

Minutes  
UNIVERSITY SENATE MEETING  
April 11, 2019

**II. Interim Provost Carl Lejuez – Senate Open Form questions from 6 December 2018**

In lieu of minutes, we provide below a synopsis of the Provost's two hour visit to the University Senate

**Pay/Benefit Concerns:**

- I'm concerned that there seems to be administrative group think that they and athletics deserve market competitive wages more than the faculty staff even though the administration is the department that has made up the very costly and avoidable mistakes that have caused our budget problems.  
Would the administration care to comment? *Zoom*  
Administration shouldn't be treated differently than staff and faculty in comparison to our peers. We are at 80-90% compared to AAU Midwest peers, and used to be at 90-95%. Lejuez does not include chairs in "administration", it is direct reports to the Provost who control budget (about 20).
- Will any pay increase for faculty/staff, whenever they do start again, keep up with the rate of inflation? Have some administration officials been given pay raises this year even though most staff/faculty have had their pay frozen? *Faculty*  
The problem with raises is we have to spend the money available. We have had limited flexibility in previous years. It's a foundational priority but the reality is that it is hard to see where the money is going to come from currently.
  - o Every 1% of raise is \$3m
  - o A 4% raise would cost \$12m.
  - o \$2m is a 1% increase in student tuition, so a 6% increase in tuition is an equivalent.
  - o Raise percentages are always based on merit. Ideally it will be 1% per year.
  - o Lejuez would give the Deans a choice on how to spend money in their Schools.Lejuez said he would take a recommendation from the Senate about how to distribute raises.  
There is a difference between raises and changing positions. When people change positions, compensation changes. He has honored previously promised raises, but nothing further.
- I would like to know very much what the plan is going forward to start making up for the real pay cuts that we've experienced up to this point, after inflation certainly, they represent significant pay cuts. So the question I think we have to ask ourselves is five

years from now-- and I think many faculty members are asking themselves-- five years from now, what does KU look like. Is this a place where I'm going to get paid in a way that resembles the market? Is there a plan to increase the amount of revenues available so that this bad moment that we're in doesn't become the new normal? I think that universities have to plan ahead.

Would the administration care to comment? *Faculty*

Most strategic priorities do not generate revenue. So unless we can come up with something that will raise the amount of budget, we don't want to take those risks. Previous decisions were likely made with the thought they would raise revenue. There are some units that could expand. Some ideas of generating revenue include more out of state tuition waivers, more advisors to increase retention.

- What is the latest with employee spouse/dependent tuition benefits? Robert Waller said it had been presented to the Provost. Does the Provost have any further details?

*Zoom*

Why is the Administration considering tuition benefits when people are losing their income and jobs? *Zoom*

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Part of smarter budgeting is identifying foundational priorities and acknowledging that it is important. The employee tuition benefit proposal will be included the budget model, not necessarily put money into it but every year we have to ask the question.

#### **Budget model:**

- In order to look at a budget at the beginning of the year to determine what money will be spent on what items, it is imperative to know what the accurate amount is. How will you be able to assure that we will have accurate budget information that we can rely on? In the past, those who are typically sharing budget information are vague and you are never really sure what the budget situation is. How will this be changed so that this lack of budget transparency is no longer the case? *Email*

Terri Chambers asked about how to improve openness and communication between the administration and Governance. People are reluctant to engage due to a lack of trust from the previous culture. Lejuez said he has made mistakes in communication but is working on appearing less suspicious and said that feedback is helpful.

- Has the administration decided on which positions will be let go or is it still up in the air? Any insight given on how they will be making those decisions? *Zoom*

*No longer applicable*

- I haven't heard any talk of research really being taken into account at all in the new budget model. And education is obviously very important and central to our mission at

KU, but we're also Research University. And I would encourage administration to find a budget model that also takes research into account as part of the main budget. The reasons for this are important: KU's at a pivotal time right now as a university as a whole but also with respect to research. So those of you who might not be aware, we're near the bottom of the AAU list of universities. I've heard that we're on the AAU probation list right now and that we've been there for about four years. And the only way that we're going to maintain our AAU status and not lose it is to raise our research profile.

And so it concerns me when I hear that the budget model being considered isn't really taking research into account in any major way or maybe not-- potentially not at all. So I think that needs to be looked at. We had an engineering dean candidate last week come and talk, and somebody asked him about what his thoughts were on this new budget model. And this was a candidate from University of Florida-- and I mention this because I just had somebody talk from Florida State, Paul Outka, who had moved from Florida and they had some budget crises there.

And this particular candidate had mentioned that the University of Florida had considered this same model, and it had adopted it six or seven years ago and it wasn't working well at all. And three years ago, they tossed it out because they felt it wasn't incentivizing the right things, at least the right things according to that institution. I realize that they're a different institution and they're different state than we are. But at least some other institutions are realizing it doesn't work for them.

And so I'd like them again just to consider models that are going to take a lot of things into account-- education, research, but also things like operations facilities. We have to find ways to fund all of these things. And I don't think it's good to ignore something like research for a research university.

Would the administration care to comment? *Faculty*

The new budget model will be 20% research, and is the only model Lejuez has seen that includes it. The rest will be 65% Student credit hours, 10% Student success, 5% Other (e.g. 1% diversity).

The other question is how much we are spending on research (budget is not the same was spending). There are leftover Endowment funds need to be used.

- Outka asked about the possibility of Endowment adding a percentage for unrestricted funds. KUEA says they cannot because donors would not like that. Other schools do not do this. Loss of donors would hurt morale in units that would lose the money.
- Flores said he has suggested adding a faculty member to KUEA committees and asked Lejuez to support that. From now on in the summer when Deans go to Endowment to review their funds, the Provost will also go.
- Greene said that Endowment seems like a black hole to many. Lejuez will provide an overview of how \$200m is spend. Help think of ways to facilitate spending

- Moskowitz asked about fund raising for grad students. Lejuez said KUEA is currently doing that, but can think about how to do more.

## Moving Forward

- I think that we need to spend some time and really think about some of the language that we use and when we talk about the university as if it were a corporation. This is a large organization, but it's not a business corporation. And what we're doing and what is happening in a lot of these conversations-- I am a professor of, among other things, corporate law-- so when we're having these conversations, we are picking and choosing which parts of the responsibilities, obligations, and privileges are associated with corporate functioning. And we are not a for-profit corporation. As a not-for-profit, public instruction (not a corporation), what are the transparency obligations? Who are the constituents? And what interests are we serving, who are we serving? Isn't that what we have to answer? *Faculty*  
We have to be mindful that 82% of revenue comes from students. Lejuez said he would be open to giving University Senate quarterly reports.  
Flores asked if there is anything we can do to establish stronger relationships between academics/faculty, Athletics, and Endowment so we can better understand each other.
- If we are suffering so much financially and facing so much budget cuts, how are we going to support our students, sometimes those who come from underprivileged families, and provide the financial support they deserve and apply for? Are we really an academic institute or a moneymaking institute focusing only on the athletic achievements and successes? *Zoom, staff*  
Other schools are lowering their scholarship requirements in hopes that it will generate interest in out of state students and enroll more. Lejuez said he is still learning the intricacies of financial aid.  
Some areas, like Diversity & Equity, have seen an increase in their budget. They are working to balance investments and eliminate redundancy between offices.
- How can we prevent situations like this from happening again? *Student*
- I am worried more about faculty and staff positions losing their jobs eventually and eliminating good programs in this university. Our rank has dropped significantly. Can you comment on how we can prevent this? *Zoom, staff*  
Lejuez said that KU has been losing faculty for many years, esp. in the College and Law. In the old model there was no way to align faculty size with credit hours. Business positions have not increased when enrollment increased.

**Discussion to continue May 2, 2019.**