

**Minutes of the  
BLOOMINGTON FACULTY COUNCIL MEETING  
October 4, 2005  
Ballantine Hall 008  
3:30 - 5:30 P.M.**

**Members Present:** Lisa Bingham, Julie Bobay, Katy Borner, Craig Bradley, Bonnie Brownlee, John Carini, Richard Carr, Jorge Chapa, Luis Davila, Paul Elliot, Emily Fairchild, Kenneth R. R. Gros Louis, Dennis Groth, Patrick Harbison, Barbara Hawkins, William Hetrick, Kevin Hunt, Robert Ivie, Cecile Jagodzinski, Gene Kintgen, William Leckey, David MacKay, Joss Marsh, Terrence Mason, Murray McGibbon, Theodore Miller, Joseph Near, Theresa Ochoa, John Odland, Harold Ogren, Isabel Piedmont, Sara Pryor, Aarti Ramaswami, Amy Reynolds, Jeanne Sept, Jodi Shepherd, Sarita Soni, Jerrold Stern, Neil Theobald, Larry Thibos, David Waterman, Maxine Watson, Cara Wellman, William Wheeler, Gary Wiggins, Nicholas Williams, Eric Zeemering.

**Members Absent with Alternates Present:** Herb Terry for Robert Kravchuk, Matt Goar for Alex Shortle

**Members Absent:** Romualdo De Souza, Sandra Dolby, Erika Dowell, Elizabeth Johnson, Susan Jones, Gerald Marker, Bryan McCormick, Dale McFadden, Daniel Melamed, Lisa Pratt, Richard Rubinger

**Visitors Present:** John Graves (Faculty Council Office), Roland Cote (Interim Vice Chancellor for Enrollment Services), David Daleke, Adam Herbert (President), Julie Knost, Sara McNabb, Edwardo Rhodes (Interim Vice Chancellor for Academic Support and Diversity, Bradley Wheeler

**Agenda**

1. Approval of Minutes  
September 20, 2005  
<http://www.indiana.edu/~bfc/docs/AY06/minutes/09.20.06.htm>
2. Agenda Committee Business (10 minutes)  
(Professor Theodore Miller)
3. Presiding Officer's Business (10 minutes)  
(Chancellor Ken Gros Louis)
4. Question / Comment Period\* (10 minutes)  
(Chancellor Ken Gros Louis and Professor Theodore Miller)
5. Discussion with President Adam W. Herbert
6. Standing Committee Reports

7. Old Business
8. New Business

### **AGENDA ITEM #1: APPROVAL OF MINUTES**

**GROS LOUIS:** The first of business is the approval of minutes of the September 20<sup>th</sup> meeting. Have you any comments on those, any corrections, deletions, additions?

**WIGGINS:** I think that the actual resolution we passed was not a part of the minutes and where does one go to find that if you read the minutes?

**KISH:** Shall we link to it? Normally someone on the floor would read it into the record.

**WIGGINS:** Right, it wasn't read into the record.

**KISH:** We'll add a link to it so that its there.

**WIGGINS:** Okay.

**GROS LOUIS:** Okay, thank you Kelly. Any more observations on the September 20<sup>th</sup> minutes? Okay, hearing none then with that addition of the link of the document from the Agenda Committee, we move then to the Agenda Committee business now.

### **AGENDA ITEM #2: AGENDA COMMITTEE BUSINESS**

**GROS LOUIS:** I'll pass it down to Ted.

**MILLER:** Thank you very much, Ken. I just have several items. One of which is to, some of you know this but some may not, Sam Jones who is the Commissioner of Higher Education in the state of Indiana is going to be on the Bloomington campus this week, Thursday at 3pm and he is going to speak in the Oak Room at the IMU. I'm not sure exactly what he's going to say but it occurred to me that some of you may be interested in whatever it is he has to say and I think it's a public session that you are all invited to attend if you would like. So that's the Oak Room, 3pm on Thursday.

The second item relates to a ballot that is going to be sent to you shortly. This is a ballot where you are going to be asked to elect three AIs to serve on the AI Board of Review. It may strike you as being strange that you are asked to elect the AIs to the AI Board of Review as opposed to perhaps somebody else electing the AIs to the Board of Review. But nonetheless, our current procedures say that the Council elects the members of the AI Board of Review. We have already elected three faculty members to this Board and we are now going to complete the membership by an election of the AIs. So we have some nominations from the graduate student group and we'll be sending a ballot, as I said, shortly.

The next meeting of the Council is going to focus on... one of the items will be a proposal to change the name of the AI Affairs Committee. The proposed name change will imply that this committee will have a somewhat broader scope than just AI Affairs. That is to say that it will be extended to Student Academic Appointee Affairs. I'm not sure that that's quite the name of the committee but the idea is to broaden the scope somewhat. So there will be a proposal of that sort. And then the remainder of our meeting next time will focus on reports dealing with athletics. Bruce Jaffee will be here. He is IU's representative to the NCAA, to the Big Ten. Dan Maki will be here. He is the past chair of the Athletics Committee. I'm not sure if there has been a public announcement of who the new chair is going to be. James Wimbush has been appointed to be the new chair of the Athletic Committee and I presume that various people know that. I don't know if there has been an official announcement, may I shouldn't have said that. But anyway, forget that you heard that. And then, Athletics Director Greenspan will be here also to give his report on the affairs of the Athletics Department. So that's going to be the focus of our next meeting. As you all know, this Council has had quite an interest in athletics over the recent period of time so hopefully this will give us an opportunity to learn what we want to know about these matters.

A final piece deals with the Athletics Committee. There has been a change in a way that the faculty representatives to the Athletics Committee are being chosen and I think it's a change that I think that... some of you I know are familiar with this but I think it will be useful for everyone on the Council to understand the change that has taken place. For some period of time, I'm not sure exactly how long it was, the way the Athletics Committee members were selected was that the Nominations Committee of the BFC would basically develop a list of people that they would like to have considered for membership on the Athletics Department [Committee]. That list was then sent to the President and the President essentially had a veto-like power on this list. And so the list might come back to us with certain names crossed off or not depending on the year, on the people or on the President. This has always, I think, bothered people who have been working in the Nominations Committee environment and David Daleke last year as one of his great acts as President of the BFC—David is with us today, I'm going to shower him with praise. One of David's acts as President was to negotiate with President Herbert a change in this procedure and so that now, this year, for the first time, the Nominations Committee essentially made up the ballot of faculty who are going to be considered for membership to the Athletics Committee and that ballot was sent to you folks just directly. The President had no role to play in this whatsoever and now the rules of the game there give the President the authority to appoint the chair of the committee and as I indicated before that's what he has done. But our representatives are now elected by the BFC strictly according to the list developed by the Nominations Committee. And I thought it would be useful for you to know that because it's really, from the point of view of athletics, this is may be the most fundamental thing that we do, you know, is to provide membership to that Athletics Committee. My own view is that this was a very very fine change and I congratulate David on managing this. That is my report.

### **AGENDA ITEM #3: PRESIDING OFFICER'S BUSINESS**

**GROS LOUIS:** Okay, thank you Ted. Since I have no Presiding officer's business today, so we'll move to the questions.

#### **AGENDA ITEM #4: QUESTION/ COMMENT PERIOD**

**GROS LOUIS:** There were two in advance. One you recall was raised last time by Kevin Hunt and others and it had to do with the—let me read through the questions. “Has there been a thorough examination of what the savings were in eliminating the paper schedule? Was there any procedure put in place to measure the impact of eliminating the paper schedule, that is, have we tried to assess the satisfaction of students, faculty and staff with the electronic schedule? And if there are, where there any alternatives to ceasing paper publication considered and if so why were they judged impractical?” This is a result of a conversation that took place on the Arts and Sciences Policy Committee when Kevin was the chair. I asked Roland Cote to reply. He had a meeting, he and Mike Carroll, Associate Registrar, had a meeting with Kevin and Rob Shakespeare and Kathy Larson last week. Roland is here and has volunteered to give the answers. So I’m happy to call on Roland.

**COTE:** Well we met with the Kathy and Rob and Kevin last week to discuss the pros and cons, the benefits and the disadvantages of printing the timetable and reviewed a lot of the issues that had been reviewed and talked about several years ago. And it turns out that there are still very very strong feelings about having a printed version of the schedule of classes or the timetable. So we are going to put in a plan here or we’ve got a plan to investigate the possibility of coming up with some kind of a printed timetable either tabloid type, newspaper type or an addendum or a special sub-printing of the timetable in the regular schedule of classes for next fall, which would be coming out next March. This will be a more controlled, this will be a controlled experiment to see what the response is and to measure the response, to measure the extent to which people really think that the printed timetable is an important item that we need to consider. We’re also going to be including students in this experiment. Many of the students who are here now who are freshmen and sophomores have never known a printed timetable and we’ll be able to get some kind of feedback from them and from those who may remember days gone by when there was a printed timetable. So we’ll have a more measured response to whether or not the printed timetable is indeed an essential component of putting the schedule together. And we’ll get back to the Council on this.

**GROS LOUIS:** Thank you Roland. Kevin?

**HUNT:** I just wanted to thank Roland and Mike for meeting with us. We had a very long meeting and Roland was very creative in suggesting solutions to this and very generous with his time and I thought it was extremely productive and I’m very grateful to Roland and Mike for helping so much.

**GROS LOUIS:** Thank you, Kevin. I also received another question and it says, “quite a number of my colleagues have asked about why we are unable to clean up the area to the north of the Auditorium. It really is an eye sore and can be taken care of at the same attentiveness as are the IU lawns, etc.” Not surprisingly this question has come up before. It may be time to move them but the reason the trailer stayed there is that the plan initially was to remodel the old theatre and all of the costume rooms, etc. at the east end of the Auditorium. That was going to be paid for through R & R money (repair and rehabilitation). Funding as many of you know for that for the

last two biennium, may be the last three biennium has been less than half of what the—not the requested amount, the amount that is in IU’s budget is arrived at by formula; that is by the age of buildings and by the type of building that it is and things of that sort. So it’s not a figure that we come up with but it’s a figure that is generated by a state formula. The hope was that R & R would come and that it would save money to leave the trailer there until the repair and rehabilitation can be done. It looks now as if it won’t happen this year or next because again of the limit of R & R appropriation. In fact the President and I were discussing this morning whether it was time to move those trailers and I’d be happy to look into what the projected cost of moving them and then bringing them back later. But now it looks as if—the hope had been that the R & R would take care of the remodeling that had long been planned. But since that’s clearly not going to happen probably in this year or next, maybe the time has come to move them even if there’s a cost involved. So I’ll look into that and get back to you. And those are the only questions I had, the floor is open for questions and comments although as you may have noticed, the President has arrived and if there are no questions and comments, we’ll go directly to him. Bill?

**WHEELER:** I have one question at least for the Agenda Committee and this relates back to what Gary had asked about before, namely the resolution that we passed last time on improving the undergraduate profile. And I wanted to ask a question of clarification on this because the resolution we approved called for a new admissions policy. The resolution itself did not touch on the rationale that was in the circular that came from the Agenda Committee and we did not actually have occasion to discuss the rationale that was there because of the shortness of time. But I wanted to clarify that the interest of the Agenda Committee is improving the overall undergraduate profile and not just the freshmen profile. It would be possible to engage in gamesmanship to improve just the freshmen SAT score and since I teach many freshmen, I have over 500 freshmen this fall, improving the freshmen profile will of course have an immediate impact on me but if that were actually done, and frequently the transfer student profile is weaker than the freshmen profile in many instances, and if one were simply to try and improve the freshmen profile by decreasing the number of freshmen while increasing the number of transfer students then there would be the risk that while we might upgrade the freshmen profile we might actually undermine the undergraduate profile with consequences that people teaching juniors and seniors might regret. And so I wanted to ask for reassurance of the Agenda Committee that the goal here is to improve the overall undergraduate profile and not just the freshmen profile?

**GROS LOUIS:** Ted, you want to comment on that?

**MILLER:** I believe that is our goal.

**WHEELER:** Thank you.

#### **AGENDA ITEM #5: DISCUSSION WITH PRESIDENT ADAM W. HERBERT**

**GROS LOUIS:** If there are no more questions or comments I’ll turn it over to the President for any introductory remarks he might want to make.

**HERBERT:** First, I had question that was posed to me. Are you in the question and answer phase right now?

**GROS LOUIS:** Sure.

**HERBERT:** The question related to the system service charge that's imposed. I couldn't tell whether the question was about the charge being applied at the university level or at the campus level. I will assume that it refers to the university level charge. The formula for that was developed several years ago before I got here in collaboration with each of the campuses. The funds from the university system level service charge are used to cover the cost of university level administration. That includes legal services, architectural, fundraising, financial services, all of our investments, the internal auditor, the cost of the external auditor as they come in and do their work, the Board of Trustee operations, the President's office operations etcetera. When I inquired as to exactly how the calculation is made, it was so complex I asked them to go back and articulate it again so that I could not only understand it but explain it. And so the simple explanation is that the assessment is based upon the aggregated unrestricted funds that each campus receives plus their expenses. That number is then taken and all of the campus figures are aggregated and then we take a percentage of that so that each campus pays a portion that is tied back to its share of the combination of income and expenses. Operationally, since I've been here, we have reduced the size of the annual increases. Essentially what I've tried to do is to focus only on inflation and not to deal with any new expenditures that would require an increase beyond, actually it has been below the inflation level. I hope that is responsive to the question.

Let me just make a couple of opening comments. First, I think, I hope all of you share with me a great deal of pride in several of the accomplishments that we had as an institution last year. Two in particular stand out and I assume all of you have heard us talk about this but just in case there are one or two of you who have not. The first thing I am very proud of is that we generated—we meaning the faculty of the university—generated \$477 million dollars last year in externally funded grants and contracts. And I like to put that in context because there are some people around the state who have the impression that Purdue is doing an outstanding job and some people think that they are doing much better than we. So I like to point out the fact that our \$477 million dollars is more than all of the 2-year and 4-year higher educational institutions in the state combined. I think that is a very impressive statement of the quality of our faculty and the aggressive manner in which you are reaching out to secure external funds to support our research activities.

The second number that I think stands out as being particularly significant is that last year we generated \$301 million dollars in external gifts to the university. And to be #1 in the Big Ten with institutions like Michigan that have a very aggressive fundraising apparatus in place is very impressive. We were 1<sup>st</sup> in the Big Ten, 13<sup>th</sup> in the country, and again I think that says something about how our donors feel about what we're doing as a faculty in this institution. So all of you should feel very good about both of those numbers. And I can tell you that this year we are continuing to do very well; we will be making several announcements about major gifts. You heard one a few days ago with regard to the School of Business; we have others that we anticipate announcing over the course of the next several months. My hope is that we'll be able

to exceed that \$301 million; it's obviously a major challenge to sustain that level of giving year after year but all of this is tied back to a goal of, I shouldn't talk about the total number. But we're in the midst of a silent phase of a capital campaign for this campus and I think we're going to hit a number that everyone will again be very proud of—we should be in a position to go public with regard to that dollar amount within the next year. There are some rules of thumb about how much you need to collect in advance of going public and we're excited about where we're going to be with regard to that.

Let me update you on the search for the chancellor for the campus. The search committee has given me names; we have started the interview process. I continue to feel very optimistic that we will be in a position at the November meeting of the Board to present a name for its approval. My hope is that prior to that date we'll have an opportunity to publicly disclosing the name. I think the search committee has done an outstanding job and we're trying to move expeditiously now to conclude the process. I can also tell you that Ken and I have in mind a follow-up to campus visits to assure that we have all the information that's necessary in order to make a decision that is, without question, in the best interest of this university community.

All of you are aware that we have gone through some changes with regard to the Board of Trustees. We do have three new appointees by the Governor—Tom Reilly, Bill Cast, and Casey Cox. Casey, some of you will recall, was president of the student body here and is now in the Law School. Bill Cast is a graduate of the university. Tom Reilly has had no prior connections with the institution but has had extensive involvement in higher education in the private sector. Also from a Board perspective we have a new president of the Board—Steve Ferguson, who previously was vice president. Pat Shoulders serves as vice president. And one of the things that you will see during the course of the year is that the Board is going to be much more focused on accountability. They are very interested in organizational efficiency and effectiveness. They are challenging us to deal with some issues in a more rapid fashion than have occurred in the past. Some of this will create some challenges as we, Ken and I are both pointing out some of the important deliberative processes through which we must proceed. But without question there is that strong focus on accountability.

One of the things that the Board will consider formally at its meeting in November is a set of goals and priorities for the university—and this is all tied back to the greater focus on accountability. What we're going to be putting forward for final consideration is six overarching strategic goals for the university. The first is Advancing University Distinction and Distinctiveness. And those words are chosen very carefully. We obviously want to continue to be recognized as one of the best research universities in the country. And the “distinctiveness” refers in particular to what we're doing with regard to mission differentiation; greater clarity with regard to what is expected of each of our campuses. And we also are talking about greater distinction and distinctiveness in the context of individual academic programs. The second is to Enhance Academic Program Quality, the third is Improving Student Achievement and Success. I think both of those speak for themselves. The fourth is Expand the Scope and Impact of Research and Creative Activities. This ties back to the goal we've articulated of by the year 2013 doubling the volume of externally funded grants and contracts and other matters as well. The fourth is Advancing Indiana, which is the framework that we're utilizing to discuss our economic development activities. The final goal is to Increase Operational Efficiency and Effectiveness.

And then what will happen is within the context of those six strategic goals, we will have about 30-31, what are being described as presidential priorities and essentially what that translates into is that the Board will expect the President to assure that we are achieving success in the context of each of those priorities areas. So they are all tied back to the goals I just referenced. This was first discussed at the retreat for the Board a month ago and they gave us some additional points that they wanted to be included. So, we have added those and my assumption is that those will be approved and then we'll proceed to break those out with responsibilities focused on each of the areas that the various 31 items will apply and ultimately the Board will evaluate me on how effectively the university has addressed all of those priorities and I will in turn hold the vice presidents and chancellors accountable and they in turn will hold the deans and the deans in turn the department chairs accountable, in those areas that are relevant on the academic side.

The next item I just wanted to briefly touch on is Mission Differentiation. That process is continuing. At the November board meeting the Board will consider each of the mission statements developed by the campuses. What I did was to share with the Board, in unedited fashion, the final copy of the mission statement prepared by each campus and at the last University Faculty Council meeting we discussed and edited a version of the first mission statement for Indiana University. Those will go to the Board. I do want to flag one thing for you and that is that up until a couple of days ago, I had only heard one complaint about any of the mission statements. The one complaint was in regard to the Bloomington mission statement that referred to the campus as the "flagship campus" of the university. I did explain to the UFC that I reached the conclusion that since these mission statements had gone through the governance process on each campus, that it was inappropriate for me to change any of the nomenclature and so I would not do that although I was urged by some to make that change, I didn't think it was appropriate. So what you approved will go to the Board.

There has been another issue that may be raised about another one but I think the key thing is just for you to be aware of the fact that what was approved on this campus is being given to the Board for its consideration. There was one, as I recall, during the first reading of this, which was at the retreat, there was one Trustee that raised a question about it. I think it was just one and so I don't know how that's going to play out. I have voiced my opinion on it so we'll see what happens. But you should know that those will come to the board in November. My assumption is that the board will take action on all of the mission statements and then from that stage we will proceed to develop peer institutions and we will then develop a process in which we will assess accomplishments in the context of both the peers and also the aspirational peers that are identified during that process.

I've created an office of institutional research. I was a little surprised when I came here that we didn't have one for the university. We do have one right now. Vic Borden who held a role somewhat similar to that at IUPUI, but he has served as the national president of the organization of institutional research. So he has a very strong national reputation, he's very good at all this and he will work with us in terms of setting up all these systems. He's had a lot of experience in doing that.

We also will be presenting several policy issues to the Board for its consideration. These will come to the Board over the course of the year and they deal with issues like graduate education

and where we are going to offer graduate programs, housing, the criteria for establishing and maintaining regional campuses or educational centers. I was surprised we didn't have formal criteria for the establishment of those. I was even more surprised to learn that not only do we have educational centers but also we have centers of educational centers that have never been approved by the Board of Trustees. We're going to try to make sense of all this and have some criteria that make sense. I can tell you that there is incredible community and political pressure from some communities to establish regional campuses. It's critical for us to deal with that. Admissions standards is another critical area. So what we've done is that with regard to all the academic matters, Ken Gros Louis and Charlie Nelms have assigned faculty and administrators to study these issues. In some cases these are matters that will be addressed as part of the formal governance process but the key is that faculty involvement in these conversations is critical. We've committed to the Board is that we will present to them the appropriate background material and policy recommendations in all of these areas so that we can go forward in a systematic fashion.

Ken will be the leader on most of these. Depending upon how long he is there he will do it or the next Chancellor will play a major role in that. My office will be involved in it as well as Charlie. I mentioned the Office of Institutional Research. Let me just tell you that, as I indicated in my State of the University address, we will focus very significant priority attention on the Life Sciences. That is not to exclude our continuing commitments and recognition that we are first and foremost a liberal arts university that has some outstanding professional programs. From a strategic perspective we're going to focus significant attention on expanding the life sciences, developing greater partnerships between our science faculty here in Bloomington and the faculty in the School of Medicine in particular. I think that strategically this is important for a whole host of reasons; we can go into that if you like. I did appoint Michael McRobbie as well as Deans Subbaswamy and Brater to develop a strategic plan for the life sciences. They will have that completed by the end of the year and we will proceed. There will probably be a few changes that we'll have to make university-wide to address some of these. I'm not sure at this point what they are but we're going to be watching this very closely from an organizational perspective. You also will see how this play out in the context of our next budget request to the legislature on both the capital side as well as the operation side. This will be a subject of considerable discussion with the Board of Trustees. Let me just mention two other things and then let's open it up for questions.

On the leadership development side this is something I feel very strongly about. We're going to be losing because of retirement, a number of our senior faculty leaders as well as those on the administrative side over the course of the next five to ten years. Its absolute critical that we begin to focus attention on this and begin the process of developing internally, many of those who will assume these very important leadership positions over the course of the next decade. I asked Chuck Bonser to lead this effort and with the collaboration of several of our colleagues in the School of Business. They've done a wonderful job. We also have a team that I created a year ago that is composed of former university leaders who are helping in this process. You will see shortly some additional information about this. Our intention is to host a number of special opportunities for leadership growth and development. We'll be establishing opportunities for a faculty member to serve in the Chancellor's offices across the university as well as the President's office. A year assignment to help our colleagues develop a greater understanding of

the policy context and deal with some of the major issues we have to deal with. There will be opportunities to take part in Harvard and other programs as well as those we will conduct here on the campus. You'll be hearing more about that over the course of the next several weeks.

Finally, for those of you that heard or read my State of the University Address, I made reference to salary compression. This is a very significant issue that we must address. It is my intention to offer several ideas that I think can begin to help us address these issues and we'll be doing that very shortly. I did indicate that one of the recommendations that I will submit to you is a proposal to create a new academic rank. I just want to say something about that because I think it is very important and is a critical element of all this. One of the things that stands out is that our current process is one in which if you're promoted to full professor in your late 40's early 50's, aside from getting a chair, becoming a distinguished professor, with whatever money might be attached to that, there are very few ways that we can come back as an institution and recognize continued high levels of academic performance. One of the recommendations to the faculty will be that we create a new rank. I'm not worried about title. It can be senior professor, university professor, whatever we choose to call it, with a very significant raise attached to that as a percentage of total salary. My intention is to put forward a plan for faculty consideration that also includes identification of revenue streams to cover this. But I think we've got to break this down into the component parts. One part is what we do on an annual basis with regard to increases. The second is what we do in the context of some of the formal opportunities that we have for addressing these matters. You'll be hearing something very soon from me with regard to that issue as we try to come to grips with this matter.

One of the things I think we simply must do also and you'll hear more about this over the course of the next several weeks also is I've challenged three of our vice presidents to work on the development of a master plan that relates capital construction needs to our bonding capacity. We commissioned a study of our bonding capacity last year and were told that essentially we have \$400 million dollars and change that can be utilized for bonding purposes, if we're going to maintain a AA rating, which we want to do. So I've asked Terry Clapacs, Michael McRobbie, in particular to deal with the physical plant side of this with the help of our architect. They'll be working with the chancellors and will identify the basic space needs, will identify the costs associated with that and then will place it onto a priority list, tie it back to the bonding capacity so we know exactly what we can do. All of this is part of this bigger strategic plan. We're also going to be looking at out years in terms of projections for tuition increases so we have a much clearer handle as to where we're likely to want to go there. Obviously it's difficult to address the question of what the legislature is going to do from a funding perspective. So to the extent that we have some control of our destiny, we need to focus attention on these matters and will do so.

Let me stop there. I just wanted to give you a broad overview of some of the things that we're dealing with and I'd be happy to respond to any questions or listen as the case might be.

**GROS LOUIS:** The floor is open for questions or comments. Bill?

**WHEELER:** I'd like to respond for a moment to the announcement about the institutional research office. First, I was very pleased to hear this announcement. There has been institutional research done in the budget office although this certainly raises its profile and offers a lot of

positives for the future. At the same time though, I want to raise a concern about it; I have spent a lot of time studying some of the institutional research at Indianapolis and the institutional research there tends to be very attuned to administrative perspectives rather than perhaps sometimes faculty perspectives. I read this especially on their research on admissions policies there where they base their research on admissions policies on the issue of retention. That is their measure of success was retention which is very important from an administrative point of view because to the extent you retain people you have a stable budget. But at the same time, especially retention, especially in Indianapolis, it's not necessarily highly correlated with academic success because you tend to lose people who are both unsuccessful but you also tend to lose people who are very successful. And so the admissions studies there have focused on the issue of retention. Now, digressing for a moment there, there's one thing that was positive for me as a mathematician, what they found was that one's graded high school mathematics courses are the best predictor of being retained at IUPUI. But in terms of academic success, how you actually do in your courses, recognizing that a person who is very successful may actually transfer, the measure of success has not been one which reflects the faculty and the faculty experience in the classroom with the students there. So, there has been some discussion that perhaps it might be useful to have a faculty advisory committee to the institutional research office to insure that faculty perspectives are informed of the work of that office. So I wanted to ask of you whether you see arranging for there to be some type of faculty advisory group for this office, perhaps under the auspices of the UFC.

**HERBERT:** To be honest we haven't gotten that far in terms of conversations about all of it. What we're trying to do right now is to set that up. I will talk with the two co-chairs about that. I think part of the key is effective utilization of time and we clearly want to have an office that is responsive to the broad array of needs of the institution and want to be as inclusive as possible with regard to the variables that we're going to focus attention on. One of the things also that I'm interested in is assuring that we have a... and this would be more comprehensive than what is being done right now at IUPUI. For example, the Board at the present time does not have, there is no mechanism for us to prepare comprehensive multi-year analyses of what has happened in the university. They'll come up with some numbers but there's... just in terms of the basic numbers but no analysis of them and so if we're interested in the issue that you raise, all they'll get is a very raw set of numbers. They may not be as sophisticated in terms of the approach, but we'll deal with that, and again I'll raise that as a point of discussion with the two co-chairs.

**GROS LOUIS:** Are there others, yeah, Craig?

**BRADLEY:** Let me ask a question that's on everyone's mind. There was an extensive critique of your presidency in the newspaper this summer and we'd be interested in both your reaction to the critique and how you've perhaps changed your policies or whatever in response to it.

**HERBERT:** Sure, I have several reactions. One is that I always listen to what people have to say because you learn. I did think that there was a lack of understanding of where we were two years ago. The articles didn't point out that when I came into the university, we did not have a person that was acting as the chief academic officer for the university. We had no one who was dealing with student affairs. We did not have a vice president that had responsibility for government relations [End of Tape 1 Side A, some comments lost]... we had a vice president for

administration who was also serving as athletics directors, and it's difficult to do both of those jobs. We had problems with the legislature. Anyway, I'll just use those as some examples. And then there were a whole host of policy voids that had to be addressed and so those are not things that are very glamorous. We didn't have a strategic plan that spoke in very clear terms as to where we were going, there had been very little attention given to missions of campuses, we had no idea about bonding capacity. There were major challenges and some conflicts that existed among some units of the university. There was a critical need to address relationships with the Foundation and so when I came in I had a very candid conversation with the Board of Trustees about some of those issues and the charge to me was to fix them and I think that we have been able to address all of the issues that were presented to me when I came in and many of those are not things that you could address in one year and they are certainly not things that you go out talk about in a broader public context. But as you have heard several of the Board of Trustees articulate, they have pointed out that we have systematically addressed all of the matters that have been raised.

Now, with regard to the, again, I don't want to zero in on every individual assertion that was made, all I can tell you is that I do feel very good about the things that we were able to accomplish. No one bothered to talk in those articles not only about the matters that I just articulated but they don't talk about the fact that we have experienced continuing higher levels of success and fundraising. They don't talk about the amount of time that I devote to cultivating donors and recognition of the fact that given our state situation, the President's got to be increasing more involved in winning friends for the institution, hosting dinners for prospective donors and those kinds of things, they don't show up in those articles. I think that it is the case that even though I've given almost a hundred speeches over the past two years, that apparently is not enough. But I think that one of the keys is this, and I told one reporter that you've got to have your internal house in order and you've got to have very clear messages that you're conveying as you begin to go out in public and you talk repeatedly about where we're going. There's no question but that we have not been as aggressive on the marketing side as we have to be but I do think that our message is now much clearer and frankly the establishment of the goals that I described earlier, there's a timeline in which... there are a set of processes and steps that you have to go through to get to that point and I think that you're going to see a much more clearly articulated statement about direction. I think you're going to see a much more aggressive effort in reaching out publicly and that happens in several ways. Next week we will have a series of, I don't really care for them, but, billboards around the state that showcase Indiana University and it happens in multiple ways. On the one hand some of them are going to be about "IU is Red Hot" and it will talk about a particular area of quality. Some of them, in fact we already have one in West Lafayette, that has Coach Hooppner on it. We have one right next to the Purdue campus and one next to Notre Dame's campus. Some of that was making a statement but part of it is just getting people's attention. So we start off with that and then we're going to come back in with the ads that focus on the academic side. We'll have a bus in Indianapolis that has "IU is Red Hot" it's all red with white lettering on it. You'll see, I'm doing more op-ed pieces in newspapers across the state. We're putting half-page ads talking about the research. We're working right now on...we're going to have one that comes out that has the names of all the members of our faculty that are members of national academies. We're going to do one with our Guggenheim award winners, our Fulbright scholars, all of this to get out there more and more information. Some universities put out press releases constantly regardless to the substance of the

press release. I won't say which or whether or not there are any in this state but I can tell you that we have not done as much of that. You will see us become much more aggressive with regard to those kinds of matters.

In terms of someone criticizing me about me about the fact that didn't get a response to email messages fast enough, I get somewhere between two and three hundred email messages a day, on many days during the course of a week and it is very difficult when you are attending meetings and giving speeches and doing all the other things, to respond to that many email messages. And when we lose basketball game, it jumps to four or five hundred. And so I've taken some steps within my office to deal with that. But you know, the challenge that I understand is that this is a major resource, it's one of the largest employers in the state, from an intellectual perspective, it doesn't get any better in America than Indiana University. The faculty appropriately, the people of this state, expect a great deal from the university and all I can tell you is I'm going to do my very best to rise to your level of expectations and that of the people of the state and I can't do all that by myself. I'm especially grateful that Ken was willing to come back and he's helped us to address a number of these critical issues that we had to address to get our house in order.

But I feel much much better about where we are right now and what's going to happen going forward. I've been a president for 10 years before coming here and chancellor for several years. I understand the dynamics of these institutions, what has to be done. I pry myself in being an institution builder and everywhere I've been I've used not necessarily exactly the same formula but I also believe very strongly that you have to have that strong foundation and I understand that the expectations are very great and my predecessor spent more time in Indianapolis than I do and so there's some criticism because of that. So, I've got to try to balance all of this out because I need to have a presence across the state and its just very difficult juggling all that. You've got to find the right balance. Unfortunately, presidents are compared against each other and my colleague at Purdue has been at his job several years longer than I. At the end of five years, I'm not sure I'll be in all the places that he has been because we don't have ag stations and that sort of thing but I will be much more visible around the state going forward to help make our case. It's not just about visibility for the president, its visibility for the purpose of saying some very significant things about the university. Does that respond?

**BRADLEY:** Yes, thank you.

**GROS LOUIS:** Yes?

**CARINI:** Since you mentioned marketing, I think this has come up in several committees where we were discussing trying to raise the profile of Bloomington and I think there's a perception that a lot of the marketing efforts have been aimed at the system and that the particular strength in Bloomington hasn't been so aggressive.

**HERBERT:** We're trying to do both and you'll see more of this as we go into our capital campaign because when you get into a capital campaign in particular, you're focusing in on the campus. A good deal of what we're doing really is Bloomington campus based but we aren't where we need to be. One of the challenges for us was that, and I had to make a decision on this, Purdue is spending well over a million dollars a year, well over a million dollars in television

time. I could not justify spending that kind of money and taxing the campuses to do that during a period which we had major financial challenges to deal with. Obviously you can come back and do that but in my view that was not the responsible thing for us to do at that point in time, to be out there simply competing with another institution for face time on television or radio. When you're in a campaign mode and you're trying to convey some particular messages, then the question is what the best way to go about doing that. But I can assure you that we're moving on two fronts.

One is at the university level and then what we're trying to do is focus on each individual campus and they differ. So each campus may have some different kinds of strategies that are being utilized. So we have to do this in a fashion where we can buy time cheaper at the university level, we can coordinate the taping of things, we can get lower costs just because of the economies of scale. So what we'll do is continue to operate at that level but simultaneously recognize that the campus situations are different and we need to be able to respond to those as well. When you look at the ads that we're putting out around the state, what you see is, it talks about university level research. The reality is most of that is occurring in two sites. And with regard to the fundraising for this year, most of that was generated here. Politically, in the broader PR context, it is helpful for us to talk about Indiana University raising \$301 million and what I think all of us recognize is that when you get out in the broader public and you say Indiana University has raised \$300 million, where do you assume that has been raised?

**CARINI:** We know.

**HERBERT:** But the point is, externally, when we say \$300 million raised at Indiana University, most folks nationally, don't know that there's a campus in Kokomo, in Richmond and other places. They think about Bloomington primarily and this is not trying to play a game to say that everything is being done in Bloomington but I think in terms of the broader public, I think that ends up being one of the assumptions and when we come forward with our fundraising intentions for this campus, that will get folks' attention as well. I shouldn't talk about the total dollar amount but I love words that begin with 'B'. We're going to be very aggressive on that.

**OCHOA:** Let me take time to commend you on the issue of salary compression. I think it's very important and it's certainly something that needs to be addressed in order to retain the quality of faculty that we have here. I trust that as this because more of an issue to be expanded and really enacted, that in addition to looking at ways of compensating financially, that the committee or that the plans also include ways of compensating that aren't directly related to financial issues and with that I think the faculty becomes even more important. Not to discourage any salary increase certainly, but in the overall picture, I think opportunities become more important.

**HERBERT:** The point is an excellent one and what I can tell you is that Dan Rives and I have had some conversations. Vice president, associate vice president, is he associate? Anyway, he's in charge of human resources and I have asked him to take a look at all the things that we do and what some of the options are related to the benefits packages that we have and so we are looking at that issue as well. I think it goes hand in hand. What made 18/20 was significant not because of salaries but because it provided a significant benefit that was not tied necessarily to the salary. So, we clearly need to look at that and we will. I think there was...

**BOBAY:** Actually, the salary compression issue was on mind as well. I think I just have a more general question to ask you to describe in a little more detail the precise problem that we want to address with salary compression.

**HERBERT:** I think that there are several things. One of them is that the longer you are in the university, the further behind we tend to be relative to the market place. What I have observed is that with regard to promotion process in particular, that there is such a wide variation within the university relative to the cash that is associated with raise increases or promotions. That is a major part of the problem. Part of it is annual increases or special opportunities to get recognized for performance of a particular nature. But I think that because many folks do go through the promotion process that we have got to get a handle on that. It is my view that in many cases the increase is far too low in recognition of performance and the variation is such that a faculty member with a comparable rank, a promotion to the same rank in different units, could have increases ranging from \$400 to \$3500. I just think that we have got to focus attention on that.

And the other is that we've got to take a look at what we can do for purposes of matching offers being competitive without as many of those dollars being taken out of the total pool of total raise dollars available during a particular year. This then ties back to the question of how we deal with the combination of mandatory fees and tuition and the size of tuition increases from one year to the next. So we're going to have a number of conversations about that but I think that those are two or three of the major challenges for us.

When we talk about the Big Ten and where we stand within the Big Ten, the one thing that stands out with regard to those numbers is that most of our colleagues have engineering and those engineering programs tend to have higher salaries. But the reality is that we have got to focus on this in the context of who we are and what we think is fair and is appropriate. We've got to put ourselves in a position where we aren't losing faculty as the external environment becomes more and more difficult. I would like to see us at a point where faculty members don't feel that in order to get an increase that is more reflective of the market place that they have to get in a search to look for a job elsewhere. And I just worry that as more and more universities are trying to fill senior positions—because the reality is that one generation is leaving the academic over the course of the next five to ten years and another one is going to be replacing it. So most major universities are looking, not only for junior faculty, but there's an even greater importance of senior faculties, faculty members who can sustain their research foundation. So, we've got to just think about all these issues and that's why I think we must focus attention both at the senior levels and also at our colleagues who are coming through the academic ranks and to come up with some more creative ways of addressing this issue over time. Does that give you a sense?

**GROS LOUIS:** Yes?

**PIEDMONT:** What do you see as the future of RCM within the next five years?

**HERBERT:** I'll take a drink of water before answering that one. [Laughter] RCM is part of the core operating structure of the university. I am going to initiate a study of that this year and we

have included that in the presidential priorities. We are trying to identify some external consultants and we'll have some additional conversations about it before we formally initiate whatever it is we're going to do. We will need to have both some internal and as well as external perspectives brought to bear on this. But I think that there are some very good aspects of RCM but there also there are some challenges associated with it and the question is whether or not after using this system for the number of years that we have, are there some fine tuning efforts that we need to undertake to assure that it is responsive to our realities today. So I would anticipate making some announcements about an analysis of that probably at the beginning of the spring term. I don't know if we'll get it done before then because I need to process this a little bit to deal with how we handle it both internally and externally. But we are looking right now for outside consultants and we'll probably identify two or three people who had experience dealing with this and my hope is that as we get toward the end of this academic year we'll have some concrete ideas. I don't expect that we'll make dramatic changes in it this year but I think we'll get that conversation underway so that we can make a presentation to the Board either late this spring or early next fall so that we then have a year to make any changes that we may want to make with those changes, going through that process for the next academic year or the next fiscal year.

This is so significant and so deeply engrained into the fabric of the university that you've got to be careful if you're going to make changes that you don't do it so quickly that we can't make the necessary adaptations. I know I'm taking a lot of your time for other business.

**GROS LOUIS:** Herb?

**TERRY:** First a preface, I didn't anticipate substituting for Bob Kravchuk today so I didn't bring my usual financial crib sheets therefore I may ask Neil to help me out with some figures. But I wanted to ask a question or make a comment related to the system tax. At the end of the UFC's agenda last year, I asked you if we didn't have a problem with the system tax increasing greater than the rate of inflation or greater than the rate of increase in campus budgets and the answer was no it's keeping pace and that's what you said again today. I think the problem is that we look at the system tax at the campus level a little differently than you do from above and that part of our problem is that the total amount of money that we transfer in a year from here to system have been increasing at a rate above the increase in the campus budget. I think Neil can provide some of the figures on that.

One question I have for you, I guess, is how can we get more control over that? An observation as to one way that has been proposed to get it would be to transfer whatever it is Budget and Finance Committee of the UFC into a committee that would have a relationship with central administration similar to the relationship that the BAC here has with the campus administration, where we're much involved in the campus budget. I guess that would be related to Julie's question or the question about RCM as well. If a major review of RCM is in order, I would hope that the UFC committees that deal with the budget and finance are actively involved. That means activism on our part as well as on yours. And maybe that as well will enable us to get some comment about some handle on the system tax and the transferring of money from the campuses to the system. My main question I guess is how can we begin to calculate or view the system tax the same way?

**HERBERT:** What's the question again?

**TERRY:** How can we begin to look at the system tax? To me the system tax is what this campus pays to support central administration. I think in recent years the amount of money we pay annually has increased greater than the rate of increase in the campus budget. Its unfunded mandates. It's things like the \$500,000 last year for academic advising for student athletes.

**HERBERT:** In the first place I think that you're wrong and I look at the numbers also and I see something totally different. What you're doing is you are taking the university tax and then you are adding to it some items that are campus specific and treating those as though they are being imposed at the university level. What happens is that in the case of Bloomington you pay your share percentage-wise of what everybody else pays tied back to the combination of income and expenses. In addition to that you pay for some services that are provided centrally, much as the Medical School does. A classic example is human resources. You buy those services from the university operation. Now one way to look at that is that you're getting a pretty good deal because others are contributing to that also where as if you had all those services here you'd be paying the freight yourself totally. If you look at the numbers that I look at what you see is a totally different picture. I think what you're doing is...if you look at it in the context of apples it's very clear and I think...and I'd be happy to go over the numbers with you to show you exactly what I'm talking about then you would not arrive at the conclusion that you have. I'd be very happy to sit down and go over those numbers with you, with Neil, or someone else.

**THEOBALD:** I think the difference is, and I understand where Herb is coming from is that at the campus level, Ken sets the tax at the beginning of the year and then all charges during the year go against that tax. The way it comes from the university tax is that it's set at the end of the year and is in addition to any expenses during the year. So that's where we get the very different...you're looking at three percent, Ken looks at two and a half, they're really two very, you're measuring different things with those amounts. I think that's the confusion that Herb's talking about.

**HERBERT:** OK, but the bottom line is that, in fact I forgot what it was, wasn't it 2 [percent] last year?

**THEOBALD:** Three.

**HERBERT:** Was it three from the university level? The bottom line is that we're not adding anything above that and the impression that you were giving was that...that's clearly below inflation. When you said earlier that we were imposing a fee that was higher than the cost of living index, that's not the case.

**TERRY:** No not the cost of living index, the increase in the university, in the campus budget. But anyway I think that the point is that as Neil confirms, we do have two different ways in looking at that and I hope that we could reconcile it. It would certainly help campus budgeting if we could.

**HERBERT:** And if the problem is our doing something at the end of the year as opposed to the beginning, I didn't, I thought that it was at the end of the year for the next fiscal year.

**THEOBALD:** Correct.

**HERBERT:** And in that context you know up front as you're dealing with your planning for the next year what the situation is...so I guess what you're saying is we need to make that decision earlier?

**THEOBALD:** It would be very helpful, because we are actually are building the budget January through April and then we get the university tax after that, where as Ken sets the campus tax in October, we know what it is going into the planning process.

**HERBERT:** Let me just give you an example about some of the challenges we have, because I do think we've got to get on top of these matters earlier. I asked the Chief Financial Officer to develop a tuition plan this fall so that everyone would know exactly what the revenue situation is going to be for next year. One of the things I was told was the deans didn't want to do that because they didn't want to set graduate tuition this early. My response to that, you haven't heard it yet, my response is, we're going to do this this fall because we've got to address some of these very issues that you're talking about. Graduate tuition is such a tiny part of the total budget that we can't sit around waiting, we've got to go ahead and make decisions and be much more thoughtful about what we're gonna do. We've got to make those decisions. We've got to deal...at some point this campus is going to have to operate in a fashion where we tell the students that this is the maximum amount that can be generated from mandatory fees. What we know for this next year is that we have 4.9 percent of the total of mandatory...this is for all campuses, but I'm talking about this campus, 4.9 percent for both mandatory fees and for tuition. If we want to begin to address some of these issues we're talking about a few moments ago, we're gonna have to make some very difficult choices about what's going to increase in both of those areas. It just has to total out to the 4.9. One other issue here is that because there will be no Athletics Fee next year we have an opportunity of using those dollars help address this kind of issue.

And no one asked me about that, so let me just tell you, in case anyone is interested that I made very clear that we will not put on the table an Athletics Fee next year. That was one other thing I was criticized about so [Laughter] I just want to make sure that everyone understands that there will be no Athletics Fee. The interesting thing is, I've had some students come to me and say, well wait a minute the Athletics Fee isn't so bad after all, after we look at the alternatives. But we're not gonna put an Athletics Fee on the table. One of the benefits of that is that also provides an opportunity for us to put about a million dollars and change into addressing the other issues I was talking about. We need cooperation on the campuses in order to address this challenge. I would love for us to be in a position to have preliminary budgets ready by the end of the fall term, that is going into the November Board meeting. At least to give everyone a sense and then maybe the Board takes action on it in January, including all the fees. So we all know what the situation is, we know what kind of service, I don't call it tax, what kind of service charge there is and we're able to do the kind of planning that needs to be done. That's where we've got to get to and since we're focusing on biennial budgets, there's no reason that we cannot and should not do

that. So just as we're trying to deal strategically with how we're going to handle our funding situation on the capital side, we need to do it on the operating side as well and I'm definitely committed to making that happen. I'll just need some cooperation on the campuses and I need to get our colleagues to help the deans understand that that's just too small a part of their budget to focus on when the price is we can't address the issue that Herb's articulating.

I know I've been here too long given your agenda. Thank you very much for giving me the opportunity to be here and if you want me to come back I welcome the opportunity to do that. Thank you so much.

**GROS LOUIS:** Thank you very much, Adam. As you see on your agenda we can have Standing Committee Reports, Old Business and New Business or we can go home. [Laughter] Given the time of year it is, my guess is, but correct me if I'm wrong of course that there are probably not many standing committee reports. If there are and the chairs are prepared to give them, by all means do so. That is given that it's early October, probably not much business to report. But if you do now's the time to do it...it says right here [Laughter], Standing Committee Reports. Or we can have a motion to adjourn. [So moved!] Is there a second [Second] a discussion? [Laughter] All in favor of adjourning say aye [Aye]. Opposed? Abstentions? [Laughter]

Meeting adjourned at 4:56pm