

Meeting Minutes Archive**November 10, 1999**

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

#105 I. Meeting called to order by Dr. Leonard at 3:06 PM

Dr. Janis Fine, LFCP, offered the opening prayer

#106 II. Minutes of the October 1999 meeting

A. Chairperson asked for a motion to approve the October Minutes.

Motion: That the October Minutes be approved. Moved: Dr. Raymond Benton, Marketing
 Seconded: Dr. Ray Tatalovich, Political Science
Action: Motion approved

#107 III. Chairperson's Report - Dr. Leonard, Accounting

Dr. Leonard reminded Council that faculty governance at Loyola is at present advisory rather than decision-making. Every action taken by Faculty Council that is forwarded is merely advisory. She told council, after reviewing the responses from other governing bodies and departments to the "Austin Report" (she has recommended to Dr. Braskamp the responses be posted on the web) it was clear that various groups in the University perceive there is a gridlock between the upper administration and the faculty. Some faculty responded to the report by suggesting that the Review Committee won't really have any binding power and will be a waste of time. Members of the faculty cited recent action by the upper administration to increase undergraduate education and decrease graduate education as an example of a lack of consultation concerning the vision of the university. In other words, it appears that a restructuring plan is already in place. Dr. Leonard reminded council that Moody's Report, which recently downgraded Loyola's debt rating to AA from AAA, identified raising net tuition and gift revenue as most important factor in restoring the University's credit rating. It appears that it was management's inability to raise net tuition and gift revenue while raising tuition rates led to a decrease of students, a contributing factor in the decline of Loyola's financial solvency. Dr. Leonard asked council if they believed that the present management team is capable of increasing enrollments and gifts and leading the university through an effective restructuring process? The chair brought forth the following motion from the executive committee to be communicated to the Board of Trustees.

Motion: That Faculty Council endorse the following statement:

The Loyola University Chicago Faculty Council is the elected representative body of the faculty at Loyola. Faculty Council expresses in the strongest possible terms its conviction that Loyola University, from the point of view of its faculty, has reached a point of crisis, which calls for immediate action by the Board of Trustees.

Among the many sources of this crisis the following stand out:

1. failure at the senior administrative level to provide a coherent and shared vision for Loyola's future;
2. failure at the senior administrative level to communicate effectively with faculty, staff, lower administration, and students;
3. failure at the senior administrative level to engage in effective financial management and planning;
4. failure at the senior administrative level to secure adequate outside funding through grants and gifts;
5. excessive reliance at the senior administrative level on across-the-board budget cuts rather than targeted reductions;
6. failure at the senior administrative level to develop effective plans for student recruitment and retention;
7. decisions at the senior administrative level, which have resulted in substantial erosion of academic programs without wide and timely consultation;
8. failure at the senior administrative level to respect existing mechanisms for faculty governance and to develop new, more effective ones.

As a result of these continuous failures over the past several years, faculty, staff, and student morale at Loyola has reached an unprecedented low. This low morale, coupled with public awareness of substantial budget cuts, has affected new student applications, curricular reform, faculty hiring, faculty retention, and other academic-related indices of institutional health.

The crisis is deep, and it is serious. It has led to a total and irremediable breach in the trust, which must exist, between faculty and senior administration. It is not possible for Loyola to recover from its current difficulties unless and until there is a change in the senior administration of the university.

Faculty Council urgently requests that the Board of Trustees recognize the seriousness of the claims made in this statement and then undertake the remedy appropriate to the crisis.

Motion: That discussion on this motion be limited to 45 minutes with a limit of two minutes per speech.

Moved: Dr. Fred Kniss, Sociology and Anthropology

Seconded: Dr. Ray Tatalovich, Political Science

Action: 18 for, 3 against, 1 abstention- the motion passes

Discussion on the Motion:

1. Dr. Leslie Fung, Chemistry, reports that the Faculty Council Research Committee has discussed this issue and made the following observation. The senior administration has failed to heed the advice of the Arthur Andersen Report by not hiring a Senior Vice President of Research and have been slow to maintain the research infrastructure.
2. Dr. Fred Morrison, Psychology, supports the motion because he is convinced that at best, faculty's role in restructuring will be advisory and at worst our advice will be ignored. If the senior administration had articulated a vision perhaps he could get behind the plan but if there is any vision it dribbles out a bit at time. He cited the erosion of graduate study and participation into risky ventures such as Mallinckrodt as evidence of bad judgment on the part of the administration.
3. Dr. John New, Biology, supports the motion because he believes the decrease in the graduate program assaults the research component of the university. Over the past months members of his department who previously were supportive of the administration are now discontent.
4. Dr. Tim Austin, English, does not support the motion for pragmatic and political reasons. The university community and the Board of Trustees gave us their answer last year in their response to the vote of no confidence. This motion could be detrimental to the university with bad publicity. Rather than take a confrontational approach we should lead from behind and the review committee is the place do that.
5. Dr. Ann Bugliani, Department of Modern Languages and Literatures, is shocked and angered by the motion. It is unconscionable to attack a leadership team that has been in place for such a short time. There isn't even a Vice-President of Finance in place yet. The motion is simply a way to get around the results of last year's vote in which more than 60% of the faculty did not favor a change in leadership.
6. Dr. Carolyn Saari, School of Social Work, polled the faculty in her school and found that a majority are in favor of the motion.
7. Dr. Raymond Benton, Marketing, his sense of the business school faculty is that since a vote of no confidence where the majority of the faculty weren't in favor of the vote was taken, we should stop bickering and get on with restructuring.
8. Dr. Arnold Vander Nat, Philosophy, supports the motion because our leaders aren't offering any new solutions; new leadership would mean new solutions.
9. Dr. Micael Clarke, English, is unhappy that the President of the Board of Trustees was given a copy of the motion without the motion being discussed by the council. Believes that there wasn't a chance to speak about the motion and it makes council look foolish. Cutbacks in Graduate School are rumors. Council is responding to false information. It isn't true that there is no support from the upper administration in faculty governance. The newly formed Budget Committee is up and running and doing quite well. Father Piderit supported it. Council is not hearing what is being said at Executive Committee meetings.
10. Dr. Fred Kniss, Sociology and Anthropology, by approving this motion we would not be acting alone, the Loyola chapter of the AAUP has approved a similar statement and the one developed by the Chairs of the College of Arts and Sciences is even stronger.
11. Dr. Nick Lash, Finance, his polling faculty suggests that about 60% are opposed to the motion and 40% are in favor of it. How will this motion be useful? Naturally severe budget cuts are going to upset faculty. The Board of Trustees is going to attribute this statement to reacting to the cuts not the management.
12. Dr. Robert Bucholz, History, the reason why this issue has surfaced again is that since last years vote of no confidence the administration has had a chance to articulate a new vision and hasn't done so. A vote against this motion is a vote for Father Piderit.
13. Dr. Susan Ross, Theology, is in favor of the motion because there is a serious erosion of trust. She

- knows several members of the faculty that weren't in favor of the vote of no confidence last year but have since changed their minds. She believes that there isn't any evidence that Father Piderit has heard the concerns of the faculty. Loyola still runs on a "top down" system. It is in the best interest of the faculty to get a leadership in which the faculty can trust.
14. Dr. Sarah Gabel, Theatre, has been in faculty governance for the last nine years and sees the same concerns keep surfacing. The administration takes initiatives without going through established governing structures, or makes promises to work from the bottom up that aren't kept. It is time for a change.
 15. Dr. Ann Bugliani, Department of Modern Languages and Literatures, offered a note of caution. Trust takes time and replacing the senior administration with another administration with no experience at Loyola will not generate trust either. She added on the one hand council members way the administration hasn't articulated a vision and on the other they knock down any attempts at articulating a vision in which they haven't participated.
 16. Dr. John New, Biology, the administration has had over 6 years to make changes. There is an absence of leadership. Since the vote of no confidence Father Piderit has gone underground.
 17. Dr. Robert Bucholz, History, for six years numerous faculty have tried to explain what this university is about to the president. He has articulated a vision and a plan that has been unsuccessful.
 18. Dr. Nick Lash, Finance, we all agree that Loyola has serious problems, but none of us have mentioned that the problems began with the lack of funds that came as a result of the split from the Medical Center.
 19. Dr. Susan Ross, Theology, we all understand that the initial financial deficit was not Father Piderit's issue however, there is no evidence to indicate that he is the person to turn things around. There is no light at the end of the tunnel. There is not trust.
 20. Dr. Carolyn Saari, School of Social Work, we all understand the medical center situation but what about the empty classrooms at Water Tower, the real estate investments? There have been some bad choices made by the administration.
 21. Dr. Frederick Wezeman, Orthopedics, asked to share copies of an article from the New York Times about the gravity of the financial situation of health care nationwide. It is difficult to manage under these times where money isn't available and retrenchment and cuts are necessary. Other universities and hospitals are hiring outside groups to help with restructuring. It is difficult for any health related organization to manage under these circumstances.
 22. Dr. Maria Connolly, Medial Surgical, questioned how the article was speaking to the motion and asked what was the catalyst or crisis that led to this motion? Why did a copy of the motion go to the board president prior to this meeting?
 23. Dr. Sarah Gabel, Theatre, the reason for the haste is two fold. There is no way to reach the members of the board except through the president's office and the deadline for the Board of Trustees? December 3 Board Book where copies of our minutes appear is before the minutes of the November meeting will be ready.
 24. Dr. Micael Clarke, English, the executive committee wasn't given enough time to debate this motion. Six hours was not enough notice before asking to vote on the statement.
 25. Dr. Susan Ross, Theology, she had knowledge of the action being taken by the Arts and Science chairs and felt this statement would strengthen their statement.

Vote taken by secret ballot

Action: 16 in favor, 10 against-the motion passes

Motion: to support the Academic Review and Planning Process as outlined by Dr. Larry Braskamp, Senior Vice President of Academic Affairs

1. Dr. Braskamp handed out copies of the outline for the review process.
<http://www.luc.edu/depts/acadaff/future.html>
2. Dr. Braskamp told council a two-step process is in place for dealing with the deficit. The short-term process where units will work together to make up the \$6.2 million dollar deficit. On October 1, 1999 all the deans were given target figures for FY2000. Through negotiations with the senior vice-president each dean settled on a strategy for making up the deficit. If they don't meet the target figure then adjustments will be made. The second step involves a long term planning process. First, Loyola's will be involved in determining a vision for the future of Loyola, then an elected Academic Review and Planning Committee will conduct a review of all the academic units on the lakeside campuses and make recommendations as to which programs might be enhanced and which might be restructured. The elected committee will work over the summer and make their recommendations by fall of 2000. At that time the recommendations will go to the deans and the appropriate governing bodies for their feedback. Responses from these bodies will be forwarded to the committee and recommendations will then go to the Senior Vice-President for review and then on to the President.
3. Dr. John Frendreis, Associate Vice-President of Academic Affairs, remarked that the intention for this

year was to make cuts that allowed activities to continue to go on as usual in the university. To go any further, we must ask fundamental questions as to the character of this university. This is the purpose of academic review and planning process as outlined by Dr. Braskamp. He urged Faculty Council to support the proposal and become a part of it. The work must be done and it will be done better with faculty input. If the faculty does not become a part of this process the Board of Trustees will most likely mandate these cuts without input from faculty. Dr. Frendreis assured council that as far as the short-term process was concerned; 1) Cuts made did not reflect an across the board cuts, 2) Each unit was analyzed each before cuts were made, 3) No programs are targeted for elimination, and 4) There were attempts made to equalize staff support.

4. Dr. Allen Shoenberger, Law, inquired as to how much of the \$6.2 million would come from the academic units. Dr. Braskamp couldn't answer that at this time.
5. Dr. Gerald McDonald, Mathematics and Computer Sciences, asked why, when the Board of Trustees has demonstrated previously that they are not interested in what faculty think, would they listen to a review committee.
6. Dr. Frendreis remarked that the board really doesn't view their job as making decisions on individual programs but rather larger issues. The sense is that Academic Affairs will be told this is how much money is allocated to academic affairs and it is the academic sector's responsibility to figure out how to use it.
7. Dr. Ray Tatalovich, Political Science, asked what assurances did council have that the Program Review Committee simply wouldn't be ignored but would have some impact. Dr. Braskamp responded by saying the precise role of this committee has yet to be determined however he believes that this committee will be very important in the restructuring process.
8. Dr. Micael Clarke, English, asked if the committee would get in the way of the deans' jurisdiction. Dr. Braskamp responded saying he thinks the committee's work will go to the deans for feedback, and will work with the deans.
9. Dr. Barbara Leonard, Accounting, asked if the committee would be a partner in the restructuring decision making process or merely advisory or worse yet asked to approve a restructuring plan already determined by the upper administration. Dr. Frendreis responded by saying there are no plans to eliminate any programs. There is no contingency plan. If there were a plan, he would tell council.
10. Dr. John New, Biology, asked how the senior administration could expect council to believe that this committee will work when other reports have been ignored, citing the Arthur Andersen report as an example.
11. Dr. Ken McClatchy, Pathology, asked if the medical school would be involved in the retreat since they are faced with similar problems. Dr. Braskamp said no, it was only for the Lakeside Campuses. They are the only ones facing the deficit.
12. Dr. Fred Kniss, Sociology and Anthropology, asked if the Academic Council of the College of Arts and Sciences was going to be a part of the committee. Dr. Braskamp said the committee is not scheduled to have a member of each council on it.
13. Dr. Anthony Castro, CBN and Anatomy, believes that the medical school should be represented on the Review Committee.
14. Dr. Stephen Jones, Physiology, remarked that faculty from departments outside the medical school participate in some of their graduate program review so there is a precedent for participation.
15. Dr. Micael Clarke, English, remarked that members of the academic councils and the medical school should be involved in the process if everyone is to have a voice. The work of the review committee should be reviewed by departments, colleges and among colleges collectively and then sent back to the review committee. Dialogue should occur from the bottom up.
16. Dr. Leslie Fung, Chemistry, said that her department is concerned about having non-science faculty evaluating science programs.
17. Dr. Braskamp said that whenever faculty evaluates faculty outside of their area of expertise, there must be trust. That is why the elections are so important. There will be many negotiations before any decision is final. It is possible that the review process will also include external reviews.

Vote taken.

Action: 19 for, 2 against and 2 abstentions

Motion: for the Chair of Faculty Council to communicate the motion on the resolution and the motion on the review committee to the Board of Trustees.

Passed: by consensus.

#108 IV. Presentation by Acting Senior Vice-President Dr. David Meagher

A. \$33 million deficit (change in cash and investments available for operations) was realized last year. To make

up for the deficit, 20 million was targeted for expense reduction and 10 million was targeted for revenue enhancement for FY2000. Estimated deficit for this year is \$14.7 million compared to a budgeted deficit of \$6.2 million due to lower than expected enrollments. Loyola 2000 was painful but necessary to reduce the deficit. The University Budget Committee is projecting next year's freshman enrollment at 1120. The number could be lower if the attrition rate is higher than 18%. The University Budget Committee is recommending a tuition increase of approximately 3%. This is close to the rate of inflation. It is hoped that the low tuition increase will help with retention and new students but the deficit could be \$ 10 million if enrollment does not improve.

1. Dr. Leslie Fung, Chemistry, asked how sensitive the budget is to the market. Dr. Meagher replied it isn't sensitive because we are looking at unrestricted funds. The key to keeping to the projected budget is enrollments. We need more students.
2. Dr. Fred Kniss, Sociology and Anthropology, asked whether the discounted tuition was considered and the answer is yes. The proposed budget accounts for the discounted rate going up ½% for existing students.

B. Dr. Meagher: This is a proposed budget and has yet to be approved by the Finance Committee of the Board of Trustees.

1. The deficit figures do not include the medical school. While the lakeside campuses' deficit was over \$25 million the medical school's deficit was \$2 million. They usually meet their projected budgets. The medical school is supported by the medical center. If they run a deficit the hospital is required to make up the difference.
2. Dr. Ken McClatchy, Pathology, the medical school assumed some allocated costs when the school split. With the split some shared services split and some did not.

C. The Board of Trustees acknowledges the good progress made towards reducing the deficit. They won't live with it this way for a long time but for the short term Loyola is on track.

D. Our operating budgets are so thin the only way to reduce is through salaries.

1. Dr. Fred Kniss, Sociology and Anthropology, asked about the 10 million dollars targeted for revenue enhancement. Dr. Meagher reported that we will not meet that goal.

#109 V. The meeting was adjourned at 5:35 P.M.

Respectfully Submitted,
Dr. Sarah Gabel, Theatre
Secretary, Faculty Council

Members Present:

Professional Schools

Dr. Raymond Benton, Marketing; Dr. Anthony Castro, CBN and Anatomy; Dr. Maria Connolly, Medial Surgical; Dr. Janice Fine, LFCEP; Dr. Allen Goldberg, Pediatric Home Health; Dr. Stephen Jones, Physiology; Dr. Nick Lash, Finance; Dr. Barbara Leonard, Accounting; Dr. John McNulty, CBN and Anatomy; Dr. Carolyn Saari, School of Social Work; Dr. Arthur Safer, ELPS; Dr. Allen Shoenberger, Law; Dr. Frederick Wezeman, Orthopedics

Arts and Sciences

Dr. Tim Austin, English; Dr. Robert Bucholz, History; Dr. Ann Bugliani, Department of Modern Languages and Literatures; Dr. Anthony Cardoza, History; Dr. Micael Clarke, English; Dr. Raymond Dye, Psychology; Dr. Leslie Fung, Chemistry; Dr. Sarah Gabel, Theatre; Dr. Paolo Giordano, Modern Languages and Literatures; Dr. Fred Kniss, Sociology and Anthropology; Dr. Gerard McDonald, Mathematics and Computer Sciences; Dr. Fred Kniss, Sociology and Anthropology; Dr. John New, Biology; Dr. Susan Ross, Theology; Dr. Ray Tatalovich, Political Science; Dr. Arnold Vander Nat, Philosophy

Graduate Institute and Professional Librarians

Kerry Cochrane, Librarian; Karla Petersen, Librarian

Guests

Dr. Larry Braskamp, Senior Vice President of Academic Affairs; Dr. Kim Dell'Angela, Pediatrics;
Dr. John Frendreis, Associate Vice President of Academic Affairs; Dr. David Meagher, Acting
Senior Vice President of Finance.

Any comments can be sent via e-mail or campus mail to [Dr. Sarah Gabel](#), Department of Theatre, 809 Sky Building, LSC.