

MINUTES OF THE UNIVERSITY SENATE, MARCH 9, 1992

The University Senate met in regular session at 3:00 p.m., Monday, March 9, 1992, in Room 115 of the Nursing Health Sciences Building.

Marcus T. McEllistrem, Chairperson of the Senate Council, presided.

Members absent were: Reginal J. Alston, Jim Arnett, Robert S. Baker, Bart Baldwin, Harry V. Barnard, Thomas O. Blues*, Peter P. Bosomworth, Douglas A. Boyd, Martha Bruenderman, Joseph T. Burch, D. Allan Butterfield, Rutheford B. Campbell, Jr.*, Clyde R. Carpenter, Ben W. Carr, Edward A. Carter, Samuel Q. Castle, Donald B. Clapp, Jordan L. Cohen, Lenore Carihfield, Scott A. Crosbie, Joe T. Davis, Richard C. Domek, Jr.*, Paul M. Eakin, Joseph L. Fink, III, Wilbur W. Frye*, Richard W. Furst, Misha Goetz, Lester Goldstein, Phillip A. Greasley, Robert D. Guthrie, Lynne A. Hall*, J. John Harris, III, Laurie R. Hatch, Christine Havice*, Brian Hoffman, Micki King Hogue, James G. Hougland, Jr.*, Don A. Howard*, Richard A. Jensen*, Angela Knopp, Kenneth K. Kubota, James M. Kuder, Thomas W. Lester, Linda Levstik, Thomas T. Lillich*, C. Oran Little, William C. Lubawy, Shawn Meauz, Richard S. Milich*, Karen A. Mingst, David A. Nash*, Derby Newman, Clayton P. Omvig, Thomas C. Robinson, Edgar L. Sagan*, Edward C. Scheiner*, Michael C. Shannon, Andrew Shveda, Timothy W. Sineath, Robert H. Spedding*, David H. Stockham, Brian Stover, Louis J. Swift, Michael G. Tearney*, Dennis M. TeKrony*, John S. Thompson*, Ann R. Tickamyer, Thomas Tucker, Eugene R. Williams, Emery A. Wilson, H. David Wilson*, and Peter Wong.

The Chairperson announced that the Sullivan Awards Committee is requesting that nominees be sent in for this year's Sullivan Medallions which will be presented on Commencement Day. There are three categories; one undergraduate graduating woman, one undergraduate graduating man and one person who is not a student. In making nominations the committee requests the following criterion be kept in mind: nothing shall be considered except the possession of such characteristics of heart, mind, and conduct as exemplify the spirit of love for and helpfulness to other men and women. The Chairperson went on to say that is the sole criterion, not academic excellence or anything else.

The Chairperson pointed out that the Senators should soon have the December minutes. The February minutes are now in preparation and attached to the February minutes will be the full University Calendar for next year and the schematic calendar for 1994-1995.

The Chairperson stated that the reason for the March meeting was to provide an open Forum on budget issues. The Medical Sector and the Lexington Campus people have been looking at budget issues separately, and some people suggested that the meeting could provide a Forum to compare views from the two sectors to the extent that they have not already done so. The Chairperson stated that the second purpose was to explore ideas. He feels the budget problem might be dealt with in two phases. One is a short-term phase that would deal with the period between now and July of 1993. The University system would put into place procedures and methods to deal with the budget

*Absence explained.

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short-fall in that period which, he hoped, would be temporary and not default into a regular long-term plan. The President has announced already that during the next year there would be a full-scale review of the University's Strategic Plan in placing organizations and structures to meet the essences of the University's mission.

The Chairperson pointed out the priorities that the President has already announced. The three highest priorities are: (1) academic programs which include instruction, research, scholarship and public service; (2) protection of jobs and (3) protection of compensation. The Chairperson added that the University has struggled to get incomes and total compensation for faculty and staff to levels that are more commensurate than they have been for a decade with realistic expectations for living in a professional community.

The Chairperson shared a few numbers which he had gotten from the budget and other sources that might help. He did not want to pretend that he could account for the total University income or expenditures but wanted to give the Senate a flavor of the relative sizes of different components. He stated that none of the ten percent cut has been removed from the numbers. The original State appropriation was about \$262 million; the component of tuition for the University system excluding community colleges runs to about \$42 million. The fee structure is larger than Professor McEllistrem realized. He stated that when the fees are added then the University is getting about \$11.5 million in fees. When adding everything there is something over \$310 million. There are other forms of income. He stated that the Lexington Campus spent \$76 million for instruction; the Medical Sector \$54 million; and Research and Graduate Studies which has several Centers has about \$2.6 million in General Funds. The total instruction budget in the General Fund was \$192 million out of the \$310 million that was available. The academic support services account for a fair amount of money which includes \$14.5 million in Central Administration; Student Services amount to \$19.5 million; the Lexington Campus had about \$9.4 million; the Medical Sector about \$8 million; and Research and Graduate Studies \$2.7 million. His impression is that most of the money in Research and Graduate Studies is provided from external sources, not the General Fund. There is one other major component called public service which accounts for about \$60 million of the total General Fund. The Chairperson added that the amount of money that needed to be cut for ten percent was \$26.3 million for the University System.

The Chairperson stated that Professor Phillip McKnight (German) had asked if he could address the Senate and present his impressions of budget matters. Professor McKnight was invited to speak to the Senate. Professor McKnight presented charts and a copy of his remarks follows:

Thank you very much. I have collected some statistics to guide us in establishing budget priorities and as a statement about the mission of the University.

I began thinking about what has often been referred to as administrative bloat when I received a yellow envelope soliciting

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membership in AAUP. The outside of the envelope was inscribed with the question, "Did you know that administrative budgets grew 26% more than instructional budgets in the eighties?" I wondered how true this was of UK.

The question took on new meaning as we were instructed to cut back radically on our resources and as the College of Arts & Sciences began thinking about the need to restructure to cope with a different future.

I thought about how budget cuts target faculty, TA's and PTI's.

I wondered if it would hit the administration in kind, inasmuch as the public discussion had not carried over into this realm.

I came up with the following from the 1992-94 UK Strategic Plan: (Excluding Community Colleges) [See attached Appendix I]

We'll leave the numbers for the Medical Center and the University Hospital out of the discussion for the time being, especially inasmuch as their needs for staff are likely different than the rest of the Lexington Campus, with the possible exception of the College of Agriculture, for which I have no separate numbers.

Executive/Administrative/Managerial - 244 = a ratio of one administrator per 4.49 faculty. Round it off to 4.5.

Ratio of Administrators to Faculty: 1:4.5

A & S has lost 38 lines. (Note that 6 of these were a salary payback.) If we assume we really need one administrator per each 4.5 faculty, then the loss of 38 faculty means we now need 8.46--round to 8.5-- less administrators.

Total Savings (x 57,700) = \$490,450.00

Approximately 32% of all faculty come from A & S. Let's call it 40% for easy figuring. 40% of x = 38 and x = total number of Lexington Campus lines lost = 95. Round it down to 90 for easy figuring. If we are losing 90 lines then--assuming we agree that we really need one administrator per 4.5 faculty, then this means we now need a total of 20 less administrators.

Total Savings (x 57,700) = \$1,154,000.00

Benefits are not included.

Line three of the above shows 1,291 Other Professional. Let's assume that we could somehow get by with only one Professional for each faculty line, a savings of 194 positions at \$31,400 each.

Total Savings (x 31,400) = \$6,091,600

Benefits are not included.

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Note: These figures are based on the original number of 1097 faculty, not that number minus 90; i.e. we would still have 97 more Other Professionals than faculty if the professionals were reduced by 194. Reducing them by an additional 97 would bring them down to a total of 1007, as we have done to the faculty.

Total Additional Savings: \$3,145,800

Now let's take a look at some history regarding the growth of administrative costs.

From Barbara Bergman, Professor of Economics at the American University:

1930: 19 cents were spent on administration for each \$1 on instruction.
 1950: 27 cents
 1988: 45 cents

The 1980's, as mentioned, demonstrated 26% greater growth in the administrative sector than in the instructional sector.

The 1985 figure for administrative costs required per each full-time student: \$1,742.00.

From Jay A. Halfond, Associate Dean of Business Administration at Northeastern University:

Increases since 1975:

Student enrollment 10%
 Number of Full-Time faculty 21%
 Number of Administrative Positions 45%

Increases in Salaries after inflation:

Faculty: 21%
 Administration: 42%

Nationwide: less than 33% of people employed by higher education are directly engaged in educating.

The figure for UK, excluding the Medical Center and Hospital: 20%

From Kenneth E. Anderson, Professor of Speech & Communication at the University of Illinois Champagne/Urbana:

Citing the Chronicle of Higher Education March 28, 1990:

Growth during 1975-1985:

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Faculty: 6 %
Administration 18%
Other Professionals 61%

Follow-up for 1985-1990: Faculty 9%
Administration 14%
Professionals 28%

Anderson and Halfond seem to have used either different sources or different statistical methods, but the figures speak for themselves whether you take the lowest, the highest, or a mean. Particularly noteworthy are the factors showing both administrative numbers plus administrative salary increases multiplying two times as fast as those of faculty, which means that investment in administration is increasing at a rate four times greater than investment in faculty.

Let's take a look at Kentucky:
(Source: National Center for Education Statistics)
[See attached Appendix III.]

Evidently, allocation for faculty and instruction lags way behind the national average, while per capita spent per Kentucky student is way above the national average.

Where is that money being spent, which in other states is earmarked for faculty? If 26% is spent on Kentucky Faculty versus 39% nationwide, then an additional 13% or \$725.56 per student is spent on ???

Let's take a look at some UK history: (Excluding Community Colleges) [See attached Appendix II.]

These figures do not break down the Medical Center and Hospital, they are a composite of the Lexington Campus plus Medical Center and Hospital. The only figures available which distinguish between them are those for 1990 quoted in Appendix II.

What has happened at UK between 1985 and 1990?

Faculty	has grown from	1507	to	1606	+ 99
Administration:	from	351	to	370	+ 19
Professional:	from	1946	to	2552	+ 606

A major change took place 1987-1988 when faculty were told that, although salaries were of highest priority, budget restraints prevented doing anything about it. However, we added 274 people to the payroll in the administration plus professional categories. Eighteen faculty lines were lost, from 1520 to 1502.

The current reduction of faculty takes us back to 1987 levels of faculty and is not very far removed from 1985 levels.

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If we take administrative positions, correspondingly, back to 1985 levels, this would roughly reflect the figure I gave you above:

Savings: \$1.154 million

Let's just take the administration positions back to 1987, or a savings of 5 positions = \$288,500.

(Of course, we could simply insist on our 1:4.5 ratio and drop 20 administrative positions for the \$1.154 million savings.)

Now what would happen, since we have 90 less faculty, by which we have already saved (at \$46,300 each) \$4.167 million, if we take professionals back to 1987 only: A savings of a staggering 509 positions at 31,400 =

Total Savings of: \$15,982,600.

If we did this we would still have more than 1 professional per faculty.

None of this includes benefits.

I just want to make a few points:

If the central mission of the university is teaching and research, then we are in trouble.

Through reallocation of funds to administration, made glaring by the loss of 90 faculty, we are making a de facto change of the university mission from teaching and research to bureaucratic endeavors and accountability activities.

2. The increase in teaching loads results in a cutback in leading edge research: this research doesn't reach students at UK in their disciplines and, consequently, UK graduates are at a disadvantage on the job market. We cannot be reduced to using last decade's textbooks.

3. How much of your time has been saved by the increase in administrative posts? Do you have more (or substantially less) time to devote on teaching and research since the changes made in professional positions since 1987?

4. My college, Arts and Sciences, carries a heavy instructional load for the entire university system. The good news is that Bob Hemenway has restored funding of TA lines to within \$200,000 of this year's level. (of a total of \$4.57m).

The bad news is that PTI funds are \$520,000 short of this year's funding.

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cent of its average 50-hour work week by spending 15 hours or more on non-instructional tasks assigned by administrators and professionals.

A second look at the UK figures for administrators suggests that during the changes for 1987-1989, when the figure went from 365 to 393 and then back to 367, that different criteria for classification were used rather than sudden hiring and layoffs. The current reduction in faculty size now puts UK's ratio at 1:4.

Surprisingly, according to EEOC figures quoted by Anderson, this matches the national ratio of administrators per faculty--at least for the year 1985. (Review: numbers of administrators since that time has increased by an additional 14%, faculty by 9%.)

However, Anderson's figures show that in the category of Other Professionals, which grew by 61.1%, that the national ratio of professionals to faculty was .57 per faculty. The ratio at UK, on the other hand, not counting the loss of 90 faculty lines, is 1.6 professionals per faculty for the university system, excluding Community Colleges, and 1.2 per faculty for the Lexington Campus excluding the Medical Center and the Hospital. If you count the loss of 90 faculty those ratios become 1.8:1 and 1.3:1, respectively.

Halfond cites a recent survey by the Association of American Universities showing that 75% of its member institutions are attempting to reduce administrative costs.

I would suggest that people interested in this, particularly from the faculty, take a look seriously at the administrative costs to see if we cannot also have input into the kinds of decisions that are going to be made which affect the entire University. I would be glad to be a part of that. Thank you very much.

The Chairperson stated that Professor McKnight's comments illustrate that it is difficult to understand the different components of the budget and it causes questions to be asked.

The Chairperson recognized President Wethington for any comments about his perspective on where the University is going from here and when.

President Charles Wethington responded as follows:

To the professor from German, let me say that I probably agree with you far more than you realize in terms of the general nature of the presentation that you just made. I may not agree with the figures themselves as those are always subject to some interpretation, but I think you fairly adequately described the growth that has taken place in higher education, not just in this institution but in others in the decade of the 80's. I will neither take credit or blame for that, but I can tell you that you are reasonably on target with your conclusions.

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That's a total of just over \$700,000. (Review: The 38 lines lost in A&S amount to \$1.76m and the 90 lines for the university amount to \$4.167.

The PTI's who, in fact will be laid off, plus the TA's, whose lines and, hence, positions in graduate school are reduced, are the lowest paid personnel, earning between \$8,000 and \$10,000. Let's use the latter figure. This means 70 people impacting instruction in A&S alone are gone. They teach an average of three courses per year, or a total of 210 courses of lower division, mostly required courses. This means that 105 courses next fall are not covered. If we have 38 less faculty lines, assuming they each teach four courses per year, then we lose 76 courses at the upper division and graduate level each semester. That's a total of 181 courses each semester.

The \$700,000 to save the lower division instructional program seems like a small figure. It is an extremely cost effective method of covering 210 courses per year.

If we do want to keep our ratio of 1: 4.5 and of 1.5 professional per faculty, then we could save around \$16 million. Restoring the lines and the instructional budget leaves \$11 million to play with.

The faculty needs to participate in defining the mission of the university and in ensuring that the missions of teaching and research remain central to the operation of the university. The articles written by the people whose figures I have quoted above all point to the fact that, once begun, each administrative or professional position takes on a life of its own, seeking to expand its own staff and scope of influence, very often in non-academic functions.

The professional and administrative positions need to be examined just as we are examining positions in European History, Molecular Biology, or Computer Science to determine which of these might be deemed expendable. Perhaps some of those professional and administrative positions are less central to the mission of the university than the kinds of faculty lines mentioned above.

We are being asked to increase class size and thus reduce the quality of the educational experience below minimum professional standards. We are being given less time for research and hence we are being tacitly asked to reduce the quality of leading edge research in the educational experience of our students, lowering professional standards.

What percentage of increases for higher education over the last decade has gone into the quality of instruction and research and what percentage has gone into the quality of administrative activities? The figures above show that the administrative growth percentage is four times greater than the instructional percentage. At the same time, the surveys above show that faculty has lost a significant per-

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I want to give you a bit of perspective about the budget cuts themselves and clarify for you at least the process in procedures that we are undergoing at present. As you know, we experienced a five percent budget cut earlier this year; we have managed that. We have reported to the Board; the Board has approved our plan for handling that budget cut. During that time and up to the present, I have continued my strong direction to the chancellors and vice presidents that we protect, wherever possible, the academic programs of this institution; that we keep our commitments to students; that we keep our contractual obligations; and that we keep our commitments to people in every way that we can. As a result of that, the budget cuts have probably fallen disproportionately where there were vacancies in the institution. I hope you understand the significance of that. Even though I might agree with you about your conclusions, I also have a deep feeling for people and to the extent possible have tried in these budget cuts thus far to protect people and their jobs. These faculty positions and staff positions that you are talking about are vacancies, not layoffs. I still have a strong feeling that whether they are administrators, faculty, or staff in this institution I want to protect people as long as I can, because it says something about the institution when we jump in and lay off people without a great deal of planning.

The ongoing process is getting done exactly what I hoped it would get done and that it is generating across the entire University an understanding of what the difficulty is and the serious nature of this second budget cut. We could have handled this budget cut without the kind of debate, the kind of discussion in the sectors that we have been having for the last few weeks, but, in my opinion, we would have come out of that budget cut without a good understanding in the University community about how serious this second cut is. It is five percent on top of five percent, a total of a ten percent cut. Marc, the only difference I would make in the total budget cut figures you gave is that the \$26.3 million included \$3.2 million for the Community College System during the first five percent cut. The total for the University System - Lexington Campus and Medical Center is about \$23.1 million.

We have sustained that first cut and have a plan in place; now we are moving to handle the second cut. Obviously, to do that whether by the process you have heard described for you here that looked primarily at administrative positions or whether it were done in some other way, it could not be done quickly without laying off a bunch of people. It could not be done quickly if we were going to make some major structural changes in this University, I did not believe.

This year, 1992, is the year when I have been committed to reviewing our Strategic Plan all across this University to determine what it is that we think is most critical and most important and that we believe is worthy of a priority for our resources. That review was planned for 1992 anyway.

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My instructions to the chancellors and vice presidents a few weeks back were to take a five percent budget cut figure and go out into the sectors (and that is why Bob Hemenway has been having forums for the Lexington Campus; that is why Peter Bosomworth has been having hearings in the Medical Center; that is why Gene Williams has been having discussions in Information Systems; that is why Lee Magid has been holding hearings in Research and Graduate Studies; and Ben Carr in the Community College System.) These are the individuals that have been charged by me with primary responsibility for caucusing with you; seeking ideas from you about the best ways to manage the budget cut.

Decisions have not been made. Any discussions you have had or are having today have been held with the idea of generating ideas, suggestions, and advice that will come on up through the vice presidents and chancellors to me and that will help me in making final decisions about the budget cut. I will accept the responsibility for determining what those cuts are across the University and in each sector. What has been done thus far, for purposes of this second cut, is not final. I want you to understand that.

My goal now, and has been all along during this month of March, is to continue the kind of discussions that are ongoing here today, between roughly the first of March and the first of April. We won't know what our final appropriation is for 1992-93 until the General Assembly finishes at approximately the end of March. We will not make final decisions, of course, until we know exactly what the dollar figure is going to be for 1992-93. Hopefully, it can be slightly improved. Obviously, there is always the risk that it could be worsened, but I do not believe that is likely to be the case. I don't think we are going to see major changes since we are in a position now that if major benefit is given to higher education it is going to come at the expense of human services, especially medicaid and/or elementary and secondary education. I think that you will find that public policy is somewhat unwilling to make a decision in favor of higher education when other parts of state government are considered to be in some crisis. Higher education with all our problems, in my opinion, is not considered to be in a crisis situation.

We are competing for the State's resources. We will know by approximately the first of April what those resources for the University of Kentucky are going to be. During the month of April then, I do plan to meet with each vice president and chancellor, having heard then from deans, community college presidents, faculty, and staff all over this University. I will hear from them specific proposals about ways they believe this budget cut can best be managed. I then will make the final decisions that I will propose to the Board of Trustees, probably in June. But by the end of this semester, prior to the time that you may be away from campus for some period of time, we will have made decisions, at least that is my intent, for 1992-93. We will submit our budget to the Board of

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Trustees, probably at the June meeting. No final decisions have been made; the process is going on; ideas are being generated; and we are going to be looking at the best ways we can manage these budget cuts given those priorities that Marc outlined for you that are essentially my priorities.

Now let's get back to your question about administrators and your question about overhead, and your question about the importance of the academic research, service, and instruction missions. I believe that we have to have some to address these issues in some great detail -- that we must look carefully at our administrative structure. And I propose to look at our administrative structure first, not last. The fact that you are not hearing a lot said about the administrative structure now is that the instructions that are going out from Bob Hemenway and others are asking how you would manage X level of cut in your sector, not how would you manage it in some other sector. We are generating ideas designed to elicit just what kind of problems would be caused by the budget cuts. I propose that we look at our administrative structure first during 1992-93, not last, but I can tell you that if we did away with our entire central administration, so that we had no payroll function, no purchasing function, no president's office function, no budgeting function, etc., we could not have absorbed this entire budget cut. Please know that administrative structure change is not any total answer and the change we make will be a partial answer. But I don't have any quarrel at all with your looking first at administration, and I intend to do exactly that.

But know too, we will look in 1992 at ways to restructure the University that will allow us to be more effective and productive and put dollars better into those priorities that we think are essential. With an institution that is as people-intensive as all institutions of higher education are, and with an institution like this one with roughly 70 percent of its budget in people, major changes don't get made without impacting numbers of people. I simply want to tell you that if we were to agree that the work force in this University, whether that be administrators, faculty, staff, would be three, four or five hundred lower at some point in the future, my strong feeling still is to give those individuals every opportunity to try to seek employment within this institution or employment elsewhere prior to the time that we get into layoffs of people. I am just as concerned, I'll say again, about people, whether they are administrators or whether they are custodians or whether they are faculty in this institution.

Know that our plans will take some time to implement even if we are all in agreement on what our plans are for the long term. It is an opportunity to look at this University and to look at the growth that has occurred over the last few years, and I will agree with what I think you were saying, and that is that I think our faculty complement, as judged by other institutions like ours, is roughly where it ought to be. You and I might agree or disagree whether we

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have too many people here in this unit, not enough people in that unit, whatever. Look at the University system-wide, and you will find, I think, that our faculty complement is roughly in line with that of other benchmark institutions. That may say that our faculty numbers are about right. It certainly is a worthy place to begin. And certainly there has been, in the decade of the 80's when enrollment has not grown that much in the University System, obviously a considerably larger growth, percentage wise or otherwise, in positions that are nonfaculty than in positions that are faculty.

We did have an all-time record enrollment last fall. That simply indicates more of a need for instruction than less and simply exacerbates the faculty complement problem just a bit. Give us some time and let us not rush into decisions that will cause us to jump to the conclusion that people ought to be laid off and cause problems between and among various employee groups in the University if we can manage the cut in another way and if we can take a little time and handle the administration of this cut on a recurring basis in a humane and what I hope to be a very good way. It is an opportunity to look at ways to restructure the University and help us be more productive and help us assure that our resources are being used most wisely and help us chart some direction for the 90's and on into the year 2000. All of you know that the second year of this biennium budget as proposed today is not that great. We are looking at a three percent increase in our budget in the second year of the biennium.

Marc alluded a few minutes ago to the fact that we might very well take part of this budget cut on a nonrecurring basis and handle the rest of it on a recurring basis beginning July 1, 1993. I tend to lean in that direction. That will soften the blow a bit; it will give us more time to look at the structure of the place; and it will also insure that by July 1, 1993 we do have in place the recurring cut. That is my goal. That simply gives us a little more time to address some of the various issues that you have been addressing.

I want to assure you that from my standpoint, if you looked at the growth of the units that I have been associated with most of my professional career, you will find that those were probably the leanest-staffed administratively of any community college operation in the country. You will not find any massive allocation of resources to administrative units, because it is my strong belief that we put our priorities on students, instruction, research and on providing those kinds of services that we must provide as a University. That is a lot easier said than done. It is a lot easier to look at your neighbor and suggest ways to cut the budget than it is to determine how in your own unit you can cut the budget. You all well know that. I encourage you to have some understanding. Know that there will be a look at decreases in administrative services in this University; know that there is some limit to what can be done there, but know, too, that during this discussion during 1992-93 and during the decisions we have to make in the next couple of months

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that I will continue to put my strong emphasis on meeting our obligations to students, to faculty and to those academic support services which are absolutely critical in carrying on our teaching, research and service mission.

This is roughly the schedule. We will go on now during the month of March with our discussions, get a final budget figure, hear from all of you, and make decisions in April about the best way to manage this cut for 1992-93. During that time we will make decisions about our budgetary goals for the end of 1992-93. If we have not entirely absorbed our budget-cuts, we will put a plan in place that will meet our goals by June 30, 1993, and will allow us, hopefully, to be in a better situation to serve students starting July 1, 1993 than on July 1, 1992.

I would be pleased to respond to any questions.

Professor Jesse Weil (Physics and Astronomy) stated that he had participated very strongly in the search for the Dean of Arts and Sciences just a year ago. He stated that the figures showed that the University is down 100 to 150 faculty members in that one college which seems in disagreement of where the University ought to be in terms of faculty. He wanted to know when President Wethington anticipates coming to some decision about possibly cutting administration. In commenting on Professor Weil's first point, President Wethington stated that his comment did not deal with the College of Arts and Sciences. He was talking about the faculty complement across the entire University system. He could simply say that looking at the benchmark institutions, the conclusion might be drawn that the University system before the cuts had roughly the faculty complement that other institutions do. On the second point, President Wethington stated that the administrative attention has to be two-pronged like the rest. The central administration took the five percent cut just like the rest of the University. It has lost positions and has cut current expenses as the other units of the Institution has. The President could assure the Senate that central administration will take no less cut than five percent, and highly likely that administrative operations will take more than five percent in the next budget cut. He stated that he might not do as much as he would like to do on the short term, but his proposal is to set levels and over time achieve appropriate levels of staffing, hopefully by attrition, and possibly by reassignment. He added that the focus is already on the administration. Dr. Hemenway is levying larger percentage cuts on support units than on the colleges.

In further comments Professor Weil stated that he feels there is a reversal of priorities that Professor McEllistrem showed in his charts which stated that the academic programs, research and teaching are going to take higher priority than preservation of jobs. The President stated that it is possible that there is not as much attention or fanfare given to the examination of administrative units which is being done by those heading those administrative units as is the attention given to the academic units which have considerably greater involvement of people than does the administrative unit at this point. There will only be recommendations to the

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President and he will still withhold the determination of decisions. The President added that in 1992-93 the structure in the units will not be looked at in terms of combining and eliminating them. He asked the Senate not to think that the priorities would be changed.

Professor Bradley Canon (Political Science) does not get the impression that the University is telling the public what the consequences of the budget cuts are. It seems to him that the things he hears or reads indicate that the University can absorb the cut without too much problem and will be just as good as it was before, and he does not feel this is true. Classes are going to be larger, the ability to handle the freshman and sophomore classes is going to diminish, and some quality will be lost with a ten percent budget cut. He is afraid the public will not understand this. Professor Canon is not complaining and does not think the faculty should march on Frankfort, but he feels that if it is not made clear what the consequences are going to be, then parents are going to expect their children to get the same type of education that was provided five years ago. He does not want to complain but feels the University should be honest. President Wethington thinks Professor Canon is exactly right and without question feels the University is in a catch-22 position. He has no question about the approach in the long-term. The President feels that Professor Canon is right in that there are always public relations and political considerations in any decision of this magnitude because they are public policy issues. He has heard in Governor Jones' Budget Address of his strong concern for higher education and his indication that higher education to him is a priority, and that he would do everything he could to make up for these cuts in the 1994-96 biennium. In the President's opinion the faculty should take the Governor at his word and do everything the University can to push the cause of higher education in the next two years. The President pointed out that higher education is receiving a smaller and smaller share of the State's resources, even forgetting about the budget cut. That is happening all over the country. He wants the University to keep making the case that the budget cut hurts, it is severe, there will be larger classes, and fewer opportunities for people in the institution than there were a year ago, at least in the short-term. He added that the University is faced with the decision of determining what it can best do with the level of resources it has. He does not see a solution to the financial problem in the short term. He feels that one of the issues is whether or not to cut salaries in the University. He is most unwilling to start with that, because the University fought long and hard to get the average faculty salaries in the University System and in the Community College System up to the level of the benchmark institutions.

Professor Martin McMahon (Law) very much appreciates the President's comment about salaries but wanted to know if it is realized that regardless of whether salaries are cut, cutbacks on faculty support such as telephone, copying, travel, conferences, etc., there is an objective faculty pay cut whenever faculty have to pay additional expenses out of their own pockets to engage in professional activities. He stated this would create a perverse effect that economically it is in the best interest of the faculty over the short run not to work very hard, because

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every time there is money taken from the faculty member's own pocket, that reduces the take-home pay. President Wethington stated that with lower salaries the faculty is less able to compete with salaries in the other institutions. He did not want to imply that other cuts are not serious and severe and clearly can impact the job one can do and the quality that can be delivered. He would like to see everyone paid as well as the University's competition and that insures keeping top quality people.

Professor Carolyn Bratt (Law) has a concern about the Strategic Plan and said that Professor McEllistrem was the only faculty member on the committee the last time. She wanted a guarantee that the Strategic Plan is going to be the vehicle by which the University is going to look at itself, and that faculty have significant representation. The President has no interest in doing the plan himself. He assured Professor Bratt and the faculty there absolutely would be faculty representation in the planning. The President feels there is a new level of seriousness now, and he does want to have faculty involvement. He also urged the faculty, when focusing on problems throughout the University, to try to do that in an objective way; consider that to be a starting point and not get in a finger pointing business that will simply lead to less than best outcomes inside the entire University.

Professor Weil shares Professor Canon's concern about the representation of the University's image to the public. The public reception at this point is that human resources, medicare, public education, etc., are in a crisis situation and that higher education is not a crisis situation. He wanted to know if it might be to the University's advantage, in dealing with the budget cut, instead of making the classes larger to make fewer classes but maintain the quality which the faculty tries to establish. He feels that would show students and parents that a ten percent cut in the budget does bring about serious consequences. The President thinks that those who are making the decisions about the levels of funding are aware of what the budget cuts are doing to higher education. He stated that the House, Senate, and Executive Branch have heard in no uncertain terms what impact these cuts are going to have on the colleges and universities in the Commonwealth. He thinks it is highly unlikely that the kind of attention that needs to be given to the budgets of higher education will be there until the issue of restructuring the boards and the question of accountability which the Governor has mentioned in his Budget Address are settled. In the President's opinion the budget cut can be managed even if quality is damaged.

Professor William Lyons (Political Science) has a concern that up to this point the University has had restructuring by attrition and therefore there is no plan guiding the loss of faculty positions for whatever department or reason. He stated there would be a redistribution of resources within the University by some random set of events over which nobody has any control. Professor Lyons has the impression the President is still hoping that the bulk could be done by attrition. The President is not sure that the big bulk can be done by attrition, because one of the things that is happening right now in this economic time is that the rate of attrition is coming down. Not only are the vacancies not occurring in the right place, there are not as many of them. The President stated that is the reason there has to be a plan in place for whatever kind of restructuring the University might do. His

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first approach is to manage without layoffs and to make some shifts in assignments inside the University. The President added that (1) the University can set goals without impacting employees in the short-term; (2) let everybody know what the University's goals are and where it is heading; and (3) then to the extent the University can absorb any changes in structure inside the University, the President's intention would be to give first preference again to those who work for the University.

The President thanked the Chairperson for having him to the meeting and giving him a chance to be a part of the debate. President Wethington was given a round of applause.

The Chairperson stated that everyone thanked the President. One of the suggestions he has heard is to compare notes by sectors. The Chairperson asked for any further comments or suggestions.

Professor McMahon thinks it would be very unwise to distinguish between people in categories concerning salaries. He feels that if salaries have to be cut it would be very wise to exempt the support staff such as physical plant, custodial services, secretaries and everyone in the classified group. Among faculty he feels a morale problem would be created unless people who are professionals fall under one lump category. The Chairperson wanted to know if faculty would be satisfied to take perhaps a three percent cut for those making above \$60,000. Professor Pam McMahon (Human Environmental Sciences) does not make \$60,000, but she believes it is unfair to take away from those making over \$60,000 and that differentiation should not be made. She feels that people should be paid what they are worth.

Professor Joseph Gardner (English) feels it is quite clear there is already a morale problem. He also feels that if it does come to the question of paycuts, then he thinks it should be put in terms of a pay tax or official level of salary and simply return part of it to the system. He stated that "if the sun comes out" then the faculty could go back where they were and not start again from a lower level.

Professor James Funk (Engineering) feels that without seeing the shape of the problem or the texture of the problem it is foolish to be thinking about possible ways to solve it. His suggestion is that the idea about salary cuts should not be considered at this time.

The Chairperson thanked everyone for attending the meeting and told the Senators if they had ideas, offer them to somebody in the administration or Senate Council.

There being no further business to come before the Senate, the Chairperson adjourned the meeting at 4:25 p.m.

Randall W. Dahl
Secretary, University Senate