

# **General Faculty Meeting**

Tuesday, October 20, 2015

2304 D.H. Hill Library (West Wing Auditorium)

[Formerly called the Erdahl-Cloyd theater or auditorium]

3 p.m.

## **1. Call to Order**

Chair Moore called the meeting to order at 3 p.m.

## **2. Remarks, Jeannette Moore, Chair of the NCSU Faculty**

Chair Moore recognized past chairs of the Faculty that were present.

Chair Moore noted that in addition to being Chair of the Faculty, she is also Chair of the Faculty Senate, which is the elected body that represents the faculty on matters when faculty are consulted.

## **3. Approval of the March 3, 2015 General Faculty Meeting Minutes**

Secretary Darby Orcutt recognized a motion for approval of the minutes.

The motion passed to approve the minutes.

## **4. Remarks, Chancellor Woodson**

Chancellor Woodson gave a report of the legislative year.

Chancellor Woodson reported that the legislators have gone and some positive things were accomplished. We received full funding for enrollment growth across the system. We received full funding for building reserves, which really didn't affect NC State because it didn't have a lot of new infrastructure that was going online that required an increase to the building reserve fund. We also received some key funding to plan for Engineering oval. The state received \$150 million for R&R funding and the UNC System will receive \$50 million. NC State typically is in the neighborhood of 20 to 22 percent of the system's R&R formula, which will equate to one of the largest R&R budgets that we have had in the past five years.

Chancellor Woodson stated that there were some challenges and there continue to be challenges. The biggest challenge is that there was a reduction to the management flexibility budget of about \$18 million system wide, which translates to about a \$4 million reduction to NC State.

Chancellor Woodson stated that our biggest challenge is going into the second year of the budget. The General Assembly passes a two-year budget, but they never follow it in the second year, so one of the challenges for NC State next year is that if the budget that they passed for next year came to fruition, it would be about a \$50 million cut to the system. Also the bigger challenge for us is they put a restriction in the second year of the budget that we can't spend more than \$1 million on any campus from state general funds on development and that is a challenge because we currently spend approximately \$7 million of appropriated funds on development, and their goal is to move development to be more of a pay as you go kind of system where you use the funds that you have raised to cover the cost of raising the money. Interestingly, donors don't really like that, they want their money to go to the things that they are passionate about, and so the way you do it is through endowments. So, effectively universities with large endowments are able to cover the cost of development out of a fee that is levied on the

proceeds of the endowment. We have almost one billion dollars in our endowment, which is a significant improvement over the last five years, but well below the level where development can be self-supporting. So, my hope is that we are able to push that back within the legislature, give us a runway that we can move toward. We have the biggest stake in this financially, but we also raise more money per dollar invested than any other university in the system. So, we can show efficiency, we can show good return on investment and we are hoping that that carries the day.

Chancellor Woodson stated that the Governor will be here tomorrow (Wednesday) to announce the signing of the bond package. The legislature passed for the first time since 2000 a bond package that will provide about one billion dollars to the UNC system for new projects. NC State was the only campus in the system to receive two projects in the bond package. He said one project is a critical building to get engineering largely relocated to Centennial Campus. That is in the blank space between Engineering I and the Hunt Library, which will accommodate Civil, Construction, Environmental Engineering, Industrial and Systems Engineering, and the Dean's office - leaving Nuclear Engineering holding down the fort on main campus.

Chancellor Woodson stated that the second really big project is a Plant Sciences building on Centennial Campus. This has long been on our list, but continued to struggle to get to the top of the list because of the struggles faced in completing the Engineering project. We were very fortunate this year to make the case to the General Assembly that these projects were both worthy of funding. He noted that the reason we were able to make the case is because we are raising one half of the money privately and frankly we are the only university in the system that is doing that.

Chancellor Woodson stated that when you look at the details of how this is reported out you might miss the Plant Sciences building because the legislature kind of hid it. They took it out of the UNC budget and put it in Agriculture's budget and there were a number of reasons for that, but at the end of the day it is clearly stated that it is the NC State Plant Sciences building on Centennial Campus. So, together with both of those we will have a bond package of about \$160 million for NC State. The vote for the bond will take place in March during the primary elections. It is one of the first times that we have had a bond package that wasn't just higher education, because it has a number of other features in it.

Chancellor Woodson stated that there was a number of things that Kevin Howell deserves credit for fighting off this year. One example was a misguided bill that would have dictated teaching loads on campuses and in particular, made it clear that faculty that have less than a full teaching load as defined by the legislature could only be paid proportionate to their teaching load. He said that didn't go anywhere; it never got a hearing in the Senate or the House, and he's confident that it won't in the future.

Chancellor Woodson reported that there is another program that you need to be aware of that we are hoping to persuade the legislature to think differently about and it is called the NC-GAP Program. It has good intentions, but unintended consequences. It states that when a student graduates from high school in North Carolina and applies to one of the UNC system campuses, meets the minimum admission standards, but is denied admission and they go to a community college and receive an Associate's Degree within three years, they can reapply and have to be admitted to the campus that denied them the begin with. This could have a huge impact on NC State and Carolina. It would be very difficult for a campus like NC State to manage enrollment when there are no minimum requirements other than getting the Associate's Degree. It has a lot of disruptive potential.

Chancellor Woodson announced that for some time, they have been working on trying to develop a strategy for tuition scholarships for dependents of full time employees at NC State. He noted that our competitors are able to do this and they are able to do it by essentially waiving tuition. In our case we

are not able to use any general fund source to support that scholarship, so we have to do it privately. We figured out a strategy with private resources to launch this, so starting this fall any dependent of a full time employee that has been here three years will receive a \$2,000 a year tuition scholarship, starting next fall. If you happen to have kids at NC State now or have employees that work with you at NC State, they will benefit as well. Students that transfer to NC State and get admitted will receive the benefit for only two years, not four. So it's a four year scholarship for first time, full-time freshmen and two years for transfer students. We are going to launch our public phase of the campaign next year. We are currently in the nucleus phases now, but my hope is that this is one of the many things that our faculty and staff will choose to contribute to.

## **5. Remarks, Provost Arden**

Provost Arden reported that with respect to how this budget will affect us this academic year, the management flexibility reduction which the Chancellor mentioned is about \$4 million for NC State, which is roughly about \$3.1 million on the main academic budget (16030) and the remainder on the agriculture budget codes. We are going to absorb all of the academic budget code cuts centrally, so they will not be passed to the units. The agriculture budget code is a little bit interesting. The College of Agriculture and Life Sciences, and the College of Natural Resources a little bit, have the agriculture budget code. We aren't holding any significant amount of that code at all, that is all out in the units and so historically we have not buffered those budget codes using academic money. This time around we are going to buffer that cut by about one half for those units. They have had some pretty significant cuts over a number of years plus they are still addressing reallocation resources to address the Kannapolis situation which was put into the budget a year or so ago, so we will absorb all of the academic budget code cut centrally and about one half of the agriculture budget code cut centrally.

Provost Arden stated that with respect to salary increases the legislature have put in for everyone (EPA and SPA) to receive a \$750 one-time bonus that will be in the December paycheck. We still have to find the non-state budgeted portion, since many individuals only have a portion of their salaries on the state budget, so we have to find that difference, which is about \$3 million across the university. That difference will come from whatever is the appropriate budget source that funds that portion of the salary.

Provost Arden stated that the good news is that we are going to have a merit program, which will be an EPA program for faculty and non-faculty EPA and the bad news is that the state is not funding it, so we are going to have to fund that by our own internal reallocation of resources. We did this last year where the state gave us 1.2 percent and we had to add 1.8 percent. It is difficult because when we have to pass this on to the units, departments have very little in the way of flexible funding and very little in the way of operating funds, so this often comes out of vacant faculty lines and graduate student support, which unfortunately drives us in the opposite direction that we want to go. Just as a rough estimate, each 1% of pay raise for EPA will cost about \$4.1 million and that is about \$3.1 million on state funds and the balance on non-state funds. We are going to do a 2% program. We will fund the state portion of 1 % centrally and pass the other 1% on to the units. The part that doesn't come from the state has to be picked up as usual from the appropriate funding sources to match the state funds. The deans have been asked to look carefully at their central budgets to see how much they can pick up centrally at the college level. Overall this is not a bad budget. This is my seventh budget and this is about the best that we have seen in those seven years.

Provost Arden stated that they are going to have to develop a strategy on an annual basis for continuing to do a merit program whether they are funded or not. He said there is only so long we can go without appropriate merit programs and there is only so far we can get behind our peers before we really have to address this as it becomes a significant problem. We are already spending a significant amount of

money on retentions every year, and for recruitments we know that we have to recruit at the market, which causes severe equity and compression problems within departments. So, we are going to have to find the money on an ongoing basis to do this. On state funds, that would be approximately \$3 million per percent of EPA raises. This is one of the fiscal challenges that the Chancellor and I will be talking about repeatedly is how we budget for this. We don't want to give up on the legislature funding merit raises but I think it would not be wise for us to sit around and wait, so we need to be proactive about it. We need to constantly be thinking about how we can have a competitive salary structure within the university.

## **6. Signing of the Faculty Ombuds Charter, Roy Baroff**

Chair Moore stated that the university now has a faculty ombuds, Roy Baroff, and it has been many years in the making. She acknowledged Past Chair Hans Kellner for heading up the process. He noted that it has been 41 years in the making.

Roy Baroff stated that he is honored to serve in the role of faculty ombuds at NC State. The charter represents the principles, standards, and practices of the office, a document that an ad hoc committee created that they think will serve the university well going forward. The charter will explain that the Ombuds Office is here to be a resource for faculty and for the university as a whole. It is designed to be confidential, impartial, independent, and informal.

Baroff invited the Chancellor, Provost, and Chair of the Faculty to come forward for a signing ceremony, where each of them signed the document.

The charter will be posted on the Faculty Senate website.

## **7. Presentation and Discussion, Chancellor Woodson and Provost Arden**

### **"The Future of Our University in a Rapidly Changing Environment"**

*Chancellor Woodson just completed a term as Chair of the Association of Public and Land Grant Universities and therefore has a national perspective on the issues surrounding public higher education.*

#### *Remarks from Chancellor Woodson*

Chancellor Woodson began by stating that public education is going through one of the most challenging times fiscally, politically, any way you look at it. He attended the airing of the documentary on some of the great early leaders in the state. He came away from it reminded that throughout our history as a state we have had at the right time, very progressive leadership that caused us to think differently than many of our surrounding states. He was also reminded that there were challenges then as well, political challenges, etc., the speaker ban law that the legislature passed in the early sixties was one challenge, the result of elections after that became a challenge, so we are not uniquely challenged, but it is a difficult time.

Chancellor Woodson stated that since the great recession, 2009, we have lost about \$163 million at NC State in recurring budget cuts. We have made some of that up with tuition, but we should have gotten those to grow the university, not to deal with cuts. As the Provost said, one thing that is very clear is that we do have to think differently going forward. We can't sit back and wait on the state to solve all of our problems because they have other problems. So it presents a new kind of paradigm for the way we have to manage the university. At the national level this is a national trend. In fact, appropriations to public universities have gone down in almost forty of fifty states during this time. Some of the states that haven't are places like North Dakota. North Dakota started drilling for oil. North Dakota, Alaska, Wyoming, a number of states that have small population, high natural resource revenue in taxes

associated with that, but most of public higher education has lost appropriated dollars. And, if you look at a national survey that APLU conducted, most have made up for those lost revenues by increased tuition and the challenge that presents the national issue we all face in public higher education. NC-GAP is an example of that.

Chancellor Woodson stated that the two things that all state legislatures are worried about is access and affordability. They talk a lot about the looming debt crisis for students. That is not a crisis at NC State. We have one of the lowest debt loads among our peers, because we are still affordable, but it is a national story. Some of the things lost in the national story is the large amount of debt held by students at the bachelor's level. If you just look at bachelor's degrees, a lot of the debt is held by students that never graduate. In fact, a lot of it is held by students that get duped into attending for-profit universities, and those universities derive more than 90% of their revenue from the federal government through tuition, but who is paying the tuition? Pell Grants and loans. So, one of the unwritten stories about the debt crisis in higher education is it's really an education crisis. It's really a completion crisis, so that's why there is so much focus on degree completion. One of the reasons the Provost and I and many others worked hard to restructure our enrollment plan was we were going in the wrong direction in graduation. We were admitting too many students that we couldn't handle in their first year of school here and retention rates were going down and graduation rates were going down and we are held accountable for those at the Board of Governors with allocation of resources. Part of our strategic plan is structuring the university in a way to admit qualified students that can be successful and also that don't overwhelm the system in terms of our ability to meet their educational needs with a limited budget.

Chancellor Woodson stated that the real driver right now in public higher education is affordability. There is a lot of pressure to keep tuition low. He said they (Provost and Chancellor) are put in a situation where they are trying to manage the university where the levers that you would normally use to try to deal with budgetary challenges are not available, so it's a challenge. A lot of the trends for NC State are very positive. The demand for our product, our education for students have never been greater. The success of our students graduating is very positive. The view of this university across the state is very positive, so a lot of great things, but just know that some of those financial levers that you use to manage in these kinds of environments are not available to us. That could change. We have lived under the 12 cell matrix. The enrollment funding formula has favored NC State because of the dominance of doctoral level education students' enrollment instilled in disciplines. That is about to change for us and we are going to have to figure this out. There is a limit to how much we can grow. Obviously growing the doctoral program is very expensive. So, how big can that program be? How big can the master's program be? So we are going to have to manage enrollment carefully to ensure that we can continue to move this place forward financially, but also academically.

#### *Remarks from Provost Arden*

Provost Arden commented on how to move the university forward during challenging times.

Provost Arden stated that with respect to resources and the changes in resource allocation to higher education from state governments over a period of time, he thinks that folks sometime have a little bit of a misconception that it is because all legislators hate us. He reported that over the last five or six years which accounts for a very significant proportion of the cut, the cuts overall nationally from state governments to research higher education institutions have been about 25 percent, so that is the result of a couple of big picture items. One is due to the shrinking tax revenues over that period of time, the pie got smaller. The pie started to grow again a little bit in most states including this state and this is where the legislative will about priorities begins to come in, so the pie is starting to recover. So, how are we going to cut it up now? That is where perceptions of the value of higher education start to play a

role, but there are a couple of other hard facts as well, which is that we compete with several other major sectors for general fund expenditures. If you look nationally at public state funding, the general funds of state government, the number one expenditure from the general fund is K-12. The number two used to be higher education but it is now Medicaid, so we compete with Medicaid. So higher education is now number three, and number four is corrections.

Provost Arden stated, to illustrate this a little, from 1990 to 2014, if we look at higher education spending as a percentage of state budget general fund spending, it went from 14.6% to 9.4%. If we look at Medicaid spending over that same period of time, it went from 9.5% to 19.1%, so essentially in that period of time we have switched positions significantly with Medicaid. Medicaid used to be 9.5% and we were 14.6 and now we are 9.4 and Medicaid is 19.1% on average of state general fund spending.

**Corrections**—if we look at the growth in state funding, from the period 1986 to 2013 higher education experienced an increase of 5.6% in real dollars of state funding. During this period of time there was a huge increase in the number of student FTEs that were in higher education. It went from six or seven million up to around 12 million, so the amount of money per student FTE has gone down but the absolute dollar has gone up 5.6 percent. The amount of spending on corrections during that period of time has increased 141 percent.

Provost Arden stated that the national level of corrections was number 4 after higher education, but in eleven states that has actually reversed, corrections is now more than higher education spending in those eleven states. The reality is the U.S. imprisons more people as a percent of their population than any other country on the face of the earth. We have more people imprisoned than all of India and China combined with a combined population of 2.5 billion people.

Provost Arden stated that we have made certain decisions as a society about the way we are going to operate and what it is that we value and over time those things begin to compete as they play out, so Medicaid is a somewhat runaway expense and we as a country spend vast amounts of money on health care, more than any other country on the face of the earth per capita, but our healthcare outcomes are not in the top twenty of developed nations. The amount of funding per year that we are spending on corrections are up around seventy or eighty billion dollars per year. Much of that is at the expense of higher education, so the reality is we have made a decision as a society to spend more money removing people from society than giving them the skills that they need to be successful in society. He said, "I'm saying that we make choices as a society that over time play out and have consequences. So, higher education, which was 25 years ago the second highest portion of general funds budgets has fallen to third and in some states fourth after Medicaid and corrections, so it's not simply that we have politicians out there who don't like higher education and don't value us, it is really competing priorities that the society has set inadvertently or otherwise. Those competing priorities are going to have to be reset over a long period of time."

Provost Arden stated that he wants to talk about the challenges that we face as an institution trying to deliver on our mission. He said, I want to go back historically and think about public universities and particularly public research and land grant universities in the mid to late 1800s. Some folks get confused about the land grant mission and think that it is about agriculture and engineering. The reality is what land grant was about, is giving the sons and daughters of everyday people the skills that they needed to be successful in their time. It was about creating new knowledge and new capabilities to help improve our communities and society in a very practical way. Now that, fundamentally hasn't changed, so if you fast forward 150 years some of those priorities are still there and some have changed.

So, what were the big issues of the day in the mid to late 1800s? Number one, feeding ourselves. Literally producing enough food to feed the people in North Carolina. There have only been

a few generations where the society has actually had enough food to feed ourselves and for a significant portion of the population not to go hungry on a daily basis. The second priority is actually to catch up to Europe in the development of the industrial revolution. Those were the big issues of the day. Now if you fast forward 150 years food security is still a big issue, but it is not really domestic food. Literally, obesity is a national, international epidemic. It is still a big issue because we are going to have to move to feeding about nine billion people worldwide versus seven billion people and we are going to have to figure out how to do that, so it is really an issue more of international food security rather than domestic food security. The big issues have more to do with energy sustainability, environment, global climate change, health, so the issues have changed and the way we address those issues have to change, but the fact that as a public land grant university we still have a mandate to give people the tools that they need to be successful and to address the big issues of the day hasn't changed. So, the challenges for us now in this restricted financial environment and regulatory environment is to retool the system that we have had in place for 125 years, to deliver on those missions.

Provost Arden stated that instruction is one of our biggest missions. Students are just different today and they learn differently and they think differently and they work differently, mostly for the better. He said when he thinks about the single biggest change in higher education teaching or instruction in his thirty plus years, it is the fact that students acquire information differently. He went to college in a book and journal age. This is a class of students who have never known the life without the web. Many of them have never known life without the smartphone in their hand and they can access huge amounts of information instantly and often in a visual or graphically appealing way, so we have to figure out how to capture that technology and capture the way that they learn and think, if we are going to be effective in preparing a generation of leaders. It is not a small undertaking.

The demographics of our students are changing. The first-time, full time freshman is no longer in a majority. Now many more students are taking alternative pathways before they come to us and so we have to think about all of those pathways.

Provost Arden stated that once upon a time you graduated from college, got a job, and you stayed with that job for the next fifty years. Students don't do that anymore. They evolve and frequently change jobs and change jobs fairly significantly over a four, five, six year cycle throughout their careers, so he shudders when he hears the terms we have to educate or train folks for the jobs that are available today. No, we don't, we need to educate individuals for successful careers. Yes, we need to give them fundamental intellectual, and technology skills to get those first jobs. We need to give them skill sets to evolve through multiple jobs over their careers and that's a different way of thinking about and doing these things.

Provost Arden stated that the other big skill set that we have to impart to our students is how to work as team members. Corporations and government entities are looking for individuals who have the ability to work as part of an interdisciplinary team and we have to keep that in mind. The other big part of our mission is the discovery of new knowledge and information. When he looks at this there are a couple of things that jump out. Once again we need folks who will be a part of interdisciplinary research teams. We need to allow, encourage, and reward those individuals who wish to work across disciplines to bring disciplines together. The reality is that is where most of the funding is these days, interdisciplinary funding.

Provost Arden stated that we have to think about research infrastructure. We have to think about space and equipment. This university and most universities were developed on a model where once you became a faculty member you got your office and your lab and we still have that kind of structure in much of our architecture. If you go to a lot of universities that are really moving forward quickly, they have developed very significant developing spaces. Spaces where we can flexibly assign spaces. We can

bring groups of people together, spaces not specifically assigned to a college or a department and certainly not assigned forever to an individual. So, we have a lot of work to do. We have a lot of work to do bringing on new buildings, but also retrofitting the buildings that we already have. We have a lot of space that really needs to be brought up to standards and we need to identify resources to bring those up to standards.

Lastly, we have got to look at developing major core equipment and core resources across the university. The stakes are fairly high and one of the things that he is mostly pleased with is that over the last five or six years this university has moved forward significantly, both in its research ranking and research expenditures, US News and World Report rankings, student success variables and you the faculty have made that happen by pulling together and being willing to think differently and doing that during times of significant fiscal restraint.

Provost Arden said he knows this can be done and he knows that we can continue to look at our strategic plan, to look at our priorities, to look at our missions and make the tough decisions that we need to make. In this regulatory environment and most importantly in this environment of altered goals and objectives we can't afford to be business as usual.

#### *Questions and Comments*

*Dr. David Aspnes, Professor, College of Sciences – You have addressed a number of issues here, but one of the things faculty see is that the administration is constantly growing and as it continues to grow the faculty gets more regulations that take more and more of their time. Is there anything that can be done about that?*

Provost Arden's response: The Chancellor and I try to monitor how much we are spending on administration versus the rest of the university and having worked at several universities, the proportion of our expenditures on administration and the amount of administrators are actually small. The irony is that the regulations that you are talking about, the cart is a little before the horse there. We don't hire the administration to make the regulations to make your life miserable. In fact, sometimes we have to hire the administrators because we are told by the federal government or the state government or General Administration that we need to do so to enforce a regulation that is in place. As the Chancellor mentioned, we are in an interesting regulatory environment. The proportion of what we do on a daily basis, which is either responding to the regulatory environment or the reporting environment, is huge.

Chancellor Woodson stated that he thinks one of the biggest challenges to be a faculty member now in a research intensive university is we don't have enough administration. He explained that he means people that can help you get the job done, such as technicians, business officers, and budget people. So much has been pushed down to the faculty because the administration is so lean. You see it differently than that, but the reality is a lot of the work that faculty do now is administration because we don't have the additional support to put around the faculty. We are looking at how we can make more investments in people that can help support you doing your job and that might mean we will have more administrators here. He said "I want to counter your argument a little in that I think we could actually use some more support for the faculty in the form of administration."

*Faculty member: When you think about that kind of administration are you thinking about the centralized one?*

Provost responded that he is not. We have been down that pathway and there is a lot to be gained from some shared services. We also know that it is difficult and we know that we have to be careful not to lose local expertise applied in the local context. There are some things that we can centralize, but there are other functions that are best to be administered at the local level.



Chancellor Woodson stated that central doesn't always mean they are taking away from the department, but it means that they have access to more expertise because they serve a broader constituency, so there is a way to provide more central support that doesn't diminish local contact. The reality is we have a lot of expertise on this campus that you might can benefit from, but it's not in your college.

*Senator David Auerbach– This relates both to the assessment, but it also relates to being mandated from on high and your mention of the University of Phoenix, which happens to be the only other institution of higher education on the CV of our future President. So, I was wondering if you have any expectation when she comes on board at our increased assessment and evaluation.*

Provost Arden responded that this relates to Professor Aspnes' question, which is about regulation and compliance and where it's coming from. This was a critical part of our SACS reaffirmation. SACS has 72 standards that we have to conform to and at the end of the day there were two where we were required to do a little bit more and if you want to talk about the hoops that we jumped through and the things that we put in place, just look through the SACS Reaffirmation Manual. That is a two year process to put together, that Reaffirmation Self Report, so everything that we are doing on the new roles on assessment, how to respond directly to accreditation, everything that we are doing on faculty credentials is respond directly to accreditation.

Chancellor Woodson stated that he thinks there may be some relief there, not from us, but we do this because we are told we have to for SACS. The federal government is really looking hard at whether this accreditation monster that has been created in the three regional bodies is actually working.

*Henry Schaffer, Professor Emeritus – I hear you talk about the quality of the students that we are getting and from everything I see the quality is going up, yet we are having troubles with on-time course completion rate and on-time graduation and I'm wondering do you see doing something different, whether it be evaluating students who applied differently or providing some other type of help/support to get these students to realize the potential for which we think we are admitting?*

Provost Arden stated that he doesn't completely agree with that. In the last 4 years our freshmen to sophomore retention rates are now at 95%, which is as good as any university in the country. They have gone from 71% to 75% pushing 76% six year graduation rate, and four year graduation rates have gone up very significantly. Our graduation rates among African American students have increased about 7 percent in that period of time, so from objective variables, we are actually doing a lot better. While six year graduation rate is pushing 76% of those that do graduate the average time that they graduate in is about 4.5 years and that's not bad seeing a significant proportion are in a curriculum like Engineering with 128 credits.

Provost Arden said we now have a 2020 goal of a six year graduation rate of 80 percent and I believe we can hit it. I truly believe looking at the early data from the class that was admitted in 2014 we can hit it. We are employing a lot of tutors, advisers, we have totally retooled intercampus transfer which was a big problem. Our second largest freshmen admissions is in the First Year College, more than 800 students. Many of them will move directly into a major, so we have thrown a lot into this. We have developed new online scheduling. We are about to go to a new daily schedule of hours that will make it more efficient and more effective. We have done about 20 things in the last couple of years that are high impact practices, so we are throwing a lot into this. I think we are being effective, but we can also do more. One of the things I would love to see that is in discussion now, is a learning commons centrally somewhere in the university like the library. We are now looking at a one-stop shop for tutoring, advising, maybe some disability services, career services, etc., and so far we are being pretty effective.

Chancellor Woodson commented that we are still liberal here in terms of encouraging students to have multiple majors and minors. At our sister institution, Carolina, you can have two majors, but if you don't graduate in four years, you have to graduate in one of them. It is all driven to push a very high four year graduation rate, for space and for rankings. We have had a lot of students here that have a lot of extra curricula, taking multiple minors and taking dual majors. That impacts graduation time as well. Is it a good thing? Yes, I think it's a pretty good thing, but it certainly affects the time to degree of our students.

*Past Chair Hans Keller pointed out that assessment means a lot more than SACS and that President Ross' General Education Council, which he appointed two years ago will be in the next several weeks bringing in its final report which involves a lot of new student assessment goals that may well change things a lot depending on the new President. With regard to the new President, which we may or may not have, the Faculty Assembly has one basic goal, which is to advise the President of the UNC System. We have almost all of the delegation of the NC State group at the Faculty Assembly. What suggestions do you have for our delegation to the Assembly in dealing with a new UNC President whoever he or she is?*

Chancellor Woodson responded, one size doesn't fit all. Stop writing policies to the lowest common denominator. Recognize that the universities within the system are different and different for a reason. They serve their constituents differently and they have different operating environments. Currently we have been in an environment of managing to the same and it's not healthy to put all these universities on a screen and compare their graduation rate or their various assessments between them, because it creates false impressions among governments that are easily influenced. The Faculty Assembly needs to work with the new President as all the Chancellors, I hope, to understand the complexity of the system and uniqueness of the constituent institutions within the system.

*Senator Karen Bullock – We have heard quite a bit about the focus on recruiting and retaining students who have demonstrated the capacity to be successful in many different arenas and for many of us in the classroom, we are concerned about the increase of distressed students and the wait time of Counseling Center services. What is in the pipeline if anything to address the concerns about the number of distressed students?*

Chancellor Woodson responded that this is a huge national issue. Make no mistake, it is not unique to NC State, and one of the reasons why we fought hard for an increase in the Health Center's budget and got it was specifically for increased counseling capacity, so we are doing everything possible to respond to the need. We need to do a better job of communicating with faculty on what services are available. Typically a faculty member is going to be the first to perceive the distress and once a student is identified as being in distress we have a great system of monitoring and managing and reacting. I met with the campus Health and Safety Committee one week ago and their whole topic for consideration this year is better communication about what we do have in the form of support, so we are trying to be responsive to this growing need. The *Chronicle of Higher Education* is filled with national stories about this issue. The shift in the age population for people attempting to take their own lives has dramatically changed, in recent years it is young. It used to be 55 years old and it's now 18-24 years old, so it's affecting the way universities operate and we have to be more responsive to it.

*Dr. Toby Parcel: So I have a question about the new budgeting system we have been told that is going into effect next year and it bears some resemblance to what has been called resource-based budgeting, resource center management. I was department chair at Ohio State when they implemented this and because I was in administration prior to that I know there was a long history of very open discussion about what the system was and how it was going to operate, and I also have some experience about what happened. What happened was it might be extreme to say that it was a war all against all, that might be an overstatement, but there was definitely heightened competition and let's keep the*

*conversation just to undergraduate credit hours because that's where I think the competition might be the strongest as I understand the system that we are moving to. And so, the units that had been lazy, stepped up their game in order to get a bigger piece of the pie and the units that had been doing a good job, they weren't in a favorable position because they didn't have resources to do much more. Maybe they were doing more to begin with, with not enough resources. So, I'm wondering, in view of the fact that I think these competitive instincts could come out here and that that would be a bad thing, what is the compelling rationale for moving to this system? What are the advantages of it that might counterbalance some of the problems that other institutions have had?*

Provost Arden said just to be clear, we are not moving to a resource center management system. We are a base budget system and we are largely going to stay a base budget system with incremental budgets, so if this is where we have been as a base budget, we are probably moving from here to here, we are not doing the Ohio State model or otherwise. The difference being, in a true RCM model, your college gets all the resources from base budget, everything that is generated, but then you are charged back or taxed back for everything that you do, space that you occupy, IT, you name it, so it is a charge back system but you are getting it all. We will soon be a based budget system and all we are talking about is for the additional resources that come to the university through enrollment growth, how we should distribute those resources.

Historically we have had a problem and the problem is that enrollment growth funds come into the Provost's office at NC State in three buckets. There is the general on-campus bucket, distance education bucket, and Veterinary Medicine. Speaking of the on-campus and the distance education part, the problem was the downside of a good problem, which was fifteen years ago when we really got serious about distance education, we put incentives in place, that if departments delivered more distance education programming they would realize more revenue than the faculty who delivered that program. When you think about it, fifteen years ago the vast majority of distance education was to students who were at a distance. Students were not on campus, they were at a distance, and they were enrolled in a distance education program that they wouldn't have been enrolled in otherwise. It was truly new credit hour production and new money coming into the university. So, we incentivized that by saying if your department produces a distance education program you will get additional revenue and the faculty would get additional revenue. Over the past fifteen years it has evolved to the point where by far, the largest proportion of distance education credit hours that we produced are to our own on-campus students. And, because we still have this historical direct-type funding or incentive model on the distance education side, but not on the on-campus side; those funds are distributed in a formulated way, one is incentivized over the other, so what I have seen over the years is units produce distance education programs that were not necessarily from a pedagogical perspective, but was done solely for revenue reasons or even worse, I have seen on-campus credit hour production swapped out for distance credit hour production for no net increase in credit hour production but more revenue realized at the college departmental and individual level. So, all of this is a way of saying we have succeeded in growing distance education over the last fifteen years from zero to almost 12% of total credit hours; that has been successful, but now let's try and create an equal playing field, so that new money that comes to the university through enrollment growth we look at as a whole and we try and give all of it back in some formulated way to where it was produced.

Provost Arden stated that the flip side is if your unit is decreasing in credit hours you will have some decrease in base funding. So, it is certainly a long way from a resource center management model, but it is meant to develop a transparent and predictable funding source so colleges, deans, and department heads can sit down and determine how much additional budget they should receive on an ongoing basis. Now, a certain proportion of that is going to be held out centrally. So when we talk about how

much money we are referring to, it varies greatly from year to year. Enrollment growth can be 2 or 3 million dollars or this year it can be \$25 million. When that money comes in roughly 68% of that money ends up in the Provost's reserve, the other 32% goes to institutional support. So what we are doing is looking at taking one half of that and distributing it in some formulated way. The other half will be used to offset the \$4 million budget cut, fund half of a merit program, help units that didn't meet their enrollment targets, so I think it is an equitable and fair way.

The last thing out there is a devil in the detail, meaning there is a huge amount of detail here. A lot of the departments and faculty have become dependent on that DE funding, so we want to make sure that we don't cut base budgets and that we don't cut people's salaries to make this work, so the devil is in the details.

Provost Arden stated that because we didn't quite meet our enrollment targets this year we may not have much in the way of enrollment money next year, so we are worrying about percentages of nothing at the moment, at least for the coming year.

*Faculty member: I have a question about departmental search committees. I know there has been some concern about pressure on departments to prohibit search committees from ranking candidates for new faculty, so I was wondering if the Provost's Office has an umbrella policy that is being put in place to cover all of the different schools or is it being left up to the individual colleges?*

Provost Arden stated that it is being left up to the individual colleges. That is a dean or department head preference. When searches are run at the Chancellor and Provost levels, there is a search advisory committee or a search nomination committee and we in general ask them to provide us with the names of three unranked candidates to bring to campus and then there is variable involvement of the advisory committee once we get to the on-campus interviews. At the department level it is most common for the committee to be very involved with the on-campus interview and the department head and dean will vary in their preference for whether they want three unranked or whether they want you to rank them. I personally meet with every search committee but at the department level it is up to the department head or the dean to decide how they want to give instructions.

*Senator Fred Cabbage – You know sort of that my cause today is post tenure review (PTR), and of course we have had some considerable faculty discussions and votes on that and we now have new rules that effectively transfer the final decisions of PTR from the faculty committees to yourself ultimately and the deans and department heads. I think this is going to hopelessly politicize our departments, which is unfortunate and really we are the first of all our peer institutions to do this. My concern is perhaps, first of all, when will that go into effect? When will the general faculty learn of this? It would be nice to know what the rollout procedure would be here. When you passed it, promulgated that, you did say that we might go back to review this implementation and reconsider. I would just like to know the details of what's going on and I would like to know what the Chancellor's view of this is as well.*

Chancellor Woodson responded, I think the promotion and tenure system is a very effective system at NC State and I think the post tenure review system is built on the same principles - faculty involved in their early stage of review, review by the department head and the dean, and the Provost only gets involved in a case of dispute, where there is a lot of disagreement, and it stops there. It doesn't go to the Board of Trustees as it does with promotion and tenure. As you know, promotion and tenure is a faculty based decision, but the decision ultimately is the decision of the administration and the Board of Trustees of the University. In this case, for post-tenure review we had a requirement from the Board of Governors that we have a system that involves the deans and department heads more than they had been involved and we followed that policy.

Provost Arden stated that it kind of comes back to the question about regulation and compliance and why we are getting more things done. This was a deliberate change in policy by the Board of Governors and Chancellor Woodson and I spoke out against it, so this is not something that we asked for and it is not something that we wanted, but it was passed and therefore we have to be in compliance as a constituent of the institution. We went through a process of revising the regulation to make sure that we were in compliance and I think we sent it up to GA last May and I have since done some reconnaissance up at GA. I have asked questions of the Chief Academic Officers as to whether anyone else is concerned or has this issue on their campus and the bottom line is this: Everyone submitted their revised regulation, and there is no campus out of the sixteen campus that has the final deciding body as the departmental faculty. Only six of the campuses that did even address an issue of a conflict between the dean and committee put something in their regulation about it, and in every case the final deciding person is the dean or the Provost. I asked at the Chief Academic Officers meeting, was this an issue of significant discussion on any other campus, and I got 16 pretty blank stares, so it does not appear to be an issue on any other campus.

Chancellor Woodson added, Fred, to your point of faculty ingratiating themselves to administrators because they are involved, I sincerely doubt that will happen. At the end of the day my experience with the post-tenure review system at NC State prior to this change, is the faculty are the most critical. In fact, the faculty as a group are often the most concerned when they have a colleague that's not as productive as they view them needing to be, so I think that we still have a system that involves the faculty tremendously in the review of their colleagues, but it ensures that the people charged with running the department in the college have a voice as well, and if all of those disagree, we have a Chief Academic Officer to review it.

Provost Arden stated that GA has recently gotten back to us with a couple of tweaks. They wanted nothing substantial, just reference to other policies, so Dr. Stewart is addressing those and resubmitting. As soon as we hear that our policy has been accepted by General Administration we will get it out there and will post it as a revised regulation and it will be effective in the next academic year.

*Senator Dimitris Argyropoulos: I would like to shift gears into research funding. If you look at the ways of traditional funding they are dwindling down a lot more than we would like. At the same time we can see that the industry model funding and outsourcing research is changing and we have done a great job in shifting our gears toward positioning ourselves and you have done a great job in strengthening that component for possible funding possibilities for the future in relationship with industry. Do you have any further insight in promoting that further, because I really think these are strong forces where we can maybe capitalize further? Are we doing enough?*

Chancellor Woodson stated that the reality is industry funding for faculty is typically a result of a relationship between the faculty member and the key industry partner. If that is going well we have to make sure that we have policies and procedures in place that encourages that work, but I think where we have an opportunity to grow is at the more organizational, that is more deliberate, proactive relationships with companies. Eastman is a great example where at a higher level within the organization we looked at forming a partnership with a company that then could feed down into the faculty and I think that is an opportunity for us to grow more deep and meaningful relationships with key industries and that requires us to put some administrative attention toward how do you build those kinds of relationships. We are doing a great job at the faculty level working directly with industry. How can we raise that to a level where the university forms broader meaningful partners? We are hiring a corporate relationship person that can make sure that the CEOs of select companies know how to access all of NC State.

*Senator Argyropoulos: I'm also talking about facilitating our relationships with them and reducing the regulatory burden.*

Chancellor Woodson stated that he thinks one of the ways to reduce the regulatory burden of the faculty member is to take the onus off the faculty member to negotiate the overall contract and then you are in an environment where you know if you are competing for money from that company you understand the playing rules and you are not having to negotiate every time you do a project with a company.

Provost Arden stated that we rank quite highly nationally on the amount of our funding that comes from industrial sources and relationships, but let's also not lose sight of the fact that our reputation as a research extensive institution is based largely and judged disproportionately on federal funding. The NIH budget is 20 billion dollars a year and we get a little bit, so we could easily double the amount that we are getting and it is not going to put a big dent in the NIH budget, so I think we do have to continue to be looking aggressively at federal sources and I think what that means is making sure that we have an aggressive strategy to our funding. So, I don't want to diminish the private sector portion of it, but I think we need to have that discussion at the same time that we are having the discussion about our federal strategy.

*Dr. David Ambaras asked about becoming a more comprehensive university in order to make AAU membership a greater possibility.*

Chancellor Woodson stated that he was on the membership committee for AAU as a Provost and the single driver for their decision is federal research funding and the impact of that research funding. If you look at the most recent new examples of members in AAU it is Georgia Tech and if there is anyone that is less comprehensive than us, it would be Georgia Tech, so in the last ten years the new members have been institutions that have a dominant role in the federal research agenda, in driving that agenda. I will agree that comprehensiveness is a big part of what they look for in universities and we are very comprehensive, but to suggest that membership in the AAU is determined by your strengths in the Humanities is not reflected by their recent adoption, so the AAU has become an organization that is strictly based on the federal research presence and the influence of the universities in a federal research environment. I can tell you from experience that what drives their decision is the ability of a new member to drive a federal agenda for higher education research funding.

*How do you see the role of Humanities and Social Sciences in doing that?*

Chancellor Woodson stated that he thinks the role of Humanities and Social Sciences is critical for us to be a successful research intensive university. I will not stand up in front of anyone and say this is how to get into the AAU because it's a club and they determine the members, but I'll tell you the biggest driver for us is can we continue to grow our reputation as an institution, rankings, etc., grow the success of our students that graduate, and grow the success of our research program.

The Humanities and Social Sciences at NC State and every university plays a critical role in the reputation of the university and the strength of our students and the success of our students. If I thought that the only way for us to get into the AAU was to have a doctoral intensive Humanities Program at NC State, we would have no hope, because we all recognize just like Carolina will never get Engineering, we will never get approved at the Board of Governors level for doctoral intensive Humanities programs at NC State. The reality is we are a comprehensive university and we need to support it.

## **8. Old Business, Jeannette Moore**

a) Chair Moore reported that the bylaws were updated September 8, 2015 to correct some titles.

b) Report on Faculty Senate activities to date

The Faculty Senate has met four times this fall (through the date of this report). Agendas and all supporting materials are posted on the Faculty Senate website at: [http://www.ncsu.edu/faculty\\_senate/](http://www.ncsu.edu/faculty_senate/)

The three committees are Governance and Personnel Policy (GovPP), Academic Policy (APC), and Resources and Environment (R&E); each discusses issues referred by the Faculty Senate Executive Committee (FS Exec), and the committee minutes are posted to the same Faculty Senate website.

Issues of Concern submitted since July 1 are: [1] Phones and internet cost hikes to departments (R&E); [2] Faculty governance of curricula and courses (APC); [3] Loss of faculty/staff parking in the North Hall lot (R&E); [4] Lack of emergency situation training for faculty (FS Exec 10/22); and [5] International students using agents to get admitted to NC State University (FS Exec 10/22).

There has been one new or changed Policy/Regulation discussion: [1] Proposed new regulation that would include drug and alcohol testing of faculty and staff with "reasonable suspicion" and defines "under the influence" as "having alcohol or drugs in one's body" (GovPP; returned to originators for major revision). [2] There is a Faculty Grievance & Non-Reappointment working group to look at potentially re-naming the 604/607 Committee and to make suggestions for streamlining the processes while staying in compliance with POL 05.25.1, Faculty Grievance and Non-Reappointment Review Policy (has not met since June).

Issues discussed by the full Faculty Senate have been: Minor updates to the General Faculty Bylaws (approved); Resolution presented by an individual senator (not one of the committees) to re-re-open Post Tenure Review discussion (failed); Adoption of the "Best Practices in Shared Governance" document co-authored by David Zonderman, Immediate Past Chair of the Faculty, and Betsy Brown, recently retired Vice Provost for Faculty Affairs (approved).

Invited speakers (in addition to the Chancellor and Provost) have been: [1] Katharine Stewart, VP for Faculty Affairs; [2] Brian Sischo, VC for Advancement with Ann Horner, Executive Director of Annual Giving and Lisa Bullard, Professor of Chemical and Biomolecular Engineering to discuss the new Faculty/Staff Giving Campaign; [3] Roy Baroff, NC State University Faculty Ombuds; [4] Duane Larick, Senior VP for Academic and Resource Management to discuss the Enrollment 2025 projections (process and updates).

When surveyed at the beginning of the semester, the top issues the senators selected as being important for future discussion included: [1] Faculty duties support people once did (sent to GovPP); [2] Revisit Post Tenure Review (resolution failed to pass); [3] Graduate program and support of research (will be discussed at a future Faculty Senate meeting); [4] Broader review of shared governance at NC State (being discussed in part by the APC), and [5] Tuition remission for sons and daughters of faculty. For #5, the Chancellor recently announced a new scholarship program for the sons and daughters of faculty and staff that is very much appreciated.

All faculty are welcome to attend Faculty Senate meetings. The dates of meetings can be found on the Faculty Senate website.

## **9. Adjourn**

The meeting adjourned at 5:05 p.m.