

Minutes

Boulder Faculty Assembly Meeting

September 2, 2004

Attending:

Barbara Bintliff, BFA Chair

Stein Sture, Vice Chair

Deane Bowers, Secretary

Jerry Peterson, At-Large Representative

Pamela Diggle, At-Large Representative

Uriel Nauenberg, Former BFA Chair

Greg Carey

Kim Dickey

David Fagerstrom

Hardy Fredricksmeier

Philip Graves

Martha Hanna

Bruce Henderson

Bob Hohlfelder

Leslie Irvine

Samuel Junod

David Kassoy

Rich Laver

Bill McGinley

John McIver

Peter Molnar

Rolf Norgaard

Chidi Nwaubani

Tad Pfeffer

Andrew Pleszkun

Gail Ramsberger

Bob Regoli

Terry Sawchuk

Ted Snow

Deward Walker

John Cooper, Retired Faculty

Pam Lingenfelter, Staff Council

Lisa Lucio, Staff Council Co-Chair

Joe Neguse, UCSU Tri-Executive

Kristin Queja, UCSU Academic Affairs Liaison

Lieko Earle, UGGS

Nancy Hoalst Pullen, UGGS

Jeff Dodge, Silver and Gold Record

Guest: Ric Porreca, Senior Vice Chancellor and

Chief Financial Officer

Not Attending:

Martin Bickman

Anne Bliss

Mel Branch

Francis Beer

Frances Charteris

Cathy Comstock

Rob Guralnick

Robert Kuchta

Roger King

Paul Kroll

Kai Larsen

Bob Schulzinger

Rodney Taylor

R L Widmann

A meeting of the Boulder Faculty Assembly was held on Thursday, September 2, 2004 in the dining room of the Koenig Alumni Center. Chair Barbara Bintliff presided. The meeting convened at 4:00 p.m. and adjourned at 5:15 p.m.

A. Approval of Minutes

MOVED and seconded that the minutes of May 6, 2004 be approved as amended. There being no further comments, corrections or changes to the minutes, the motion to approve the minutes carried.

B. Chair's Announcements

Chair Bintliff welcomed everyone to the meeting and introduced UGGS Co-Presidents Lieko Earle and Nancy Hoalst Pullen and Tri-Executives Joe Neguse and Academic Liaison Kristin Queja to the assembly.

Chair Bintliff provided a brief presentation to the BFA for new and continuing members. She described the BFA as the voice of the faculty, charged with consulting with the

Chancellor and administrative officials on matters related to education and operations of the campus. The faculty are also delegated specific responsibilities in three main areas on the campus for originating policy under administrative supervision in accordance with the Laws of the Regents and the Laws of the State of Colorado:

- Academic policy including the initial authorization and direction of courses, curricula, and degrees;
- Scholastic policy which includes scholastic standings for admission, grading, continuation, graduation and honors;
- Academic ethics, including the development of policies and procedures.

In conjunction with the administration the faculty have been delegated the authority to make recommendations to the Board of Regents in the areas of:

- Policies and procedures for faculty appointment, promotion and tenure reviews;
- Student conduct and activities;
- Budgetary review and strategic planning;
- Selection of academic administrators;
- The making of policy concerning the general academic welfare of the university.

In addition, the BFA regularly provides nominations for faculty participation on such groups as the

Boulder Campus Planning Commission and the search committee for the Chief of Police. The BFA works primarily through its committees which are charged with responsibilities in line with the areas described. Bintliff stated that the faculty are fortunate to have the current campus and university administrators because they take faculty governance seriously and seek the input and advice of faculty. The former leaders of the BFA were responsible for this as they lay the groundwork to create this relationship.

For faculty decisions to be taken seriously we must have discussion and we must arrive at a consensus. The Chair thanked everyone for their past and current contributions and reminded everyone that throughout the year the BFA will be asking faculty to help identify their colleagues to fill the many open positions on committees. We also need to improve participation in system-wide Faculty Council as that group deals with far-reaching policies that affect faculty on all three campuses. She reminded all committees and committee chairs that proposals for action need to be brought to the Executive Committee for

approval, and recommended everyone familiarize themselves with the BFA website at www.colorado.edu/FacultyGovernance/ for meeting schedules, policy statements and other relevant documents.

C. Chair's Report

A Faculty Excellence Fund has been established to supplement the Chancellor's Faculty Excellence Awards which are given every year and carry a \$3,000 stipend. The Chair thanked Uriel Nauenberg for starting the fund and announced that a letter describing it would be sent to all department chairs.

Steve Lawrence has been named Dean of the Leeds School of Business and Susan Avery has been named Vice Chancellor for Research and Dean of the Graduate School; both appointments are interim pending a search.

The Chair asked Diggle to review the rationale for a new Question of the Month which focuses on the undergraduate credit hour. Diggle explained that there appears to be no consensus as to the number of hours a student is expected to invest outside of class and the plan is to have a QOTM available to collect faculty responses to this question. Bintliff added that answers to this question will contribute to the discussion of academic rigor, which stems from the misperception that CU is academically weak. The Institutional Analysis Office conducted a survey in which students declining to attend CU declared that their second reason for not coming to CU after cost was the perception of academic weakness. We need to dispel this perception and the best way is to begin a discussion on academic rigor.

D. Special Reports

The Chair introduced Ric Porreca, Executive Vice Chancellor and Chief Financial Officer, who concurred that the lack of academic rigor responses on the Institutional Analysis survey should be pursued, and then added his interpretation of the survey preliminary results. He stated that it is not that the nonresidents are making a claim about the quality of CU but rather they are making a value statement. If a resident is paying \$3500 per year to gain access to an outstanding education while nonresidents are paying \$20,000 for theirs, it would make sense to "shop around" to identify other institutions of the same quality for consideration. For Colorado residents the choice is clear, but for nonresidents at \$20,000 with no financial aid they can consider private institutions at \$25,000 with perhaps \$5,000 of financial aid. In short, students will look at institutions similar in quality to CU for the same price.

There is currently a reduction in the amount of state tax support for tuition. For resident students there was a base tuition increase of 6% for A&S and 8% base increase for other colleges and schools. At the graduate level all programs saw an 8% increase for residents. When SB 189 passed it provided the opportunity for institutions which receive less than 10% of their funding from the state to declare themselves enterprise and the CU system became eligible for that status. The State determined that it would cost

approximately \$4 million to take CU out of its base support so the end result was \$2.2 million was charged back to CU Boulder on a one-time basis. Senate Bill 189 states that as an enterprise, CU should be allowed to make up that money in tuition by raising tuition by 3%, which meant raising tuition 9% for A&S and 11% for other colleges. On the non-resident side the market is of concern and the goal has been not to go beyond the “magic tuition number” of \$20,000. Increases to non-resident tuition of 5.5% across the board covered all disciplines at the undergraduate and graduate level.

The staff of CCHE asked that the proposal to bring Quality for Colorado forward for a second year be withdrawn. These funds were directed to benefit many programs, including retention of faculty and enhancement to their salary pool. An attempt to make up some of this lost funding by adjusting the tuition tables was also rejected by the CCHE. The budget was eventually balanced using permanent reserves with the approval of the Chancellor and Provost. The plan is now to regain those reserves.

Tuition is the largest revenue source for CU and the enrollment “snapshot” Porreca provided looked particularly good for nonresident students. If half of the nonresident students he expected to lose back in June are counted in the census, it would mean the reserves earmarked to balance the budget would not have to be used in the same dollar amounts. Freshman class enrollment overall is lower this year at least by 5% but the overall student population will be larger by about 200 students.

The capital construction fee was ultimately approved by student government but the fee won't be charged until the buildings themselves come online. The first building should be open for fall 2006 and ATLAS and the new Law School are first on the list, with Business and the Visual Arts building in planning stages. Research buildings require different funding strategies.

Hohlfelder asked if we have any sense of what enterprise status means in terms of financial freedom. Porreca said that as we are the first in the state to gain enterprise status we are just now finding out what it means. What we know for certain is that CU enjoys a certain amount of flexibility that other state institutions do not have, specifically in raising tuition levels. A lot will depend on the case CU is able to make between revenues and quality and what the State would like this institution to provide. Quality for Colorado is still our strategic plan and we continue to appeal to the State that tuition has to be a component of the resources to make it happen.

Senate Bill 189 or the Colorado Opportunity Fund was created so that the allocation of state tax support funds now goes to students rather than to institutions. There are myriad details to this program being worked out and it should be in place by summer of 2005. Cooper asked if the administrative costs had been determined and Porreca answered that he did not know the actual cost. The Colorado Access Network has been designated by CCHE as the group to help administer this program and they are trying to determine the price tag and whether they can implement within their current allocations to run the student loan program. The Boulder campus is a direct loan campus so it is possible we could receive a bill for these services. The planning figure of \$2400 per undergraduate

resident student may change depending on how much funding there is available in the state. Graduate education will be funded through the fee for service part of the bill, or lump sum appropriation to provide graduate student services. There is also a provision in SB 189 that says that performance contracts are required and CCHE is authorized to negotiate these contracts with the institutions. The dialogue with CCHE as to what these contracts mean and how they will be structured has begun, and Porreca encouraged faculty to monitor this element of SB 189.

The state budget situation includes a structural deficit for next fiscal year projected to be approximately \$215 million. A refund under TABOR around \$400 million is also projected to the taxpayers. We know that the state will have roughly \$350 million to spend this year and after deductions for other areas are made, the state is left with a small amount of discretionary funding, and budget cuts to higher ed are a possibility. If securitization of tobacco goes through, our funding could remain somewhat stable, at least for another year.

Kassoy said that it is clear that the business model for the university is going to have to change in a permanent way to address funding issues and asked what is happening to design a business model that will work largely in terms of privatizing. Peterson asked what the role of the faculty could be in formulating those strategic decisions. Porreca said he is forming a tuition fee committee to create a five year plan for the revenue we need. Faculty can help validate the level of quality that is acceptable and attainable and then help determine what resources are needed to achieve that quality. He added he would prefer to take a state tax dollar support over a tuition dollar because it is the right thing to do, but realistically it is not on the horizon for the foreseeable future. We must focus on a different economic model and we now need to look at resident tuition, fundraising, entrepreneurial education and programs and other ways to bring in new forms of income.

Sture asked if the Colorado Opportunity Fund came into being next year to secure a certain amount of funding but if in subsequent years the amount of the vouchers decreases, could this decrease mobilize Colorado citizens and have a positive effect on advocating support for state funding. Porreca replied it could and added that there needs to be debate and discussion about how to handle alternatives to the funding situation.

Dickey asked how fundraising will be handled to keep projects like the Visual Arts complex on line. Porreca said the student fee is set up as an income stream to pay back debt over time, so we know how much money will come in to apply to those debts. What we don't know is how much the money will cost to borrow or the cost of the projects as the cost of materials keeps rising.

Porreca outlined five areas where he believes we are undercapitalized and not as competitive as institutions which enjoy more resources:

- Infrastructure on campus
- Graduate education

- Research support
- Faculty salaries
- Financial aid

Regoli asked what the cost to the state would be to reduce our campus funding. Porreca replied that for every dollar that the state gives us in taxes we produce back one full dollar in taxes, so technically it doesn't cost the state anything. Colorado is getting a great bargain right now but by definition "a bargain will not last," and the concern is whether in five years we can sustain the current level of quality or whether it can be higher with the current level of funding we are receiving now. Hohlfelder asked if we will lose the \$55 million we currently receive from the state when the voucher system kicks in. Porreca answered that if we get \$2400 per resident undergraduate under the voucher system and a service contract from the state for roughly \$17million we'll be about the same.

When tuition for nonresidents hit between \$18-19,000 CU had record enrollment; when it hit \$20,000 enrollment dropped by 11%. Porreca describes this phenomenon as the market reality check for value priced education. Our mission is public education which means accessibility to a quality education for residents of Colorado at a good price, which he defines as net price. If we go to a higher tuition level it only works with a higher aid component. His goal is as tuition grows, access increases, and the challenge is to keep the average debt of our students at or lower than what it is today.

E. Next Meeting

The next regular meeting of the Boulder Faculty Assembly will be on Thursday, October 7, from 4:00 to 5:30 p.m. in the Fleming Law Building, room 156. Guest speakers will be Michael Grant, Martin Bickman, and Peter Simons presenting on the Institute for Ethical and Civic Engagement and Sgt. Gary Arai will speak on the campus laptop registration program.

The Chair thanked everyone for attending and the meeting was adjourned.