

College of Arts & Sciences  
**Budget Advisory Committee**  
MINUTES  
Wednesday, April 6, 2011

Present:

Voting members: Professors Cliff Bekar, Rachel Cole, Susan Glosser, Todd Lochner and Jens Mache

Ex-officio: Jane Hunter – Interim Dean of the College, Gary Reiness - Associate Dean of the College and George Battistel - Associate Vice President of Finance

Guests: Carl Vance - Vice President for Business & Finance and Robert Nayer - Director of Operating and Capital Budgets

Recorder: Anne Boal - Mathematical Sciences

Absent: Student representative - Christabel Escarez

The minutes for the March 16<sup>th</sup> meeting were approved.

Mr. Vance reported that the variable rate bonds have now been refinanced at a fixed rate of 5.67%. This 30-year loan of \$108.6M includes the cost of building the new residence hall, which is \$11.5M. Two of the four swaps have been liquidated, with the two remaining ones to be managed by the endowment funds. Previously the college would have had to put up collateral if the college's bond rating dropped one point, but now this is no longer the case. For all practical purposes, the college now only has nominal covenants with these loans and swaps. The repayments will not be a flat rate over time, but they do not increase significantly. The budget assumes a 6% interest rate, so this would give the budget a little cushion to balance other assumptions in the budget.

The construction of the new residence hall will begin this May and be open to students beginning in the fall of 2012.

Dean Hunter reported that the plan to reassign administrative staff to cover the retirement of three CAS department administrative staff was announced to CAS department chairs and CAS administrative staff last week. She asked for reactions to this plan. Professor Glosser said that it was a wrenching experience for the departments involved, when they were given two days to decide and adjust to these changes. Some people in these departments felt singled out for downsizing. Mr. Vance inserted that there will be changes in other offices that have not yet been announced. Professor Cole thought that the details of a master plan on which offices are being affected by consolidations would help calm people. A constant flow of information regarding these changes would keep everyone more aware of upcoming changes. Also, since administrative staff are now also supposed to manage the tracking of alumni and web page management, the new workloads seemed a bit overwhelming to some staff. Dean Hunter was advised not to divulge this consolidation in January, and that they had hoped to be able to present all facets at once, but in reality, this has been difficult to do.

This committee will review further their response to the faculty salary study by the Sibson Consulting firm and the BAC competitiveness self-study. The committee was concerned with the 10% margin used in the Sibson study, but were told that this is the usual industry standard.

A long discussion ensued concerning faculty salaries and inequities felt by various cohort groups. Dean Hunter has the authority to assign raises to faculty, but would appreciate input from this committee on some issues and communication from this group to the general faculty. The committee realizes that there are about 5 cohort groups who were adversely affected by the 0% wage increase last year or previous years of low increases. Professor Lochner notes that the monetary and symbolic levels both need to be addressed. Mr. Battistel suggested looking at using part of the salary pool as bonuses to certain cohort groups, instead of adding the increases to the base salaries, as is now done per the rules in the faculty handbook. Professor Cole suggested that a report to explain the constraints, which groups were harmed, why this happened and this committee's recommendations would be a good step.

This committee will meet in executive session next week to further discuss some of these issues.