

**Minutes of the Joint Meeting of the Main Campus Executive Faculty and the
Faculty Senate Main Campus Caucus
March 23, 2004
(approved 5/6/04 by Main Campus Caucus, Faculty Senate)**

Executive Faculty Representatives Present: Anthony Clark Arend (Faculty Senate), Dorothy Betz (Faculty Senate), Heidi Byrnes (German), Sandra Calvert (alternate for James Lamiell, Psychology), Peter Charles (Art, Music and Theater), Robert Cumby (Faculty Senate), Wayne Davis (Philosophy), Carol Dover (Faculty Senate), Walter Droms (MSB), Judith Feder (GPPI), Pamela Fox (Women's Studies), David Goldfrank (History), Ellen Henderson (Biology), Harvey Iglarsh (MSB), Catherine Keesling (Classics), Amy Liu (alternate for Makarand Paranjape, Physics), Sam Marullo (Sociology), Marcia Morris (Slavic Languages), Barbara Mujica (Spanish and Portuguese), Stanley Nollan (MSB), Patrick O'Malley (English), Diana Owen (CCT), Nicoletta Pireddu (Italian), Terrence Reynolds (Liberal Studies; Chair), James Reardon-Anderson (MSFS), George Shambaugh (SFS), Joseph Sitterson (English), Andrew Sobanet (French), Susan Vroman (Economics), Stephanie Wright (SNHS),

Faculty Senate: David Andrews, Richard Bates, Paul Betz, J.C. Hirsh (English), Sandra Hussey (Lauinger Library), Robert Lieber, Gwen Owens, Michael Pope (Chemistry), Clea Rameh, James Shedel, Thomas Walsh, Charles Weiss

Visitors Present: Artemis Kirk, Madeleine Soudee.

I. Call to Order

The meeting was called to order at 4:19 p.m.

II. Approval of Minutes of the Meetings of January 23, 2004 and February 27, 2004

It was moved that the minutes of the meetings of January 23, 2004 and February 27, 2004 be approved as submitted.

Motion 1: That the minutes of the meetings of January 23, 2004 and February 27, 2004 be approved as submitted.

The motion carried with 22 voting in favor and 2 abstaining.

III. Budget Priorities for 2005-2006 – University Provost James O'Donnell

The Chair briefly updated the Executive Faculty and Main Campus Caucus on University budget issues, thereby providing a context for the University Provost's comments. He noted that at the last Joint Meeting of the Main Campus Executive Faculty

and University Faculty Senate Main Campus Caucus, he was encouraged by both bodies to invite the Provost to discuss budget priorities for 2006. In response, he had asked the Provost to speak about these issues for 20-25 minutes and then to take questions from the faculty; the Provost had kindly accepted the invitation.

University Provost Jim O'Donnell began his remarks by noting that he had recently met with student leaders in order to explore a variety of issues facing students at Georgetown. He mentioned that in the future he would be inviting faculty to join similar conversations with students and that he hoped faculty would engage in these conversations addressing such important issues.

With regards to budgetary issues, the Provost affirmed that the University is divided into three campuses, (and sometimes four campuses since University Services is often considered to be an independent unit,) and ideally, each unit breaks even financially. Unfortunately, this ideal situation is not the reality. However, under the leadership of Executive Vice President for Health Services Daniel Sedmak, the University is seeing the best promise yet of having the Medical Center reach the "break even" point by 2007. This achievement will be attained through cuts which will be substantial and painful. The plan does call for investment in areas of excellence in the medical center. However, it also calls for serious personnel cuts. The Provost asserted that even if the plan does not work, the other campuses are not there to bail out the Medical Center. Yet, the Main Campus, nevertheless, will be financially under strain. The Main Campus Planning Committee's work has brought results that no one likes, but they were a product of a careful, deliberative process. In order for the University to retain its commitment to increasing salaries in 2004-2005, these increases had to be taken out of administrative budgets on the Main Campus. The Provost remarked that it has been surprising to some that taking 0.05% out of those budgets can be so painful, and the University administration has been working to minimize the negative effects of this transition. Yet, these changes have to be made because of choices made previously by the University. Accordingly, the biggest hit during the past year was the increased cost of benefits. While a legitimate expense, benefits have nonetheless been a significant expense for the University and are part of what has driven the institution to its overall deficit. In addition, financial aid expenditures are an important part of the University's fiscal outlook. The Class of 2004 was relatively prosperous – and therefore received less financial aid than a typical class – however the University was spending the extra funds gained from this situation without planning for the matriculation of new classes that are less well endowed financially. Furthermore, the University has been working to comply with the consensus methodology for calculating financial aid that was agreed to by former University President Leo O'Donovan. While the new methodology will cost more, it also benefits Georgetown because it makes the University more accessible to low and middle class families. Thus, those dollars can be considered well spent. The Provost also remarked that, for the time being, the impact of benefit expenditures has been ameliorated, although this situation may not remain stable since health care costs continue to rise. In addition, the Provost pointed out that the University has set aside dollars to account for the depreciation of capital, and those dollars have been held centrally. The University will benefit from this; the University is currently pursuing an aggressive campaign for renovation and development and part of this campaign is the Performing Arts Center which is expected

to open in the Fall of 2005. Once the project is completed, however, the University faces the additional expenditure of \$1.5 million per year in operation costs. The Provost also noted that it has been a challenge to meet the requirements for the faculty salary plan, and since next year is expected to be particularly challenging in budget, the expectations for faculty salaries might not be possible. He cautioned that in the next few years this might be a topic of conversation and the University as a whole now needs to begin to address those issues. The University expenses are increasing above the revenue stream. The Main Campus Planning Committee has established a subcommittee to examine lines of business. The subcommittee has been meeting with administrators from around the campus in order to better understand what are the University's main lines of business. The results of these conversations will help reveal what can be eliminated without harming the University's core business. While this is an important activity, the Provost did point out that some may liken the removal of programs to chopping off body parts, and it can be argued that one would be cutting off what was once valuable in order to receive only a marginal, short-term impact on the problem. Another subcommittee of the Main Campus Planning Committee is examining the costs of instruction – that is, they are examining how the costs of providing programs are reflected in the University budget. For example, the subcommittee might examine the cost of creating endowed chairs when the endowment does not cover the entire cost of the position, including overhead costs. The Provost noted that he feels that right now the University does not have an adequate model to forecast these costs, and he pointed out that he is interested in new money for existing tenure lines, rather than for new lines. He stated that if the costs of instructions are clarified, then it will provide an opportunity to reduce expenditures. It is important for the gap between expenditures and revenue to be diminished; one way to do so is to increase revenue. Obviously, fund raising is a part of increasing revenue, and the University is currently in the active stages of planning for the next capital campaign which will have a goal higher than that was set for the last campaign. However, fund raising is neither an automatic nor near-term solution to the University's financial difficulties. This is particularly true since it is often difficult to align what donors want done with their funds with what the University wants to do. So the Administration is actively developing other ways to increase revenue. In particular, they are looking to identify academic opportunities at Georgetown as well as elsewhere that will strengthen the University. One potential area for academic growth is in Qatar, where the School of Foreign Service is examining the prospect of opening a small campus. Another area for growth might be in Latin America, particularly in Mexico. In addition, the SSCE/CPD reconfiguration is poised to be an area of growth for the University. The Provost remarked that he hopes a new Master's program in the Business School will open next winter. He feels this program, as well as others, would allow Georgetown to be a better citizen in the Washington D.C. Metropolitan community and would help build and sustain the University.

Susan Vroman noted that the Provost's comments about the Medical School were encouraging. However, she pointed out that the his comments also assumed that plans for the Main Campus will not be impacted by what goes on at the Medical Center. She argued that the Medical Center has had plans before for improving its financial standing which did not work, and asked whether plans for development at the Medical Center will go ahead if the newly planned budget cuts do not work and whether the Main Campus

could be impacted by failure of the plan. The Provost agreed that there is a risk that the Main Campus will once again be impacted by the Medical Center. However, he also pointed out that there is no real alternative to the way in which the University is proceeding to deal with these financial problems. In response, Susan Vroman asked about the cost of closing the Medical Center. The Provost responded that estimates with regard to closing the Medical Center were not figures he wanted to get into. Yet he also noted that the Medical School itself is breaking even. He agreed that there is still risk involved with the Medical Center, and he explained that it is for that reason that they are creating budgets with predictions which are as reliable as possible.

James Reardon-Anderson noted that his department is being forced to diminish its program while students are paying more for tuition. He asked about the cuts that the Provost Office itself has made. The Provost remarked that careful consideration was given to cutting as even handedly as possible. In addition, the Provost cut some \$40,000 from his budget which represented a 2.1% cut.

David Goldfrank inquired about how sports programs fit into the overall budgeting of programs. The Provost assured everyone that the sports programs are taking their share in the process of making budget cuts.

Heidi Byrnes remarked that if she understood the Provost's comments accurately, he had pursued budget cuts in a very procedural way and he only spoke of interaction with the Main Campus Planning Committee. She expressed concern about the lack of attention that has been paid to the academic ramifications of those budgetary decisions. In response, the Provost pointed out that the very purpose of much of his interaction with the Main Campus Planning Committee has been to look at how academic matters intersect with these budgetary issues. For instance, the subcommittee examining the main lines of business at the University is addressing this very issue. He remarked that Deans are on the Main Campus Planning Committee, and that he hopes to bring important financial decisions to the schools because they are most involved with their own budgets. Heidi Byrnes remarked that some might feel uncomfortable if changes were not instituted by each school individually. She pointed out that the University has frequently had its aspirations predicated by "turf wars" between schools. The Provost mentioned that one issue that has been "bubbling" is how tuition dollars are reflected back to the individual schools. He pointed out that previously there was an inflexible model for allocation of funds to units. In the process of searching for a new dean for the Business School, this issue has come to a head. The Provost feels it is important to try and put schools on as level footing as possible, but he also thinks its important for student demand to reflect availability. He thinks that paying more attention to student demand might allow the University to run more effectively. Therefore, part of the Main Campus Planning Committee's subcommittee on the cost of instruction will examine how curricular decisions impact the budget.

Peter Pfeiffer asked whether the Main Campus Planning Committee's subcommittee on lines of business is just investigatory in nature, or whether they will be making recommendations. The Provost explained that right now the subcommittee is just investigating the matter, but he said that he envisioned the subcommittee would eventually

address the “What do we do now?” question. Peter Pfeiffer noted that it would be important for the academic perspective to be present and part of subcommittee’s discussion of answering that question.

John Hirsh expressed his concern about the impact of the Medical Center on the Main Campus being avoided. He noted that the English Department’s ability to recruit new faculty has been diminished by lack of funding, and expressed the need to do something that would “stem the flow” of faculty or recruits to other institutions. The Provost pointed out that it is extremely difficult to choose where to allocate extra funds. He questioned whether an extra dollar should be spent on another course or on retaining faculty. He noted that the faculty salary plan was put in place to retain faculty, but he contended that it is questionable whether the plan is actually serving its purpose.

Charles Weiss noted that he had heard rumors having to do with hostility toward adjuncts, sequestering money away from program managers who were putting away funds, and de-emphasizing master’s degree programs in favor of doctoral programs. He asked whether any of those rumors were true. With regard to the rumor about masters degree programs, the Provost noted that in the last year funds were re-allocated to create a “level playing field” across the institution. As for rumors about hostility towards adjuncts, the Provost remarked that he has been concerned that the cost of adjuncts had been understated. Lastly, he pointed out that he has asked departments not to develop financial reserves without first getting approval from the Provost’s office.

In response to some of the comments the Provost made about the faculty salary plan, Robert Cumby pointed out that the Merit Plan was a way of ensuring dollars rewarded performance. He expressed concern that one part of the merit plan was not funded, even though it was viewed by many as a crucial element of the plan. The Provost noted that he did not like taking away that part of the plan, but he viewed it as an empirical question. Robert Cumby also noted that the salary plan was put into place to assure competitiveness. The plan set out benchmarks over a period of ten years to make Georgetown faculty salaries more comparable to those at peer institutions. He asked whether the Provost characterized Georgetown’s need for competitiveness as being “generous” or whether the Provost called the plan “generous” because the benchmarks established in it were not accurate. The Provost corrected himself by stating that he viewed the faculty salary plan as generous given Georgetown’s financial situation. He stated that he did not know whether the benchmarks would take Georgetown to where it should be in ten years. However, there is a clear risk to the plan as we have it in terms of long-term investment. He also noted he worries about the difficulty of senior faculty searches. In response, Robert Cumby noted that it seems as though the Provost was suggesting that there is a serious problem with faculty salaries.

James Reardon-Anderson noted that the Provost had discussed a plan for expanding master’s degree programs on campus. He pointed that there are two things about that plan of concern: 1) the equalization of budgets that the Provost instituted , without consultation, has reduced the incentive for existing master’s programs to increase student enrollment, and 2) the encouragement of entrepreneurship. He pointed out that

the University has not expended in a systematic way, and he is concerned about the University's ability to retain the quality of its programs. He suggested that the University might get better results from looking "top-down" with regard to expansion. The Provost agreed that the process of budget changes has had desirable and less desirable impacts. He reiterated that the cost of doing business does need to be more carefully examined. He also pointed out that some programs are advantaged whereas others are at a disadvantage. He expressed a commitment to devising marketing opportunities for what we do. In addition, he noted that Georgetown will begin using a space in Virginia in the Fall of 2004 for Center for Professional Development programs in order to see how successful programs will be outside of the hilltop. He noted that there is a very real sense of urgency to find solutions that work for the entire University.

Ellen Henderson pointed out that the cuts made for this academic year are history, and expressed concern about the next year. She mentioned that her department feels very strongly that academic programs cannot be cut anymore, and she noted that some of her colleagues had expressed a willingness to give up their salary increase. The Provost admitted that he has been reluctant to let faculty voluntarily give up salary increases, for fear of some feeling pressured by colleagues to give up their increase. He pointed out that if salaries have to be looked at they will, but he expressed extreme hesitation to do so.

Heidi Byrnes noted the Provost's comments about increasing revenue streams and noted that it will be necessary to consider the academic consequences of pursuing such a strategy. She suggested that some expertise-oriented master's degree programs might have tension with more academically oriented degree programs, and emphasized the importance of carefully examining the impact of those sorts of programs on the University's academic aspirations. The Provost acknowledged that there is a great deal of concern about preserving the University's academic reputation. He assured everyone that the University President has spearheaded efforts examining how the University can look at undergraduate education as a way of raising funds. However, revenue cannot be generated the funds needed solely through undergraduate education because of the cap on enrollment. Heidi Byrnes noted that she feels the movement of the University away from its undergraduate history is worrisome.

Carol Dover noted that the University is being negatively impacted by its financial difficulties. She pointed out that many have characterized salaries as deplorable, and she observed how the cost of instruction used to comprise a much larger percentage of the budget than it does now. She asked what cuts can be made from the University's administrative budget. The Provost noted how he had described some of the cuts to the University's administrative budget earlier in the discussion. That said, he pointed out that Georgetown is paying for administration at costs below comparable institutions. He noted he is happy to discuss changes to the administrative budget, particularly as part of a wider discussion about lines of business at the University.

Richard Bates inquired about whether the basketball coach is paid with University funds. The Provost noted the necessity of discretion with regard to coaches' contracts. In response, Richard Bates pointed out that the University is in the process of selling the

former National Academy of Sciences building on Wisconsin Avenue, and he expressed hope that the proceeds of that sale would benefit the Main Campus.

In response to Ellen Henderson's comments about a salary freeze, Wayne Davis voiced his opposition to that suggestion. He observed that a salary freeze for one year does not impact solely that year, but also the individual's salary for the rest of their life. He also mentioned how a salary freeze would have a very real impact on junior faculty. He contended that faculty are key to the institution and that it is important to preserve this resource. In his view, freezing salaries would be refusing to pay the cost of where we what the institution to be – which should be the last thing the University does. He concluded his comments by noting that he hope that the process for establishing budget cuts during the past year was an anomaly that will not be repeated.

Sandy Calvert pointed out that it seems as the though the administration has grown whereas departments are having to cut people. Furthermore, she noted the how demoralizing it is for faculty to see academic units suffering.

Robert Lieber remarked that so far the discussion has focused on making incremental cuts. He expressed concern that this has a significant impact on morale, and suggested the need for prioritizing and for cutting out entire programs which are either redundant or unnecessary to the University's core enterprise.

John Hirsh remarked that it is dangerous to make such cuts, and referred back to the Provost's earlier comment about the relatively marginal impact of such dramatic changes.

IV. Old Business

There was no old business.

V, New Business

There was no new business.

VI. Adjournment

The meeting was adjourned at 6:00 p.m.