Meeting Minutes, Tuesday, September 2, 2014, 4:15-6:15 p.m., Student Commons Forum Room, MPC

**Attendance:**

**Present** Alford(ARTS), Alvarez(HAS), Andrews(BUS), Artello(WS), Bachmann(SOM), Bedell(StAff), Brookman(SOM), Brown(NUR), Carroll(SOM), Cates(UC), Chen(EDU), Conlon(SWK), Crisp(HAS), Davie(VCU-L), DeAngelis(ARTS), Dragoescu(SOM), Easley(ARTS), Falyar(AHP), Fauri(SWK), Freyer(ARTS), Ghaphery(VCU-L), Goerzig(WS alt for Shriar), Harrison(HAS), Honnold(HAS), Hylton-Gravatt(PHA), Israel(ARTS), Kaziewicz(UC), Lee(BUS), McVoy(SOM), Morgan(PHA), Nicholson(HAS), O'Neal(RetFac), Ottens(SOM), Patton(ARTS), Pellegrini(DEN), Puri(SOM), Ratliff(SOM), Rauchser(StAff alt for Rapchick), Rector(HAS), Reimers(SOM alt for Joness), Rhodes(EDU), Rodriguez(HAS), Sabik(SOM), Saladino(HAS), Secret(SWK), Seinfeld(SOM), Sim(AS), South(HAS), Street(HAS), Totah(HAS), Vijayakumar(BUS), Wagner(AHP), Wayne(EGR), White(VCU-L), Wise(SOM), Xu(EDU), Zhang(EGR)

**Absent** Brooks(DEN excused), Chestnut(HAS), Colelo(SOM), Dodson(SOM), Gannaway(SOM), Hobgood(SOM), Janus(DEN excused), LaRose(SOM), Lister(SOM), Marinello(SOM), Montpetit(NUR), O'Connell(SOM), Octave(DEN excused), Parsons(SOM), Robnolt(EDU), Smith(BUS), Smith(UC), Weaver(SOM), Wickham(SOM)

**Procedural Items:** President June Nicholson called the meeting to order at 4:22 pm. President Nicholson extended a special welcome to our 20 new senators, thanked the continuing senators, and remarked on the enriching experience of serving on the senate.

Priority issues for the senate for 2014-2015 were highlighted:

- Attending to budget issues particularly around budget shortfalls
- Working with University council re shared governance
- Strengthening the lines of communication and collaboration between the senate and the units
- Engaging ‘regular’ senators in the work of the senate, i.e. task force, special groups, committees to participate in the important work of the university

Senators introduced themselves; the Sept 2, 2014 agenda was reviewed and minutes of the May, 2014 were reviewed and approved.

**Action Item:** A motion was made and accepted to affirm the nomination of President J. Nicholson, Immediate Past President D. Fauri, Vice-President Holly Alford, Monroe Campus Representative S. Street, and MCV Campus Representative M. McVoy (as an alternate) as faculty senate representatives to University Council.

**Information Items:** H. Alford, faculty senate vice-president, reviewed the process of making committee assignments for the 2014-2015 faculty senate. She has received 1st, 2nd, 3rd choice from many senators stating their preference for committee assignments and committee leadership and formation and should be completed by the October meeting. Senators should contact H. Alford immediately if they haven’t been asked about their committee preference.

President Nicholson introduced Senators E. White and J. South who maintain the faculty senate website. The website is accessible to all faculty members who can use it to send links to faculty colleagues or sign-up for e-mail notifications of postings. Faculty senate also has a Facebook site. Senators should get in touch with either White or South for information about posting on the faculty senate website. Senators from the same units should consider collaborating in sharing faculty senate information with their colleagues.

S. Scott, chair of the Credentials Committee, reviewed the faculty senate by-laws, the official governing document, and the standard rules, which outline specific procedures of the senate business; both are posted on the faculty senate website [http://www.facultysenate.vcu.edu/rules-and-bylaws/bylaws/](http://www.facultysenate.vcu.edu/rules-and-bylaws/bylaws/). Scott further reviewed the attendance policy and the importance of elected senators to represent their units and to share information between the senate and the units. If an elected senator is unable to attend, the elected alternate should, and if the senate alternate cannot attend, then any faculty member of that particular unit can attend as the ‘alternate’s alternate’. If the elected faculty senate
representative is negligent in meeting the attendance requirement, the dean will be contacted so that the senator can be replaced. The Credentials Committee will be reviewing and revising the by-laws and standing rules to ensure that they are aligned with and reflective of current operations. For, example, we have modified the faculty senate meeting dates from first Tuesday of every month to first Tuesday BEFORE the University Council meeting (which meets on the first Thursday of the month).

D. Fauri, immediate past president of the faculty senate, represents the faculty senate (as a non-voting member) at the Board of Visitors (BOV) meetings and reported on the Sept BOV meeting. Fauri shared background information about faculty compensation issues, in particular the need for base salary increases rather than/in addition to bonuses; he noted that these issues will be reviewed as part of the new compensation study currently being conducted.

• University Budget Advisory Committee met infrequently since last spring given uncertainties that arose in the legislative process of passing the current (2015) fiscal year budget and new uncertainties coming about in August due to reductions in spending by the Commonwealth relating to revenue shortfall and the related mandated budget revision processes in state universities. The functions of the UBAC are to be revised, including membership and decision or recommendation processes. The Faculty Representative to UBAC remains in place as a participant in the Committee as it proceeds this year.

• In June 2014 a new, temporary, committee was created to review the VCU budget process and make recommendations for changes. The New Budget Model Steering Committee met over the summer and set a work agenda. The Committee meets biweekly. David Fauri, Immediate Past President of the Faculty Senate is a member of the Steering Committee. Steering Committee membership is found below. An early piece of business was identifying a consultant with experience working with universities in similar change efforts (Campus Strategies, LLC). The consultant will not conduct the process but is available for assistance as called upon. A three-year time frame for proceeding to full operation of a new budget model was established, with the third year involving running the existing model and new model in parallel. This Fall the Steering Committee will appoint a Task Force of administration, staff and faculty to develop and submit to the Steering Committee tactical recommendations for the new model. Members of the Task Force will be appointed by the Steering Committee to represent the University community, areas of expertise, and analytical ability. Eight to ten Faculty Senate representatives will be included on the Task Force.

• By way of summary, the effort to introduce a new budget model at VCU is in step with changes in higher education resource management that move away from traditional incremental budgeting and increase entrepreneurial activities and enhance flexible resource acquisition. Resource allocations closely supporting agreed on university priorities in student learning experiences, university research agendas and service missions are intended results sought through a new budget model.

• New Budget Model Steering Committee Members
  Kathleen Shaw, Vice Provost for Planning & Decision Support
  David Sarrett, Dean, School of Dentistry
  John Wiencek, Interim Provost & VP Academic Affairs
  Jay Bonfili, AVP, Finance & Administration, HS
  James Hinterlong, Dean, School of Social Work
  Pam Lepley, VP University Relations
  Ed Grier, Dean, School of Business
  Frank Macrina, VP for Research
  Josep DiPiro, Dean, School of Pharmacy
  William Decatur, VP Finance and Administration
  David Fauri, Faculty Senate Rep.

  Staff
  Pamela Currey, AVP Finance & Administration
  Heidi Jack, Interim Vice Provost, Finance & Administration
  Jacob Long, Interim Budget Director
  Vicky West, Manager Administrative Services

  Consultant
Larry Goldstein, Campus Strategies, LLC

B. Andrews, faculty senate representative to University Council, reported on the activity of the council. The University Council by-laws are in the process of being updated to become better aligned with the roles of faculty senate, staff senate and other university organizations. Furthermore, the by-laws are being examined to make sure that they reflect shared governance. Andrews noted the working definition of shared governance as developed by the Faculty Senate Academic and Professional Status committee (see below).

A. Lee, chair of the Faculty Senate Academic and Professional Status committee, acknowledged and thanked the members of the committee (Julio Alvarez, Andrew Crislip, James Farmer, Allen Lee, Masoud Manjili, Robert Sims, Amy Rector Verrelli) for their work in creating the shared governance document (see faculty senate website http://www.facultysenate.vcu.edu/2014/09/03/shared-governance-presentation-and-case-studies/). Lee highlighted the following points:

- Shared governance’ is not consensus government and not a democracy; rather, it is a recognition of and input into the distribution of decision-making responsibilities; transparency, communication, trust are institutionalized and not a function of personality
- The committee developed a case study portfolio that ‘paints a picture’ of the shared governance challenges and experiences of various units at VCU; a matrix summarizes the problem, the existence of documents that address the problem, and possible solutions across the four pillars of shared governance (distribution of decision-making responsibilities, transparency, communication, and trust)
- Shared governance is not optional; it is required by SACS
- Shared governance problems are caused by lack of oversight, lack of communication, lack of awareness of what shared governance is
- Recommendations to improve shared governance at VCU include development of an oversight structure that is independent of dean and provost, include performance of shared governance as a criterion in the annual evaluation of administrators by faculty members, link shared governance to WEAVE (the web-based software application used by VCU to manage student learning outcomes assessment for all degree programs, work with university council toward developing a unified definition

**UPDATES:** Interim Provost John Wienec introduced Mr. Bill Decatur, VP for Finance and Administration, who shared the following information about current budget issues:

**Background:**
- All three state budget proposals earlier in the year (House, Senate, Governor) included new money for higher education
- However, the discovery of the state budget shortfall, due to a revenue projection error, necessitated a final state budget that eliminated all new funding, not just for higher education, but for all government units
  - For the first time in the history of the Commonwealth, income tax withholding is decreasing, because of federal budget challenges, and because the higher paid jobs in the state are being replaced by lower paid jobs that yield less state revenue.

**Highlights of Current Budget Re State Funding:**
- State funding to VCU budget provides funding of some portions of health care and retirement increases
- There will be base-budget cuts in state dollars for everything except student financial aid
- State funding cuts over the next two years will total over $20 million dollars, $8.7 million in the current fiscal year, and $12.2 million in fiscal year 2016.

**Process:**
- We need to report to state by Sept 19th about where the cuts will come from
  - We are considering the use of one-time source of funds which will require all units to forego unspent balances. This will cover the immediate crisis and provide time to plan for and incorporate the reduction in the 2016 budget planning process.
There are continuing issues and questions about the balance between raising tuition and reallocations existing funds in order to make strategic investments and meet the reduction targets.

The University Budget Advisory Committee (UBAC) is expected to be reconstituted to add additional faculty, deans and students in order to increase voice of all stakeholders and generate healthy debate.

We are considering new reporting process this year such that Dean’s present first to the Provost and to Senior Vice President Health Services and then have Provost and Vice President present to UBAC (rather than the Dean’s presentation first to UBAC and then to the senior administrative officers as was this past year)

The University is moving toward a New Budget Model that will link academic responsibility and financial authority, probably at the Dean’s level, and will be customized for VCU’s needs and goals

A Steering Committee, co-chaired by William Decatur, vice president, Office of Finance and Administration
John Wiencek, interim provost and vice president for academic affairs, is in place to guide the process.

A Task Force, representative of broad university interests, will be appointed to provide recommendations to the Steering Committee re tactical implementation.

Goal is to have the new budget process in place within the next two years

Questions from Senators

Q = What is the total discretionary budget?
A = Overall VCU education and general programs budget is about 520 million., which will be the focus of the reduction in state funding.

Q = What about a contingency budget?
A = We did not have a contingency plan in place for these state reductions. In addition, VCU has not had any significant continuing base contingency budget to deal with financial issues of this magnitude. Creating such a contingency budget would mean forgoing allocations to fund strategic needs while we place money into a contingency fund. The changes in this year’s budget will rely primarily on existing current funds to respond to the shortfall; 2016 will address the reductions on a permanent basis.

Q = Can you say more about the New Budget Model
A = Traditionally, VCU has operated with an incremental budget model, meaning that budget proposals add or subtract from an existing budget; the new budget model will consider budget allocation in terms of setting and meeting program goals.

Q= Will administrative offices and positions participate in this New Budget Model?
A = all levels of the university, administration as well as individual units/schools will come under the New Budget Model

Q = Do you see the current budget cuts as a beginning trend for the future.. can we expect that budget cuts will become routine?
A= There has been no pattern re budget cuts or increases

Update by Vice President of Inclusive Excellence Wanda Mitchell will be provided at the October, 2014 meeting

Meeting adjourned at 6:05 p.m.

Minutes respectfully submitted by
Mary Secret, PhD
Associate Professor
Faculty Senate Recording Secretary
September 10, 2014
A Working Definition of Shared Governance
(working definition of 11 October 2013)

What is shared governance in a university?

Shared governance is not consensus government. Shared governance is not everyone having an equal say or equal voice.

Rather, shared governance is based on a clearly and explicitly established distribution of decision-making responsibilities.

In shared governance, there is transparency. Faculty, staff, students and administrators know which university group has primary responsibility for leading the decision-making process on university matters. Transparency involves, among other things, clarity regarding the primary responsibilities that faculty, staff, students and administrators assume in leading university decision-making. Shared governance intends that all groups have a voice and, at the same time, shared governance involves agreement on which constituency has the primary responsibility for leading a particular decision-making process, where the agreement is clearly articulated and honored.

In shared governance, there is communication. Decisions are not made in a vacuum. The making of a decision occurs with communication to, between, and among all those affected by the decision, all those with an interest in the decision, and all those who should or need to be informed that the decision will be coming up for consideration, that the decision is being considered, and that the decision has been made.

In shared governance, there is trust. Trust can never be mandated, but can be cultivated over time. Trust is initiated by individuals whose motivations are not to give in order to receive, but to give of oneself simply for the common good. Trust in a community is cultivated and sustained not by an individual, but by a critical mass of individuals who strive for trust to become a shared value by persistently treating others in ways that they themselves would like to be treated.

Successful shared governance in a university develops slowly over time, where the process of development is itself guided by shared governance. In its ideal or mature state, shared governance is marked by the institutionalization of the aforementioned (1) distribution of decision-making responsibilities, (2) transparency, (3) communication, and (4) trust. Being institutionalized, these four elements of shared governance do not change merely because of natural turnover in the people participating in shared governance; these elements are not “personality dependent.” Properly institutionalized, they will not disappear simply because an effective leader departs or because an ineffective leader is appointed. In its ideal or mature state, shared governance further develops as needed, but still slowly over time, where the process of further development is itself guided by shared governance.

Allen S. Lee (aslee@vcu.edu) is the author of the working definition of 11 October 2013, which he bases on ideas voiced by Beverly Warren at October 8th’s Leadership Development Workshop and Reception. Allen Lee gives credit to Beverly Warren and Bob Andrews for important additions and other improvements, takes responsibility for all errors and flaws in this document, and encourages all others to work on the working definition, or on new working definitions, of shared governance.