

Faculty Senate *minutes*
October 18, 2017 – SPECIAL MEETING
3:30 PM, Cabe Room, Garrison Center

1. This special meeting was called to order at 3:31 PM by Faculty Senate President, Dr. Megan Hickerson.
2. Dr. Hickerson opened by stating her purpose for calling a special meeting of the Faculty Senate. Dr. Hickerson expressed an obligation to update the faculty on the state of the university's current budget crisis as presented at the last Budget and Planning Committee meeting:
 - a. After assessing departmental budget cuts (from those departments who responded to Dr. Brett Powell's request for savings figures), the university still faces over a \$1 million deficit. Departmental budget cuts would not suffice the current deficit.
 - b. Incentivising early retirement was discussed as a potential option, though this option would not be expected to produce considerable savings.
 - c. Initiating furlows was a second option put forth. If this option is pursued, Dr. Hickerson questioned what parameters would be used. Would such a furlow only apply to salaries above a determined threshold?
 - d. Dr Hickerson informed the Faculty Senate that the Planning and Budget Committee had voted against completing the Compensation Plan step for Fall 2017.

Dr. Hickerson expressed that the overall "take home message" she left the Budget and Planning Committee meeting with was that employee salaries are likely to be adversely affected by whichever budget correction strategy the administration implements, beyond loss of the presently planned compensation plan step. She did emphasize that discussions are still in progress – that a proposal has not yet been presented.

Dr. Hickerson read a statement from her first president's report to the Faculty Senate in which she quoted Dr. Powell as saying "Faculty and staff salaries are the top priority of the Planning and Budget Committee as directed by President Jones."

3. The meeting opened to discussion.
4. At the close of this discussion was the decision for Dr. Hickerson to prepare a letter to President Glen Jones over the weekend addressing faculty questions and concerns, as expressed by senators and other faculty in attendance, on matters surrounding the university's budget deficit (refer to this letter, Addendum A).
5. Dr. Hickerson stated that she would draft this letter in time for Faculty Senators to vote via email ("yes" or "no") on whether to send this letter to President Jones on the following Monday (10/23/17).
6. This special meeting adjourned at 5:03 PM.

Submitted,

Emilie Beltzer
Faculty Senate Secretary

Addendum A

October 20, 2017

Dr. Glendell Jones, President
Henderson State University

Dear Dr. Jones,

Last week, on Wednesday, October 18, the HSU Faculty Senate gathered in a special meeting, called by me, to discuss the university's present budget crisis. The Senate directed that I write to you requesting that you and policy-makers among your administration both answer some questions that we have about expenditures and policy decisions and consider our concerns and suggestions regarding how the university might seek to address the 2017-18 budget deficit of \$1.6 million (following transfer from the reserve of \$1.8 million).

I was motivated to call the special meeting by my worry following the meeting of the Planning and Budget Committee on October 9, at which I learned that potential solutions to this crisis include measures that would draw compensation from members of the university's faculty and staff. While I communicated to my colleagues that there is yet no decision about how we will seek to meet the budget shortfall, nevertheless we of the Faculty Senate find it unacceptable that any measures be considered that could disadvantage employees of the university—faculty and non-administration staff—who have played no part in taking the university to its present budget crisis. Many of us have long been concerned by spending decisions and some aspects of our university's management, as well as by what we perceive as a lack of accountability in the higher administration of this university. Thus, we request answers to some questions, and we wish to see documentation supporting the answers provided to us.

1. We are told that we should attribute the current budget shortfall to the 6% drop in enrollment in Fall 2017. At the budget meeting of October 9, Dr. Powell stated that this decrease in enrollment is not due to any decisions or mistakes made by the university, but suggested rather that it is in line with a state-wide enrollment problem; in this he was supported by other members of the university's administration attending the meeting. However, according to the *Arkansas Democrat Gazette* (also published at *ArkansasOnline*), while overall figures are affected by drops in 2-year college enrollments, enrollment at the state's four-year institutions is up an average of 2.8%, and some of the state's universities (including Southern Arkansas University and Arkansas State University) have seen record enrollments.¹ Indeed, the news website, *Arkansas Matters*, recently sported an enthusiastic headline: "Record Fall Enrollment for AR Universities."² (It is perhaps meaningful that none of the published stories that I can find about this fall's state university enrollments carry even a mention of Henderson State University. Do we exist?) Significantly, at the Faculty Senate meeting of October 4, Dr. Powell informed the faculty that he considered our drop in enrollment partly to be due to HSU's failure to adapt our financial aid process in line with new federal law opening FAFSA entry in October; despite the new FAFSA regulation, we did not enable our potential or current students to begin their financial aid processes until

¹ <http://www.arkansasonline.com/news/2017/oct/08/state-college-enrollment-down-1-8-since/> (October 8, 2017).

² <http://www.arkansasmatters.com/news/local-news/record-fall-enrollment-for-ar-universities/807092061> (September 8, 2017).

February 2017, in contrast to other regional institutions who began their processes in October 2016.³ Clearly, this negatively impacted our ability to recruit students. We now ask how this happened, why it happened, and who is responsible.

2. We wish to know why the new CRM system intended to auto-email potential (2017) students in the early fall last year (2016) failed to work. Was the problem (and our lack of its timely detection) one of training or one of competence in the system's management?
3. We are concerned by the repeated, unfruitful payment of significant sums of money—amounting to hundreds of thousands of dollars—to consultants and their firms or agencies, which we have been repeatedly promised will guide us towards increased enrollment. We are aware of the previous decline in our enrollment, and yet despite enormous amounts of money flowing into consultancy over this problem, accompanied by grand promises as to what we were to expect of this year's recruitment (substantial increase), we are now faced with an enrollment drop of a magnitude well-beyond any of recent years. We therefore request an exact accounting of the moneys spent on all consultants and their firms or other private agencies in any way related to this problem over the last three years, and we wish to know how these firms were vetted and chosen, who vetted them, who is accountable for the decisions to utilize them, and why their work on this campus has failed to produce results.
4. As we were told at the Fall Faculty Conference that the university will be seeking to recover moneys paid to Jim Black and his firm, SEM Works, we would like to know when that will take place, how much we will be seeking to recover, and exactly what action we will be taking if we are unsuccessful in our negotiations for compensation from SEM Works (and how much that effort is likely to cost).
5. We understand that when our catering contract moved from ARAMARK to SODEXO there was a \$2 million buyout required to end our contract with ARAMARK. We wish to know whether these \$2 million have been paid. We also wish to know why we changed to SODEXO, why there was no consultation with university constituents on the change, what benefits we expect to follow from the change, and whether the university bore (or will bear) any of or all the cost of that buyout. If SODEXO bore or will bear part of or all this cost, we wish to know what concessions or promises we have made to SODEXO in exchange.
6. We ask why there has not been a hiring freeze on positions that do not directly impact students.
7. We were told at the October 9 Planning and Budget meeting that it is impossible to cut money from the Athletic Teams Budget, which presently receives, in addition to its other funding, over one million dollars from E&G. While we agree that student-athletes must be able to compete, we would like to know in detail how the Athletics Teams budget is spent, including expenses in travel—for example, means and costs of travel, accommodation, and food for athletes, coaches and other staff, as well as others traveling with them.
8. We would like to know why part of the coaching staff salary is still paid from the HPER department's budget, as we are informed that the university's coaches have ceased teaching classes.

³ Minutes of the Henderson State University Faculty Senate, October 4, 2017, 3, b.

9. We would like to see an exact accounting of the increase in the amount of the budget flowing into administrative offices and salaries over the last five years, including the offices associated with the Provost's office (e.g., Admissions and Enrollment and Registration and Retention). We wish also to see an explanation of the benefits to the university from the significant increase in this portion of the budget.
10. We would like a written summary of marketing activities and budget expenditures over the last three years, as well as effects linked to those activities. We wish to know not only why we have been so weak in state and national media marketing compared to our regional competitors, but also why we lag significantly behind our principal competitors in direct marketing to potential students.
11. We would like to know the exact balance of the reserve fund.
12. We wish to understand why the stated timeline for the Budget Prioritization Process has not been realized. Early direction of the Prioritization workgroups specified that both Instructional and non-Instructional processes would be well-underway by this fall, such that a report by the VPFA and VPAA would be ready for review by the Shared Governance Committee in September 2017, and then under deliberation by the Planning and Budget Committee between October 17, 2017, and February 18, 2018—with the plan to present a budget based on the findings ready for the Board of Trustees in May 2018.⁴ While the non-Instructional reprioritization has been underway, outcomes remain neither reported nor reviewed, and there has been no progress on the Instructional side. We would like to know why this is the case. We fear that the present, seemingly desperate solutions under consideration (including asking department heads hurriedly to cut their own budgets, and suggestions of layoffs and/or depletions in compensation of university employees) are replacing promised, close study of current spending. We see a breakdown in planned, reasonable process, now resulting in ill-considered, last-ditch measures, taken outside the promised workgroup setting.

While as of October 9, several departments had not yet responded to the request for proposed cuts in their budgets, it was nevertheless made clear in the last Planning and Budget Committee meeting that the budget shortfall will not be met by departmental budget cuts. And yet, the Faculty will not accept a solution to this problem that involves encroachments in the pay of either faculty or non-administration staff. We therefore suggest the following as a beginning:

1. The university is on the verge of spending over \$3 million on an ERP upgrade, which will also necessitate a \$1.5 million investment in infrastructure required to enable the upgrade.⁵ This has, we understand, been accounted for in the 2017-18 budget. We suggest that the infrastructure improvement move forward if that cost can be borne in a way allowing for a balanced budget, but that any cost of the ERP be deferred until the 2018-19 budget. We also believe that plans for hiring new staff to direct the ERP should be put on hold until our budget can support them.
2. We suggest that if, despite our objections, the administration deems it necessary to draw from salaries to meet the budget deficit, the people driving policy—i.e., the president and

⁴ "Timeline," *Instructional & Non-Instructional Prioritization Workgroups Charge*, October 14, 2016.

⁵ "President's Report" (meeting with Dr. Powell, VPFA), Minutes of the Henderson State University Faculty Senate, September 6, 2017.

other high-level administration—show good faith by meeting that need with their own salaries, and by publicly sharing the amount of their salary decreases, before further seeking to discuss options affecting the salaries of faculty and non-administration staff.

Sir, in conclusion I will simply both draw your attention to Priority Three of the Strategic Plan, and note that the opening sentence of the president's report of my first meeting with Dr. Powell, dated January 25, 2017, reads, "Faculty and staff salaries are the top priority of the Planning and Budget Committee, as directed by Dr. Jones."⁶

With great respect,

A handwritten signature in black ink, appearing to read "Megan Hickerson", with a long horizontal flourish extending to the right.

Megan Hickerson, President, Henderson State University Faculty Senate.
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⁶ "President's Report" (meeting with Dr. Powell, VPFA), Minutes of the Henderson State University Faculty Senate, February 1, 2017.