

CASE WESTERN RESERVE UNIVERSITY

Faculty Senate

Meeting of November 21, 2006, 3:30 - 5 p.m.

Toepfer Room, Adelbert Hall

Minutes

Members Attending

Daniel Akerib	Lynne Ford	Eric Neilsen
James Alexander	Thomas Frank	John Orlock
Jeffrey Alexander	Paul Gerhart	Sandra Russ
John Anderson	Anita Gilliam	Robert Salata
Mekeshia Bates	Julia Grant	Matthew Schiefer
Cynthia Beall	Kathleen Kash	Glenn Starkman
Christine Cano	Uziel Landau	Phillip Taylor
David Crampton	Edith Lerner	Aloen Townsend
William Deal	Kenneth Loparo	Kathleen Wells
Dominique Durand	Charles Malemud	Rhonda Williams
Gregory Eastwood	Vincent Monnier	E. Ronald Wright
Dustin Fisher	Diana Morris	

Others Present

Kimyette Finley	Patrick Kennedy	Timothy Robson
Grover Gilmore	Virginia Leitch	Charles Rozek
Carolyn Gregory	Marshall Leitman	
Lara Kalafatis		

Professor Alexander, Chair of the Faculty Senate, called the meeting to order at 3:35.

Approval of Minutes

The minutes of the previous Faculty Senate meeting on October 31, 2006 were approved as distributed.

President's Announcements

Dr. Eastwood reported positive feedback from his previous letters to the campus community, and he will do this again when there is information to be shared. He is recommending that consideration be given to making meeting times more family friendly, i.e. between 9 a.m. and 5 p.m. if possible. He is re-instituting the visiting committees and has written to all deans on October 30th about the recent Board of Trustees' approval for this action. He noted that up to three trustees may be assigned, for a maximum of two three-year terms, to a visiting committee, after consulting with the president. Duties will be mutually agreed to by the president and the respective deans, and include advice and advocacy, but are not to include an evaluation of the dean.

Provost's Announcements

Lynn Singer reported on the implications of the new smoke free Ohio law, noting that the

health sciences campus has been smoke free for some time. Should the rest of the campus be smoke free? We will discuss this with the Senate Executive Committee for committee input. President Eastwood did mention providing smoking cessation programs.

Provost Anderson continued with the announcement of an increase in the number of Research Initiative Grants this year from seven to 12. The emphasis is on the work of younger faculty and work that is collaborative in nature and interdisciplinary. Some of these will be set aside for the Humanities and Social Sciences areas. Funding is one-half from the State of Ohio and half from the Technology Transfer Office.

Professor Monnier asked whether there is any planning for a major fund-raising campaign. Dr. Eastwood mentioned that this would be part of the discussions with any candidates for the permanent president.

Professor Starkman noted the reference to research initiative grants being targeted to interdisciplinary work and asked about disciplinary research. Provost Anderson noted that he is interested in promoting interdisciplinary work and feels that it is up to the deans and department chairs to promote single-discipline initiatives.

Chair's Announcements

Professor Jay Anderson reported that the Faculty Senate was being updated by a student hire and asked for any noted errors.

Our Faculty Diversity Officer, Professor Beth McGee, has asked for volunteers to serve on a panel which will be trained to hear any possible sexual harassment cases which reach the stage of a formal complaint and hearing. To be in compliance with the law we must have a trained panel willing to serve. Her request is also going out to the schools.

The next meeting of the Board of Trustees' Academic Affairs and Student Life Committee is on December 14th and will feature a panel to discuss the topic of "research on campus." Panel members are Carol Musil, Eben Alsberg, Joe Nadeau, Cynthia Beall, Evan Kahana and Daniel Akerib. He invited anyone to bring topics to them

The Secretary of the University Faculty has announced her plans to retire as of June 30, 2007.

Report of the Executive Committee

In the absence of David Matthiesen, Chair Alexander made the report of the November 7th Senate Executive Committee meeting also:

- Budget Committee Chair Glenn Starkman made a first-quarter financial report which will also be made for this agenda.
- Vice Provost Donald Feke reported on the institutional re-authorization process for the Ohio Board of Regents, noting their interest in certificate programs.
- Professor Feke will report again on "outcome assessment oversight."
- The chair has been asked for Senate representatives from each school for the Student Information System.
- The School of Medicine has brought a request for a name change for the Ophthalmology Department at University Hospitals, also on this agenda.
- The Executive Committee has charged the Faculty Personnel Committee to review family-friendly models on tenure.
- The provost announced an agreement with the Cleveland Scholarship Program for

financial aid for 50 high school students from Cleveland and neighboring school districts to matriculate at CWRU.

- A position description is being drawn up for the replacement for Chris Munoz who was the Vice Provost for Undergraduate Enrollment.

- An extra discretionary day will be given to all staff employees on December 29th this year.

- The motion approved at the last Senate meeting on “fellowship courses” has been sent back to committee by the president for clarification and definition of who are graduate students.

Proposal on Name Change for Dept. Of Ophthalmology at University Hospitals to Department of Ophthalmology and Visual Sciences

Department chair Jonathan Lass was present to respond to any questions on the packet of information included with the agenda. He said that the department was formed 15 years ago and the name change would better reflect the present scope of research. The MOTION to approve the name change was approved unanimously.

New Business

Provost Anderson brought forward several suggested amendments to the Faculty Handbook with respect to eligibility to participate in the university’s faculty and key administrative employees’ retirement Plan A. He would like to vote on these as one item. He explained that this proposal has not, because of time constraints, gone through the normal procedures of going to Senate committee/s.

Interim Dean Pamela Davis of the School of Medicine was unable to be present but Professor Anita Gilliam, and elected senator from the SOM, was prepared with information. She said that a total of 300 faculty members are affected, including 38 persons not previously covered by the university’s retirement benefit plan.

Professor Glenn Starkman noted a likely effect on income to the university fringe benefits pool, and asked about a future discussion on the loss to these faculty of the tuition benefit. It was stated no medical coverage benefit or tuition waiver is included, only eligibility for retirement contributions.

Hossein Sadid, in response to questions on the urgency of this issue, said that this is because in the new affiliation agreement between University Hospitals and the university, Case Western Reserve will no longer be the paymaster for the majority portion of the salary for affected faculty employees.

There was considerable discussion on a number of questions - views of the affected faculty, whether this will be reviewed annually, options on timing issues, whether the School of Medicine fully supports this and the practice plan issues, and whether this same situation might be applicable to faculty in other of our schools. On the last item, Carolyn Gregory acknowledged that five of our eight schools possible could have faculty affected.

A substitute motion was offered by Paul Gerhart to state that all faculty affected by the affiliation agreement retain all benefits that they previously had. After discussion, the vote on the substitute MOTION failed. The vote on the original proposal to extend eligibility for retirement contributions on all dollars paid through Case accounts and participation in the faculty retirement plan to practice plan faculty who receive less than 50% of their salaries from Case Western

Reserve University was approved (see attached MOTION).

Professor Ronald Wright asked that the School of Medicine agree not to rush motions through the Faculty Senate in the future.

Faculty Senate Budget Committee Report

Professor Glenn Starkman read his committee's report (attached). Comments and questions were on whether the university is making [enough] progress toward balancing the budget. Though the answer is "yes," there are still concerns in the Case School of Engineering and the School of Medicine, but the budget must be in balance next year. School of Medicine research income is still below needed projection; some think we cannot expect this to change because of National Institutes of Health (NIH) funding constraints; it is hard now to get contracts negotiated and more assistance is needed from our Technology Transfer Office. Concerns expressed about monies to recruit. Provost Anderson pointed out that there have been funding increases from NIH. Chair Starkman said that the Budget Committee is in discussions on how to re-think our budgeting structure.

Update on Partnership with Fisk University

Associate Provost Kathryn Karipides is both responsible for, and committed to, the partnership with Fisk University. Due to the lateness of the hour, she asked if this report could be deferred to the next monthly meeting of the Faculty Senate.

Discussion of Budget Committee Organization

This discussion was also deferred to the next meeting.

Presentation by Vice President Lara Kalafatis

Ms. Kalafatis summarized her personal background and working relationships with the university. She was hired in Spring 2001 and since that time has seen many changes in the structure and organization in University Relations. Their job encompasses both relations and services - government relations, community partnerships, media relations, services/internal and external. An organizational chart of her area lists 44 employees - a significant reduction in light of budget conservation; collaborations are very important. [A condensed copy of her Power Point presentation is attached to the minutes.]

The meeting adjourned at 5:40 p.m.

Lynne E. Ford
Secretary of the Faculty Senate

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MOTION to Approve Amendments to the Faculty Handbook with Respect to Eligibility to Participate in the University's Faculty and Key Administrative Employees' Retirement Plan.

The University has previously adopted the Case Western Reserve University Faculty Handbook (Summer 2005 Version) (the “Handbook”) for the purpose of establishing certain general University policies and procedures and communicating such information to members of the University faculty.

The University desires to make certain changes to the Handbook with respect to eligibility to participate in the Case Western Reserve University Faculty and Key Administrative Employees’ Retirement Plan (Plan A) (Amended and Restated as of July 1, 1997); and

The University has reserved the right to amend the Handbook from time to time through regular University procedures.

NOW THEREFORE, BE IT RESOLVED, that the Faculty Senate approves the following amendments to the Handbook, effective July 1, 2007:

1. Chapter 3, Part One, Section I.B.2. is hereby amended in its entirety to read as follows:

“2. An appointment shall be classified as (i) full-time, or (ii) part-time. (Eligibility for consideration for appointment or reappointment to the full-time faculty must include both of the following qualifications and is subject to approval by the dean: a. fifty percent or more time must be devoted to approved academic activities; and b. the academic activity must be conducted at an approved site. If fifty percent or more of compensation is paid through the University, the full-time faculty member is eligible for fringe benefits; provided, however, that any faculty member who receives a portion of his/her compensation through Case’s pay mechanism nevertheless shall be eligible to participate in the Case Western Reserve University Faculty and Key Administrative Employees’ Retirement Plan (Plan A) if the faculty member’s appointment: (i) is pursuant to Chapter 2, Article I. Section A (Tenured or tenure-track faculty members) of the Handbook; or (ii) is pursuant to Article I. Section B (Non-tenure track faculty members) of the Handbook; or (iii) is as a research professor or research associate professor pursuant to Article I, Section C of the Handbook; or (iv) is as a lecturer or visiting faculty pursuant to Article I, Section C of the Handbook with an appointment period of 9 months or longer and the faculty member is in his/her second or subsequent year of service.”

2. Chapter 3, Part One, Section I.C.3. is hereby amended in its entirety to read as follows:

“3. Fringe Benefits
A handbook or other document describing current university fringe benefits shall be sent with each letter of initial appointment. Changes in fringe benefits shall be communicated to faculty members in a timely and appropriate manner. Generally, full-time University Faculty members are eligible for fringe benefits if fifty percent or more of compensation is paid through the University; provided, however, that any faculty member who

receives a portion of his/her compensation through Case's pay mechanism nevertheless shall be eligible to participate in the Case Western Reserve University Faculty and Key Administrative Employees' Retirement Plan (Plan A) if the faculty member's appointment: (i) is pursuant to Chapter 2, Article I. Section A (Tenured or tenure-track faculty members) of the Handbook; or (ii) is pursuant to Article I. Section B (Non-tenure track faculty members) of the Handbook; or (iii) is as a research professor or research associate professor pursuant to Article I, Section C of the Handbook; or (iv) is as a lecturer or visiting faculty pursuant to Article I, Section C of the Handbook with an appointment period of 9 months or longer and the faculty member is in his/her second or subsequent year of service.

(See Section II. Leaves of Absence, C. Status While on Leave, 2.)”

3. Chapter 4, Section IV. of the Handbook is hereby amended to include the following paragraph at the conclusion of such Section:

“Benefit eligibility is determined in accordance with the provisions therefore as set forth in this Faculty Handbook (See Chapter 3, Part One, Sections I.B. and I.C.3.)”

The Handbook remains otherwise unchanged.

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Report of the Faculty Senate Budget Committee

November 21 Report to Faculty Senate

It is widely understood that these are times of significant financial constraint for the University. A period during which significant expenditures were being made while development revenues declined, rather than growing at projected double digit rates, research revenues failed to grow at projected double digit rates, and tuition revenues did not grow to compensate, and even declined in some categories and units have contributed to the departure of a large fraction of the senior executive leadership of the university, including the President and several deans.

During this period, the University drew down its working capital and borrowed several tens of millions of dollars against its line of credit. This draw-down of fungible resources was part of a planned program, approved by the Board of Trustees, known at the time as the Vision-Investment-Program. However, promised increases revenues attributable to these investments failed to materialize, at least on the time-scales on which they were forecast. The Board of Trustees has therefore terminated additional planned draw-down of the University's capital before the completion of the Vision Investment Plan. Under the vision plan, the authorized draw against the working capital and line-of-credit was approximately 120M\$ as of June 30, 2006. The actual draw us just under 100M\$ due to less spending than planned.

As planned, substantial portions of the VIP funding were expended on what were essentially

operating costs. Or, were used to cover commitments to ongoing expenditures for which growth in revenue sources were expected to cover costs in the long term. In part for this reason, in the post-VIP era, the University found itself with structural deficits in several units.

There are lessons to be learned from this painful history – commitments to ongoing expenditures require the identification of ongoing funding sources, whether internal or external. Investment funding is just that -- short term funding that can be used to demonstrate value so that long term funding can be identified, developed or more successfully solicited. This is a lesson which is easily overlooked by faculty and administration alike, but which should not again be so easily forgotten.

A related lesson is that when we choose to do new things, unless we can truly identify new revenue which can be directed to this new activity, we must reallocate from old activities.

As FSBC chair, I remind the Senate of these common-sense lessons, not only because they are easily forgotten, but because of the rights and obligations of the Senate and the Faculty in both the approval of new programs, facilities, and activities and the termination of old ones.

The FSBC encourages the faculty to view the constant recollection of these lessons individually and by their constituent faculties as their responsibility as much as they are the obligations of their Deans. Although we may individually seek to maximize both internal and external resources flowing to our particular activities, we have a collective obligation to ensure that resources are allocated both strategically and responsibly. We, as much as any stakeholders, will bear the consequences of the failure to do so. Later in this meeting I will return to lead a discussion of institutional reforms that the FSBC would like the Senate to consider in order to better enable faculty to have greater input into vital financial decisions, to better understand such decisions, and to assume responsibility when such decisions go awry.

One positive outcome of the Universities recent financial and leadership challenges has been an improvement in communications between the Board of Trustees and the faculty on matters of university finances. Beginning earlier this fall, Peter Hellman and I agreed that the Chair of the Board of Trustees Finance Committee, and the Chair of the FSBC, together with the University's CFO, Hossein Sadid, would hold informal discussions in advance of all BoT Finance Committee meetings. These meetings, of which we have now had two, are opportunities for frank communication on matters of finance and budget, and a vehicle for informal communication of concerns.

In the meantime, there are short term challenges arising from the need to eliminate these structural deficits, and to rebuild the University's working capital.

The FY06 deficit was budgeted at 30 million dollars. Of this, 27M\$ was Vision Investment spending and 3M\$ was to be in the core spending at the Weatherhead School.

The forecast for FY06 in late AY 2005/2006 was for a 50 million dollar deficit, rising to 60M\$ by the time the books were closed. Of this 60M\$, 10M\$ represented the purchase of the Triangle

property on Euclid Ave at Mayfield Rd. The balance was distributed as follows:

Arts and Sciences:

a budgeted 9.3M\$ Vision investment and
an unbudgeted 350k\$ surplus.

Case School of Engineering:

a 3.4M\$ Vision Investment, against a planned 2.3M\$ VI
a 6.1M\$ unbudgeted deficit in core operations

Weatherhead School:

a 1.2M\$ VI
a 2.5M\$ deficit in core operations
for a total of 3.7M\$, vs. the budgeted 4M\$ (1+3)

Medicine

a 15M\$ VI, vs. a budgeted 7.8M\$
a 8.9M\$ unbudgeted deficit in core operations

University General

a budgeted 7.8M\$ VI
a surplus of 2.9M\$ in core operations

The four other schools showed unbudgeted surpluses of 250-500k\$, and had at most small vision investments less than those surpluses.

I would like to point in particular to the fact that considerable cost cutting in UGEN offset unbudgeted deficits in core operations in academic units. In particular, the 10M\$ variance between the first forecast of the FY06 results, and the final close was due to 2.5M\$ in over-expenditures by CSE, and 3.4M\$ in over-expenditures by the School of Medicine, which were partially offset by cost cutting in UGEN of 4.1M\$. In the meantime, the prudent determination was made that, given that the university would already be running a large deficit, this was an opportune moment to set aside contingency funds both for the transition to a unified practice plan, and for severance expenses.

It should be clear to the Senate therefore that of our 8 units, 2 of our 4 largest -- Medicine, Engineering -- overspent their revenues considerably. Of the other two -- Weatherhead had a forecast deficit of 2.7M\$ (in addition to the injection of 1.2M\$ of Vision funding, and the CAS had a 9.3M\$ injection of Vision funding -- 1.2M\$ more than originally budgeted.

Building this fiscal year's budget in this environment was clearly a challenge. A commitment was made to keep the deficit to 10.5M\$. Excluding set asides assigned to the FY06 deficit, this is approximately 40M\$ less in deficit spending than the combined vision investment and deficit spending of FY06, while shouldering an increased debt load. Furthermore, the 10.5M\$ includes approximately 5M\$ in contingency funds to allow for overruns.

For FY08, the administration has committed to the Board of Trustees to completely eliminate the deficits and return to a balanced budget. Within these balanced budgets must be included not only continued debt service but some plan for debt retirement and rebuilding the University's working capital.

What is our progress?

University General is now forecast to come in with an extra 4.5 M\$ in cost savings this year. However, the School of Engineering is currently forecast to have a 2.8M\$ overspending of its budget, the School of Medicine a 4.1 M\$ over-expenditure and the Weatherhead school a 0.5M\$ over-expenditure. The forecast deficit remains 10.5M\$, but with 3M\$ of the 5M\$ of contingency in the budget now accounted for. These results reflect in part the shortfalls in graduate enrollment in the Medical School, Engineering and Arts and Sciences, and in the part-time MBA program.

We should acknowledge that of course to some extent deficits in a particular unit can reflect the particular formulae used to assign costs and revenues to the schools. At this time there is a process underway whereby such formulae are being re-examined. We have been assured that the FSBC and the University Budget Committee of which it is a part will be part of that process.

Nevertheless, these deficits in units are important challenges. Even as the administration of all units strive to balance their budgets, the FSBC strongly encourages the faculty of all units to assume increased responsibility for reviewing, understanding and advising on the major financial decisions being made on their behalf.

In the meantime we can also report that the University is in the process of restructuring a significant fraction of its debt, allowing for considerable savings both via reduced interest costs, and via an extension of the term of the debt. This will improve our position visa-vis our working capital/line-of-credit by approximately 25M\$.

In the meantime concerns remain. These include:

1) Attainment in development.

Despite large investments in the development enterprise, our attainment remains much less than it was in 2000, and significantly underperforms our peer institutions.

2) The NIH budget, and the fraction of it being directed to university researchers.

For the short term, the era of rapidly expanding NIH budgets seems over. We must compete in a more competitive environment.

3) Graduate and professional tuition.

The FSBC anticipate turning our attention to these and other matters over the balance of this academic year.



CASE

CASE WESTERN RESERVE UNIVERSITY

UNIVERSITY RELATIONS

FY06-07

Faculty Senate

(Condensed presentation)

November 2006

Lara Kalafatis, Vice President

University Relations Timeline

1990's - Culture of two distinguished office of Development (Bruce Lossein) and Public Affairs (Richard Baznik)

Fall 2002 – Marketing and Communications functions merged with Development (Derek Bellin) to form the Office of University Relations and Development.

Summer 2003 – Government Relations merged with the Office of University Relations and Development.

January 2005 - Office of University Relations and Development bifurcated responsibilities to form University Relations (Lara Kalafatis) and Development (Jeff Robison- September 2005)

What is University Relations?

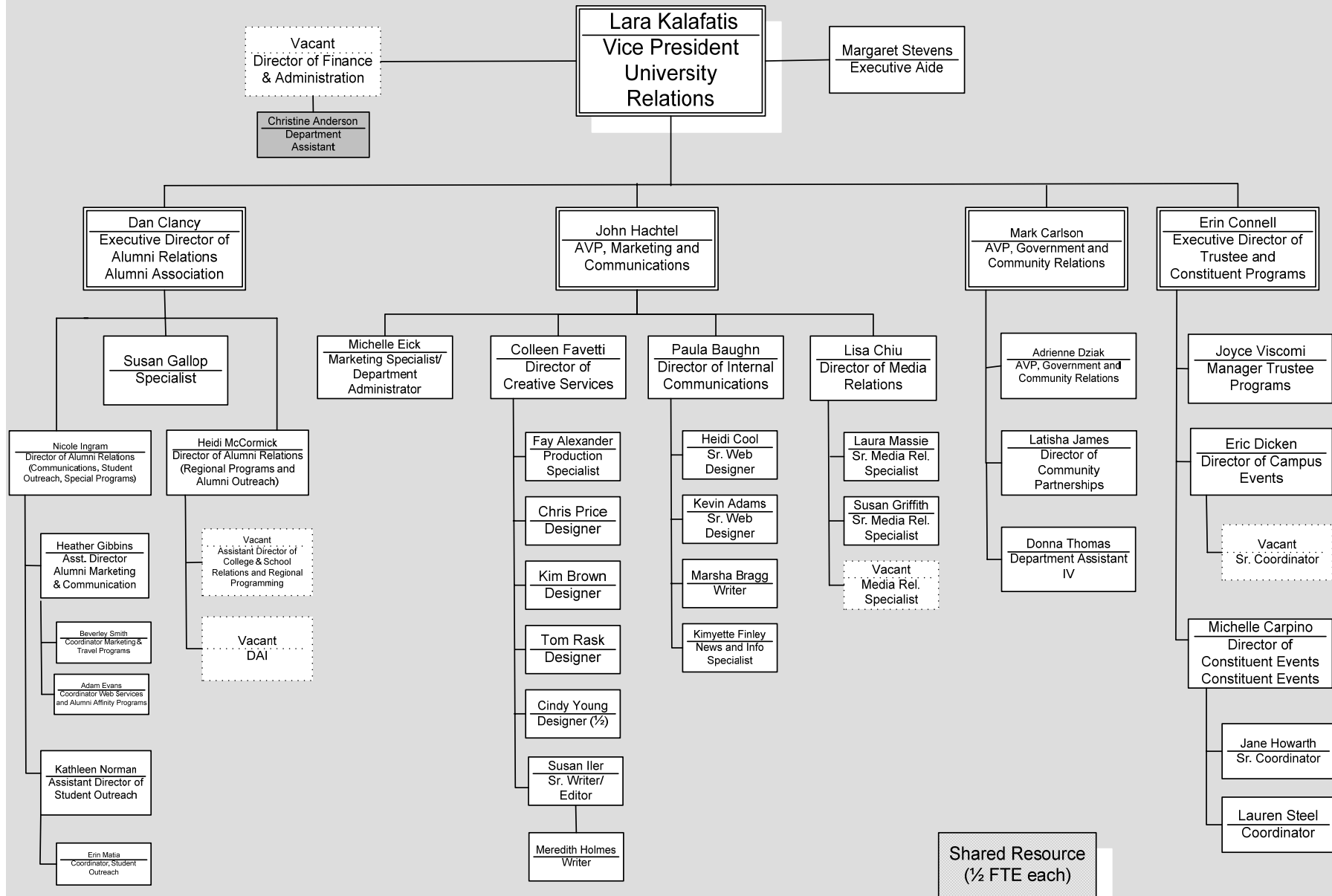
Relations

+

Services

<p>ALUMNI: Building Life-long relationship between all alumni and future alumni with the university.</p>	<p>COMMUNICATIONS: Develop, improve and implement internal/external communications for the University,</p>
<p>TRUSTEE: Develop and implement programs and services for the board of trustees experience. Provide administrative support for UR, COT and Trustee Emeriti Committees.</p>	<p>PROGRAMS & EVENTS: Provide and coordinate events and programs that yield high impact for the University, President, Provost and Deans as needed.</p>
<p>GOVERNMENT: Foster federal and state relations, advocacy and funding.</p>	<p>PUBLIC RELATIONS: Purchase media, creative services, communications to University General and Schools as needed.</p>
<p>COMMUNITY: Serve our local ward representatives and elected officials. Strengthen community partnerships and programs.</p>	<p>OPPORTUNITY: REVENUE SOURCES: Merchandise licensing, coordinate sponsorships and increase affinity programs</p>
<p>MEDIA: Engage local and national media relations for the university it's faculty.</p>	

University Relations



Shared Resource
(1/2 FTE each)

University Relations is Organized and Resourced Differently at Our Peer Institutions

Case does more with less FTE's (as reported on university web sites. Spring 2006)

Division Functions	Case	Emory	Vanderbilt	Johns Hopkins	Carnegie Mellon
Marketing & Communications (Costs are captured on IRS 990)	Media relations, communications, news, marketing, photography, publications, web and creative design	Media relations, health sciences communications, publications, marketing, crisis communications, issues management	Media relations, creative services, marketing, news, communications, web	Marketing, Communications News, Web, Public Affairs	News, web, communications (school and internal), photography, interactive video,
Alumni Relations	Alumni programs and support (decentralized; regional)	Alumni support and fundraising (decentralized; regional)			Alumni support and fundraising (decentralized; regional)
Government Relations	State and federal relations	State and federal relations	Federal relations	Federal, State and Local relations	
Community Partnerships	Local community engagement and local government relations	Community focused lifelong learning programs	Local community and state government relations	Community Programs	
Board of Trustees	Board, President and Provost meetings, travel and events				
Programs & Events	High impact University programs and Constituent events. Commencement		Commencement and special programs	Cultural Programming	Some Events management
TOTAL FTE	44	64	102	100	37

UR Mission

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

UR Values

1. Encourage an atmosphere of cooperation, collegiality, **collaboration** and mutual trust between and with all schools and business units through frequent and open communication.
2. Increase university support by driving long-term and mutually beneficial **relationships** with all internal and external constituencies.
3. **Communicate** effective and consistent messages that support priorities of the schools and business units and advance the mission and vision of the university.
4. A workforce that **takes initiative** seeks opportunities that will have a positive effect on our priorities.

University Relations Priorities FY06-07

Confidence + Resources + Academic Mission

University Relations Priorities FY06-07

RESTORE CONFIDENCE

Provide an environment which continues to reinforce confidence in the university and a stable financial infrastructure. Recognizing that leadership change will have an effect on a management team, foster an environment that retains and supports the leadership that includes academic, administrative and the board of trustees. **Build pride and confidence** in our supporters: alumni, students, faculty, staff and greater community through our UR functions.

University Relations Priorities FY06-07

REVENUE GENERATION

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

University Relations Priorities FY06-07

ACADEMIC MISSION: RESEARCH AND EDUCATION

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

Value-Add of University Relations FY06-07

COUNSEL + SERVICE + RELATIONSHIPS

Value-Add of University Relations FY06-07

COUNSEL:

Engage members of the University Relations leadership team early in the process to assist in the development of a strategy and inform in tactics. Seek out opportunities to insert ourselves into projects and processes early to ensure we have a place at the table

SERVICE:

Time, consideration and clear articulation of objective will be important as members of the University Relations strive for client service.

RELATIONSHIPS:

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