

October 5, 2002

MEMORANDUM

TO: The Educational Policy Committee:

T. Keister Greer, Chair
Elsie Goodwyn Holland
H. Timothy Lovelace, Jr.
Don R. Pippin
Gordon F. Rainey, Jr.
Elizabeth A. Twohy
E. Darracott Vaughan, Jr., M.D.
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	William H. Goodwin, Jr.
William G. Crutchfield, Jr.	Mark J. Kington
Thomas F. Farrell, II	Terence P. Ross
Charles L. Glazer	Thomas A. Saunders, III
Warren M. Thompson	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Educational Policy
Committee on October 5, 2002

The Educational Policy Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:55am, Saturday, October 5, 2002, in the East Oval Room of the Rotunda; T. Keister Greer, Chair, presided. Don R. Pippin, Gordon F. Rainey, Jr., Ms. Elizabeth A. Twohy, and John P. Ackerly, III, Rector, were present.

Also present were Thomas J. Bliley, Jr., William G. Crutchfield, Jr., Thomas F. Farrell, II, Charles L. Glazer, William H. Goodwin, Jr., Mark J. Kington, Terence P. Ross, Thomas A. Saunders, III, and Warren M. Thompson.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Gene D. Block, Robert E. Reynolds, M.D., Ms. Patricia M. Lampkin, Ms.

Colette Sheehy, Michael J. Smith, Richard W. Miksad, and Ms. Jeanne Flipppo Bailes.

The Chair reported briefly on the meeting of the Committee held in Charlottesville on September 3rd. (See the Minutes of that meeting.) He said the Committee will hold another meeting on January 10th, unless the full Board has a special meeting in late December or early January, in which case the Committee will meet the same day.

The Chair then asked Mr. Block, Vice President and Provost, to present the Agenda.

Mr. Block first proposed three Consent Agenda items.

The first of these was a resolution approving a new degree program in the School of Engineering and Applied Science, to which Dean Miksad of the School spoke. The new program would offer the Master of Engineering, Master of Science and Ph.D. in Computer Engineering.

The Committee approved the necessary resolution and recommended it to the full Board for approval (see Minutes of the meeting of the Board of Visitors, October 5, 2002).

The next two Consent items were Conflict of Interest Exemptions. The first involved Mr. Haydn N.G. Wadley of the School of Engineering faculty. Mr. Wadley owns in excess of 3% of the equity in Cellular Materials International, Inc., a company with which the University is negotiating research contracts. The second involved Directed Vapor Technologies International, Inc., in which four members of the faculty own equity in excess of 3% and a fifth will receive consulting income in excess of \$10,000 annually.

On motion, the Committee approved resolutions granting the two Conflict of Interest Exemptions, and recommended them to the full Board for approval. (See Minutes of the meeting of the Board of Visitors, October 5, 2002.)

Mr. Block then presented the Action Agenda item, a resolution approving the Carnegie Corporation's Teachers for a New Era Initiative. He explained that in March, the Carnegie Corporation notified the University that it was one of four institutions selected to apply for one of four grants to be awarded, beginning in 2002-03, of up to \$5million over five years.

A group of faculty and administrators from the Provost's Office, the College of Arts and Sciences and the Curry School of Education, drafted a proposal which was submitted to the Carnegie Corporation on July 15th. The proposal emphasizes a collaborative approach between the University and area school systems in supporting new teachers during the first two years of their careers. There is emphasis, too, on the cooperative efforts between the College and the Curry School in preparing teachers.

Funds awarded under the Initiative will go to the Provost's Office for dissemination to the Curry School, the College and area school systems.

The goal for the Initiative at the University, the Provost said, is to perfect a model teacher education program that "attracts some of our most promising young men and women and transforms them into superb teachers."

Mr. Block proposed a resolution endorsing the University's participation in the Initiative. On motion, the Committee approved the resolution and recommended it to the full Board for approval (see the Minutes of the meeting of the Board of Visitors of October 5, 2002).

Mr. Block's customary report was brief and emphasized the 2002-03 Goals for the Educational Policy Committee (a listing of these goals is appended as Attachment A), which he and the Chair have worked out together.

He then introduced Mr. Michael J. Smith, Associate Professor of Politics, who is Chair of the Faculty Senate for this academic year. Mr. Smith gave an eloquent discourse on the affects of the state budget cuts on the faculty and the University (the text of his remarks is appended as Attachment B).

On motion, the meeting was adjourned at 10:35 a.m.

AGG:jb

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/educationalminutes.html>

2002-03 Goals for Ed Policy Committee

- Develop a close and productive working relationship with academic leadership
- Partner in complex decision-making regarding current budget situation
- Help plan for the University in the 21st century (e.g., faculty entrepreneurship, intellectual property issues, institutional conflicts of interest)
- Partner in implementing strategic planning derived from 2020, Envision, and school-based planning process
- Assist in identifying resources to promote growth in academic excellence

Attachment B

Remarks to the Board of Visitors by Michael J. Smith, Chair of the Faculty Senate

October 5, 2002

(After an introduction and report on upcoming Senate activities, Mr. Smith turned to a discussion of the state of faculty morale in the midst of the current budget crisis.)

In my years teaching about the cold war and the nuclear stalemate I learned that the Chinese character for "crisis" combines two ideas—danger and opportunity—and I'd like to spend a moment talking about both in the current situation.

Concerning the dangers, I will put it baldly. In a highly competitive environment it is difficult, if not impossible, to maintain and strive for excellence when

- there is a sustained freeze on hiring,
- when faculty salaries are flat or declining relative to our peers, with no relief in sight
- when we continue to lose some of our best graduate student prospects because they receive better offers, often from universities below our level
- when even matching state support for grants that can be leveraged is cut, and the grant goes to waste
- when our wonderfully well-run library has to cut its acquisition budget in ways that will leave significant, and perhaps permanent, gaps in our collections. These insidious cuts are less visible than the shortened hours, but to faculty perhaps of even greater concern
- when they teach in buildings that are cramped, badly equipped, and lack space for conferences, seminars, meetings
- when they see their courses getting larger and they continue to turn away students from their oversubscribed classes

Why would a hiring freeze be damaging to faculty morale? In some ways it's actually more damaging than salary stasis--few of us got into this line of work because we thought we'd get rich--though of course the salary slippage doesn't help.

Faculty members know that a competitive university needs to identify, recruit, and integrate into its university life the talented researchers and teachers of the next generation. It's the way we keep in touch with the latest research, with broader trends in the disciplines, with colleagues at other, often higher ranked, institutions. We call our former teachers and colleagues to ask "Who's your best graduate student this year? Who can you send us to help in this area we are trying to strengthen?" Recruitment and hiring at every level is the vital path to continuing renewal of the departments, of bringing in new ideas and energy, indeed of enlivening older faculty. And the freeze frankly damages our broader reputation out there. Last year in my department--and not only mine--we had to call candidates at the airport to tell them not to come. A talented young woman who was a promising candidate for position was already here for a job talk that had to be cancelled because there was no longer any job.

Now of course we all recognize here, and across the land, the reality of budget crises. But it does seem to have hit here in Virginia earlier and deeper: the misguided policies and practices of the 1990s hit us hard. Quite frankly, we are in danger of losing good faculty at every level.

By now I'm sure you've heard so much about 'faculty retention' that it may sound like some kind of digestive disorder, but I would like to put this in some context. The problem runs deeper than meeting offers to highly visible faculty with competitive counter-offers, though of course that's important. The deeper, less visible, problem arises with younger faculty, those about ready for tenure, or those recently tenured. They begin to cast their nets widely; they listen attentively, rather than divert, the polite, early probes from Princeton or Yale or Chicago or Duke or Michigan about their possible availability. Word begins to get out that people in Virginia are movable; more faculty begin to get inquiries. Once begun, the process escalates--especially when we ourselves are not hiring.

Perhaps most dangerously, without a sense of light at the end of the budget crisis tunnel, faculty in general, but younger faculty in particular, could begin to give up on the institution. I really worry about losing the next generation of leaders here. Within the past month, I have met informally with several younger colleagues asking for advice because they received nibbles from other places. They ask me, "How long will this crunch last? Can you tell when it will get better? When will my department be able to hire again? Will we ever get research or travel support? Will the South Lawn project really happen? Can we ever expect the state ever to meet its fair share? When do you think we and our poorly paid staff will ever get a raise?" I cannot honestly give good or encouraging answers.

Perhaps you will have heard about the recent call from some Arts and Sciences faculty to convene, for the first time in over a decade, the "Assembly of Professors." I won't say much about this now, because the meeting hasn't yet happened and I expect that the discussion that comes out of the assembly will result in some resolutions that the Senate will take up and pass along to you. But I can say that it was called by dedicated faculty on the front lines—the chairs of departments and programs who see the effects of the cuts already and who dread even more the effects of the cuts ahead. These people are by no means wild-eyed revolutionaries. They are people devoted to the university who find themselves alarmed and frustrated—as we all are—at the current situation. They are the ones who meet the students who can't get into the classes they need to fulfill requirements; they're the ones who are scrambling to find the temporary hires to fill in the gaps. They are the people who tell faculty that travel to that scholarly meeting cannot be funded, or that the grant proposal has to wait because we cannot count on the matching funds. And although they know and appreciate the fact that they have a Dean, a Provost, and a President who's completely on their side, they also know that those students are still there, the staff is overworked, and they want desperately to meet those needs but cannot. They want to support that promising young person who needs some time to write, but the resources aren't there, and the needs seemingly endless. It's no wonder that they feel beleaguered. They care about this place and are deeply concerned about its future.

So without dramatizing the situation too much, I believe that we are in a perilous moment with respect to faculty commitment and morale. It's holding, but it cannot continue as it is now indefinitely. I don't think it's exaggerating to say we are in a crisis.

Now that brings me to the "opportunity" part. This budget crunch may for the first time (at least in my relatively short period here), make it possible for us to address the structural underfunding by the state. I remind you of the dimensions of that shortfall. President Casteen's e-mail to the staff, announcing additional cuts, put this quite eloquently:

Virginia's policies toward its public colleges and universities, and in recent times its financial strategies, have moved well beyond the point at which thoughtful people will be merely concerned. **The State has funded and allowed to be paid to faculty average salaries consistent with its published and lawful benchmarks for these salaries in only one of the last 12 years. By the legislature's own calculation, the aggregate shortfall (operating and maintenance funds together) for all of higher education is now no less than \$300 million per year.** By and large, the political values that gave rise to this scandal are now history. Yet the damage remains and must be acknowledged as a fundamental and untenable failure of political leadership – even as the ongoing recession compounds the problems that both we and leaders in Richmond face.

How can this be an opportunity? I believe the crisis allows us to set out a vision in which tuition revenues can adequately fund the core mission of the university. We need to move ourselves to make this happen. I recognize that this means a significant rise in tuition—well beyond the one-time surcharge you are considering now. And, frankly, I hope you will consider an amount larger than \$200 that can really begin to address our short term problems. (As a parent I would pay it, not quite gladly, but certainly with the recognition that it's fair, it's necessary—no, it's more than necessary, it's vital.

Dean Ed Ayers and others have laid out a vision in which we phase in a tuition rise that brings us to levels comparable to those at the University of Michigan. As long as we build in additional financial aid to guarantee access to families who need help, this phased and fair rise in tuition seems to me, and I believe to the vast majority of faculty, the only way we can control our own destiny. (If there's an alternative pot of revenue that the state is about to create and allocate to us, Larry Sabato hasn't told me about it yet; and even now there seems to be no politician willing to speak the word "tax"—even if we know that people would not oppose a rise in the so-called sin taxes. Virginia's cigarette tax is among, if not the, lowest in the nation.) Adequate state funding seems like an increasingly distant dream. In this context, the former president of University of Michigan, James Duderstadt, said recently "Michigan decided in the 1970s that the state wouldn't support a first-tier university, so it set out to build one by itself."

Now I don't think we should entirely give up on the state, and perhaps the one encouraging feature of this crisis is that the Governor is not blaming us for the state shortfall and attacking the whole premise of the research university. Nevertheless, it's worth noting that even Michigan, with its relatively high tuition rate, still spends \$17,000 of state funds per student compared to Virginia's \$13,000. So it seems clear that we cannot in the foreseeable future rely on anything like adequate funding even by the state's own formulae. We are falling behind every year, and at some point quite soon, our rankings and reputation will suffer accordingly. And though of course we are

enormously grateful for the financial support of our donors, we know that even historically high levels of private support cannot make up for the level of cuts that we are sustaining.

In the view of many faculty, this crisis opens up the space for us to set our tuition levels rationally and in ways that will make possible the sustained quest for excellence in a public university that many of us on the faculty so desperately hope for. Many of us chose to build our careers here because we were committed to scholarship and teaching in a public setting precisely because of its greater accessibility to all our citizens, and because Virginia had always seemed a place that valued excellence. Thank heavens our alumni do.

So we urge you to take a long view of the requirements of that excellence and to lay out a plan that allows us to control our own destiny. Even at the levels of Michigan, the University of Virginia would be well worth the money—and we can take care to ensure that financial aid rises to meet the needs out there.

Faculty give extraordinarily of themselves every day to this institution and to the community we live in, and I can tell you that no group is more ready to help but, at the same time, no group is more dismayed at the prospect of a slow (or not-so-slow) slide to mediocrity. There's the danger again. But I can promise you that should you move significantly to solve the underlying problem of our chronic underfunding, you could count on a revitalized faculty working together with you and our administrators in every way possible to get through this current crisis, and to move forward to genuine excellence. That's the opportunity—I hope we seize it.