1. Meeting was called to order at 3:05pm by Gordon Ramsey.

2. Invocation – Janice Fine.

3. Approval of October Minutes. Motion: Bowen; Boller seconded. Motion passed unanimously.

4. Introductions (members & guests).

5. Chair's Report
   o Still seeking volunteers/nominations for positions on committees & UPC’s: FAUPC (1); Strategic Research (2). Volunteer for last slot for Faculty/Staff Lounge ad hoc committee (R. Bowen).

6. University Budget Presentation: W. Laird
   Comments (see handout for details): Before President Garanzini arrived at Loyola, debt was refinanced but not paid off. This has been addressed, via an “internal bank,” among other measures. At present we have about $50M in the bank; what had been $100M in debt is now down to around $35M.

   Budgeting works on a compartmentalization principle: for example, student housing pays its own expenses and keeps its own surpluses for its own uses. The same goes for other parts of the university; there is no cross-subsidization. Instead, each unit engages in careful planning. (The same goes for the JFRC.)

   After the sale of LUHS to Trinity, $22M p.a. will be coming to the University for academic services. No tuition dollars will thus be used for HSD. Sale of LUHS resulted in the University’s credit rating being raised the following week; it also eliminated upwards of $800M in liabilities.

   The University recovers depreciation expenses in pricing: over $550M in depreciation capital over the next 10 years, money the U. will not have to fundraise to cover.

   “Predictive” budgeting is used to cover future contingencies (2-4 years out; capital budgets 10 years out).

   FY 12-13: Figures are lower. More faculty hiring is planned, and depreciation expenses will be rising. Tuition will remain stable for students already enrolled, increase for new students, to help distribute more fairly the cost burden for new facilities the older students will not have had the opportunity to have used. FY13 “Fees Carry Forwards” is negative due to planned laboratory renovations. Note the
predicted FY13 total University surplus of about $33M: in case of emergency we have this as a buffer. If not needed for any, the surplus can be allocated by units.

Property acquisition: LUC is buying up property s. of Sheridan Rd. between Sheridan and Broadway, looking to block off roads and make the area a student residential zone.

Finally, in the consolidated statements, note that LUC’s total net assets stand at $1.09B, the first time in history we have been over the $1B mark.

7. Faculty Salaries, Teaching, Research Presentation: J. Pelissero

Comments (see handout for details): After merit pay raises, the Office of the Provost does an equity review of salaries and raises (see p. 3). If we find a need to address negative residuals, we do so from reserve funds available to the deans.

External benchmarking has been done since 2004: how to set salaries relative to the market? The 2004 target was 60% of “middleweight” peer institutions (cf. p. 4). We have achieved that goal, and the new benchmark will be 70%. We are approaching this is some categories already. The largest deficit below the 70th percentile is at associate professor rank. (Reasons? Many years at rank without promotion; low merit raises in recent years as University rebuilt its finances.)

Teaching (pp. 7-10): NB especially p. 8: large percentage of faculty still teaching less than a 2-2 load (in CAS, 43.7% in 2010, 38.7% in 2011).

General Questions & Comments: M. Garanzini: NB p. 5 of W. Laird’s handout: the “assumptions” unit gets developed between August 1st and October 31st every year. As a rough rule, every 1% raise in net faculty compensation would translate into about a 1% increase in regular undergraduate tuition fees.

Question: there has been little difference in merit pay raises over the last 15 years, it seems to faculty: i.e., highly performing faculty have received little in merit pay raises to reflect their productivity compared to less productive peers. M. Garanzini: It’s been tough. LUC has, however, given out raises in this very bad economy when many school have frozen pay or even introduced cuts. Hopefully performance differentials will increase as more funds become available.

Question: will there be issues with the euro, given the current crises in the EU? M. Garanzini & W. Laird: Quite possibly. We are monitoring the situation closely. In our view, Italian tax increases are the biggest threat on the horizon to the JFRC’s bottom line.

Question: Will there be exposure to the University over the bankruptcy of The Clare? W. Laird: Not for us; we own our portion of the property, and are assiduously trying to prevent exposure to any other possible liabilities.

(M. Garanzini & J. Pelissero depart 4:38pm.)

Question: Security budget? T. Kelly: It is increasing. We’ve hired more officers. We have also changed the force composition. We used to have about ⅓ unarmed low-trained, ⅓ state-certified unarmed, and ⅓ state-certified armed officers. We have been paying for training to move to 75% state-certified armed officers.

8. Motion to adjourn: N. Lash, seconded by T. Kilbane. Meeting was adjourned at 4:46pm.

Respectfully submitted by
Hugh Miller, PhD, Secretary