

Please take this agenda  
with you to the meeting.

## REGULAR MEETING OF THE FACULTY OF THE UNIVERSITY OF IDAHO

Tuesday, August 26, 2003  
3:30 p.m., Janssen Engineering Building – Room 104  
Acting President Michael Presiding

- **Call to Order**
- **In Memoriam**
- **Minutes**            Meeting of May 5, 2003
- **Announcements**
- **Special Orders**
  - **Introduction of New Faculty Members**  
Each college dean and the provost will introduce new members of the resident faculty by name and department. Information about these new faculty members will be distributed at the door.
- **Acting President's Remarks**
- **Adjournment**  
Gary Michael invites faculty and staff to a reception at the president's residence from 5:00-7:00 following the meeting.

Bill Voxman  
Interim Secretary of the Faculty  
<http://www.webs.uidaho.edu/facultycouncil>  
(885-6151)

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117 faculty members constitute a quorum. Those who are recognized by the president for the purpose of speaking should identify themselves by name and discipline or position.

**University of Idaho**  
**General Faculty Meeting Minutes**

**May 5, 2003**

**Call to Order.** UI Acting President, Brian Pitcher, called to order a meeting of the university faculty at 3:35 p.m. in the auditorium of the Agricultural Science building. The attendance of 99 faculty members at the meeting fell short of a quorum (117).

**In Memoriam.** A moment of silence was requested to honor those faculty members who had died since the last general faculty meeting. Faculty members remembered on this occasion were:

*Harry E. Davey, Jr., Professor of Naval Science and Director of Student Financial Aid Emeritus, March 2003*

*Alfred C. Dunn, Professor Emeritus of Art, April 2002*

*James L. Graves, Extension Professor Emeritus, December 2002*

*Jack I. Hagen, Professor Emeritus of Electrical Engineering, January 2003*

*Charlie F. Peterson, Professor of Animal Sciences and Department Head Emeritus, September 2003*

*Donald F. Youtz, Extension Professor Emeritus – December 2003*

**Minutes.** The minutes of the General Faculty Meeting held on August 27, 2002, were accepted as written and distributed by the Secretary of the Faculty.

**Recognition of Faculty Council Leadership.** Acting UI President Brian Pitcher took the opportunity to praise the leadership of the 2002-2003 Faculty Council. He said that they and the members of the council had performed well during these difficult times. He asked that Faculty Council Chair Thomas Bitterwolf and Faculty Council Vice Chair Francis Wagner stand and be recognized. The assembled faculty offered them a well deserved round of applause. The leadership of the 2003-2004 Faculty Council will be elected at their first meeting on May 6<sup>th</sup>.

**Report from the Faculty Council.** Faculty Council Chair, Professor Thomas Bitterwolf, presented the materials forwarded for approval by the council. Since a quorum was not present, according to the U of Idaho Faculty Constitution, all items were approved as presented. Despite there being automatic approval, Bitterwolf asked those in attendance if they had any comments or questions about the following items approved by the Faculty Council:

**I. Proposed Change to the Faculty-Staff Handbook.**

- A. Temporary Changes to Section 5400, Employment Agreement Concerning Patents and Copyrights

**II. Proposed Changes to the University of Idaho Catalog.**

- A. Regulation K, Awarding of Academic Honors
- B. Regulation J-3, Subject Requirements, University Core Curriculum

**III. Proposed New, Changed, and Consolidated Degree Programs.**

- A. New Master of Arts in Philosophy
- B. New Ph.D. in Food Science
- C. Change the degree in Adult Education (Ed.) to Adult and Organizational Learning (Ed.S.Ad.Ed.)
- D. Change the degree title Adult Education (M.Ed.) to Adult and Organizational Learning (M.Ed.)
- E. Change the degree title Adult Education (M.S.) to Adult and Organizational Learning (M.S.)
- F. Consolidate the degrees in Technology Education (B.S.Ed.), Professional-Technical (B.S.Ed.) and of the degrees in Business Education (B.S.Bus.Ed.) and Marketing Education (B.S.Bus.Ed.) into the single degree Professional-Technical and Technology Education (B.S.Ed.)
- G. Consolidate the graduate degree programs Business Education (M.Ed.) and Professional-Technical Education (M.S., M.Ed., Ed.S.P.-T.Ed.) into one graduate degree program, Professional-Technical and Technology Education (M.S., M.Ed., Ed.S.P.-T.Ed.)

**IV. Proposed Changes in University Standing Committees Structure and Function.**

- A. University Curriculum Committee, Change in Structure
- B. Safety and Loss-Control Committee, Change in Structure
- C. University Committee for General Education, Change in Structure and Function

There were no comments or questions concerning the material presented by the Faculty Council.

**Acting President's Remarks.** Acting UI President Brian Pitcher introduced Martin Peterson, Special Assistant President for Legislative Affairs, who reviewed the just concluded record setting session of the Idaho Legislature. Peterson outlined progress of legislation affecting higher education during the 118 day session. The very last day found resolution for the bonding which will allow the U of Idaho to renovate the University Classroom Center. The last day also saw the Senate pass the higher education appropriation bill which contained a 2.1% increase in funding.

Peterson commented on the positive things that happened during this legislative session. He said that the 2.1% increase in general fund appropriations for higher education was higher than the governor's recommendation. Our own North Idaho legislators actually voted against that appropriation figure, holding out to the very end for a higher figure. He noted that 34 states have reduced higher education funding and Idaho is one of only 5 or 6 that actually saw increases in funding. Peterson also praised the legislature for allowing the issuance of bonds to fund higher education building construction and renovation. The governor had been reluctant to include this proposal in his initial presentation to the legislature and many legislators thought that it had no chance of passage.

He said that after the initial media coverage of the University Place bonding and UI loan problems, very few legislators wanted to talk about it. The legislators seemed more concerned about the health and future plans of former UI President Bob Hoover.

Turning to issues facing the SBOE/Regents, Peterson noted that the higher education funding equity plan has been put on the back burner. Funds to accomplish that task were not made a part of the governor's budget request and the legislature did not earmark any funds for that purpose.

Peterson concluded his remarks by saying that, because the tax revenues continue to fall well below estimates, he thought that the Idaho legislature would certainly be called back into special session later this year. He also thanked the members of the university community who put considerable time and effort into communicating the needs of higher education to members of the legislature. He encouraged the faculty to continue their efforts to inform legislators and board members about the many accomplishments of the U of Idaho.

Acting President Pitcher spoke to the high regard with which Peterson is held by legislators, the board, and state government employees. He said that Peterson is a real asset to the university and he thanked him for his hard work during the legislative session.

Pitcher noted that a recent news magazine article about colleges in financial crisis did not mention the U of Idaho. For that he was thankful, but went on to say that we have been through an incredible year with many challenges. His deepest concern is that people outside the U of Idaho will see us as operating in a "crisis mode." He said that, in fact, the U of Idaho was moving forward and that our goals remain solid and reachable. We can not afford to pause or we will lose ground. We must continue to attract and retain quality students, staff, and faculty. Pitcher said that we all have a role to play and that the challenge to the university community is to convey to the public the fact that we continue to be a quality institution of higher education that has a very bright future. We are making corrections and will provide an excellent atmosphere for hiring a new university president.

The FY04 budget planning continues to move forward. The Fiscal Emergency Committee (FEC) is meeting on a regular schedule and in a week will offer its suggestions for meeting the budget challenge. The university is also in the process of reviewing bids for a new health care provider for university employees. There will be no changes in the current coverage and in some cases there may be enhancements to the current coverage. Coverage costs will be held to less than a 15% increase.

Acting Provost Chuck Hatch provided the faculty with an update of the work of the FEC. The committee was activated following the revelations in connection with the bonding of the University Place building in Boise and the loans made by the U of Idaho to the U of Idaho Foundation. An audit conducted by the university revealed that both the university and its foundation faced serious budget problems for the immediate future. While a formal investigation of this matter is still in the planning stages with the SBOE/Regents, the U of Idaho is using the FEC to help guide the university administration in making critical budget decisions for FY04 and beyond.

Hatch said that the committee was attempting to work as "transparently" as possible. All meetings have been open and will remain so unless sensitive personnel matters are being discussed. The FEC began its work by examining the financial condition of the U of Idaho. They reviewed the audited financial report and also compared the university's financial condition to peer institutions. The committee also reviewed what had changed during the past year that helped precipitate the current budget crisis. The committee then proceeded to the more difficult task of outlining a financial planning process for the university. The FEC also determined that in order to proceed with any meaningful planning, the university community needed to understand the financial issues it faced.

Those issues included:

- current account deficits – red ink
- costs associated with University Place and the Idaho Water Building projects
- costs associated with the U of Idaho Foundation and fixing them – the problem being that how you fix the foundation might seriously affect income for the university and vice versa
- discretionary costs (those you have control over) vs. mandatory costs (those over which you have little control – like utility charges and insurance rates)
- revenues and fees

Hatch reported that there is no doubt that there will be a multi-million dollar gap between revenues and expenditures. The next job of the Fiscal Emergency Committee (FEC) is to develop alternative plans for FY04 revenue and expenditures that will address that gap. Hatch then listed several strategies that could be employed in meeting the goal of a balanced budget:

- borrowing the funds to cover the FY04 gap
- reducing salaries of administrators, faculty, and staff
- selling property the U of Idaho owns
- increasing student fees
- freezing hiring and purchases
- shifting more benefits costs to the employee

The most controversial strategy would be salary reductions. Hatch said that the down-side to this strategy is probably too great. It is not just a matter of morale; faculty and staff can and will leave the university. When they leave they take away the potential for generating badly needed revenue, such as grants and contracts. Although salary reductions are seen as a last resort by many people, this strategy will remain on the table until the FEC decides that it should be removed.

However, a critical budget planning issue facing the university involves two budget categories that have been in place for decades. One is labeled “common good” expenditures and the other “unfunded obligations and mandates.” Hatch used the Lionel Hampton Jazz Festival as an example of a “common good” expenditure. The festival does not generate enough revenue to cover its expenses, and so the deficit continues to build. Yet many see a “common good” for the university coming from the festival. Hatch said that it is clear that policies that have allowed these types of obligations to be started and continued, despite building deficits, need careful examination.

Hatch stressed that there was also the need to have independent “arms length” oversight of these obligations. Management control is needed and no new obligation should be approved without a solid management plan. There also needs to be control of resource allocation and better internal audit procedures that can then be relied upon for planning.

The time frame for the (FEC) to complete its task is sometime between the 15<sup>th</sup> and 23<sup>rd</sup> of May. The FEC will finalize its plan and make its recommendations to the acting president. The acting president has decided to have an outside higher education agency review the budget plan before it is implemented.

Acting President Pitcher then turned the remainder of the meeting into a question and answer session. Most of the questions and comments concerned the budget crisis faced by the U of Idaho in FY04 and beyond.

In response to a question concerning adding benefits to administrators who accept new responsibilities, Pitcher said that he would look into this practice. He added that his multi-year planning goal is to reduce, or at the very least flatten administrative expenses and the total number of administrative positions.

Another question concerned the time-line for hiring a new university president. Pitcher said that Regent John Hammond would be chairing the search committee and that an announcement concerning the nomination process should be published soon. The committee will be small and its membership should be announced at the next board meeting. An executive search firm will be used to help identify candidates. He said that the best scenario would be to have a new president hired and ready to take office by January 2004.

A concern expressed by several faculty members was the strategy to be used to handle those programs that continued to operate with a deficit, some of them over several decades. Pitcher said that attention will be focused on the dozen programs that seem to be in continual difficulty. Budget reduction plans are in the process of development, but none have been finalized. He reiterated the comments made earlier by Acting Provost Hatch, saying that there needs to be much tighter oversight of all programs.

Human rights and diversity issues were also on the mind of the faculty. Recent news reports have given a variety of viewpoints as to the future of the Office of Diversity and Human Rights and its director. Pitcher said that the multi-year financial plan is addressing many areas of the university that escaped budget cuts last year. One of those programs is the diversity and human rights program. He said that he is looking at restructuring that office and its programs to separate its duties to avoid conflicts of interest between enforcement and other elements such as training and advisory programs. Included in that restructuring would be a redefinition of duties and responsibilities of the director. Pitcher also pointed out that he is looking at a number of other possible consolidations and restructuring schemes involving other administrative units and programs.

Off campus programs were also a subject of concern by the faculty. Off-campus programs and projects are continuing on schedule. Research and extension projects are moving forward where the funding is already in place or scheduled. Increased operational costs have already been factored into FY04 budgets. The building plans for Idaho Falls will not go forward due to a lack of funding.

Phase I of University Place in Boise (the Water Building) will be constructed and all U of Idaho programs currently housed in Boise in other buildings will be moved to the new building. Larry Branen provided the faculty with an overview of the Boise situation. He told the faculty that the U of Idaho has \$48 million in bonds that must be serviced for the next 40 years. While some of the building space will actually be purchased and leased by outside agencies, the U of Idaho is responsible for the rent on 110,000 square feet of space. Our current engineering programs will occupy about 40,000 square feet and the remaining footage needs to be leased. Other U of Idaho programs are renting space in three different buildings with costs ranging from \$8 to \$18 per square foot. The new building will require all programs to pay \$21 a square foot (excluding parking). He said that the university also faces \$3 to 4 million in one-time moving and set-up costs to move our own programs into that space. The bonds are our responsibility so we can expect no help from the legislature in paying these expenses. Rent and lease payment go toward paying our debt, but even adding those payments into the equation, the U of Idaho must still pay about \$2 million a year to service those bonds.

Changing the subject, a faculty member suggested that the administration strongly consider protecting the lowest paid workers at the university from any possible salary reductions. The suggestion was that if any reductions are made they should start with the highest paid employees and work down to the middle level. But at all cost the lowest paid employees should be protected from any cuts. Faculty Council Chair Tom Bitterwolf said that the faculty representative on the Fiscal Emergency Committee (FEC) have made it abundantly clear to the rest of the committee that literally every other budget resolution strategy must be on the table, and found impractical to implement, before there would be any consideration of salary reductions.

The last area of concern centered on the morale of the university employees and the need to establish easily accessed and timely communication with the university community. To that end the university has established a web site that contains up-to-date information on the deliberations of the FEC as well as an overview of the entire budget challenge facing the university. The web site also contains a link that will allow visitors to leave comments, questions, and suggestions.

After a strong suggestion by a faculty member that the administration spend more time on its long-range plans and not so much time focusing on what might happen next week, Pitcher asked all faculty members to contact members of the FEC with their ideas and comments.

Acting President Pitcher took the opportunity of this general faculty meeting to formally thank Professor Emeritus Peter A. Haggart for his service the past 4 years as Secretary to the Faculty. Professor Haggart is retiring at the end of June after 40 years of service to the university as a teacher and administrator. Pitcher said that Haggart's understanding of the history of the institution and the philosophy of faculty governance had been very valuable to the administration and the Faculty Council. He thanked the secretary for his contributions and said that he would be missed.

**Adjournment.** Acting President Pitcher adjourned the meeting at 5:01 p.m.

Respectfully Submitted,

Peter A. Haggart  
Secretary of the Faculty