Minutes of the Faculty Senate
February 5, 2002
School of Business Auditorium, Academic Campus

Present:

Absent:
Bowlin, Burton, Costanzo, Crouch, Dewey, Kennamer, Kirschbaum, Konechne, McKelvey, Peng, Philipsen, Roberson, Seither, Selinger

The February Faculty Senate meeting was called to order by Senate President Bob Andrews at 4:10 p.m. Dr. Bob Andrews introduced himself to Faculty and presented the format for the special full faculty Senate meeting with the President of the university, Dr. Eugene Trani.

Opening Remarks:
Approval of the minutes for January were deferred until the March meeting.
Dr. Andrews presented two names, Senator Wes Poynor from the MCV Campus and Senator Nora Adler from the Academic Campus, for the Faculty Senate Nominating Committee. These individuals were unanimously approved to serve on this committee to recruit nominations for next year’s Senate Officers
Dr. Andrews announced that two new University policies would be brought to the Senate for review. One is a Policy on research data access and retention and the other will address conflict of interest policy. Both of these policies are coming out of the Office of the Vice President for Research. Dr. Andrews indicated that when these policies were available that they would placed on Senate web page.

Presentation by
Dr. Trani

Dr. Trani opened his remarks with “This is a really bad time to be in any state supported institution, nationwide.” He recounted figures from the Virginia budget such as the $800 million decrease from the reduced Car Tax and the $600 million additional loss of revenue from other tax cuts, leading to a combined loss of $1.4 billion. Added to the loss in revenue from tax cuts was the compounding effect of September 11th, including the lack of operation of Reagan Airport for nearly a month and downturns in the “Dot com” economy. He informed faculty that at VCU “We’ve got significant cuts that we are going to have to make.” Deans have already begun addressing the immediate $5.3 million cut in revenue which will go to $6.2 million in July and to $14.2 million in the second year of the biennium budget. Dr. Trani stated that “This University has made dramatic improvements in the last twenty years” in the Quality of Institution, the Quality of Students, and the Quality of Facilities. He then proposed a five-part prescription to maintain this progress in quality and to become “fiscally independent.”

Dr. Trani’s “Five-part Prescription for VCU to become More “Fiscally Independent”

1. **Out-of-state tuition**

   Dr. Trani said “We are the university of Virginia. We have largest highest percentage of Virginia students of any higher education institution in Virginia.” 35% of UVA’s students are from out of state. Even ODU has 15% of its student body from out of state. VCU is currently at 9% Our goals are to attract 2500 out of state students to VCU. Dr. Trani said that out of state tuition funds could significantly reduce the impact of budget cuts and used the $1.7 cut required of the College of
Humanities & Sciences as an example. The $700,000 in revenues being returned to the College from the incentive program for out-of-state recruitment means that the $1.7 million cut will be reduced to $1 million.

2. Increase Research

Dr. Trani proudly reported that the research dollars coming into VCU had risen from $124 million to $136 million, and was expected to be even higher this year, but other research institutions in Virginia consistently have more research money coming into their institutions. He reported that UVA, and Virginia Tech received $80-100 million more in research money each year than VCU. He informed faculty that President Bush had recommended an increased from $23 billion to $27 billion in NIH budget for research and that more grant money would be available to VCU researchers. He also announced that $75 million of our $97 million request for building construction was directly related to space for research.

3. Private Fundraising

Dr. Trani stated that our endowments total $220 million. The School of Medicine budget receives only 2% of its budget from endowments and comparison with UVA School of Medicine which funds 7% of its budget from endowments. Dr. Trani said that “Alums have to feel good about the institution to donate money to it.” He compared VCU to other comparison institutions with medical centers. He said that the University of Louisville received $600 million a year in private funding from donations and the University of Cincinnati receives over $900 million in donations from alums each year. He said “The cuts wouldn’t be as difficult to deal with if we had that kind of funding to support us.”

4. Ingenuity

Dr. Trani informed faculty that all faculty needed to use “creativity” to solve some of these problems. He talked about the innovative School of the Arts program in Quatar that is bringing $600,000 into the University each year. VCU has 20 faculty involved in this program and all have been in Quatar for at least 2 years.

5. Increase Revenues in the VCU Health System by Elimination of Duplication

Dr. Trani indicated that reorganization would lead to the reduction of duplicate services. Dr. Trani called his plan a “Massive self-help initiative.” He said that he would like to see VCU “spend six months to a year to get ourselves more fiscally independent.” He pledged to work with faculty “to take care of these cuts.”

**Question & Answer Period**

**Q: What percentage of cuts will come out of the administration?**

Dr. Trani’s response was that every area of the University was experiencing a 7% across the board reduction in budget. He said that Deans were doing what they
could to protect faculty FTE’s, but the required reductions would required that between 116-180 positions to need to be eliminated.

Q: The last time we were faced with cuts early retirement opportunities were made, do you expect this kind of offer to be made available again? During the last round of budget cuts in the early 90’s work force transition allowed 150 faculty members to exercise an early retirement option. There will likely be a reconsideration of some kind of early retirement option. Additionally, some of the positions that will be eliminated will be addressed by not filling vacant faculty positions. Dr. Trani also mentioned that although there was discussion in the legislature of a statewide hiring freeze, higher education was exempt from the proposal.

Q: Is there any reason why full-time adjunct faculty couldn’t have student health clinics made available to them? Dr. Trani admitted that he had never heard that suggestion previously and that consideration might be made to offer health services through Student Health services. He admitted the “Adjunct Faculty are exploited” not only at VCU but in most institutions. He said that Christopher Newport University had eliminated all adjunct faculty and increased teaching load by one course for all faculty and that in these difficult times faculty might have to assume higher teaching loads.

Q: Is the amount of money that the University contributes to retirement going to change? Governor Gilmore recommended that the contribution rates be lowered for this year and next two years and it looks like Governor Warner will follow this recommendation.

Q: Could the losses in salary increases and retirement contributions be off set somewhat by other services that faculty have to pay for? Auxiliary Services such as Parking, Dining, and Student Recreation are self-supporting. There will be a phaseout of the difference between parking fees on the campuses. The cost of parking on the Academic Campus will go up slightly and the cost of parking on the MCV campus will go down slightly.

Q: Will it be necessary to eliminate programs? Dr. Trani explained that at the last SCHEV meeting that the MS in Accounting and the MS in Physics were put in the closely watched category by SCHEV. There are no decisions to go that way at the present time but the question would need to be asked about whether a program was a good use of limited University resources.

Q: What bills are being supported by VCU in the legislature this year? Dr. Trani proudly announced that the House had voted for approval of the new northern Virginia campus of the medical school that morning. He informed
faculty that they should consult the VCU web page for the University’s official position on various legislative initiatives. He said that VCU was in favor of removal of the tuition freeze but strongly opposed to the collection of tuition going into the General Fund rather than to the universities themselves. He said that Virginia is a “low tuition state.” If the freeze is removed which is expected it will be up to the Board of Visitors to determine tuition.

**Q:** The Senate conducted an informal survey in the Spring of 2000 that indicated that faculty were quite displeased with the physical teaching environments on campus, can you tell us what is likely to happen in terms of improved facilities with the budget cuts?

Classroom improvements have been a high priority. “We have spent millions in last two years” improving the physical facilities. The current Bond Bill, if passed will include classroom improvements in Hibbs, the Business Building, and Franklin Terrace. If the Bond Bill is passed, as it is expected to be, the physical facilities will continue to improve despite the budget cuts.

**Q:** The Senate has also been strongly in support of increased funding for the libraries but library funding was not on the list of this years legislative priorities, could you explain why?

Dr. Trani responded "To quote the Governor 'There are no dollars’ plain and simple". "Stiff medicine is being taken by everyone."

**Q:** You have made it clear on a number of occasions that the University has a goal to achieve Tier 2 status, how will these budget cuts impact that initiative?

“It will be affected.” Tier 2 status will require spending that will not be possible for a time but it will remain a goal.

**Q:** Could a listing of the Board of Visitors with mailing addresses be posted on the VCU Web page?

Dr. Trani indicated that he would look into it. Mr. Timmreck indicated that these names are listed at the front of the VCU Telephone Directory.

Dr. Trani closed with “These are stressful times” but everyone’s efforts could help the University move forward nonetheless.

The meeting was adjourned at 6:05 p.m.

Respectfully submitted,

Dianne F. Simons, Ph.D., OTR/L
Faculty Senate Secretary-Treasurer