

UNC Faculty Assembly
Spangler Building, Chapel Hill, NC
November 20, 2009

Discussion on Retreat Rights

The Faculty Assembly delegates engaged in a lengthy discussion on retreat rights of administrators.

- There has been a lot of negative press lately about UNC-System administrators being awarded lengthy administrative leaves at full salary when they step down from their administrative positions.
- A UNC Board of Governors (BOG) committee recommended a new policy that limits the leave to six months at faculty salary and awards the leave only when a chancellor has been on the job for five years.
- What administrators should qualify for this "retooling" leave? Should department chairs qualify for this?
- The salary issue is an important aspect of this. What is an appropriate faculty salary for a former chancellor or provost? Many delegates thought that the faculty salary should be negotiated when the administrator is hired. Some delegates suggested that an (academic) administrator should have a faculty salary and an administrative stipend. When he/she returns to the faculty his/her the administrative stipend would cease.
- What would happen if the administrator is fired? Would he/she be eligible for this administrative leave? If the administrator is tenured, he/she can return to the faculty.
- Some delegates asked how many former administrators actually return to the faculty. The ECU delegates mentioned that there are one former chancellor and two former provosts on the ECU faculty.

Discussion on Enrollment Growth, Student Retention, and Graduation

The delegates had a discussion on the issue of enrollment growth and retention.

- The UNC General Administration (GA) is now tying enrollment growth funds to student retention rates, particularly the freshman/sophomore retention rate.
- Each campus has a different retention goal set by GA.
- Many delegates expressed concern about campuses not setting appropriate enrollment and graduation goals.
- Delegates expressed concern about part-time students. Many students have jobs and are unable to attend full-time. If a student takes 12 hours each semester he/she will graduate in five years. Is this bad?
- Delegates expressed concern about how distance education (DE) students fit into these retention goals. Many DE students are nontraditional and have full-time jobs. Sometimes they skip entire semesters.

- There was concern that this could lower the quality of a UNC-school degree because it would add pressure to lower academic standards.
- Delegates expressed concern that some schools have been underfunded and have been asked to grow at the same time.
- Delegates expressed concern that there is an assumption that a four-year graduation rate is meaningful. Perhaps we should use the number of hours attempted to measure retention rates and student progress.
- There was concern that the state pays for much of the actual cost for students to attend college. After a certain time period the state charges students a higher tuition to recover its expenses. Delegates stated that the time period before the surcharge should be pro-rated by the number of hours attempted after unlimited hours allowed during the first four years.

Alan Mabe, Senior Vice President for Academic Affairs

Program Planning

GA has started implementing the planning and evaluation process for new academic programs. Each campus is invited to participate in the discussion on new degree programs in the system. The Provost selects the faculty who will participate in the discussion. The BOG approved four degree programs and approved two programs for planning in its November meeting.

The BOG expressed concern about the cost of new degree programs. These concerns are being expressed because the system almost lost enrollment growth funding in this year's state budget negotiations. Campuses are making enrollment projections now. The BOG questioned the wisdom of establishing new programs in these difficult financial times.

There was a time when the UNC-system was funded in the same manner as the K-12 system: enrollment increases led to more funds in the budget. This is no longer the case. This has an impact on new academic programs.

Enrollment projections show an increase of 60,000 students in the UNC-system in the next ten years, and the community college system projects a growth of 15,000 transfer students in the same time period for an increase of 75,000 students in the system. In this climate, implementation of programs without a budget for increased resources is not feasible.

Distance Education

GA is writing a white paper on DE. Frank Mayadas of the Sloan Foundation wrote a brief report to give feedback on possible next steps for DE in the UNC-system. The white paper and the Mayadas report show where we want to go with DE.

Committee on Fixed-Term Faculty

This Committee should be a one-semester project and should wrap up in the Spring.

Strategic Planning

There is a shift to strategic planning. The current strategic plan does not include enough about faculty in it. We need to get the long range planning process restarted after UNC Tomorrow. This is an attempt to institutionalize UNC Tomorrow. GA welcomes any thoughts or suggestions on this.

The first part of the plan is about teaching. Some have asked why GA is not concerned about quality? They are through their emphasis on producing better teachers.

The strategic plan is about the academic enterprise, which is about faculty. We may need to add some themes to this document, but we want it to be a thin document.

Questions

Q: What is going to happen if we remain thin and only hire tenure-track faculty?
How will we absorb budget cuts?

A: Most of the budget holdback was faculty positions, but most of the cuts were administrative positions. Most campuses will go back to some fixed-term faculty.

Q: What is the time frame of the teacher quality program?

A: It is timeless. We are already getting results. Right now we are looking at the different ways people get into teaching and trying to assess the success rates associated with each of these.

Q: How do people outside schools of education get in on these programs?

A: We are producing two papers about these programs.

Q: What is the backlog of the academic program review and the schedule for this year?

A: We have about 60 programs in the queue right now. We have been holding one or two disciplinary panels per week.

Rob Nelson, Vice President for Finance

Tuition

The Legislature proposed a 2009-2010 tuition increase that was not what the BOG recommended. The tuition increase proposed by the Legislature goes to the general fund, not to the University. This was enacted for the 2010-2011 year. The Legislature has said that they will look at alternate plans. The existing plan sets a four-year 6.5% per year cap on tuition increases. 75% of tuition increase money goes to financial aid and 25% to faculty salaries. President Bowles will recommend that the new plan will allocate 50% of the new revenues to financial aid and the other new revenues to critical campus needs. VP Nelson does not see the BOG recommending that any of the increased revenue go to salary increases this year. GA will put together its recommendations two weeks before the February BOG meeting.

VP Nelson believes that most campuses are considering some kind of campus-based tuition increase. The BOG will have a long discussion about financial aid and may recommend a lower tuition increase than the increase being discussed in the Legislature. The tuition increase for out-of-state students will be higher. The Legislature did not set any time limits on our recommendations to them.

The enrollment growth money is in the current budget plan in the Legislature. We need to true our enrollment figures. We are holding enrollment growth dollars in reserve. There is a question about whether our enrollment-funding model will continue in the future.

Budget

We have an additional 2% budget cut coming next year, but our 5% holdback should cover it.

Faculty Positions

GA does not ask for or award positions based on tenure status (i.e., fixed-term vs. tenure-track).

Revenue Forecast

State revenues are 15% below targets. Employment shows no improvement. Revenue is expected to bottom out in the second quarter of 2010. There are no signs that a recovery is underway. This could be cause for concern. We estimate a 4% decline in our budget for next year. Currently we have a 6% decline from last year. The estimated budget holdback does not include any funds for K-12 education or Medicaid. We currently have a 5% holdback. The leadership expects a \$5 billion shortfall in state revenues this year. VP Nelson is worried about the 2010 budget. The BOG priorities will remain the same: minimize cuts, preserve financial aid, etc.

There will be no more new buildings for a few years, but we should keep planning and be ready when funding gets better.

Travel

Travel policies are campus-based and any travel restrictions are campus decisions. The Governor may impose a statewide travel restriction in the spring.

Questions

Q: Will there be a provision for salary increases in the case of promotion?

A: That would have to come from general fund dollars.

Q: What happens to faculty who make commitments to present papers in May or June if travel is frozen?

A: Go on the assumption that we will make our budget. The travel restrictions will be comparable to last year.

Q: When might we expect the Legislature to decide on tuition? Will it be before tuition is due for next year?

A: We will bill students at the rate being proposed by the Legislature and refund the money if a lower tuition increase passes.

Q: Why is there a problem of perception on faculty travel to do our jobs but not on building a new athletic complex?

A: There is a different source of funds.

Laurie Charest, Acting Vice President for Human Resources

State Health Plan

We have a large state health plan. The General Assembly investigated the possibility of separating the University health plan, but this would be difficult due to complex funding and utilization. The General Assembly never obtained salable separate plans.

Blue Cross Blue Shield Lobbying

There was a question about Blue Cross Blue Shield (BCBS) using funds collected from the state health plan to lobby. The state health plan is self-funded. BCBS has a

contract to process claims. BCBS gets paid for administrative tasks, but the fees that are collected go into the state health plan. BCBS is allowed to lobby under state law.

HMO Option

Why do we no longer have an HMO option? The market. HMOs no longer have the same presence in our market. Our requirements do not fit the HMO model, so we have limited options.

Wellness Initiative

Smoking and obesity rules are part of a wellness initiative. The way these issues are being addressed has become an issue. The plan addresses smoking starting in July 2010, and body mass index (BMI) will be addressed in July 2011. People will be allowed to participate in the 80/20 plan if they are trying to quit smoking or lose weight through a program. There will be some kind of random testing. There has been a lot of feedback about the need for positive reinforcement.

HIPA Waiver

The state health plan is not allowed to waive privacy regulations. The waiver allows wellness programs to give different treatments to smokers and obese people.

Problems with the state health plan

Our population is older and less healthy than the populations in other plans. We pay the full cost of employees but not families. As a result we have been in a downward spiral in the number of dependents covered, decreasing the numbers of younger people participating in the plan. This is a difficult issue. There have been some leadership changes in the Legislature, resulting in uncertainty about the future. Utilization is running above projections this year, leading to increased costs.

It is too early to know what will happen at the federal level, but some of the minimum benefits in federal proposals are more than what is in our plan.

Questions

Q: Why does BCBS not have to provide justification of their request for increased funds due to their increased costs?

A: I am not sure. The agreement was sole-sourced.

Courtney Thornton, Research Director

Dr. Thornton discussed a new technology transfer initiative. There are campus-level technology transfer teams and a system-wide team. She has been visiting campuses

and gathering information about technology transfer. There is no one-size-fits-all expectation of campuses.

Bruce Mallette, Senior Assoc. VP Student Affairs

Student Health Insurance

The BOG passed a hard-waiver insurance policy for all students in the system. This means students will have to purchase a UNC-provided health insurance plan unless they already have health insurance coverage. We have not awarded a contract for the student plan, but an RFP on possible hard-waiver plans indicated that the plan would cost \$500-\$800 per year for \$100,000 in coverage. The bids are in on the final plan. The selection has been made, but the winner has not been announced, yet. None of the final details are public.

Financial Aid

There is a monthly conference call for campus financial aid directors. There are four financial aid workgroups: (1) Cost of Attendance, (2) Direct Lending, (3) Comparative Measures, and (4) Response to UNC-GA Financial Aid Study. We had \$139 million in the financial aid budget this year, and it will be cut to \$116 million next year.

Committee Reports

Research Committee

- Motion on centers and institutes (passed)

Academic Core

- Writing a white paper on the academic core
- Model for academic core includes many concentric circles

Governance and Benefits

- Working on several resolutions regarding the health plan
- Distributing a questionnaire about shared governance perceptions to each campus senate chair.
- Developing a leadership mentoring document.

Distance Education

- Reviewed GA's DE white paper
- We need more faculty influence on DE policy
- There are potential problems with the DE quality council not having faculty representation.
- There is a need for other course delivery tools. One size does not fit all.

- How do we get faculty involved in efforts to improve DE? Faculty must get credit for their efforts.
- Concerned about copyright issues with DE material
- Happy to see proctoring system

Communication and Advocacy

- We will have a new Faculty Assembly Web site in December.
- The Advocacy group is developing a protocol for building relationships with legislators.

Academic Freedom and Tenure

- Working on fixed-term issues
- Asking senate chairs to hold campus listening forums for fixed-term faculty
- Hope to develop best practices for fixed-term faculty
- There is no desire to eliminate post-tenure review because we could end up with something worse.

Historical Minority Institutes (HMI)

- Concerns about tenure policies on their campuses
- Concerns about autonomous committees