

THE GEORGE WASHINGTON UNIVERSITY
Washington, D.C.

MINUTES OF THE REGULAR FACULTY SENATE
MEETING HELD ON NOVEMBER 14, 2014
IN THE STATE ROOM

Present: Provost Lerman, Registrar Amundson and Parliamentarian Charnovitz;
Professors Brazinsky, Castleberry, Costello, Dickinson, Fairfax, Feldman,
Galston, Garris, Gee, Harrington, Hawley, Katz, Khoury, Lantz, Lindahl,
Marotta-Walters, McAleavey, McAlister, McDonnell, Newcomer, Parsons,
Prasad, Price, Pulcini, Roddis, Sarkar, Shesser, Simon, Squires, Thompson,
Wald, Williams

Absent: President Knapp, Deans Akman, Brown, Dolling, Eskandarian, Feuer,
Goldman, Johnson, Livingstone, Morant, and Vinson; Professors Jacobson,
Miller, Rehman, Sidawy, Swaine, Swiercz, and Weiner

CALL TO ORDER

The meeting was called to order by Provost Lerman at 2:10 p.m. He introduced two newly-elected Senators from Columbian College as follows: Professors Melani McAlister, replacing Jeffrey Brand, and Gayle Wald, replacing Eric Arnesen.

APPROVAL OF THE MINUTES

The minutes of the October 10, 2014 Senate meeting were approved as distributed.

REPORT ON THE FACULTY GOVERNANCE WORKING GROUPS

Provost Lerman welcomed and introduced the speaker, Dr. Madeleine Jacobs, who is a very active member of the GW Board of Trustees and very recently became the Chair of the Academic Affairs Committee of the Board.

Dr. Jacobs thanked Provost Lerman and also Professor Garris, Chair of the Senate Executive Committee, for facilitating her report to the Senate. She added that she was delighted to be at the meeting, and began her remarks by taking the opportunity to introduce herself, as she had not addressed the Senate before. Her introductory remarks were as follows:

I am the Executive Director and the CEO of the American Chemical Society which is the world's largest scientific society devoted to a single discipline, which is chemistry, and its allied fields. We have 161,000 members. About 35% of them work in academia and the others work in industry all across the chemistry industry, the pharmaceutical industry, and the rest work in government or they are independent consultants. We also have a lot of students at all different levels.

The American Chemical Society (ACS) is one of the largest not-for-profit societies in the world, with 2,000 employees and \$500 million in revenue. It does a lot of very important work in the space that academics care about. The Society publishes 47 scientific journals and these are the premier journals in chemistry. In addition, it publishes research databases known as SciFinder and

STEM that are used globally. Having visited probably something on the order of 200 universities during my career to date, I have a lot of familiarity with universities. I was the managing editor and editor-in-chief of the ACS weekly news magazine, Chemical & Engineering News, and feel very attached to the university environment, as well as industry. I'm passionate about Chemistry in particular because I was an undergraduate here at GWU and, of course, spent a lot of time at Corcoran Hall. And I am really excited about the new Science and Engineering Hall.

I have an honorary doctorate from the University and was appointed a Trustee a couple of years ago. As Professor Lerman said, I was just appointed in July as the Chair of the Academic Affairs Committee of the Board of Trustees, which is a big honor for me to be stepping into the shoes of Mark Hughes who I think many of you know, a dear friend of mine, who would still be in this job if he hadn't unfortunately timed off the Board. My involvement with GWU includes serving on the Board's Executive Committee by virtue of chairing a Standing Committee. I'm also Chair of the Board Subcommittee on the Working Groups on Faculty Governance.

In other areas, I am the Co-Chair of the Columbian College of Arts & Sciences (CCAS) capital campaign and I am also on the national council of CCAS which is an advisory group. I was appointed by GW to the Board of the GW Museum and the Textile Museum, and also serve on the Board of Trustees' Committee on the Strategic Alignment of the Corcoran School of the Arts and Design.

So, as you can tell, I am very passionate about the University. In these volunteer assignments my goal is to just help the University get bigger and better. And I've tried to do my part in that by establishing an endowed fund for undergraduates in the Chemistry Department, so it has been a real joy to me to see how the students have benefited from that. So, that is my background so that you know that I take this position not only with great humility but also with a great desire to make my University and your University the best in the world.

Dr. Jacobs inquired how many serving on the Faculty Senate had attended the Faculty Assembly this fall and heard Board Chair Carbonell's remarks. Many senators indicated they had been in attendance. Dr. Jacobs said she did not want to repeat everything that Chair Carbonell said, but noted that he had described how last year the process of the Board's review of GW's faculty governance had begun. This involved 27 or 28 meetings overall, with the Senate and the Senate Executive Committee and with individual faculty members. Town hall meetings were also held.

The outcome of all of this was to develop a work plan for the process going forward. A revision was also adopted by the Senate and the Board to the academic freedom section of the *Faculty Code*.

The process of reviewing faculty governance to bring it into alignment with the GW Strategic Plan has continued this year with the creation of four working groups as follows: the groups are comprised in total of 43 members, including eight Trustees, twelve University and school administrators, and nineteen faculty members representing all ten schools. Since the Senate received the last report on the process, there have been 21 meetings of these four working groups. Although it is hard to believe, each of these four working groups has met at least five times since the beginning of the academic year in September. This does not include one meeting with all of the Deans and one meeting with Provost Lerman.

To refresh everyone's memory, Dr. Jacobs outlined the areas of inquiry for each of the working groups. The first is Participation; this group is reviewing participation rights [in university-level governance] for full-time faculty members across the university as well as eligibility to serve on the Faculty Senate. The second group is Appointment, Promotion and Tenure; this group is evaluating how tenure processes are administered across the university. The third group is Appointment and Review of Academic Administrators; this group is reviewing the best practices used by schools within GW to determine what the best formula for recruiting a dean is, and secondly, on ways to provide constructive faculty feedback to deans and help them lead their schools. The fourth working group is School Rules and Procedures; this group is reviewing all of the current bylaws across all ten schools to determine if there are provisions that each school should be required to have rules and procedures about. It is also looking at the current grades of academic personnel. Where possible, a lot of research is being provided to the groups through an association that the University is involved with, so the groups can look at other universities in a group of universities such as those in GW's marketbasket, i.e., those schools with whom GW either competes or aspires to be like -- and ask them questions about their own processes in each of these four areas.

An important aspect of the process of reviewing faculty governance is transparency. As everyone has seen, Chair Carbonell is committed to keeping faculty members informed. All of the Trustees are as well. Dr. Jacobs recounted that she had met with Professor Garris earlier this fall to discuss the whole process. He provided some very good thoughts and ideas as well as guidance on what should be kept in mind. This year as already mentioned, Chair Carbonell addressed the Faculty Assembly and then Ryan Evans, Special Assistant to the Board of Trustees, briefed the Faculty Senate Executive Committee at its most recent meeting on process details. Dr. Jacobs said that in addition to today's brief update for the Senate, she was there answer any questions posed. She added that the following Friday, she would be joining the Senate Executive Committee for further discussion.

On a personal note, Dr. Jacobs said that in everything she has done in her professional life, which spans a 45 year career, there is one guiding credo that has served her well: it's better to do something right than to do it fast. She added that in this governance review process, the working groups have deadlines, and as Chair Carbonell advised the Assembly, a deadline is a good thing because it gives you something to work for. However, as everyone saw last year, everyone tried to do a little bit more than was really possible in a year. In this phase, every effort will be made to complete the work in a timely fashion this academic year, however, the time that is needed will be taken to do it right.

At the conclusion of her report on the governance review, Dr. Jacobs said that she thought that the goal of the Board of Trustees and certainly the collective goal of everyone involved is to simply continue to raise the stature and reputation of the University. Dr. Jacobs said this with deep affection, because GW is her University, and she feels it launched her on a terrific career and she wants to give back to GW to help others get launched on their own careers. Working together, the University community can achieve great things and get this work done in a very respectful and a very productive way.

Discussion followed. Professor Roddis asked if the makeup of the working groups is something that is available. Mr. Evans responded that all of this information is online on the Trustees' website.

Dr. Jacobs expanded upon this answer by saying that each working group also has one Senate Executive Committee member on it as follows: Participation: Paula Lantz of Public Health; Appointment, Promotion and Tenure Processes: Sylvia Marotta-Walters of the Graduate School of Education and Human Development; Appointment and Review of Academic Administrators: Tony Sidawy, School of Medicine and Health Sciences; School Rules and Procedures: Marie Price, Columbian College of Arts and Sciences. In addition to faculty and administration members mentioned earlier in the meeting, each working group is chaired by a Trustee, and a second Trustee or recent Trustee who is working with that Chair.

Professor Parsons asked if there are thus far any one or two issues that have come to the fore that the groups have found most sensitive or contentious, and if the Senate might be given a preview of these so it could begin thinking about them. Dr. Jacobs responded that this would certainly not be the last time she would come to brief the Senate on the progress of the governance review process. To single out any one area at this point would be misleading as the deliberations of the working groups are very much works in progress. As Professor Price can certainly attest, what might be an issue today will not be next week or after the next meeting because a lot of the things each working group is discussing in the process of getting data to help inform the discussion shape the discussion going forward. Dr. Jacobs also said she would be reluctant to single out any one thing or even to put anybody who is on these working groups on the spot to do that. She added that she thought that at a point later in the academic year she would be in a better position to come back to the Senate to talk about where the discussions are headed.

Professor McAleavey asked what the end game is in this process and how everyone would know when the work of the groups is done and what they will recommend. Dr. Jacobs said she thought the groups will let it be known when they are done because they each have a charge to fulfill [the charges to the groups is up on the Trustees' website). Reprising her credo, "it's better to do it right than to do it fast, Dr. Jacobs said that everyone wants to be sure any recommendations that would come to the Faculty Senate and then to the Board of Trustees will be recommendations that have been well thought out and fully explored in all of their implications. Changes to faculty governance should not be made lightly; in terms of the end game, the goal is to do what Chair Carbonell outlined at his very first meeting with the Senate last year. GW has a new Strategic Plan, and the Board wants to make sure that faculty governance is aligned with achieving the goals of that Plan. This is where the process started and that is the ultimate goal.

Professor Lantz offered comments concerning the activities of the Participation working group. It has been working very hard and has met five times this fall already. It is striving to complete this work as quickly as possible, if possible by the end of the calendar year, or at the latest, sometime in January, because the group understands there is a lot of process that needs to happen after its work is done. That is, its recommendations will likely need to be reviewed by the Senate Committee on Professional Ethics and Academic Freedom and the Senate Executive Committee – after which they would have to be presented to the Senate for its own consideration.

Professor Price also offered comments on the activities of the Rules and Procedures working group. The group is well aware that if it makes a recommendation in one area, it will affect another. It can be a complicated knot. As a result, this working group has held cross-meetings with other working groups, for example, Rules and Procedures has met with Participation. She gave an example where this sort of consultation has benefited from such cross-meetings. If, for example, the Rules and Procedures working group makes a recommendation to change rules pertaining to who can participate in the Faculty Senate, the question is how that would affect other areas, and implications of such a change must be fully explored.

In particular, the working group has also looked at all the various working titles that the schools use for faculty members; these are quite numerous and varied. The group is exploring whether or not a bit more consistency is in order across schools. A second part of the working group's charge is to review school bylaws for consistency between the schools and also to ascertain whether or not they contradict provisions of the *Faculty Code*. Like the Participation working group, Rules and Procedures hopes to complete its work by the end of the calendar year 2014.

REPORT ON THE REDUCTION IN THE UNIVERSITY'S TUITION REMISSION BENEFIT EFFECTIVE JANUARY 1, 2015

Professor Cordes, Acting Chair of the Fiscal Planning and Budgeting Committee, began by saying he would report on some of the concerns that have been raised among the faculty and other members of the University community about several aspects of this issue.

First are the implications of the new policy for tuition remission for employees scheduled to take effect on January 1. Second, there are some issues that more generally have to do with fringe benefits, especially health insurance, and finally, there is another issue that has surfaced in the public discussion of all of this having to do with staff representation in discussions about benefit changes.

By now, everyone should be aware of the impending proposed reduction in Tuition Benefits for employees. The modified benefit basically provides remission for 90% instead of 96% of tuition and reduces the number of credits that can be taken in a year from 21 to 18; this will apply to all employees starting January 1, 2015.

A group of staff have raised concerns both about the benefit reduction *per se* and about the fact that it applies to all employees, including those who are already here and enrolled in programs. It is true that GW's website page describing tuition benefits at the University does contain a disclaimer that these benefits are subject to change. But at the same time, current employees who are enrolled in courses and degree programs probably accepted offers of employment at GWU in part because they had a good faith belief at the time that the benefits that were described to them would continue to exist.

Professor Cordes said he thought his first point is probably not terribly controversial, and that is the practice of grandfathering those who are adversely affected by changes in policy. That is something that is fairly widely, if not uniformly, accepted in practice in a lot of situations, certainly in the United States. For example, if one were to look at the current GW webpage that describes Tuition Benefit there are several points, where in bold it says "the following sets of policies only apply to employees hired on or after a certain date." [Professor Cordes was not certain about the date cited on the page, but said he thought it was circa 1991]. This could be interpreted to mean that those who were hired before then are subject to the old rules. Professor Cordes said that he was disappointed that GW chose to apply the reduced Tuition Benefits not only to prospective or new employees, but to existing employees as well. He added that he thought there were a number of faculty and staff present that day at the Senate meeting who would share that perspective as well.

As to why there was no grandfathering of existing benefits for current employees, one plausible explanation is that immediate budget savings were needed to help finance the savings to reduce the employee contribution for health insurance for the 2015 benefits year. The reported amount of this savings amounted to \$750,000. Another change to produce savings in the health

insurance area was eliminating the high premium plan and substituting a high-deductible plan with a health savings account component. The combination of these made it fiscally possible given the current set of budget constraints to hold the health plan contribution increase to between 3 and 4%. Without these changes, it is possible that plan premiums would have risen by 9%.

One thing that is apparent is that in the desire to respond to the justifiable concerns about the rising cost of health insurance, the particular effect of at least the tuition benefit reduction component on some of the staff may have gotten lost in the shuffle.

Professor Cordes offered an analogy drawn from his background as a public finance economist. At least part of the benefit that plan participants will receive as a result of holding down the cost of health insurance in 2015 is in effect financed by an implicit tax on current staff enrolled in GW courses and programs. There may not have been a conscious decision to do this, but the proposed reduction in tuition remission has the effect of doing that. The amount of the tax varies entirely by the individual enrolled in courses or degree programs and their circumstances, whether they are at the beginning of their program, in the middle, or toward the end.

For example, suppose there is an employee who has 18 hours left to complete in his or her program. That would be midway through a typical Master's program at the University. While credit hour costs vary from program to program, assuming a credit hour cost of about \$1500 times 18 credit hours x 6% which is what the effective increase in the amount paid by employees in 2015 will be, translates into approximately a \$1,600 increase in completing a program for somebody in that circumstance. Further, if there were somebody taking the normally allowed 6 credit hours in the spring 2015 semester, the cost to the employee of that increase would amount to \$540.

Of course different numbers obtain depending upon an individual's circumstances. Those amounts may not seem like large sums to some, but it should be kept in mind that a lot of the people affected by this benefit cut tend to be younger staff of fairly modest financial means and they probably have planned everything out fairly carefully. So a benefit cut such as this doesn't come as a particularly pleasant surprise and it very likely does create some difficulty in figuring out how to deal with it.

Some might say that the recipients of tuition benefits may have to pay this extra amount, but there is an offsetting benefit; like everyone else, their health insurance costs aren't going to be as high. Looking at this a bit closer, if one takes the case of a staff person who is on the family health insurance plan and using the numbers that Human Resources Vice President Ellis presented at the September Senate meeting, overall, an employee receiving the existing tuition benefit whose health plan insurance increase would otherwise have increased by 9% beginning in 2015 would be out of pocket approximately \$20 per month, or \$240 annually. This amount is less than the \$1600 in additional outlay for 18 credits given the assumption cited above.

All of this raises a broader question about the issue of fringe benefits. Assuming we will need to confront rising costs for health insurance each year unless the U.S. is successful in bending the cost curve, the issue of the health insurance costs rising more quickly than traditional merit raise increases is not something that is going away. It will continue to confront the University with the issue of rebalancing, a phrase that was used in the email that everyone received concerning health fringe benefits versus other fringe benefits.

The current policy has been in effect for a number of years and worked quite well when health expenses were not growing that much more rapidly than other things. Essentially, growing

fringe benefits in tandem with salaries is basically what one does in a world where there isn't differential inflation between those components. But if the cost of providing a fringe benefit such as health continues to rise more rapidly than the increase in wages and salaries, the only way of granting relief from rising health insurance costs in the future is going to be through reallocating funding from other benefit areas, and every time that is done there will be unintended consequences. The consequences, of course, depend upon which other component of fringe benefits or salary is reallocated in order to produce the necessary resources *and that will inevitably create tradeoffs between different types of fringe benefits with the result that it is unavoidable that there will be winners and losers from whatever has been changed.*

That leaves the question of options for remedying the situation. Professor Cordes said that the first option, which he did not favor, would be to maintain the current cap of 3% on total compensation going forward. If nothing is done to remedy this, the process of rebalancing health benefits versus other fringe benefits should at least go forward with a greater explicit recognition that it is really a fixed pie that is being reallocated, and there will always be tradeoffs. Those need to be thoroughly explored and understood, which is not to say that was totally ignored in the process that resulted in the reduction in tuition benefits, but it was not quite as explicitly laid out as it could have been.

Alternatively, the time may be right to take a closer look at possibilities for raising the cap. That could either be on total compensation, or some subcomponent of that. There are both incremental and broader options. That is the only way that real relief can be provided to the entire community of faculty and staff at GW.

Professor Cordes commented on the inclusion of staff in the conversation. This is one issue that came to the fore in the petition from staff about the tuition benefit cut that everyone has seen. The petition reflects the views of a group that Professor Cordes characterized as line staff, i.e. the senior secretaries and people in the departmental offices that keep track of grades, budgets, and other administrative tasks. It appears that this group has been underrepresented during the discussions of the Benefits Advisory Committee. Certainly there are one or two people who seem to fit that description currently on the Committee. Professor Cordes urged that the Senate as well as the administration think of some way of remedying this.

One incremental but useful step would be to find ways of increasing staff involvement in certain Senate Committees. This might be set as a goal, aiming it at people either in department or dean's offices, and could be done by contacting the relevant deans and requesting their recommendations, for example, for names of staff who maintain a large budget or have broad administrative responsibility for the operations of a departmental office or school. These people would provide valuable information and perspective of the sort provided by Renee O'Neal and Ann McCorvey at the whole University level.

There is, of course another alternative, and that would be a modification of the *Faculty Code* to provide for a more broadly representative Senate. Professor Cordes said he understood that some universities, one being George Mason, have a model where they have a faculty and staff senate and the staff are given some representation and voting rights.

In conclusion, Professor Cordes said that this year a joint subcommittee of the Appointment, Salary and Promotions Policies Committee and the Fiscal Planning and Budgeting Committee will be looking at these issues more systematically. Professor Tyler Anbinder has

agreed to chair this group, and Professors Rau (SB), Hopkins (CCAS) and Gabaldon (Law) will serve. The expected outcome is a joint report from both of the originating Committees, along with some proposed resolutions that may accompany it. _

Discussion followed. Professor Castleberry asked what notification of the benefit reduction had been given to those affected and if this had been done individually. Professor Cordes responded that the first he had learned about it was from *The Hatchet*. There was a good bit of uncertainty about this; a student in one of his seminars had asked him about it, and if would apply to her or people yet to be hired. This was early in the semester, right after the decision had been reached by the Benefits Advisory Committee. Due to the lack of general information, Professor Cordes said he had to tell the student he didn't know the answer to that question.

Professor Castleberry said that fellow faculty members who have talked to him about this expressed great concern about the benefit reduction. Perhaps faculty members who don't have budgetary responsibilities for grants or contract appointments of staff to do ancillary work in their units don't feel like it's a huge concern. But for those people who have to go through having all the paperwork proofed and done, getting the budgets straight and all sorts of other administrative tasks, they are hard put to see how they could function if there were to be dramatic turnover or constant change in the process of getting good people into those roles. As most know, it takes a long time to learn the University's appointment and financial systems and other administrative procedures. This is really a critical operational skillset and the specter of rapid turnover really causes great concern to people.

Professor Feldman recalled a discussion at the Senate meeting earlier in the year when health care benefits were discussed, and the strategy of addressing rising costs without cutting other things. This would involve increasing the pool of funds available for salaries and fringe benefits. She added that in the present case, her sense of the Senate was that it would not want to be in a position where faculty benefits are being traded for or pitted against staff benefits. Both groups are part of the University community, and everyone wants to have good working conditions and support each other. She added that if the only choice is rebalancing within a fixed pot, that will not solve the problem, because the size of the pot itself is itself a decision, not an immutable fact. What is needed is to revisit that conversation.

Professor Castleberry said that he is a member of the Benefits Advisory Committee (BAC) and had attended last year's meetings. The tradeoff between curbing health care increases by reducing tuition benefits for employees was not a line item that came to the attention of the BAC in any specific way or it would have been discussed further. In other words, it was not clear that one population was to be singled out to be significantly affected and that this was a critical population upon whom so many depend for administrative services.

Professor Roddis offered an alternative scenario on the tax analogy. In the past, staff tuition benefits were even higher, and this could be viewed as a tax on the staff that are not taking a high number of GW credit hours. She added that she had also observed that there is churn that is generated in the staff as people come, earn a degree as fast as they can and leave.

This was an issue with people taking the 21 hours previously allowed -- some staff, were clearly devoting more time to their studies than they were to their work duties and the high tuition benefits seemed to artificially depress the staff's direct compensation. In addition, that makes it hard to hire individuals who are not interested in exercising the tuition benefits option, and hard to hold on to those who completed the degree that drew them in to start as GW staff.

Professor Roddis said she thought that when all of these decisions were being made they were not explicitly linked. Sabrina Ellis did later explicitly link them in *GW Today* and some of the things that were in *The Hatchet* about staff benefits and healthcare benefits.

Professor Roddis added that she thought it is an oversimplification and a misleading one to just say that staff tuition benefits were cut to keep health care costs from rising even faster than they did this year for the faculty (and the staff). Human Resources has been looking at the issue of tuition benefits for years and the various issues that arise when a staff member is also a student. There are also issues with postdocs and fellowships and these are part of a much bigger picture about the way GW works as a University.

Professor Cordes agreed that the discussion Professor Roddis referred to has been underway for some time, but that is somewhat separate from the other question of deciding to change the benefit structure which was after all in place when people were hired, accepted the offers as described to them, and decided to stay rather than leave. And now the benefits have been changed and it was done in such a way that this is not just a future policy but one that applies to everyone using the tuition benefit no matter when they came to GW. He added that these are separate issues; some may feel strongly about the grandfathering and feel somewhat differently or not as strongly about the issue of a general restructuring of the Tuition Benefit program.

Professor Williams noted that an additional piece of change to the tuition benefit is the longer probationary period, which is another tradeoff posing other disadvantages. Professor Cordes said he thought it makes it harder to hire people, a fact that was acknowledged by Vice President Ellis at the last BAC meeting he attended.

Professor McAleavey asked how GW's total compensation packages compare with other market basket institutions. Professor Cordes responded that there is a one page summary circulating which draws from the AAUP annual compensation survey. Based on that, the ratio of fringes benefits to salary for GW is relatively low. Professor Cordes added that he had also heard it said this ratio is average.

These institutional comparisons are tricky because ultimately one would like to compare apples to apples and that isn't easily done. This is one of the things the Joint ASPP and FP&B Joint Subcommittee will be looking at and reporting on next semester.

As an example of the difficulty of comparability, Professor Cordes said that his understanding is that Georgetown University does not provide unlimited tuition benefits as GW does. At GW, essentially as long as employees are here there is no ceiling on how many courses or how many degrees they can earn.

Georgetown has a limit on these benefits, but it does provide within that limit 100% tuition. GW provides unlimited tuition benefits, but at 90% tuition effective January 1, 2015. Georgetown also apparently provides a subsidy for courses taken at other universities. The question of who has the better set of tuition benefits is knotty, and once differences are factored in it is not necessarily easily ascertainable which plans are more generous than others.

Provost Lerman agreed it is very hard to draw comparisons between institutions. Some offer tuition benefits for some of the part-time staff; many of GW's peers do not but many of them have a higher tuition remission benefit for staff than GW does.

The Provost said that he had requested some information on this topic prior to the Senate meeting. One metric examined the dollar value of the tuition benefit. Looking at 20 of the universities GW has data on, the total dollar amount of the tuition benefit for FT graduate student with the new policy is pretty squarely in the middle, which is to say there are some that are better and some that are worse. In terms of benefits for part-time and full-time employees, GW is better than most as most other places do not offer these benefits to part-time employees. In terms of the new waiting period, GW is also squarely in the middle of the comparative group.

The Provost said that with the old policy, GW was probably in the upper quartile; with the new one, probably in the middle. Even though it is hard to meaningfully compare the plans, that is a reasonably fair characterization. In terms of GW's total benefits as a fraction of compensation, this is something the Joint Subcommittee should probably look at. He added that his understanding on that metric is that GW is certainly not at the top

Professor Brazinsky said he wanted to echo Professor Feldman's observation about the 3% cap on total compensation. He said he agreed that is the real crux of the issue. It is going to be very difficult for the University going forward to maintain decent raises and salary, keep the cost of health benefits under control, and not make cuts to other benefits whether they are retirement or tuition benefits or other things.

Professor Brazinsky also asked what the prospects are for raising the cap, and if this is something that the University is in a position to do now or in the near future. In other words the question is whether or not the reduction in the tuition benefit has to do with the recent crunch in enrollment that occurred in a few schools or if it is because of other long-term financial commitments.

Professor Cordes said that he recalled a period where the salary merit pool was 4% instead of 3% and in fairness it should not be forgotten that GW employees were getting that when a lot of other places were providing zero. But then the decision was made to lower it from 4% to 3% and probably partly because GW was looking at what the competition was doing at that point. Ultimately this is a decision that is made by the Board of Trustees in consultation with the Administration.

Provost Lerman said he thought Professor Cordes's summary accurate. It would be a lot easier to consider higher funding for benefits had GW's revenue not fallen. In a period of lower revenue where there is a lower-than-planned tuition revenue. [t is a lot harder to imagine the Trustees approving higher overall compensation levels. If revenue returns to earlier levels, it is plausible that a request for higher compensation might get a positive reception. There are two things that drive the University's compensation philosophy – GW wants to be competitive and it wants to balance its budget.

The University's experience with rising health care costs is a major concern. GW is self insured, so over a multi-year time frame it has to eventually cover all of its health care costs. Costs for the campus community have risen steeply in the last four years: 10.2% in calendar year 2011, 9.8% in 2012, 9.7% in 2013, and 9.0% in 2014 [note: the benefits budget operates on a calendar year basis rather than the fiscal year from July 1 to June 30]. These amounts represent actual checks the University has to write for the health care of everyone who is in the plan.

So, health care costs have been running higher than GW's compensation pool will allow, and the observation that this is in some sense a collision course is accurate. It is known that more money for health care will be required; no matter what the reasonable size pool would be the question is how to pay for these. The options are limited, those being to find other benefits to reduce, increase the benefit pool either by reallocation or increasing total compensation, or some combination which is certainly plausible too.

The year the University decided, on the advice of the Benefits Advisory Committee, to keep the health care insurance premium low consistent with the 3% merit increase pool; however, the price tag on that was to find benefit cuts elsewhere. This issue is something the whole University has to be concerned about in the long term; in the short to medium term it will not go away, and thus it is important to have a conversation about it through the Senate and other governance mechanisms.

Professor Price observed that amount of money devoted to fringe benefits is approximately 25% of salary, and Professor Cordes agreed with this. She asked how this 25% was divided in terms of funding retirement, merit increases, health care, tuition benefits, and other fringe benefits. Professor Cordes responded said he did not recall having seen an overall breakdown, but would guess the biggest percentage would go for retirement benefits, with health insurance second. Provost Lerman said that the information is certainly available and that Vice President Ellis could provide it.

INTRODUCTION OF RESOLUTIONS

Professor Newcomer introduced and moved adoption of the following Resolution:

A RESOLUTION TO ADDRESS THE BURDEN PLACED ON CURRENT UNIVERSITY EMPLOYEES WITH REGARD TO PROPOSED CHANGES IN TUITION BENEFITS

BE IT RESOLVED BY THE FACULTY SENATE OF GEORGE WASHINGTON UNIVERSITY

That University employees employed by November 14, 2014 be grandfathered in to their existing tuition benefits.

Professor Newcomer's motion was seconded. Following a very short discussion, the Resolution was referred to the Senate Executive Committee for its consideration.

GENERAL BUSINESS

Professor Garris requested and received the consent of the Senate to add the following item to the agenda:

- I. Nominations for election of faculty members to Senate Standing Committees:
Professional Ethics and Academic Freedom: Melani McAlister;
Research: Christina B. Gee

The entire slate was approved.

II. REPORT OF THE EXECUTIVE COMMITTEE

Professor Charles A. Garris, Chair presented the report that is included with these minutes.

III. PROVOST'S REMARKS

Provost Lerman began his report by briefing the Senate on an interesting project emanating from GW's Global Women's Institute in its collaboration with the Malala Foundation. He said he had attended a lunch meeting with Musat Zia, who is Malala's father, who was visiting the campus. By now, almost everyone is familiar with Malala, who won the Nobel Peace Prize for the work she did and is doing as a girl encouraging education for girls around the world.

The collaboration of the Institute and the Foundation led to the publication of a resource guide for educators. A group of GW faculty worked with the Malala Foundation and wrote essays around what they thought would make interesting discussion topics for teachers who are using Malala's book, I Am Malala, in their classrooms. This pamphlet of commissioned essays includes reference materials, so that teachers could bring them into the classroom and basically use the book as a launch pad for conversations about and exploration of a range of interesting topics that come to mind after a close reading of her book.

Provost Lerman said he was very proud of this effort. It is going online and Malala's book is now available in 36 languages worldwide, including English. A youth version of her story will be released quite shortly. The Provost said the University anticipates being approached for translations of the related book of essays and the hope is to eventually use this as a way of fostering a global conversation in schools about the education of girls, or more importantly, the lack thereof around the world. This is a great example of GW faculty doing something incredibly important through a new institute at the University created under the auspices of the Strategic Plan.

Provost Lerman said that Malala's father is an incredibly interesting person who in conversation said that people can relate to a story, and her book is her story. She wants the story to be the beginning of conversation and action around the things the story is about. Her father also said he thinks that the combination of a great and important story that is brought into classrooms for conversations with both girls and boys around the country in elementary and high schools is a very important idea.

Provost Lerman next reported sad news for the campus community. Many on campus know and have worked with Judy Arkes, the University's Academic Editor, who rather suddenly collapsed the day before on November 11th. She was taken to GW Hospital, but the administration was informed by the doctors that evening that she had passed away. In her 38 years at GW as the Academic Editor, Ms. Arkes participated in a wide variety of projects; she produced annually the University bulletin and the commencement program, to name two of her more visible pieces of work. She also participated in the effort to develop the electronic workflow necessary to put the GW Bulletin online. Provost Lerman said he thought she was someone who made the institution better and for those who got to know her during her time here, she will be very much missed. The Provost concluded by extending condolences to her family on this sudden and unexpected loss.

Provost Lerman turned next to reporting on the current status of funding for the Science and Engineering Hall. Four years ago, when Provost Lerman first came to GW, the Board of Trustees gave the go ahead to construct this facility. At the time, Provost Lerman said he and Executive Vice President and Treasurer Louis Katz laid out the expected three sources of funding.

The first was from the stream of rental revenues from the development of Square 54 on the old GW Hospital site. The new development is now called The Avenue and the project includes residential and retail amenities. A decision was made by GW's Board to dedicate that stream of revenue to help pay for the Science and Engineering Hall. The second revenue source was to be philanthropy. The third revenue source was based on projections of increased research in the facility, with increased indirect cost recovery funds being used to pay for part of it. Three or four years ago, each component was identified as paying for approximately one-third of the building's cost, and a range for each source was provided.

The Provost began with the bad news which is, as former Vice President for Development and Alumni Relations Mike Morsberger reported to the Senate, the appetite of donors to pay for buildings turned out to be far less than anticipated. This reflects a shift nationally; donors are much more interested in giving money to programs than capital projects now. So the funding from philanthropy will not provide one-third of the total cost as anticipated. The University is still raising money to go toward capital construction costs, but only about \$7 million has been raised specifically for this. However, because floors 7 and 8 of the Science and Engineering Hall will be paid for by University units that raise money separately such as the School of Medicine and Health Sciences, these units will be spending about \$17 million for their share because they will occupy that space, which was previously unallocated. That will provide another \$17 million toward capital costs, so the total capital funding will amount to approximately \$24-25 million.

The good news is in the area of how much of the cost rental revenue from Square 54 will pay for. Originally there were assumptions of much higher interest rates for loans. However, interest rates for long-term fixed-rate debt are at what most people would regard as historic lows and so the portion of the Science and Engineering Hall costs that can be funded for the same dollars annually is much higher than anticipated. Consequently, the University can pay for capital costs somewhere between \$225 and \$250 where previously it looked as if the revenue stream would provide more like \$100 to \$125 million.

Turning to future indirect cost recoveries, Provost Lerman said these are always the least certain. The probability is that these will contribute over the next 25 to 30 years about \$25 million.

The aggregate story here is that the University can pay for the building, but not as it thought it would. A much larger fraction than anticipated will come from the Square 54 revenue stream. Another piece of good news is that many of the donors who have given money for programmatic activities because the Science and Engineering Hall was created would not have given otherwise. A total of about \$35.8 million is committed for programmatic gifts that are tied to the Science and Engineering Hall. In addition, about \$7 million in equipment donations for the Science and Engineering Hall has been received, mostly from companies. The big picture is that this capital project will not be paid for out of tuition dollars and that in the aggregate, the University has enough money to pay the full \$275 million in capital costs associated with the construction of the Science and Engineering Hall. Again, this comes predominantly from the greater leverage achieved from Square 54 revenues at extraordinary fixed (not variable) interest rates that have been locked in over the next 25 to 30 years.

Discussion followed. Professor Garris said he had heard reports that there has been a change in plans for Science and Engineering Hall funding and that more indirect cost recovery revenue than was originally planned would be used to cover operating expenses for support of the research in the building. He added he thought that is very good news if in fact it is true. Provost Lerman responded that the way federal accounting works on indirect cost recovery, the University

gets to recover a piece of any facility that is used for research, so if you look at Science and Engineering Hall, it has space for faculty offices, open common space, space for teaching labs and a space for research labs. The portion that is used for research labs can be included in the base used to calculate the indirect cost rate, and that includes the cost of both the building and operating those facilities. The hardest thing to do is to estimate how much indirect costs will grow over time. Provost Lerman said that is why when he refers to the \$25 million from indirect costs he urges the Senate to think of that as the least precise of all the estimates the University has. Overall, GW's indirect cost rate basis is growing; it grew quite nicely last year and it is projected to grow again this year. But total research over a long time period is very hard to forecast. The good news is that unlike most universities where research is declining, GW is growing. And that is what will enable GW to have some offset for the capital cost as well as some of the operating costs.

Professor Parsons asked how much has been provided toward the construction costs of the Science and Engineering Hall out of the \$25 million in indirect cost recovery monies. Provost Lerman responded that that amount would be received over the life of the building and that is a long timeframe. GW's entire indirect cost recovery is somewhere around \$22 million a year in rough numbers and that is growing at considerably greater than inflation rates. Not all of that can be spent as a lump sum each year for the Science and Engineering Hall, but over the amortization period of the building, a piece of every year's indirect costs can go toward it. In response to a question from Professor Parsons about the budgeting system set up to oversee indirect cost monies. Provost Lerman responded that there is a system in place that computes all the elements of this and one of these items is research space. The Provost Lerman said that Executive Vice President and Treasurer Katz could provide more detailed information, but basically the University knows how much is devoted to research and also the capital costs of that space. That is rolled into the indirect cost recovery rate that is calculated.

Professor Castleberry said that, as someone who had sat in on all the discussions about the Science and Engineering Hall financing, it was very disconcerting to learn that it was never contemplated that the projected \$100 million that was to be contributed by philanthropy would come first. Rather, the Science and Engineering Hall was necessary in order to attract these funds. In addition, for those who monitored the future of Square 54, clearly the University made a very good deal – one in which for 60 years GW would receive increasing amounts of money from leases after which it would retain the property and improvements to it. This will benefit the University financially over the lifetime of that period. Some who looked at those increasing amounts were thinking of the great potential of these increased revenues to improve the University. It is also another disconcerting fact that it now appears that the totality of those funds, or a large portion of them, will have to pay for financing the Science and Engineering Hall rather than be used for other things.

Professor Castleberry said that the big picture of the overall financing for the Science and Engineering Hall turned out to be very inaccurate. This was discussed *ad nauseum* before it was approved. He added that he thought the Senate was tremendously misled, as it was assured that the philanthropy and other sources of funding were going to provide resources that, sadly, are not now going to materialize. The Science and Engineering Hall idea came from the Senate some 20 years ago and was originally intended to improve campus laboratory facilities before the concept morphed into its present form. While the University will have a world-class facility in the Science and Engineering Hall, it is disappointing to find out after all of the effort that has gone into it, funding sources for some of the many other things such as programs, people and projects will now be unavailable because so many resources will go to the Science and Engineering Hall.

Provost Lerman disagreed with Professor Castleberry's assertion that misleading information was provided to the Senate concerning the Square 54 revenue stream. He added that the administration always thought it would use all of the Square 54 revenues over the amortized life of the building. Moreover, he said it was always his understanding and he thought he had conveyed to the Senate, that this revenue stream would be completely devoted to paying for the Science and Engineering Hall. The only thing that has changed is the revenue stream will pay for more of the Science and Engineering Hall than expected because interest rates are low. The fact that not as much philanthropy as expected for the Science and Engineering Hall has materialized is not for lack of trying. There is a saying in the Development world that donors will do what donors will do and in this era, for whatever reasons, donors are less interested in funding capital projects than they are in programming and equipment.

Professor Simon confirmed Professor Castleberry's point, that the original idea was for the new building was that it would serve as a science facility rather than what the Science and Engineering Hall has become. Secondly, approximately 10 or 15 years ago when the old GW Hospital was to be demolished and a new hospital built, the revenues to be generated out of the Square 54 development were marked to support programs in the Medical School. Clearly, that concept has changed dramatically.

Professor McAleavey asked if the revenue from Square 54 would simply pay the debt service or pay down the entire debt of \$275 million for the building. Provost Lerman responded that the debt will be amortized over approximately a 30 year period. While the building will still have functional life beyond that, 25 to 30 years is the typical amortization period.

IV. CHAIR'S REMARKS

As noted by Provost Lerman at the beginning of the meeting, President Knapp was absent that day and therefore made no remarks.

BRIEF STATEMENTS (AND QUESTIONS)

There were no brief statements or questions

ADJOURNMENT

There being no further business before the Senate, the meeting was adjourned at 3:40 p.m.

Elizabeth A. Amundson
Elizabeth A. Amundson
Secretary

REPORT OF THE EXECUTIVE COMMITTEE

Charles A. Garris, Chair

November 14, 2014

I would like to express appreciation to Trustee Madeleine Jacobs for the update on the progress of the four working groups on Faculty Governance. The working groups have been extremely busy and we expect that soon they will have arrived at a point where engagement with Senate committees is needed. We look forward to sharing ideas as well as past experience with the overarching goal of developing more effective shared governance processes leading to a continuously improving learning and working environment at GW.

At the Faculty Senate meeting of September 12, Vice President for Human Resources Sabrina Ellis announced changes to the tuition remission program for GW employees which will save \$750,000 which can be redirected towards keeping the overall employee health insurance premiums down. I would like to thank Professor Joseph Cordes for providing us with an analysis of the impact of this decision on GW employees. There has been much negative reaction to this decision from the faculty, including a widely distributed survey, the results of which are not currently available. The Faculty Senate Committees for Fiscal Planning Budgeting Committee and the Appointment, Salary and Promotion Committee have formed a Joint Task Force to examine the changes in our benefits policy. Nevertheless, I would like to reiterate some of the concerns that have been voiced:

- GW aspires to an upward trajectory of excellence. To achieve this, we must have the best and most dedicated staff. The tuition benefit has been an instrument that has enabled us to compete with law firms, lobbying organizations, as well as the federal government for the best and brightest employees in the greater Washington DC area. As Washington DC has a uniquely competitive labor market, comparing our tuition benefits with those of academic “peer institutions” is not appropriate. Cutting back the tuition benefit, as well as showing that it can arbitrarily be cut back at any time, will certainly lower our ability to attract and keep the very best staff, which we will need more than ever given our lofty aspirations.
- Vice President Ellis and the Benefits Advisory Committee appear to be working under the assumption that there is a fixed monetary allocation for benefits. Thus, if health care costs rise, and we wish to lessen the impact on health insurance premiums, some other benefit must be cut. Many faculty feel that this is a fallacious argument since, in the context of the university budget, tradeoffs can be made from other funds from other corners of the university budget.
- A major complaint is that the reductions in tuition remission were not grandfathered in for current employees. Professor Cordes addressed this issue in detail. Clearly employees who accepted employment at GW thinking they were going to get a certain benefit seem to be caught in the old “bait-and-switch” and are certainly not happy. A better approach is to announce changes for the upcoming academic year and grandfather current employees into their current packages.
- A larger issue concerning many faculty is why the administration feels that it is appropriate to impose benefit cuts on faculty and staff at a time when we see massive spending by the administration on multiple building projects for which fundraising has lagged. Some faculty believe the tuition benefit cut signals a very troubling willingness within the administration to impose the costs of their misjudgments on faculty and staff. The question always emerges: “Are members of the Administration accepting any similar cuts in their own compensation packages?”

There is much agreement among the faculty that the changes in the tuition remission policy should be revisited. We look forward to the reports of the Joint Committee and hopefully corrective action from the administration.

ACTIONS OF THE EXECUTIVE COMMITTEE

The Executive Committee developed two draft templates for memoranda to be put forward by School-wide personnel committees in making recommendations on the tenure and/or promotion of faculty, and for deans electing to nonconcur with the recommending department. The templates require expressing the recommendations or nonconcurrences in terms and principles that are based on provisions of the *Faculty Code* and the published criteria of the school and recommending department. The need for these templates became apparent in the last round of nonconcurrences and it is clear that both School-Wide personnel committees and deans need guidance in how to put forward their recommendations in compliance with the *Faculty Code*. In particular, emphasis is drawn to the requirements of the “compelling reason” standard and the “published criteria” standard required by the *Faculty Code*.

In December the Senate office will send its annual letter to Deans in requesting that they schedule elections for Senate members whose terms will expire April 30, 2015 and inform the Senate of election results prior to March 1, 2015.

At the December meeting of the Faculty Senate, we are scheduled to have a presentation by Terri Reed, Vice Provost for Diversity and Inclusion, on the implementation of our Sexual Harassment and Sexual Assault Policy as well as current initiatives to meet the goals of Title IX.

At the December meeting Vice Provost Forest Maltzman will give a presentation on the status of the Science and Engineering Hall and on the moving arrangements and backfill plans for vacated spaces.

At the January meeting, Steven Kubisen, Director of the Office of Technology Transfer will address the Senate on opportunities and accomplishments in helping faculty to develop innovations towards eventual commercialization. Professor Joseph Cordes will report for the Fiscal Planning and Budgeting Committee on the University budget, recent developments in funding the SEH, and other timely financial issues.

ANY OTHER MATTERS

The Faculty Handbook is nearing completion. It was amended by Office of the General Counsel and reviewed by PEAFF. PEAFF suggested some further amendments, and is now waiting for the administration’s response, which should come shortly. It is hoped that the few remaining issues can be resolved.

The amended Copyright Policy was reviewed by PEAFF and considered acceptable. A resolution for the senate’s consideration to that effect should be forthcoming.

The Faculty Senate, especially current and past members of the Senate Fiscal Planning and Budgeting Committee, wish to acknowledge the significant contributions that Michael Morsberger made to the University while he was Vice President for Development and Alumni Relations. His efforts in building up the development capacity of the University are much appreciated, as was his commitment to transparency and shared governance in carrying out his work. Best wishes in your future endeavors, Mike.

ANNOUNCEMENTS

The next meeting of the Executive Committee is NEXT Friday, November 21. Reports, resolutions, and any other matters should be submitted to the Senate office before November 19.

I wish you all a very pleasant Thanksgiving.

THANK YOU.