Minutes of Faculty Senate Meeting
December 11, 2013

Submitted by Senate Secretary, Catherine Seta, Professor of Psychology
Prepared by Amalia Wagner and Catherine Seta, Ph.D.
Caveat: Quotations indicated below are not necessarily verbatim.

In attendance: Ed Abraham, Edward Allen, James Cotter, Carol Cramer, Sonia Crandall, Jacquelyn Fetrow, Will Fleeson, Gala Candelas, Michele Gillespie, Sam Gladding, Nathan Hatch, Michael Hughes, Tim Janke, Rogan Kersh, Hof Milam, Gail O’Day, Paul Pauca, Cathy Seta, Gale Sigal, Michelle Steward, Rosalind Tedford, Jeffrey Weiner, Terry Bluementhal

Welcome from Vice President Gale Sigal

Professor Gale Sigal welcomed the University Senators to the meeting.

Professor Sigal introduced President Dr. Nathan Hatch and thanked him for coming to the faculty senate meeting for an informal discussion and “question and answer session.”

Discussion and Q & A with President Dr. Nathan Hatch:

Dr. Hatch began his discussion by giving a brief reprise of his State of the University address in which he characterized WFU as summarized below. Dr. Hatch’s university address to the faculty was titled Leading Lives that Matter.

Wake Forest University has great momentum and the demand for our kind of both undergraduate and professional education has never been higher. The early application pool is up by one third. The kind of education we provide is better understood and more broadly appreciated. We are kind of a tertium quid, we are not a liberal arts college, and we are not a research university. President Hatch recalled going to the Mellon Foundation a few years ago and it was the case that WFU couldn’t qualify for a grant because they dichotomized universities as either liberal arts or research oriented. We are relatively unique in embracing that mission, which can be characterized as a collegiate university. WFU is a broad university but at the same time “collegiate” in the sense that we focus on students and their well-being and adopt a teacher - scholar model.

President Hatch pointed out these particular strengths characterizing WFU:

- WFU continues to invest in making education affordable in an escalating academic market. In the last few years, WFU invested more money in financial aid than anything else. While we are still behind our peers, in the last five years the budget grew from 34 million to 52 million. An increase in enrollment contributed to this growth.

- Diversity in the University has increased, in part due to the SAT optional admission policy and the Magnolia Scholars program.
Wake Forest’s model of teacher-scholar retains the power of personal connection. We remain committed to educating the whole person in an age when college is becoming focused on the economic benefits it provides students. Our wellness and wellbeing initiatives are part of our holistic approach to education.

Wake Forest remains committed to the power of a residential college experience. We have two new residence halls that help to meet our three year residency requirement. The Faculty Fellows program is developing and adds to this experience. The design of Farrell Hall included the space that brings together faculty and students in a casual environment that will facilitate interaction.

President Hatch pointed out these particular challenges that face WFU in the future, as summarized below:

- We are an ambitious, successful and under resourced institution. Our endowment per student on the Reynolda campus for undergraduate and professional students is $100,000 per student in comparison to Richmond, which is $500,000, Emory, Davidson, and Duke is about $300,000. WFU is radically tuition driven. We do not anticipate much in the way of tuition growth.

- Many of our buildings are over 50 years old and are in need of major renovations.

- Faculty salaries are a huge issue. President Hatch said that faculty salaries were a priority when he arrived at Wake Forest and continues to be a priority. He characterized faculty salary growth as follows: Looking over the past eight years on this campus, the average full professor salary has gone from $102,000 to $139,000, about a 36% increase and for an assistant professor it has been more - about a 41% increase. In the past few years with very modest tuition growth, faculty salaries have been subdued.

President Hatch discussed the most recent capital campaign:

The Wake Will campaign is crucially important. We have great leadership with Mark Peterson and his team. During the “silent phase”, we have raised more than $315 million towards our $600 million campaign goal. One of our chief goals of this campaign is to provide additional scholarships for our students. This is a comprehensive campaign, major effort for endowed chairs to support faculty, major effort for the library, departmental support, and facilities.

President Hatch discussed recent changes in the WFU Baptist Medical Center:

Concerning the Medical Center, we have seen drastic change in the last four years. I would like to salute what was accomplished with the merger of our medical school and NC Baptist hospital. CEO, Dr. McConnell, and Dean of the Medical School, Dr. Abraham and their team get very high marks for merging two very different cultures. Although, they operated as neighbors, it was often as fighting neighbors. The merger was a massive undertaking, but has gone remarkably well. I believe had the merger not occurred the medical school would be facing catastrophe today. The goal of Wake Forest Baptist Medical Center is to be a premier medical center, adept at clinical care, research, and teaching.
Dr. Hatch discussed his leadership style and appreciates the leadership of other administrators.

President Hatch expressed his belief in strong and effective leaders and explicitly recognized the following persons: He expressed his appreciation of the “magnificent” leadership of two Provosts; first Provost Tiefenthaler and now Provost Kersh. He also mentioned the superb financial advice WFU has benefited from and is glad to have Hof Milam, Senior VP/CFO, Jim Dunn in the investment office and appreciates the leadership of Dr. John McConnell. WFU recently hired Penny Rue as VP of Campus Life. Andy Chan, Vice President of the Office of Personal and Career Development raised a “huge” amount of support for the OPCD. He explicitly mentioned two other administrators that do an outstanding job are Mark Peterson, and Reid Morgan. Dr. Hatch also mentioned that we have very strong leadership among the Deans.

Dr. Hatch wants topnotch administrators and in order to achieve that he expressed his belief that we must pay market salary to attract and maintain these people. He stated that several administrators at WFU do the work of two positions. Dr. Hatch feels that it is important for Wake Forest to know who we are and how we are different. For example, things like, test optional, building OPCD, and combining the schools of business into one school. Wake Forest needs to constantly look outside and say where we are good and where we are not so good. We need to be aware of external culture.

President Hatch also discussed the creation of Verger Capitol management. The Board of Trustees decided to make Wake Forest’s Office of Investment an independent firm. By doing this, WFU will be able to recruit greater talent in the investment office, even as we reduce our costs. We can do this by providing our investment services to other organizations and institutions that share our philosophy. The new firm will continue to be led by Jim Dunn and with the same operating strategy.

At the conclusion of his discussion, Dr. Hatch entertained questions from the Senate.

Q: I recently read the article in the OGB about hazing and found it very disturbing. What is the administration doing about this problem?
A: WFU is taking this very serious; we need to take a very hard stand on hazing. Penny Rue, Vice President for campus life has chaired national task forces on Greek life and will be taking steps to address this issue. We need to work with Greek leadership and make sure that nothing demeaning to people is occurring. The good thing in this situation is that the fraternity cracked down on itself.

Comment from Provost Kersh: (We were already having conversations around this topic prior to Penny’s arrival. It is a very complex area. We hope to work with the national offices of our fraternities to do more policing. Their own national office pulled the fraternity’s charter.

Comment: By the way, in case you did not know yet, we have a new terrific football coach. He is a great developer of people and he understands our culture at Wake Forest University. Dave Clawson is a graduate of Williams College in Massachusetts.
Q: Are you aware that in each of the last three years the bonuses for a handful of your highest paid administrators have added up to more than the entire raise pool for over 300 faculty members of the College?
A: For many of our senior people, part of their compensation is at risk because it comes in the form of a bonus. It is part of their overall compensation package. Bonuses are performance based.

Q: For a very long time, WFU awarded across the board cost of living annual salary increases to all faculty. Several years ago this practice ceased. Why has the University decided that its college faculty no longer deserve annual across the board cost of living increases?
A: I think that the assumption is that we would like to do at least cost of living raises, although we can only do what we can afford.

Q: To what extent are administrative salaries and bonuses dictated by keeping overall university costs low and if so do such cost cutting measures dictate faculty salary raises?
A: Absolutely not, trustees want us to be prudent but would never condone a bonus for cuts. Trustees understand our challenges. They raise issues about costs but the implementation is left up to us.

Q: The AAUP salary report was presented at a recent faculty meeting. The report showed that Wake Forest salaries ranked very poorly in all three categories of faculty (assistant, associate, and full professors) when compared to institutions we typically compare ourselves to. Our salaries are now near the very bottom if not at the bottom in all three categories, which used three different widely accepted comparison groups. We were told at the faculty meeting that many years of below inflation salary increases have caused Wake Forest to fall to bottom in all these comparison groups but that this situation can be looked at differently if we understand that the low cost-of-living in Winston Salem partly justifies the poor salary increase that faculty have been receiving for several years now.

Why doesn’t the same logic apply to the extremely large compensation increases that senior administrators (including you) and senior athletic coaching staff have been receiving over the very same years? Why does one standard of justification apply to faculty and a very different one to senior administrators?
A: In a sense, by looking at the last 3 years things are skewed a bit. We had huge faculty raises before that - double digits. Cost of living is not an excuse, it is a reality. If you look at US News and World report on faculty salaries, which does take into account cost of living, Wake Forest ranks eighteenth in the country among universities. It is true when you factor in cost of living our salaries are good. That is not an excuse. We want to have competitive salaries and this is a priority. When WF expanded the student body, the monies from this went to employee compensation and undergraduate student aid.

Comment from Provost Kersh: When Dean Fetrow and I presented on faculty salaries to the college, I do not think the message was at all: “because the cost of living works out pretty well, there is no concern.” The thrust of that presentation was that it is important to get the data right. We are looking forward to working with, the soon to be renamed, faculty benefits and compensation committee.
Q: Is the faculty connecting with Reynolda Hall sufficiently. For example, there was an outcry last year about some of the cost cutting measures that are being considered, including a large reduction in tuition concession benefits and the initiation of parking fees. What is the most effective concrete ways that faculty can communicate its concerns to you about such measures?
A: Hopefully we are open to many forms of communication. All Universities have undergone ways to save money. At WF Hof Milam and Provost Kersh Co-chaired the SRI committee as a way to identify cost savings. Tightening our belt will not be easy; it will be a difficult task. Dr. Hatch stated that their needs to be input from everyone and he welcomes it.

Q: Do you see increasing student enrollments as a viable or necessary move in the next few years?
A: I think we need to look at all kinds of options. We need to look at the reality of our situation. We are highly tuition driven. I will not say that we won’t increase enrollment. We also have the complication of not only an 11:1 student to faculty ratio…. it is how we teach. It is very expensive to limit class sizes as we do, and is very complicated.

Q: I have observed that the university has grown as an institution over the last six or so years, including the expansion of administration, the growth of the OPCD, and the growth of Advancement and Development in the ramp-up of the Capital Campaign. Emanating from the expanded wings of the institution is a discourse about the university that seems to cut against the grain of the university’s traditional values. I feel that the slogan of “Live lives that Matter” seems to indicate a person’s life matters more for having attended Wake Forest. Additionally, there is a banner in Farrell Hall, which reads, something like: “Knowledge only has value when put into Action,” which is quite contrary to what I and many of my colleagues believe about our teaching mission and “Make a life that matters”. This slogans are contrary to the humanitarian values espoused so often by our Pro Humanitate principles: this view, every life matters So, given these observations, would you or some other institutional leader be interested in initiating a campus conversation that is not focused on recent priorities, but which does seek faculty, staff, and student perspectives on fundamental, core university values associated with our motto and our liberal arts tradition?
A: I think your point is a very interesting one that we should consider. I would love to be a part of such a discussion.

Q: What do you think is the obligation or role of universities in general and specifically WFU, in terms of generating knowledge or illuminating social problems or creating art?
A: I think there is a heavy responsibility. Certainly if we were Duke or Emory a full throated research university I think it’s weighted more in the direction of research. We are not a college and research and generating knowledge is part of what we do, but this role is balanced by a deep commitment to students. This is part of the teaching-scholar model.

Q: What is your goal in relationship with the Medical School and the Reynolda campus?
A: I think because of the leadership at the Med school, we are in a place where there is more openness for durable connections between the two campuses. Part of our strategic plan was to have better bridges with all of our professional schools.

Q: Any initiatives to grow that bridge with existing graduate programs?
A: Nothing at this time but would welcome it.
Q: Concern for the loss of medical school intellectual capital? Is WFU concerned about this loss?
A: Certainly, it is a time of substantial change. Yes, it is a concern and as a result, we have lost some faculty members. The current economic environment for academic medicine is challenging.

Q: Concerns with medical school tenure policies and salary reduction for faculty. How will WFU provide an environment for academic freedom and creativity?
A: Our policies there were out of line with national standards. In medicine, you have a huge number of research faculty who must provide most of their own funding. We were fortunate enough, through the resources from the wound vac to be able to fund many people doing research out of institutional sources. This is no longer possible and the transition is difficult.

Comment from Dr. Abraham: Let me provide some data that may be helpful to answer the previous question. Eleven percent of our faculty had salary reductions last year. Those were research-oriented faculty members who for persistent periods of time were unable to obtain funding. The converse of that is that the vast majority of our faculty are doing great. Our research funding is actually up for the fiscal year of 2013. NIH funding was increased and total funding was increased. That is a tremendous tribute to the faculty at the medical school. The data shows that we are bucking the trend of almost every other academic medical center by increasing our funding.

Q: There are many in the faculty who believe that the university does not properly value education. These faculty members point to the fact that there never seems to be enough money to take care of all the educational needs on this campus. How would you respond to such members of the faculty?
A: I have witnessed other universities who once were committed to teaching and education, shifted their priorities to research, and changed their mission. I do not think that is the case here. In some ways we are very traditional.

Comment from Provost Kersh: A data point from US News rankings: The place that lifts Wake Forest University to the ranking that we have among national research university more than anything else is the simple measure of instructional funds spent per student. WFU is sixth in the country among research universities. Basically what it is spending for education......this combines several other things including faculty salaries.

Q: Justifying the high salaries and bonuses for leaders on the basis of market value is a legitimate and reasonable argument. I have heard many discussions over the years about salary, and I wanted to convey an important perspective of the faculty that may be of interest to you. The perspective is that the kinds of activities professors are asked to do at Wake Forest are the same kind of activities that hurt their market value as professors. If professors do the kinds of things they are asked to do, and that are valued at Wake Forest, such as teaching, mentoring, advising, and being a good citizen, they end up hurting their ability to have fair salaries when market value is the prime consideration. For many faculty, the issue is one of trust in which the faculty do the things that hurt their market value based on the trust that the administration will in return reward them, despite their voluntarily lowered market value. This is a dilemma for the faculty, and it might help clarify at least one perspective among the faculty.
A: I acknowledge the point and we need to find every way to support faculty who give their lives in that way. I can only agree with you.
Q: What will the impact of the affordable health care act be on WF?
A: The affordable care act will increase the cost of health care plans. The benefits committee is going to need to look at this. Employee premiums have not had significant increases over the past few years, concerned that premium increases are going to catch up with Wake Forest.

Q: Looking across higher education what is the biggest change that you think WF can make to attract the best faculty and students?
A: I think we are doing what we need to do. Although, we need to be more creative in telling our story. In addition, we need to convey how different we are from the completion. We have enriched our website; need to look at departmental sites for possible improvements.

Q: Binge drinking is a problem on campus. How are you responding?
A: With the addition of the barn, we have brought more parties back to campus, which has helped with this issue. We need major initiatives to work with student organizations and Greek life on binge drinking. This is not an easy task, the problem is not just Greek life it is a cultural issue on campus. It is Wake Forest University’s responsibility to work with student leadership and address this topic.

Q: What is the status of online initiatives?
A: For a very low cost, we have managed to put numerous pilots in place. WF joined Semester Online and in Spring 2014, we will offer our first Semester Online course, taught by Professor Carole Brown. We have a second course in development now. WF is about ¼ of the way into our commitment with Semester Online. The Consortium has costs us nothing except our time. The ZSR library has had a couple of online courses, the first for alumni, and the second for parents and families of Wake Forest students. Huge “shout out” for the counseling online program. They presently have 12 folks with bachelor degrees in the program and are doing a phenomenal job in a very short time.

Q: As a follow up to a previous question, in terms of perception, it appears if the university needs something, people make it happen. For example WFU needed a new Admissions building and administrators secured the funds and built a new facility. The same thing occurred in building Farrell Hall. Where are the people behind initiatives regarding faculty salaries?
A: It was a priority of mine to increase faculty salaries when I arrived. I expanded enrollments to increase faculty salaries. It was an age when we could both increase faculty salaries and increase tuition over six percent a year. Now we are in a much different and harder climate. It is a complicated world. We went with building a business school, and as a result social sciences got new space. We could not have raised the money for social sciences like we did for the business school. We do not face this dilemma alone. Holden Thorp was at Chapel Hill for five years and did not give one penny in faculty base raises. There overall faculty salary averages increased because they (Chapel Hill) would match external offers (to select faculty). It is an endemic problem in higher education. It is variable and we will do everything we can to address this issue. Why did we build a new Admissions welcome center? Because we are a tuition driven institution we have 40,000 visitors a year.

Comment: I am a graduate of Chapel Hill and they do not have the teacher- scholar model, and consequently their faculty can concentrate more on their research, while we spend more time on
our teaching. I agree with the other senators that because we spend more time on our teaching and service than colleagues at research institutions do, it diminishes our “marketability”

Vice President Sigal thanked President Hatch for his time and adjourned the Senate meeting at 5:45 p.m.