

Meeting Minutes Archive**December 3, 1997**

To: Members of the Corporate Faculty
From: Secretary, Faculty Council
Subject: Meeting held in the Presidents Room, Marquette Center, WTC

#30. Meeting called to order by Professor Shoenberger at 3:11 P.M.

Opening Prayer offered by Dr. Mary Lawton, Fine Arts.

#31. November Minutes.

Motion: That the minutes of the November 1997 meeting be approved.

Moved: Dr. R. Tatalovich, Political Science

Seconded: Dr. Mary Lawton, Fine Arts

Action: The motion passed unanimously.

#32. Chairperson's Report.

A. Professor Shoenberger reported that several individuals have been added to the Ad Hoc Governance Committee from the Medical School.

B. Professor Shoenberger reported that he had received e-mail from the Rome Center. He noted that they are unable to receive addenda through that system. It was also noted that there are other schools who have Faculty Councils in Italy with part-time faculty members. Even if part-time personnel are considered to be independent professionals they should be able to participate in the Faculty Council when it is established there. It was noted that a Rome Center Advisory Committee had been established by Dr. James Wisner, Sr. Vice President and Dean of Faculties but the committee seldom meets. The committee consists of 8 members and has reportedly met twice this semester. All the members are full-time individuals. While it will not replace this committee, the new Faculty Council would have a more diverse membership. Professor G. Sotis has been chosen as the liaison with Faculty Council.

#33. Research Committee.

Dr. Leslie Fung, Chairperson of the Research Committee, gave a report on the state of the Grants and Contracts at Loyola. The Faculty Council Research Committee has met several times over the past year and a half to gather information about and to discuss the activities of the Grants and Contracts Office of The Finance Division. In part due to the dramatic increase in activities for Grants and Contracts Office and due to the fact that we had a hiring freeze in the past few years, problems with services provided by Grants and Contracts have become severe and wide-ranging in recent years. Faculty members with grants and/or contracts experience problems in almost every aspect of the services provided by Grants and Contracts. The problems include delays (months), inconsistency and/or mistakes on award notification, financial reports, transfer of funds, research personnel salary, research expenditures, etc. Consequently, the faculty members involved spend enormous amounts of time to deal with the problems. In some severe cases, the problems have caused faculty members to lose grants, experienced research personnel, and/or research activities. The Faculty Council Research Committee is not convinced by the assertion of the Grants and Contracts Office that these problems are being solved. Thus the Committee has reached the following conclusion: A critical situation exists at Loyola University of Chicago in the inability of the Grants and Contracts Office to manage faculty members' grants and contracts. It is also the opinion of the Research Committee that the current crisis cannot be solely resolved by the current management and administrative structure at Loyola University and that future problems in grants and contract management are likely to occur.

As a result the Faculty Council Research Committee makes the following recommendation:

Resolved: The Office of Grants and Contracts and the administrative structure at Loyola University should be evaluated by an outside and independent team of expert consultants. The report of this team should be submitted to the Vice President for Finance with copies to the Executive vice President, the President and Chief Executive Officer of the Medical Center and the Chair of the Faculty Council Research Committee. The charge to the consulting team would be formulated by the Faculty Council Research Committee with appropriate consultation with Faculty Council and the Vice President for Finance (and the Executive Vice President and the

Chief Executive Office of the Medical Center if they so choose), and would have as its goal recommendations to resolve the critical problems and to prevent similar problems from occurring in the future.

The Faculty Council Research Committee would also suggest names of potential members of the consulting team (e.g. experts from the Society of the Research Administrators or the National Council of University Research Administrators). The consulting team should be appointed by the Executive Vice President and the President and Chief Executive Office of the Medical Center.

As the Resolution comes from a standing committee no second is required.

Action: The resolution passed unanimously.

The Faculty Council Research Committee asks that any recommendations made by the consulting team would be seriously considered by the Vice President for Finance and, if appropriate, by the Executive Vice President and the Chief Executive Officer of the Medical Center in order to resolve the current crisis and to prevent similar problems from occurring in the future.

Dr. Fung reported that she was invited to the November meeting of the Graduate Council. She indicated that the Graduate Council endorses this resolution. Any faculty with problems with Grants and Contracts recently should send her a short report via e-mail (lfung@luc.edu) or campus mail.

#34. Faculty Status Committee.

Dr. Carrol Gold, Nursing, Chairperson of the Faculty Status Committee reported on the Retirement Proposal developed by the TIAA-CREF Advisory Committee. At present, a total of 8% goes to retirement up to the Social Security maximum and 9% on monies earned above that amount.

Moved: That the University guarantee for FY99, its current 8% contribution for all faculty with no alteration in the 1% upward adjustment for that part of an individual's salary that exceeds the Social Security Wage base. That in addition the University agree to contribute an additional 1% if the individual faculty member commits 2% of her or his own salary to retirement savings. And, at the same time that the University announces this plan we also urge that it make clear its firm commitment to a second enhancement to be implemented in FY99 and FY00 budgets as follows:

Guaranteed University Contribution: 8%/1%

FY99-Additional University contribution of 1% for a faculty match of 2%

FY00-Additional University contribution of 2% over the current level for a faculty match of 4%. The cap on such a match would be a maximum of 2% from the University for a 4% individual contribution.

As the motion comes from a standing committee no second is needed.

Discussion. Concern was expressed about parity with L.U.E.R.P.

It was indicated that the voluntary contribution would allay that problem. A similar program is in place for staff through VALIC. It was indicated that the University should have in place policies that assist faculty to achieve a level of financial stability in later middle age, so that their decisions to retire or to continue in teaching and research can be based on financial concerns, on lifestyle questions (family considerations, spouse's employment status, state of health) and on questions of job satisfaction, engagement with the job, and career progress.

Action: The motion passed unanimously.

Dr. Gold concluded the Committee report with the distribution of a report on the BSI proposal (Base-Supplement-Incentive) concerning faculty compensation at the Medical Center. The report will be discussed at a future time.

#35. Physical Resources Committee.

The report of the Physical Resources Committee was made by Dr. Wendy Cotter, Theology, Chairperson of the Committee. She distributed the results of a survey which had been sent to all faculty members. The committee sent out a questionnaire to all faculty asking for any concerns or suggestions relative the University buildings or facilities. Seventy-four professors personally responded. Problems included ventilation and temperature controls, parking at the Water Tower Campus, refurbishing of classrooms, and lack of faculty dining services.

The committee had a preliminary meeting with Mr. Philip Kosiba, Vice President of Physical Properties and Facilities. A full report on the survey is included as Appendix A. Council thanked Dr. Cotter for her hard work. It was noted that some of the concerns have already been resolved by Physical Properties.

#36. Introduction of Mr. David Meagher, Vice President for Administration and Treasurer of the University.

Professor Shoenberger introduced Mr. Meagher who discussed the state of the university. Mr. Meagher indicated that the university should come close to the targets which have been established for this year. They are a function primarily of the enrollments. The Freshmen enrollment is considered good, the graduate and professional programs are positive and negative. The University needs to develop higher fund raising standards and/or enrollments. He discussed the fact that to build more facilities, we need more funds. The Student Union or the Life Science Building need more capital inflow. The University has refinanced its debts and our credit is a "notch below" where we were when we were a single entity before the Hospital became a separate entity. He indicated that this was the result of endowment spending on projects which were approved by the Board of Trustees in the early 1990's. The new Medical Building is an example. The monies were drawn down from the endowment. The endowment is not used until the Board of Trustees agrees on the project. Generally speaking, 3% of the endowment is available for projects. Restricted funds may have a higher payout rate.

When questioned about the Academic side, Mr. Meagher indicated that there should be a surplus this year in the amount of \$1 million. When asked if there will be a capital campaign he indicated that there will be one in the next couple of years. Commitments for multi-year donations have gone up significantly.

A query was made as to the earnings from the endowment.

Mr. Meagher indicated that the Standard and Poors Index is a figure which is affected by major corporations. We do not use it as a benchmark since our asset allocation is not 100% equities. Our portfolio is more diversified today. He indicated that our long term return is attractive. It was noted that the division had had 4 independent (competing) managers in the past to handle the endowment. What is our present state? He answered that we still have 2 of those managers and that we have 4 core domestic managers and 2 international managers-one in established securities and one in emerging securities. These last two represent only 10% of the portfolio. Each of the managers has a specific benchmark to work against. A conservative asset mix is advantageous. He indicated that the investments are not reported to the faculty. They go only to the Investment Committee and the Board of Trustees.

Mr. Meagher was asked about the new economic model being developed for FY99 and the place of research. In response to a question, he indicated that research will be cost not revenue centered. He was asked specifically about the large turnover of staff in Grants and Contracts and the perception that performance has been regarded by some faculty as unacceptable. Mr. Meagher indicated that at times performance had been unacceptable but the historical backlog has now been caught up with and the problems in this area are behind us. He stated that he is encouraged with the present condition and that we should see dramatic improvement. The recent hires in the area were based on the principle of the best person available for the position.

He indicated that Gift accounting takes place in the year in which it is received. Professor Shoenberger thanked Mr. Meagher for his input.

#37. Committee on Awards.

Ms. Joanne Kouba, Food and Nutrition-School of Nursing, Chairperson made the report. The Committee presented two nominations for Honorary Degrees to be submitted to the University.

The name of John (Jack) Downes Jr., M.D., was submitted by Dr. Allen Goldberg, Medicine-Clinical. Dr. Downes, a graduate of Loyola University and the Loyola Medical School, is Professor Emeritus at the University of Pennsylvania School of Medicine. He is regarded as one of the world leaders and founders of critical care medicine and internationally recognized as a pioneer of pediatric anesthesia and critical care. Drs. Goldberg and Gunnerson spoke in support of his nomination worthy of this award as one of Loyola's most distinguished graduates.

Moved: That the Faculty Council nominate Dr. John Downes Jr., M.D., for an honorary degree.

As the motion comes from a standing committee, no second is needed.

Action: The motion passed unanimously.

A second nominee will be considered after the material is studied further.

#38. AAUP Chapter begun at Medical Center.

It was noted that a chapter of the American Association of University Professors (AAUP) has been initiated at the Medical Center. Dr. Fred Wezeman, Medicine-Basic Sciences, has been elected President.

#39. Meeting adjourned for Dinner with the President and some of the Board of Trustees at 5:11 P.M.

Respectfully Submitted,

Dr. Thomas E. Ranck, Theology
Secretary, Faculty Council

Members Present:

Professional Schools

Dr. Lou Cain, Business Administration; Dr. Anthony Castro, Medicine-Basic Sciences; Dr. Janis Fine, School of Education;

Dr. Carrol Gold, School of Nursing; Dr. Allen Goldberg, Medicine-Clinical; Dr. Ed Gumz, School of Social Work; Dr. Helena Gunnerson,

Medicine-Clinical; Dr. Stephen Jones, Medicine-Basic Sciences; Ms. Joanne Kouba, Food and Nutrition, School of Nursing; Dr. Nick Lash, Business Administration; Dr. John McNulty, Medicine-Basic Sciences; Dr. Tim O'Connell, Institute of Pastoral Studies; Dr. Allen Shoenberger, Law

Arts and Sciences

Dr. Ann Bugliani, Modern Languages and Literatures; Dr. Anthony

Cardoza, History; Dr. Micael Clarke, English; Dr. Leslie Fung, Chemistry; Dr. Sarah Gabel, Theatre; Dr. Ann Grauer, Sociology-Anthropology; Dr. Fred Kniss, Sociology-Anthropology; Dr. Mary Lawton, Fine Arts; Dr. Gerard McDonald, Mathematics and Computer Science; Dr. Joe Mayne, Mathematics and Computer Science;

Dr. Prudence Moylan, History; Dr. Thomas Ranck, Theology;

Dr. Hannah Rockwell, Communication; Dr. David Struckhoff,

Criminal Justice; Dr. Raymond Tatalovich, Political Science

FACULTY COUNCIL REACTION SHEET

This sheet is provided so that you may make comments regarding the issues discussed at this meeting.

NAME _____

DEPARTMENT _____

CAMPUS _____

PLEASE RETURN TO DR. T. RANCK, THEOLOGY, LSC