

October 2008 Faculty Senate Minutes – Special Session

Faculty Senate Minutes 10-29-08

Special Meeting to Discuss the University's Budget with President Dr. Chuck Welch

Members Present: Clint Atchley, Lea Ann Alexander, Mitzi Bass, Rafael Bejarano, Angela Boswell, Steven Carter, Martha Dale Cooley, James Duke, David Evans, Doc Gibson, Maralea Gourley, Marty Halpern, Mike Kelly, Barbara Landrum, Catherine Leach, Patti Miley, Brett Serviss, Gary Smithey, Georgine Steinmiller, Celya Taylor, Mike Taylor, Patrick Wempe, Sandy Denning Staff Senate Representative

Others Present: Troy Bray, Julia Correia, Stephen Eaves, Jamie Engman, Paul Huo, Bobby Jones, Hal McAfee, Carolyn McClure, Rick McDaniel, Vernon Miles, Deidre Morris, Henry Perez, Dusty Schmid, James Shuff, Maralyn Sommer, Elizabeth Wyatt

Call to Order:

The meeting was called to order by Faculty Senate President Dr. Angela Boswell at 3:15 pm.

Boswell informed those present that the meeting was to discuss the university's budget and the budget process with Dr. Welch. Boswell then turned the floor over to Welch.

Welch gave a PowerPoint presentation which will be distributed separately. Welch stated that the university will examine the resource allocation process with the next budget. A zero-based budget process is one option, but positions will not be cut with a zero-based budget. The university will take a hard look at resources, the fee structure, how funds are allocated, and how funds are spent. He stated that some fees are collected and not all of the money collected is being spent. He also said that no decisions have been made so far.

Welch then opened the floor for questions.

Question: With approximately \$50 million in unused state scholarship dollars this year, will the state reconsider ACT scores and spend more money for scholarships?

Answer: The criteria for the \$50 million in scholarships was written in such a way by the Arkansas Department of Higher Education that the students who qualify for those funds are the same students that qualify for most of the other scholarship dollars available. This resulted in more funds being available than there were students that met the criteria, thus the \$50 million unspent. During the next legislative session the state may decrease the maximum amount colleges and universities may spend on scholarships. If ADHE changes the state scholarship criteria, and because of the way the lottery amendment is written, it could take some of the scholarship burden off universities, if the amendment passes November 4. The legislature may require the lottery scholarships be "need-based" only and not "merit-based". All of Henderson's scholarships are merit-based. Sixty-eight percent of Henderson's freshman class has some form of Henderson aid.

Question: How does Welch see the Faculty Senate's involvement in the budget process?

Answer: He wants the university to collectively come up with a budget. Faculty Senate, staff, etc. involvement would start earlier in the process. He also wants a broader group to develop the budget and determine how to allocate funds.

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The group will set priorities and then determine how to implement those priorities. However, Henderson cannot always follow the priorities in “lock-step”. For example, this year’s budget originally contained a cost of living raise for faculty and staff, funding for the fourth year of the faculty salary study, and \$100 thousand for the adjunct faculty budget. The day the final budget was to be discussed before sending it to the Board, \$660 thousand had to be cut, as a result of reductions in the state revenue forecast. There was not enough money left to fund the faculty raises and the fourth year of the salary study.

Question: Since Henderson receives fewer and fewer funds, percentage of cost, from the state what sorts of outside funds, grants, and/or relationship will the University pursue?

Answer: Henderson needs to increase its Foundation endowment funds. Most of these funds are used as scholarship and/or discretionary funds. To increase the amount of grant funds, Henderson needs to work with its federal contacts. Most of the federal dollars Henderson has received in the past have been in the form of TRIO funds.

Question: Why does such a large percentage of the budget go to athletics?

Answer: Welch said he wished we could send less of the E&G funds to athletics. However, it takes time to determine which, if any, areas to cut. There are currently discussions with athletics to examine the athletic budget and determine if expenses can be reduced.

Question: Assuming that a broad-based committee is formed to examine budget issues and the budget process, when do you see the process beginning?

Answer: We may not be able to complete all of the changes to the budget process this year. Even though it may take more than a year to implement the changes to the budget process, we can start discussions.

Question: In the past there have been areas that wanted to create new programs and/or create growth in existing programs, but there was no room in the budget to fund that growth. Also, funds were not available to hire more faculty in areas that saw an increase in students. Does Welch see a solution?

Answer: Priorities will have to be set for areas in which Henderson wants to grow and funds allocated to those areas. We also need to be look at areas where the number of majors has increased but there have not been an increase in budget dollars to those areas. It was noted by Dr. Maralyn Sommer that the General Education Committee is examining the number of hours in the Liberal Arts Core. If the number of hours in the LAC is reduced, courses/funds for other things will be available. In terms of the LAC, Welch said we need to be more flexible. In addition, he said we need to look at specific programs and how innovative they are. We have to find ways to get students here and to sell our programs with recruiting.

Question: Can we make a budget that makes sense to the general faculty?

Answer: We use the current method because we have to send a copy of the budget to the state and the state requires some things to be done a certain way. Welch said he wants to get a group together soon and begin discussing options. The Faculty Senate may suggest members for this group. Welch told those present to contact Boswell if they want to be involved in the budget process.

Question: Is there any discussion of going to a four-day week?

Answer: Welch is not opposed to it, but it does present problems with courses that have labs. There are also problems if we close on Fridays and students and/or prospective students and parents come to campus and no one is here.

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Welch said he is hopeful of the revenue forecast, but the recent national financial crisis has caused the Governor to be even more conservative in his forecasting. October collections are due next week. The first three months of the fiscal year outpaced both the first quarter of last year and the forecast for the first quarter of this year.

The meeting adjourned at 4:45 pm.