

NORTH CAROLINA STATE UNIVERSITY
Minutes of the Faculty Senate
Executive Summary
November 19, 2013

1. Call to Order

Chair Zonderman called the sixth meeting of the sixtieth session of the NC State Faculty Senate to order at 3 p.m.

2. Announcements

Chair Zonderman announced that paper copies of the agenda will no longer be provided during meetings. All materials will be emailed in advance and posted on the screen.

Chair Zonderman thanked those who responded to his request for potential membership on the Multidisciplinary Degree Committee.

The Executive Committee is scheduled to meet Thursday at 1 p.m.

3. Approval of the Minutes, Meeting No. 5, November 19, 2013

The minutes were approved as submitted.

4. Remarks from Provost Arden

Provost Arden addressed issues that have come up regarding the sale of the Hofmann Forest.

Provost Arden explained that the big picture is they have a contract to sell the Hofmann Forest, which is 80,000 acres of working forest in the eastern part of the state. Over the past ten year period, the average revenue has been about \$2 million per year and in the last couple of years the timber value has fallen to under \$1 million per year. The forest could be sold for \$150 million and that would be put into an endowment where it is very safe. The spending account will be about 4% of the capital which would yield about \$6 million per year to go to the College of Natural Resources for everything from hiring faculty to supporting graduate student s and undergraduates.

5. 2014 Faculty Senate Elections

Immediate Past Chair Kellner reported on vacancies that will need to be filled by each college for the 2014-2015 academic year. He also noted that the Chair-elect of the faculty will be elected this year.

6. Presentations

Faculty Retention

Vice Provost Brown reported on the university's retention efforts over the past seven years.

The presentation is available online at

http://www.ncsu.edu/faculty_senate/documents/FacultyRetentionReportFS11-19-13.pdf

Cluster Hires

Senior Vice Provost Larick reported that the Chancellor's Excellence Program started in 2011 though the planning started prior to then. There were 72 proposals submitted and they were reviewed by the Faculty Advisory Committee between December 2011 and January 2012. The Provost announced funding for 12 of the 17 proposals selected, on February 2012.

The original goal was 38 new faculty and they have been successful on 20 planned hires, 4 opportunity hires, and one pending hire. The College of Education came back and asked if they could be added to the cluster, so they went from 38 to 43 hires that will end up at NC State University as this cluster hiring process.

7. Old/New Business

Chair Zonderman postponed the second reading of the *Resolution on Public School Teachers and Advanced Degrees* until the next meeting.

8. Adjourn

A motion passed to adjourn the meeting at 4:51 p.m.

NORTH CAROLINA STATE UNIVERSITY
Minutes of the Faculty Senate

Regular Meeting No. 6 of the of the 60th Session: Faculty Senate Chamber November 19, 2013

Present: Chair Zonderman, Immediate Past Chair Kellner, Secretary Daley, Provost Arden; Senators Bartlett, Bernhard, Borden, Bourham, Bradley, Fleisher, Fuentes, Funkhouser, Heitmann, Holden, Knopp, Knowles, Krause, Lucia, Lunardi, J. Moore, Morgado, Njah-Abbenyi, Penrose, Sztajn, Williams

Excused: Senators Ade, Allaire, Aspnes, Rucker, Spontak

Absent: Senators, Baumer, Bird, Devetsikiotis, Edwards, Laffitte, Marks, M. Moore, Tyler

Guests: Betsy Brown, Provost's Office; Duane Larick, Provost's Office; Laura Severin, Provost's Office; Marcia Gumpert, OIED; Kyle Dell, Provost's Office; Mary Watzin, Dean, Natural Resources

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Chair Zonderman thanked those who responded to his request for potential membership on the Multidisciplinary Degree Committee. The names will be submitted to the Provost Office.

The Executive Committee will meet at 1 p.m. on Thursday.

3. Approval of the Minutes, Meeting No. 5, November 5, 2013

The minutes were approved as submitted.

4. Remarks from the Provost

Provost Arden addressed issues that have come up regarding the sale of the Hofmann Forest.

Provost Arden explained that the big picture is that there is a contract to sell the Hofmann Forest, which is 80,000 acres of working forest in the eastern part of the state. It had been the property originally of the North Carolina Natural Resource Foundation and then, subsequently the Endowment Board of the university for a period of time since the 1930's. To dispel any notion this is not 80,000 acres of pristine untouched conservancy, this is 80,000 acres of land that is being heavily utilized and timbered and replanted and reutilized over an extended period of time. At one time the forest was a significant source of revenue for the college. It has always been held by the Endowment Board and by the Natural Resources Foundation as a principle means of revenue for the college with some of the opportunities for research. As time has gone by the forest has been utilized less and less for research and there are a very small number of faculty and students who take advantage of the forest.

Provost Arden stated that if you look back over a ten year period the average revenue has been about \$2 million per year and, in the last couple of years, the timber value has fallen to under \$1 million per

year. The forest could be sold for \$150 million and that money put into an endowment where it is very safe. The spending account will be about 4% of the capital, which will yield about \$6 million per year to go to the College of Natural Resources for everything from hiring faculty to supporting graduate students and undergraduates.

Provost Arden stated that he, Chancellor Woodson, and the entire University believe that the appropriate thing to do is to take something that is meant to be a resource for this college and generate \$6 million a year by putting it safely into our endowment versus \$800,000 per year, which will be a tremendous impact. Some doubts that have surfaced more recently are the transparency of the process. The reality is that there have been lots of discussions about this, so there is nothing that has been hidden. Secondly, you will hear that there was an offer for an even more significant amount of money (\$300 million) that we did not take. There never has been a credible offer for \$300 million meaning that in the original solicitation when that was put out there, there were about 25 expressions and that came down to only five really written offers. There was one brief email that talked about an offer of about \$300 million, but it also had a lot of stipulations and strings attached which made it not credible and certainly not something that we were willing to pursue.

Provost Arden stated that one thing most concerning was this prospectus that is being circulated around by a group called Hofmann Forest LLC. We had not seen this prospectus until it was in the press a week or so ago. To put perspective on this, when you are going to buy something for \$150 million, you rally a group of investors who would be interested in investing. When you are bringing a group of investors to the table it is not uncommon to develop a prospectus, sometimes multiple prospectuses and get them out there talking about all the potential uses and outcomes and values of the thing that you are trying to invest in or buy, so it does appear that this prospectus was put together by a group that indeed was the eventual successful contract winner. It was a very early, early attempt to bring a group of investors to the table and simply say these are all the possible uses of this forest. It was never a realistic plan that this is what we will do with this forest if we get it, in fact, it predated any meetings between the dean and these purchasers as well as with the military and some of the other meetings that subsequently happened where some of the criteria for the purchase of this property was more fully described and developed.

Provost Arden stated that unfortunately when something doesn't go the direction you want, there are two things that seem to happen (1) you cause discussions on the transparency of the process, or the fact that your voices haven't been heard on the process and (2) there is an assertion that the other party has been disingenuous in some way. Provost Arden said from his perspective this has been one of the most up front direct, openly negotiated things that he has seen.

Provost Arden stated that the discussion actually started out with Dean Brown, prior to Dean Watzin and other than fully disclosing the terms of the five offers that were put on the table, which we are not legally able to do, this has been a very transparent process and we are trying to be very open about the sale of the property.

Questions and Comments

We discussed this in the Senate last spring, and right now the concerns I see is more regarding the students than the faculty. What do you plan to do to inform the students?

Dean Watzin stated that the Student Senate is going to meet on this topic and she will attend to share comments and try to provide solid information.

What is the current monetary offer?

Provost Arden responded, \$150 million.

Will Natural Resources receive an additional \$6 million or will there be a situation where their appropriation will be reduced by \$6 million?

Provost Arden stated that there is every intention that this will be \$6 million additional. He doesn't know what the legislature will do, but he and the Chancellor have pledged that they will not be substituting out some of their appropriation and resources for these funds. This is an opportunity to significantly grow the college and that is the whole purpose of doing this.

You sent out a memo this week on academic resources where you framed in writing this target number of \$75 million potentially reallocated over the next five years or more, so can you talk about how you think you are going to move the decision making process forward and what specific role faculty and Faculty Senate will play?

Provost Arden stated that this is a follow up from a discussion that they've had with the University Council and it was also part of the General Faculty meeting this fall. The bottom line is as we go forward with our strategic plan and as we go forward with looking at our budgetary situation we know that we have lost significant resources over the last several years. We have had about \$140 million in cuts to our base budget over the last five years, but we are still planning to move forward on key elements of our strategic plan by making some tough decisions in reallocating resources and taking advantage of new resources as they become available. So on one side of the coin we have this landscape of changing funding of public higher education. The reality is if you look on it as a per student FTE basis the amount of public funds for student FTE in higher education in this country has been on a steady decline for thirty years. We are at a thirty year low.

Provost Arden stated that we have to be aware that there is a changing funding environment around public higher education in North Carolina just like every other state, so we need to be aware of that. We also need to be aware that to implement the major initiatives of our strategic plan we are going to have to identify some significant resources either new or reallocated resources and we are ball parked around \$75 million in the next five years or so, so this is a conversation to get everyone's input.

Provost Arden stated that he would like to be thinking about some big ideas for things that we can be doing differently as an institution or things that we can stop doing. One thing that Boards of Governors and others would like to think about is elimination of academic programs. The reality is eliminating academic programs or at least curtailing them or conjoining them does have a role, it is the right thing to do in an academic institution to make sure that your portfolio of academic programs is updated, but there is not a lot of money saved. We need to also be thinking outside of our colleges as well. How do we do business as a university? So this is your chance to wade into the process and tell us what you are thinking about it.

Senator Borden stated that he has heard something from his colleagues that he hasn't heard from the Provost or Chancellor, which is we developed the strategic plan with a lot of input from a lot of people

around campus when many people believed the future economic environment was very different from what we find ourselves in. So, it seems like all of your discussion is about how we can modify what we are doing to achieve the strategic plan. There are many who in 2007 thought they might retire in a couple of years and then 2008 came and a number of people rethought their plan because of what happened in the stock market and although the strategic plan has a lot of wonderful components to it, it seems to a number of faculty that the plan made sense in the context of the funding that we thought may be available and now it seems like the only discussion is about how we are going to get more funds, reallocate funds, do things to carry out a plan and that plan was developed in a different time.

Provost Arden stated that the plan was developed in 2010-2011 and was released in 2011 and by that time we were already in the third year of a pretty bad budget and knew that we were going into a different financial resource environment. In fact, the strategic plan was developed as much as a response to the fact that we were in difficult financial times and we were determined not to just sit idle, but to develop a proactive plan for moving the university forward despite difficult financial times.

The other part of what you said is very true, so part of the discussion that we are having is where we scale back on the plan. This is not a time to abandon our plan but it is a time to be realistic and go for the high impact actions. The plan originally called for 350 new or additional tenure/tenure track faculty by 2020 and that means hiring 50 per year. We have worked very hard as a community to make progress and hire about 40 new additional tenure/tenure track faculty this year including twenty four that were hired into interdisciplinary clusters. We cannot keep that pace up for the next six years, so realistically 350 is not going to happen. Would I like it to be 200, yes?

Provost Arden stated that they already have three of four living and learning villages up and running with the fourth at the punt line and that will be it for the villages since they are not planning to build any more.

Provost Arden stated that he thinks they have to go back through and pick the high impact actions. One of the ways that we have designed it was that although we have a plan to take that to 2020, we have rolling three year implementation plans and right now we are in the third year of our three year plan. We have been very successful and we are pretty much on track, but this is the year where we have to develop the next three year implementation plan, so this is the time that we have to step back and ask, what are our really high priorities?

Is it possible that we could negotiate this contract for the Hofmann Forest to our satisfaction and then the legislature could come back and just take it?

Provost Arden stated that all things are possible. We have the budget director who constantly wants to take away funds because of F&A money, so there is a lot of education that has to go on. He stated that if it's up to he and the Chancellor that will never happen, but the legislature has the ability to trim the budget. Hopefully they will understand that those resources were developed for a very specific reason.

When do we start to fight back? As a public institution there is no way we can find enough revenue in the long run to replace what is being taken away by the legislature.

Provost Arden responded that we started some time ago. Public education is one of the most important things that a state can invest in. The reality is that we are probably among the highest public funded universities in the country. If you look at what other universities did when they went through this

process they did two of three things. One is that they had a lot more leeway with tuition. We are currently under the tuition radar. Although we are only at \$8,000 we still get thrown into that bucket about raising tuition. Secondly, they had a lot more flexibility over their budget. So, because North Carolina was really good to higher education for so long it came with a lot of strings attached. The hope was that maybe with the change in perceptions downtown that as our appropriations became less there would be a lot more freedom in the way we manage our budget. So tuition flexibility, flexibility over generating and keeping revenues have been some of the essential things and also those institutions have been much more aggressive about developing other revenue sources than we have been over a period of time.

5. 2014 Faculty Senate Elections

Immediate Past Chair Kellner reported on the number of persons each college needs to recruit in terms of the Faculty Senate, 603-604 Panel, and Hearings panel elections for the 2014-2015 academic year.

Chair Kellner announced that the Chair-elect of the Faculty will also be elected this year. He encouraged the senators to think about running.

6. Presentations

Faculty Retention

Vice Provost Brown reported on retention efforts that the university has made.

Vice Provost Brown reported that the sources of retentions are

- Initiated and funded through the college
- Initiated through the college, funded by college and Provost
- Initiated through the college, funded by college, UNC President's Recruitment and Retention Fund and/or Provost

Vice Provost Brown reported that beginning in 2011 a request was received to report on all the faculty retentions since 2006. The information was requested because the President wanted to make a case for continuing the recruitment and retention fund, so the colleges provided information from 2006-2011. They have continued to collect the information for the past two years and plan to continue.

Vice Provost Brown reported that during the period from 2006 – 2013 there were:

- 219 counteroffer requests, 173 were successful
- There were 94 pre-emptive offers, 87 were successful

Vice Provost Brown reported on the destination of faculty who left NC State for other positions.

2006-7 to 2011-12:

- **73%** US public universities
- **11%** US private universities
- **11%** Foreign universities
- **5%** Other positions in industry of government

2012-13:

- 70%** US public universities (19/27)
- 11%** US private universities (3/27)
- 11%** Foreign universities (3/27)
- 8%** Other positions in industry or government (2/27)

Retentions by College

- ENG: **33%**
- CAL: **23%**
- CHASS: **12%**
- CVM: **12%**
- PAMS: **11%**
- Other: **9%**

Proportion of Retentions in Each Rank (2006-7 to 2010-11):

- Assistant Professor: **15%**
- Associate Professor: **27%**
- Distinguished/Named/ Professor: **58%**

The presentation is available online at

http://www.ncsu.edu/faculty_senate/documents/FacultyRetentionReportFS11-19-13.pdf

Provost Arden commented that the gap between our success rates pre-empting seems to be widening. He stated that if you can get a counter offer in someone's hands before they've had an offer from another institution you are far more likely to retain them.

Cluster Hires

Senior Vice Provost Larick reported that the Chancellor's Excellence Program started back in 2011 though the planning started prior to then. There were 72 proposals submitted and the Faculty Advisory Committee reviewed them December 2011 through January 2012. The Provost announced funding for 12 of the 17 proposals selected, on February 2012.

Vice Provost Larick stated that it has been an interesting experience working with these groups because of the different stages that they are in. The original goal was 38 new faculty and we have been successful on 20 planned hires and 4 opportunity hires to date, one pending hire and then the College of Education came back and asked if they could be added to the cluster so we went from 38 to 43 hires that are actually going to end up at NC State University as this cluster hiring process.

Vice Provost Larick stated, to the Provost credit, each time one of the searches has yielded an opportunity to enhance diversity the Provost has agreed and added an extra position and that is where opportunity hires have come from.

Vice Provost Larick reported that the hires to date are 25. The twenty fifth person hired was at the Associate Professor level with tenure. There are two pending offers out, both associates with tenure, so the percentage of tenured Associate Professors were 50 percent and will be about 60 percent after the next two hires.

Vice Provost Larick stated that they have hired one instructor, which was outside of the scope of the Chancellor's Faculty Excellence Program, but was within the opportunity of hire that reflects the stage the person was at in the completion of their dissertation and the fact that in order to get that person here we needed to be proactive and make that person an offer. That person is moving to an Assistant Professor tenure track position.

The twenty fifth hire is in the Poole College of Management and the two pending hires are in the College of Education and the College of Engineering.

Vice Provost Larick reported that the continuing costs are basically salary. The plan was that the Provost would provide 70% of the salary and the colleges would provide 30 percent. He stated that we are in the ballpark that we were shooting for. In the one-time startup costs we are more like 33-67 because we have done some negotiating with the colleges over time.

Vice Provost Larick stated that they did not anticipate the one time space renovation cost. By the end of the year that number will be about \$8 million to renovation and repair. He noted that it is a lot of money but it is a real positive and it is money that the institution has to spend.

Vice Provost Larick stated that they haven't done everything they wanted to do about diversity, but they are improving the university by the efforts in this program. There was a lot done, working with Joanne Woodard's group, the advance group, working with the lead dean for each of the clusters to work on presentations that specifically focuses on hiring for diversity and finding a diverse pool of candidates.

A faculty member asked, "Has there been any discussion of extending some of those talks to standard search committees?"

The response was yes.

Vice Provost Brown stated that in addition to the presentation and the meetings with Search Committees that OID has done for a long time using the presentation on how to diversify the pool and not just what to do when you hire someone, we are going to push to have that available. A lot of the deans have come to realize how useful that is.

Vice Provost Larick stated that another presentation that was put together by Dean Solomon challenged Search Committees to speak to the importance of diversity and how to identify a diverse pool of candidates.

Senator Lunardi inquired about the statistics from the pool.

Professor Severin stated that none of these pools have been what we would call rich. All of the clusters are very specific and that is why you have problems with diversity because you are very narrowly focused. Most of these search committees are targeting heavily. The important point is you have to target diversely to end up with diverse results.

Vice Provost Larick stated that they have eighteen searches that they will continue to do and at the same time they are working closely in planning events on campus. He added that along with the process of looking at the reappointment, promotion and tenure rules, we also created the use of plans for

review, so for each one of these hires, as we bring the person in, by the end of the first year we have to have a plan for how they are going to be reviewed.

Vice Provost Larick stated that the Provost's Office clearly understands the fact that they can't abandon hiring disciplinary faculty. They did that through strategic planning. We gave funding to the colleges to hire 30 disciplinary faculty this last year.

Vice Provost Larick stated that he thinks we need this other faculty hiring in order to advance into indiscipline on our campus. We didn't have a plan going into it that we were going to do twelve clusters and 43 faculty, but the hope would be that in 2014-2015 we will do a call for proposals and 2015-16 we'd begin the faculty hiring and have this second round of cluster hires.

Question

On the next phase would you provide hires from the current clusters?

Larick stated that he thinks they would go back and ask for proposals. They would look at the merits of the proposals and would go back through a very open process.

7. Old/New Business

Chair Zonderman postponed the second reading of the *Resolution on Public School Teachers and Advanced Degrees* until the next meeting.

8. Adjourn

A motion passed to adjourn the meeting at 4:51 p.m.

