

## Faculty Senate Meeting

March 17, 2009

### Minutes

**Members Present:** Agud, Diane; Akers, Mike; Anong, Sophia; Arthur, Sean; Boyd, Heather; Cothren, Richard; Easterling, Sam; Ellerbock, Mike; Floyd, John; Fox, Thomas; Freeman, Larry; Glasson, George; Gracanin, Denis; Grisso, Bobby; Jelesko, John; Jensen, Roderick; Karpanty, Sarah; Kuypers, Jim; Jones, Jeryl; Larson, Timothy; Long, Gary; Mann, Jeff; Martin, Steve; Martin, Tom; Maycock, Michelle; Moseley-Christian, Michelle; Moyo, Leslie; Odendaal, Hardus; Ott, Walter; Paretti, Marie; Pencek, Bruce; Pfeiffer, Doug; Ponder, Monica; Redican, Kerry; Rothschild, Joyce; Satterwhite, Emily; Shadle, Brett; Shingles, Rick; Shoemaker, Don; Smith, Deborah; Teulon, Fabrice; Tokuhisa, Jim; Vance, Eric; Viehland, Dwight.

Guests: Mark McNamee, Vice President and Provost  
Dwight Shelton, Vice President and CFO  
Terry Papillon, Professor, Pathways to Learning  
Robert Jones, Professor, QEP/SACS

1. President Hardus Odendaal opened the meeting at 7:00 p.m.
2. Minutes from February 9, 2009 meeting were approved.
3. Faculty Senate meeting agenda were approved
4. Provost Mark McNamee presented the current state of the Commonwealth and Virginia Tech budget. He made the following key points:
  - A. There are challenges in assimilating stimulus dollars into funding priorities for the Commonwealth. The Federal stimulus dollars should give Virginia Tech a bit of an advantage because of experience in handling budget problems.
  - B. Where we stand: All senior management areas were asked to propose reduction plans of 3 and 5%. Worked with 5% as a realistic target. These proposals were submitted in December.
  - C. Likely to see impact on currently filled positions but not to involve tenured faculty or faculty in tenure track positions.
  - D. Can't take 30 million out of the budget and not have an impact on programs.
  - E. Stimulus money should help in preventing reductions in class offerings. Don't know how final budget numbers and stimulus dollars will translate to tuition. Administration is trying to take a long-term view where we want to be in 5 years and how to minimize damage for long-term growth of university. Major structural changes like in 2002 are not anticipated.
  - F. CLAHS has proposed new opportunities to align programs and as a result have been extended the option of considering retirement plans if needed. We are not clear on what the final outcome will be.

G. Tenured and non tenure, tenure track faculty not at risk and there is no hiring freeze. Colleges and administrative units have slowed down hiring using good judgment to fill positions most essential.

### Questions

1. Will State stimulus dollars be used to restore Commonwealth initiative? *Not directly but how to use the funds and how many strings attached are unknown. Will be looking for maximum benefit.*

2. How has the Charter university status helped? *It has given us more freedom from direct State oversight and the intent was to build base budget adequacy. More freedom to operate but with less money. BOV has authority to set tuition and fees and this helps. But the state can still offer suggestions. We have to negotiate what is in our best long term interests.*

5. Dwight Shelton presented the fiscal issues facing both the Commonwealth and Virginia Tech.

A. State budget shortfalls: 3.7 billion dollars; Higher education represents 11% of Commonwealth budget yet has to undergo a 15% cut. Impact on Virginia Tech: approximately \$37 million and the numbers are permanent. Adding the addition \$4.8 million from 209 the total is \$42 million dollars. The percentage of the university budget from the General Fund is approximately 20%.

B. Budget strategies include: working with state officials; mitigate reductions through central administrative actions to the extent possible; enhance revenues; distribute reductions as broadly as possible; facilitate a process of flexibility in senior manager's hands; research institutes are fully participating in budget reduction process; auxiliary enterprises are not state supported but were still assigned cuts to move dollars into the instructional budget.

C. Virginia Tech did get some capital support: planning for engineering signature building, Davidson hall, chiller plant, human and agricultural biosciences building.

D. Federal stimulus monies: Virginia will receive \$4.8 billion over 2 years. Much of the dollars flow through Richmond to localities. \$1.2 billion for state stabilization fund of which a significant amount goes to education and VT will receive \$17 million in the first year (this is one time money). If we use stimulus dollars to offset budget reductions it would come back to haunt us in 2012.

### Questions

1. Can we draw funds from the university endowment? Rainy day fund? *Endowment is down. Big mistake to tap into principal of endowment not a good long term strategy. Over 90% of endowment funds are restricted.*

2. How do things look for next July? *We believe that the state is being conservative in their revenue estimates. State has set aside a cushion for the next two years. We need to do things on the revenue side to help. We are all in this together and trying to share all information.*

6. Senate discussion of material presented by Provost McNamee and Dwight Shelton.

*Motion: Federal Stimulus dollars allocated to Virginia Tech be used stimulus money to offset cuts to the library. Motion passed: 42 for, 1 against.*

7. At 9:10 p.m. a motion was made and passed to adjourn the meeting.