Intercampus Faculty Council Meeting Minutes Draft
December 9, 2008, 321 University Hall, Columbia

In attendance: Tom Phillips, Wilson Watt, Bill Wiebold, Gary Ebersole, Alex Holsinger, Nancy Stancel, Matt Keefer, Carole Murphy, Paul Speck, Frank Blum, Doug Carroll, Michael Schulz

Absent: None

[Call to order: Approval of agenda: Approval of minutes of IFC Meeting - October 22, 2008 & November 12, 2008: Additional Agenda Items]

The meeting began at 10:30 a.m. Carole Murphy convened the meeting and informed the group that the Chair would be arriving late because of car problems. Murphy called for approval of the October and November IFC minutes and asked if there were any additions to the agenda. It was suggested that the discussion on academic dishonesty be postponed until a later meeting and that Watt postpone convening a subgroup of IFC to meet with Graham's office. There was a consensus of the group to postpone the agenda item until a future meeting of IFC due to the anticipated lengthy discussion of the budget with President Forsee.

Murphy then asked for approval of the two prior sets of minutes (10-22-08 & 11-12-08). Murphy told the group that names of respondents had been deleted on the 10-22-08 minutes as requested at the November meeting. An additional suggestion was made that the comments from the President concerning the election be deleted in two places prior to approving the 11-12-08 minutes. Holsinger moved that both sets of minutes be approved with suggested changes. The minutes were so approved. IFC members also voted to postpone the issue of Academic Dishonesty until January 2009.

Murphy asked the group if there were any additional agenda items for this meeting. One of the IFC members requested that during the session with the President that he be asked about the upcoming Board of Curators meeting scheduled for later in the week and the request that faculty and students not attend.

Discussion of Budget Among IFC Members:

There was some discussion following the above request regarding funding for faculty to attend Board Meetings. One IFC member asked about sources of money for travel to Board meetings. When faculty are present at these meetings, the Board can get their input and that is good for everyone. Another IFC member asked if the Board was going to discuss the financial crisis. If so, it was requested that the faculty should be represent at the meeting. Members were okay with faculty not attending this particular meeting if necessary, however they
felt this should not be a permanent situation, and that students be included in future meetings as well. It was asked that these items be discussed when the President joined the meeting after lunch.

In a further discussion of the budget, a scenario was given for a 10%, 20% and 25% cuts on each campus, and the types of cuts that might occur. The IFC was not sure where in their individual campus budgets cuts could be made. This is not only a Missouri problem but also a reflection of a national problem. Additional time was spent on translation of these percentages into actual dollar figures. It was decided that campuses needed to take a proactive approach to these impending cuts and that the UM System is better off than many other campuses around the state.

Another concern that was mentioned was a possible drop-off in freshman enrollment because of the economy. Our campuses will need to think about recruitment strategies. Faculty will be upset when centers, etc., begin to disappear. Many faculty members do not understand the depth or the consequences of the cuts being mandated.

Members of the UM campus spoke about 5 year degrees and a combination of Bachelor and Master’s degree programs as a retention incentive. One of the IFC members remarked that the amount of institutional financial aid given to students almost equals the amount of the pending cuts. It was pointed out that if students did not get financial aid, they would probably go to another college where they could get aid.

11:00 a.m. members of the IFC were joined by Interim Vice President Graham, Assistant Vice President Smith, and Assistant Vice President Noble-Triplett

There were two items on which the group focuses: (1) Hiring Freeze and (2) Budget

A hiring freeze was put into effect as a cost savings. At this point, Deans and the Provosts on all four campuses are reviewing vacancies in order to decide which ones are most critical to core programs. There are faculty committees on each campus dealing with coming up with appropriate exceptions to frozen positions.

It was reported that State revenues are running short. Current projections indicate a state budget deficit of approximately $342M. There was $800M in reserves (carry forward) for this fiscal year. However, with the net loss in State revenue, it is currently being projected there will be a loss of over $340M. In a budget analysis for the University System this is approximately $500M. Tax revenues are down in all categories. VP Krawitz distributes a handout to the group showing what a 15%, 20% and 25% cut would look like on each campus.
VP Krawitz continued on how to replace and/or find lost revenue. There is no way individuals at any of the campuses cannot be impacted by cuts in the budget. The President does not want this to be about cuts but about reinventing the University. In order to sustain quality we need to look at how we are going to maintain our revenue base – how we are going to maintain access and affordability while keeping quality. We have been efficient in what we have done by educating more students with fewer dollars at a lower cost. What we have given up is faculty salaries, building maintenance and an increase in tuition.

There followed a discussion in the form of a Q&A between VP Krawitz and IFC members. The question was asked if tuition could be raised? This may be a possibility under these extreme circumstances. The number of students at a couple of our campuses has been on the rise. UM leads Missouri in rising student numbers. Further, there are many other Missouri campuses where student numbers are either stationary/flat, or decreasing. There was a follow-up discussion on financial aid and it was pointed out that if we decrease financial aid students would go elsewhere. The discussion continued on ideas for cutting the budget.

12:15 p.m. break for lunch.

12:30 p.m. President Forsee joined the discussion

President Forsee spent over two hours with IFC members. He gave the Committee an update, and then led the Committee in a brainstorming session discussing how the University could handle the budget crisis. The President and Vice Presidents were genuinely interested in faculty opinions and their suggestions of how budget cuts could be made. Decisions will need to be made quickly, and the President will use IFC representatives to gather faculty input.

The questions that President Forsee asked were: "What can faculty contribute to solving the budget problem?" and "What are faculty willing to put on the table?"

Some of the "facts" that were presented are that there will be a state budget shortfall for the 2009 fiscal year of at least $300M and probably closer to $500M. The university will almost certainly have a withholding this January or February to help with the budget shortfall. This is a change from what the IFC was told at the last IFC meeting in November. In November we were told that there would probably not be a withholding for this year, but the situation has changed since then.

The hope is that the current reductions being planned will cover the withholding this year and will help us prepare for the deeper cuts in next year's budget. The state budget for fiscal 2010 will be at least $1B less than in 2009, and may be as much as $1.5B less than in 2009. The total state budget for 2009 was $8.9B with $8.2B in recurring costs. Some of the state budget
items cannot be cut; hence the request for projected cuts of 15%, 20% and 25% in discretionary spending. Education is among the items regarded as discretionary spending.

For Missouri S&T a 15% cut is $7.5M, 20% is $10M, and 25% is $12.5M. System wide the cuts are $65M, $85M and $105M respectively. There were a few comparisons presented to illustrate some possible ways to meet the budget cuts. For example:

a. System wide it would require a 7.6% reduction in salary and benefits to offset a 15% reduction in state funding. 20% and 25% cuts would require proportionally larger reductions in salary and benefits. [This assumes that we solve the whole budget problem by cutting salary and benefits.]

b. It would require a 16% increase in tuition to offset a 15% reduction in state funding, and proportionally larger tuition increases for 20% and 25% reductions in state funding. [This assumes that we solve the whole budget problem by increasing tuition.]

c. The university gives a large portion of the tuition back to the students in scholarships. This is especially true for Missouri S&T, where approximately 32% of the tuition is given back in scholarships. [Eliminating all university scholarships would more than cover the total budget reduction. Missouri S&T awards approximately $17M in scholarships each year.]

2:25 p.m. President Forsee leaves the discussion.

Travel concerns were discussed and reimbursement vouchers distributed. Chair Speck apologized to group for being late. Speck quickly went over some items that the group covered in his absence. Phillips requested a need for some information from VP Krawitz concerning numbers ($) going to non-state institutions. Speck ask group for ideas about how they should proceed. He asked if there was any interest in an on-going discussion into the January IFC meeting. There was a suggestion to create a taskforce made up of 4 faculty members, one from each campus and the 4 Provosts. The taskforce would be charged with coming up with suggested cuts. A discussion followed in which it was decided that a 4-campus taskforce was not a good idea because each campus needs to take a different approach to cuts. Faculty leadership needs to make decisions and forward them to Provosts and/or Chancellors autonomous of other campuses. Chair Speck then asked how the IFC wants to address this problem? IFC members preferred responding as a whole group.

It was suggested that the 4 Senate Chairs share through email what is happening on each of their campuses. The question was asked if there should be a forum focusing on what faculties are doing to help in this crisis. UM representatives stated that they are doing this already. The Provost has held
breakfast meetings with T. Rooney using power point spreadsheets. Murphy asked if there were other university committees that have faculty serving on them that could be used to gather faculty ideas. It was decided to work through Senates and IFC members. Speck asked if there was anything else we should do for idea generation? Since no one could think of additional ideas, the meeting was adjourned.

[adjourn]