

January Minutes

January Meeting of Faculty Council

Kasbeer Hall, 25 E. Pearson, WTC, 3:00pm -5:00pm

Meeting called to order at 3:10 pm.

Members present: Gerald McDonald (Chair), Harvey Boller, Mark Bosco, Rich Bowen, Heather Cannon, Janis Fine, Marc Hayford, Linda Heath, Nick Lash, MariJo Letizia, Marta Lundy, Hugh Miller, Gordon Ramsey, Bill Schmidt, Allen Shoenberger, Noah Sobe, Sandra Urban.

Guest: Bill Laird

1. **Approval of December Minutes - Postponed**
2. **Chair's Report – Gerry McDonald**
 - a. Executive Board meeting with Jack Lee and Weldon (LUMC) – The financial situation of the SSOM is still unclear. The FC was briefed on the application status for the medical school.
 - b. Gerry McDonald announced his plan to step down as Chair at the end of this school year. He asked the Council to think about a possible replacement for the position. It is unclear if there will be a course load reduction for the Chair as in the past – it may depend upon particular college policies regarding service loads.

1. **Committee Reports**

Review committee - (N. Lash): There are two dean reviews scheduled, Jack Lee (SSOM) and Robert Ludwig (IPS). The survey forms have been sent to Jack Corliss for processing and posting.

FAUPC – The faculty handbook final draft will be posted on the Web before FC acts on it. The plan is to have FC make the final review late in the spring.

Election Committee – (D. Schweickart) – Board of Undergraduate Studies (BUS): The BUS was reconstituted to make recommendations to the Provost and VP for Health Sciences. The initial eight faculty and thirteen administrators were appointed by the Provost. This year, there will be elections for two positions: representatives from the Natural Sciences and School of Business. The FC Election Committee is asking for nominations and will hold elections this semester.

1. **Discussion with Bill Laird, Vice President for Finance**

Bill Laird discussed handouts that were distributed regarding the university's

financial situation. Highlights are outlined below.

a. The university finances are in good shape due to prior planning. Actions were taken to weather a financial storm such as prudent investments (we have not been into hedge funds), maintained liquid assets and making selected new investments. Up to 2.5-3.0% of the endowment can be spent on operations, but our spending remains a smaller percentage.

b. We are receiving rent from the new Claire Building and SSOM

c. Laird discussed the proposed budget approach for next year. All new positions are budgeted, whether filled or not. He anticipates 3% increases in salary for the next two years.

d. The total number of students is about the same as last semester. Retention has been no problem due to prior planning. Applications for Fall 2009 are almost identical to last year. March and April are crucial to determine financial aid levels and receipt of deposits. Tuition increases will range between 4.0% and 5.8%, depending upon the school. SSOM tuition will rise by 4.0%. Housing increases will be between 1.2% and 3.1%.

e. We are still anticipating a possible budget shortfall, so planning will proceed accordingly. Deans are told to prepare for 3-5% reductions in the next fiscal year budgets. Capital budget awards will be slowed considerably.

f. Cash for medical services is not coming from the state of IL, which affects Moody's rating and necessitates cost reductions for the hospital. It also delays expansion of facilities. In answer to a question, he stated that the separation of Lakeside operations and the hospital has put the academic sector immune from hospital financial difficulties – they remain autonomous.

g. Fr. Garanzini and the Board of Trustees are all working on plans to get through this financial situation with minimal impact on operations.

h. In response to a question, faculty hire positions will be reduced in 2010, but unused funds for 2009 hires will be put toward new hires and unfilled positions.

i. Another question was asked about property acquisition for the hospital. This is deferred, but building on presently owned LU property will be done, provided the funds for building are in place.

j. Damen and Coffey Hall updates – moves are on track where funds are in place. There has been no discussion on a firm date for the complete Coffey Hall move or Damen demolition. However, money has been received for the building to replace Damen Hall.

k. The Rome Center has been financially separated from the academic budgets, so it is autonomous. This should not significantly affect programs. The center is exclusively used by LU in summer but only about ½ of the students during the year are LU students.

l. Demographic conditions are taken into account when figuring projections for student enrollment. Surveys are taken to help the projections be more accurate.

m. The construction of the new School of Nursing building at LUMC campus may be delayed until pledges are received (cash in hand). It will occur eventually.

n. Laird briefed the Council on Moody's bond ratings, which are mostly on a watch status.

The Council thanked Bill Laird for his briefing on our financial status.

1. **Adjournment** Meeting adjourned at: 4:30 pm Moved – A. Shoenberger; seconded – N. Lash.

Submitted by Gordon Ramsey, 18 January 2009.