $210 M in external research funding.

St. Louis Equity Adjustment – Asking for 2.21M to support the education of over 15,000 students.

Enrollment Growth – Asking for 6.80 to support the education of 7,953 more students annually, the increase in enrollment from FY2000 to 2008.

University Infrastructure – Asking for 14.50 M to contain the growth in deferred maintenance which currently totals over $344 M.

Next Generation of Health Care Professionals – Asking $24.20 M to increase the number of health care professionals by 209 doctors, nurses, dentists, optometrists, pharmacists and allied health professionals to meet Missouri’s growing health care needs.

Growth Engine for Economic Development – Asking 1.50 M increase in economic growth from increase in technology transfer including more patents, licenses, and commercialization of intellectual property.

Total of $103.15M

“Caring for Missourians” is our theme for generating more money and getting support from legislature.

Discussion:

Wilson: What kinds of things can we say to our colleagues about getting support for the budget from the legislature?

VP Krawitz: President Foresee has been getting businessmen and women to go to the legislature to garner support for higher education. We are also trying to show the impact of our universities on the State and our accountability for the funds we are given.

Chair Speck: Fuel is a problem. It has occurred to me that we should get into building “green.” UM should set an example.
VP Krawitz: Columbia has won awards for their conservation initiatives. Kansas City is going for LEAD certification on their next two projects. Our hospitals are all going for LEAD certifications. Most of our buildings meet LEAD certification but we do not get the certification because of the costs of the certification.

Phillips: UM-Columbia is putting energy monitoring equipment in buildings. This is changing behavior and was actually a student’s idea.

Chair Speck: Is this something that the System should adopt systematically?

VP Krawitz: Yes, the business model is to do things more efficiently and we are always looking for ways to improve our costs.

4c Council on Public Higher Education (COPHE)

Comments by VP Krawitz:

We must now consider A-133 and A-21. Because of our A-133 audit, there has been a heightened scrutiny on what we do. In 2005 we had a difficult A-133 audit. We got to 2006 and we got a more difficult audit. A large piece of it had to do with what the Columbia office was doing for the System Office – post reward contracts. The responsibility for these contracts has been moved to the System Office. Offices are still on campus but report to System who makes sure that the payroll is met and that things are done. The 2007 audit was a relative clean audit. In the meantime, the A-133 says you only have to have one audit. If you put the audit out on the federal clearing house site, then you do not have to have other audits. Because of the bad audit from 2006, we are now getting audited by NSF, etc. We are trying to get away from giving money back. You must comply or you put everyone else at risk. System is trying to put in a process that is not objectionable, but works, yet keeps us in compliance. These are due on Friday.

Discussion:

Blum: Aren’t there significant implications to the campus if I say I didn’t spend 60% of my time on grants and I’m advising students.

VP Krawitz: It’s not difficult. You should be spending full time during the summer on the grants. In the past you couldn’t spread it out over the entire year. You must spend the time you have contracted on your grant. No one puts down that you are 100% grant.

Chair Speck: There is no grey area with federal accounting officers. Even if it seems arbitrary, you must comply.

VP Krawitz: It is hard to be in compliance when you don’t know what the rules are. We are putting in more training regarding the rules. The question is “Do we need to make the training mandatory?” (See the handout for Reference Guide for Sponsored Program)
Keefer: Unfortunately, these rules have been presented to faculty in a punitive fashion rather than in an informative fashion.

VP Krawitz: When the government is asking for huge amounts of money to be refunded because they say we are not in appliance, it makes everyone a little nervous. Yale, Northwestern and Stanford have not been in compliance and have been taking advantage of the system. Now we all have to comply. $5 million is being held up until the federal government gets a clear answer.

Wiebold: The real costs are in the offices (system). We need to comply so that they can use their time elsewhere or on other issues.

Chair Speck: The OR officer must be accountable as well as the PIs. What if a faculty member at UMSL was asked to return $60,000, but was never contacted by the OR officer.

VP Krawitz: The OR office is under staffed.

Chair Speck: Since we are running out of time this afternoon, we will hold over our discussion of Capital Funding and the COPHE Higher Education Funding Formula for next month. Speck thanked VP Krawitz for her contribution.

Other Business:

Speck: We must take a moment to consider the standard agenda for IFC meetings. We will start at 9:30 and end at 2:00. We need to look at items that are important to our campuses and that can be resolved by the end of the year. I am asking each group of campus representatives to get back with me within two weeks with suggested items from their Senates. We will decide what this year’s agenda will be from the list generated by this process. Of course, we will consider the system and campus administrators as well.

Blum: Last year we tried to deal with academic dishonesty and it was left hanging.

Wilson: It was the one thing that all four campuses agreed upon; we should try to finish it.

Representative Wilson made a motion to adjourn. Wiebold seconded. The meeting was adjourned.