

**FACULTY SENATE**  
**February 12, 2014**  
**346 LEON JOHNSON**  
**4:10 PM – 5:00 PM**  
**MONTANA STATE UNIVERSITY – BOZEMAN, MONTANA**  
**Minutes**

**Members Present:** Babbitt (Physics), Bennett (Eng), Bolte (Music), Bonnand (Library), Brester (Ag Econ), Burrows (Ext), Cantalupo (Ext), Greenwood (Math), DeWeese for Newhouse (Art), Durham (COB), Engel for Zabinski (LRES), Gannon (Bio & Chem Eng), Hostetler (GC), Kaiser (ECE), Kohler (Chem & Biochem), Larson (M&IE), Lynch (Psych), Lu (PSPP), Martin (Mod Lang), Miller (CE), McMahon (Ecology), Moreaux (ARS), Reidy (Hist & Phil), Ricciardelli (film & Photo), Rossmann (Library), Schachman (Nursing), Swinford (Soc/Anthro), Waller (Hist & Phil), Wiedenheft (IMID), Wilmer (Pol Sci)

**Others Present:** Anne Camper, Larry Carucci, Robert Mokwa, Dana Longcope, David Singel, Ron Larsen, Leila Sterman, Nicol Rae, Gail Schontzler, Frances Lefcort, Christen Wathen, Recep Avci, Camie Bechtold

Chair Mokwa called the meeting to order at 4:10 pm, and a quorum was present.

Senate Business and Announcements – Chair Mokwa, Chair-elect Reidy

- The minutes from February 5, 2014 were unanimously approved.
- Mokwa pointed Senators to two policies on the Legal Counsel website (<http://www.montana.edu/legalcounsel/proposedPolicies.html>) that University Council will vote on, on March 5, 2014:
  - Revised Title IX Policy
  - Grievance Procedures for non-faculty; non-union employeesComments may be directed to Leslie Taylor.
- Mokwa has received questions about how students are admitted to MSU with prior records, specifically sex offenders. Tracy Ellig authored a document which addresses how MSU approaches such an issue and it is posted on the FS web site; accompanying the document, and for reference, is the *Pre-Employment Background Check Policy* from MSU's Policies and Procedures Manual.
- Mokwa asked for a volunteer, who will report to FS, to become a member on the Outreach & Engagement Council. The term of this membership ends in June 2014; however, for continuity, the chair of the council prefers to extend the position for at least a full year term; or two years, if possible. Senators were asked to canvas their departments for volunteers and a vote will be conducted at the next FS meeting.
- Looking forward the next legislative biennium, Mokwa announced that a PBF task force has been assembled to draft metrics for the long-term allocation model. Categories being examined might include:
  - Asseline metrics: Completion/retention - addressing College America;
  - Institutional-specific metrics: e.g., Graduate education/research - geared more towards the institution;

- Quality assurance-type metrics: May not have a funding allocation, but will be used to monitor the consequences of other metrics.
- Reidy announced that the Graduate Council is ramping up under the new leadership of Karlene Hoo. The council is expanding, meeting more frequently, and members have been given more responsibilities, one of which is to include alternates, including a faculty senate alternate. Reidy, who has dual membership on the Grad Council and C&PC, will not be able to attend the meeting on Feb 24 and would like an alternate in place at that time. Please email Reidy if you are interested; [mreidy@montana.edu](mailto:mreidy@montana.edu)
- Reidy asked senators for a Motion to approve the EFIN courses that have been posted on the FS website →seconded→all in favor→unanimously approved.
- New C&PC courses that will be posted on the FS web site. Senate will vote after February 24, 2014.

Research: Outcome of budget recommendations from the Rapid Action Task Force - (Dr. Anne Camper)

- Mokwa introduced Camper with the following preamble:
  - Budget adjusting is difficult.
  - Positive attributes arising from this process:
    - Task force who examined areas of expenditure reduction was assembled and made up of campus constituents;
    - The process has been transparent and collaborative.
  - Looking ahead to FY15, the research budget was in the \$21M range; however, the most F&A's brought in was about \$18M.
  - MSU's total yearly budget is \$470M and overall, the university is doing very well.
  - Dr. Camper will describe the differences between the FY14 and this last deliberation.
- Recap from Dr. Camper:
  - Beginning FY14, and after examining budgets in the VPR's office, there was a shortfall of \$3.5M.
  - President's office contributed \$2M, leaving \$1.5M shortfall.
  - Through a 22-member Rapid Action Task Force (RATF) whose membership was made up of all levels of the university, decisions about how best to move forward were instituted.
  - The goal has always been to preserve the research enterprise for FY14-15.
  - Mechanisms to cover the \$1.5M shortfall included:
    - Cuts in the VPR's office;
    - Provide a loan of F&A returns to departments which would be allocated by deans;
- Shifting attention to FY15, projected income in F&A was down from what was expected in FY14.
  - Again, \$3.5M was the shortfall. Rather than \$16M in F&A returns, RATF decided on \$15M because the federal budget had not recovered from the sequestration. Going forward, there were several decisions made for decreasing expenditures:
    - VPR's office and other groups would decrease expenditures.

- Expenditures for faculty start-ups would be spread over a longer period of time. Start-ups are not being cut, but rather than a three-year commitment, they might be expended over four-years; retention offers may follow a similar pattern. Both these strategies allow expenditures to be spread out over time, reducing a spending bubble.
  - F&A generated vs. F&A expended was examined, and \$250,000 was cut from the \$3.5M by trimming from numerous areas.
  - Some matching requirements have expired and this provided partial relief.
  - For FY 15, the Provost's office picked up S&C grants, USP, and will continue to cover some start-ups.
  - The 4% Administrative Fees (AF) allocated to individual F&A's account centralized in the VPR's office, was decentralized and relieved the VPR's office of \$250K.
  - Still short \$500K, so a decision was made to increase AF from 4% to 5% on sales/service, facilities, IT, athletics, etc., and F&A account expenditures.
  - RATF believed Pera should have resources to invest in research. The RAFT recommended increasing AF to 6%, for one year only (FY15) to raise about \$500K to invest back into the research engine to get us through FY15 and on track for increased F&A revenues in FY16 and beyond.
  - Suggestions were taken to the president who concurred.
  - How to implement?
    - Cuts on a local level will be decided by the deans, who will meet with dept heads to craft strategies.
  - Pera is overseeing FY15 and it begins July 1, so we still have time to make adjustments.
- Discussions ensued:
  - Kohler – Administrative Fees – this 1% raise that will generate \$500K will come just from F&A's? Camper - not on just F&A but on all designated accounts that may include facilities, ITC, Athletics, Residence Halls, etc. Kohler – these are groups getting funds from the state so is this a recapture? Camper – It is an internal capture mechanism. Almost all universities do this in one form or another but with substantially higher fees; MSU's fees have been historically low.
  - Brester – After the next FY, these fees will go back to 4%. Camper – That was the intent. This was a proposal and has to go through UC; they still have to approve this.
  - Longcope – What do you mean by reducing allocations to centers and institutes? Does that mean reducing their share of IDC's from returns of money they have generated themselves? Camper – Yes. Most of these groups have established, historical Memorandum of Understanding so to balance the budget, we determined the revenue producers were; and it was entirely based on revenue; many of the groups are intertwined with the academic mission; we had to cut some place and the only other option we had was to take off the top of F&A accounts. Longcope – Was there are consideration about these groups that are independent and don't generate any money. Camper – Of course, and we realized it would hurt. Some of them do have reserves and can work with their deans to get other revenues to get through FY15 when Pera looks at FY16 and beyond.

- Babbitt – Do the centers and institutes know they have had cuts? Camper – We wanted to wait until Dr. Pera was on board. This isn't set in stone, because there are mechanisms, internally, to reallocate resources. This mechanism is very fluid, which makes it difficult to sort out.
- Lefcort – Mokwa said MSU is not hurting; we have record enrollment and connecting research and education is one of our brands; undergrads can get phenomenal education in a cutting-edge research lab. Why can't funding be reallocated? The fact that there is any cut at all and in centers, why not reallocate from funds somewhere. Camper – Funds were allocated to a certain extent. Start-ups are starting to come from the provost's office; they are covering USP and S&C grants that came from F&A; the 2% AF is a contribution from the rest of the university to help us in FY15; the Pres contributed \$2M and that is money for commitments that did not happen. Also, state dollars may only go towards things they are intended for. Anytime we have a budget situation like this, there is a reason why we got there; maybe expenditures were too high and we need to do mid-course adjustments. My goal was to present Dr. Pera a balanced budget to give her a place to start.
- Rebane - Is the AF on F&A accounts only on the expenditures? Camper – Correct. Only on expenditures.
- Kohler – Slow down of start-ups, is this going forward or do we have junior faculty who have LOH and were told they will get this in three years but now they will get it in five? Camper – This will be on a case-by-case basis, and we already know most faculty want to do this because they have a hard time spending the money in three years and want an extension anyway.
- Bolte – If someone got \$3000, could that smaller amount be allocated in a year? Camper – Those we contacted, tended to be recipients of larger amounts, and we are notifying them.
- Ricciardelli – We rely on block and S&C grants. I see you eliminated block grants – will there be another way to accommodate this? Camper – Provost is looking at this. Mechanisms for funding scholarship and creativity grants are being covered by her. There have already been calls for proposals for next year, so they will be awarded next year.
- Brester – There have been a lot of high-end fixed costs expenditures; and most of those who made those decision are not here. What can we do to try and hold the line on these mind of expenditures? The Strategic Plan doesn't help because it is so general. How can we start having administrative decisions that don't hurt us down the road? Camper – I understand, as I was here when a lot of those decisions were made. We do have a lot of fixed costs – running OSP (which runs your research engine), fixed costs for leased space; the good thing is that it is leased space and if we don't need the space when the lease expires, we can move out of those buildings. We are now looking at other uses for leased space where we have extended leases so F&A's are not just covering the space. We did everything we could to eliminate fixed costs; some were made with the legislature and other entities that we cannot change. Many things affected F&A's; economic downturns; elimination of the earmark process. MSU is in much better shape than the vast majority of research institutes nationally. We do, however, see oscillations. Forecasting F&A's is incredibly difficult, but we are trying to do that as best we can.

- Reidy doesn't understand where the money is going and why cutting any research at this university is necessary. Faculty have not had answers to Lefcort's questions. Where does the money go from high enrollments? We are not always going to have high enrollments. We now have a model of growth that we will rely on that is tricky. What we have to push as a research institution, if we are going to cut things, is that it cannot be at the level of research. The little things we did as the AF, they were little. Maybe we should think more broadly about that. When we talk about the provost's office taking over S&C, start-up packages – is that right? Of course that money is coming from somewhere, too. So the more the provost's office takes over, the less faculty hire we can make. Unencumbering the VPR's office is not always the best way to go. We should find out where the enrollment dollars are going and why are we cutting research at a research institute? I understand why we had to make these cuts, but I don't believe it is the direction we want to go. As we move forward, I hope we ask those very difficult questions and demand answers. Camper – You can eke out small dollars, but Dr. Pera will be making substantial, strategic investments which will take us to the next level and infuse larger amounts of money. I don't believe it will take a lot of investments in key areas to get us to areas of opportunities: after the investments, what is the follow through? If you make investments in other things, what do you stop doing? After investments, you need a follow-through.
- Rossmann – You (Camper) are on the Budget Council and involved in the Strategic Investment Process. You've seen the tuition dollars and I wondered if those funds could have gone to research. Camper – You have to be careful; you cannot spend tuition dollars on research. There has to be an academic component. It will be up to Pera to guide the research investments and she is discussing this with Research Council; faculty will be involved. University budget is complicated but there is now a better understanding about what the VPR pays for; there was no clear understanding before.
- Babbitt – Start-ups might be provided as loans. Where do the funds come to repay those? Camper – That is only a suggestion by RATF. If there was a return of F&A, then perhaps start-ups could be loans. We've done this in previous years.
- Rebane – There are spreadsheets and budgets. Where are those? We haven't seen any numbers. Camper – it was not reasonable to go through a spreadsheet line-by-line in this venue. Things can be misinterpreted when a spreadsheet is handed out. Rebane – It took me 15 years to go through my research program, so I could go through numbers on a spreadsheet.

#### Common Hour/Posthumous Policy

- Mokwa asked senators to review those policies and be ready to vote on them next week. If senators have questions/comments please forward them to Mokwa: [rmokwa@ce.montana.edu](mailto:rmokwa@ce.montana.edu)

Mokwa thanked Anne Camper for bringing the discussion to senate.

As there was no further business, the meeting adjourned at 5:00 pm.

*Signature,*

*Robert Mokwa, Chair*

*Signature*

*Michael Reidy, Chair-elect*