

FACULTY SENATE MEETING

November 7, 2018

1. Call to Order

CHAIR MARCO VALTORTA (Computer Science & Engineering) – called the meeting to order.

2. Corrections to and Approval of Minutes

CHAIR VALTORTA - asked for corrections to the minutes of October 3, 2018. There were none and the minutes were approved as submitted.

The minutes for the Special Called meeting of October 26, 2018 will be ready for the next meeting.

3. Invited Guest

DR. ANDREW LAWS (Huron Consulting Group) – has had lots of conversations around campus about this budget model initiative and where they're trying to take resource allocation across the university, so it's nice to be able to come and share that with senators today.

Copies of his presentation were distributed to senators.

This initiative really began in January. It's about 5 phases. They started with a visioning in a kind of due diligence effort where they met with a number of stakeholders around campus to understand how the university's current approach to resource allocation optimizes decisions. From there they moved into a financial modeling phase where it really worked with the finance and budget teams to put together a different approach to resource allocation across campus and to understand what a different approach would do to the decision- making process in the form that they used to allocate resources.

From there they had a pretty engaged phase with the deans where they spent lots of time. They met with all the deans individually 6 or 10 times and worked through this process to try and get them all to a place where they would say that they thought this new model would position both them and their colleges to be more successful than the current model.

Next they moved into an Infrastructure Development phase. That's what they're currently working on today and this is really been focused on building out additional fiscal years of the model. Building out reports and tools and processes, governance structures to support what a new resource allocation model might look like at the university. And so that's where they are. They're about 9 months into this. They're working towards going live with the new model in July of 2019 so they're still about 8 months away from any model impacting how resources are allocated or impacting the budget of any unit.

Throughout this whole process they've been working closely with the Steering Committee. They've met with them probably 10 or 12 times over the last throughout the course of the year. The committee was chaired jointly by the Provost and Leslie Brunelli. There were four Deans on the committee, and a faculty representative on the committee. The committee was really designed, charged with guiding the process, weighing in the different decisions, providing feedback and being a liaison to various groups around campus.

The first thing the committee did was put together a set of guiding principles to govern kind of what they would see a new budget model doing at the University. First and foremost, the committee said that the model should support the university's mission and priorities. So the committee didn't take any time to second guess the Strategic Plan or second guess what they want to fund. They simply said a budget model should support the Strategic Plan.

The second thing the committee asked for is that a budget model that had more incentives in it and it supported the types of activities that they care about across the university.

The third point, any time they're thinking about a more decentralized or incentive-based model there's concerns about what that would do to interdisciplinary activity or competition. The committee said very clearly that they wanted this to this model to support collaboration and that was number 3.

And 4, the committee asked that the model create a shared commitment to the fiscal health of the University.

The committee then focused on the idea that they wanted better data to make decisions. And the budget model should give that, so it should be fair, transparent, easy to use, reliable, trusted, those types of things in these last two principles.

Huron is not doing a budget model because other institutions have done it. They're looking at a new budget model because they want to optimize decisions across campus. But it's notable that USC is not alone in this transition and actually *Inside Higher Education* did a survey of institutions and they found that 46 % of respondents said that they had changed their institutions budget model in the last 4 years. So lots of institutions have gone through similar initiatives and what that gives the committee is not a plan for what they should do but it gives them lots of lessons learned and things that they can pick up from and make sure that they're building something that works for USC.

After building the principals with the committee they went through a number of decisions that they really think about, 10 primary decisions, that include things like: what is the model philosophy? How do we allocate tuition revenue? How do we support research? How do we reflect administrative costs? How much central funding should there be? And so there's a number of large questions that they sought to answer. In each of those what they did was look at other institutions and where they fell out. They thought about what the incentives would be from a spectrum of different options and they modeled South Carolina specific data. Then they had the Steering Committee effectively come up with a straw person decision for each of those. Then they went and shared that with all the deans, got feedback and went back to the Steering Committee and iterated on those. The most notable decision of course is that tuition revenue is the big revenue generator and so they had to decide how to allocate tuitions. And so, for example, if a Business School student takes a general education course in Arts who gets the tuition? Ultimately the model that they landed on drives that split to 80 percent would go to the college of instruction; 20 percent would go to the college of record.

The next biggest question is how do they allocate state appropriations. Of course the state would say that there's lots of things that those dollars are supposed to support but there's no formula. As they thought about the mission critical activities they quickly focused in on instruction and research. And the committee and all the deans ultimately agreed on a split that would give 70 percent of appropriations to support the instructional enterprise and 30 percent of appropriations to support the research enterprise. So again the plan isn't to go through all the decisions here but just to give an idea of some of the larger ones and how they work.

They're now at the place where they've built 3 years of fiscal year models. So they have a fiscal '17 model, a fiscal '18 model and they built the university's budget under a fiscal '19 model. They have two actual years from one budget year. In the next month or so they will begin the process of building the fiscal '20 model which will of course inform the fiscal year that starts on July 1st.

This is an example of some of the things that the model shows and so based on the model they're able to see the revenues and costs associated with the different functions across the university and they're able to see those in new ways. It's important to note that the goal of doing that is not to corporatize the academy or suggest that any college should be profitable or even that any college should break even. Rather the goal of doing this is to better understand which of the university's functions contribute to the bottom line and which functions consume the bottom line such that they can make sure that those consumption and contribution numbers match USC's values, mission, and strategic plan.

For example, this shows how tuition fees would have changed by college had USC had this model for the last 3 years. Now it's easy to see the first change for example, one of the things that changed over the course of this 3-year period is the residency mix. And when that changes, of course, because so many of the credit hours, the General Ed hours are taught in Arts and Sciences that has a big tuition impact. So that jumps out. But in general what they want to do is have better data and better information to support the deans, to support the colleges, to support department chairs and position stakeholders where they can control their destiny and understand how their decisions are impacting their budgets.

Some of the takeaways as they looked across the years - there was a bit of variability and that's expected especially as USC moves into a model like this. Across the colleges there were 3 colleges that saw revenues increase and expenditures decline. So as a financial person he could suggest that's great, of course as a mission-driven organization they don't want revenues and enhancements expenses declining. As a client USC wants to be spending what it can on its mission. But fiscally those 3 colleges performed extremely well. There were 5 colleges that were extremely sustainable and their revenues grew at a faster rate than their expenditures so that's probably the sweet spot. That's where they want mission driven units to be - where they're always growing, doing more, etc. There were 4 units though that had expenditures grow at a faster pace than revenues and so those are the ones that they have to think about and make sure where they're making the right decisions and that they are supporting them in the right way so they can grow and things of that nature because those are not sustainable numbers.

One of the big decisions they had to make was how much money should flow centrally and be controlled centrally to kind of facilitate that shared commitment to fiscal health. As they looked across the years, the amount of money needed centrally to get everybody back to even and to have that shared commitment to fiscal health actually went down. It went down by about 30 percent so that was a good sign.

As might be expected administrative costs grew over that 3-year period so the service units across the university, most of that is salary dollars and adjustments to benefits and fringe rates and things of that nature but it was notable that those costs while they grew they grow at a slower rate than overall revenues and they grew at a slower rate than academic dollars.

In terms of decision, he said the whole time the goal of this is not to do any kind of restructuring or to really change any particular cost structure of a college or a school. The goal is to optimize decision making and so what does that mean? And so they think about the different types of stakeholder groups. The Executive Council that drives institutions really have a better sense of who those consumers resources are and who the contributors of resources are and allow them to

make better value judgments about how those decisions reflect the university's strategic plan and priorities.

For President, Provost, CEO type of roles, this type of a model really clarifies priorities and clarifies how they value different functions in terms of, for example, the appropriations split where 70 percent goes for instruction and 30 percent goes for research. From a Dean's perspective this changes the set of conversation such that when enrollments grow and the dean is requesting more funding for perhaps faculty lines that the conversation is not simply, "well we understand, we'd love to fund you but there is no money." They want to move away from this idea of constantly doing more with less and get to a position where there's a better reflection of how activities need to be considered as they're taking into account resource allocation.

Central support units - they don't want to incentivize central support units to grow or to get bigger. They want to incentivize them to have optimal service levels. And so they've tried to develop a model where HR, IT, facilities etc. they match their funding levels with their service levels and as a community they can make a decision whether to spend more and get higher service levels or spend less and get lower service levels. But they really want to have the conversation about services.

And then finally for department chairs and faculty members they want the model to facilitate trade off conversations. And so the committee recognizes that a great deal of if not the majority of inner innovation in higher education comes from faculty in the form of new research grants, new proposals, new program ideas, instructional innovations whatever it may be. Yet it's extremely frustrating when faculty members go to their chair, go their dean and ask for support for A,B,C, or D, and they're constantly told no, no, no, no, no. Now of course this model doesn't create or destroy wealth, right. They didn't just create a model and all of a sudden, there are resources, but it does create this opportunity to have trade off conversations where they can say OK if an area needs, another \$50,000 or another \$100,000 what are the levers that they can pull. What are the things that they can do differently to fund that and then they can decide what's more important. "Are those actions worth that to me to find what we need to fund?"

Ongoing Efforts. Huron is continuing to build out some reports and tools and roll those out to the colleges and their business officers. They have a few finalization steps to make with regard to some committees that are being put in place to oversee the model and who are the members of those committees. They are set to meet on December 3rd or 4th with the Council of Academic Deans for a final discussion of the 3-year models and the trends associated with those. And then, really in the December-January period is when the model development efforts begin for fiscal '20.

PROFESSOR BETHANY BELL (College of Social work) – asked a question about the bullet on the second to last slide, that says that in working with the Dean they're promoting the understanding that research activities lose money and must be subsidized. This is totally counter intuitive to what faculty are told to do research. USC is a research institution so could he explain that?

GUEST LAWS - There's a lot of different ways to think about the resource portfolio. The impacts it has to instructional activities, things of that nature, and those are not all activities that have been priced into this sentiment. They have a calculated indirect cost recovery rate. Every university has a cognizant agency that's a federal agency that they go to and negotiate a rate. There are set rules and a circular that says what should be included in that. And every institution negotiates that and what happens depending on how good that agency thinks the data is depending on some administrative caps etc. the negotiated rate is usually 4 to 6 points below the calculated rate. So if they calculate for \$100,000 grant we'll have \$54,000 in overhead costs. Even fully funded grants would only give 5 or 6 points less than that so maybe \$48,000.00. Now as an institution the effective recovery rate is much lower than that because it has a lot of grants where it waived the indirects when they come from private foundations, when they come from the Department of Ed or something like that where they cap the indirect rate, when they don't get indirects from capital grants, teaching grants things of that nature. So on par the university spent a lot more money to support the administration and facilities of the resource portfolio than it brings in. Now every incremental grant is great. USC wants those incremental grants but what Huron wants to recognize here is that, this is a maybe ugly thing to say in a Faculty Senate meeting, but not all research is good. They want USC to do research that matches its strategic plan, matches the strategic plan of its colleges and schools. If there's contract research that they're getting a bad deal on maybe USC should say no to that. Maybe it should say yes depending on if it's close to our mission or not. And so what they want to do is give deans and chairs of faculty better data so that they can make that decision and they can decide if whatever that research function is if it should be a focus on.

PROFESSOR JESSE KASS (Mathematics) - asked what Huron has done in developing budget models for other universities in the recent past, which ones they are, and especially which ones have a profile similar to USC.

GUEST LAWS – has been at Huron for about 12 years and he's helped about 50 universities redesign their approach to resource allocation. Right now he is working with Western Kentucky University, University of Virginia, Duke University, University of Texas/ San Antonio, University of Colorado. He's done very comparable work at the University of Auburn which is perhaps a bit closer. Also the Medical University of South Carolina.

PROFESSOR LUCIA PIRISI-CREEK (School of Medicine) – asked in reference to his previous comment on not all research being good, faculty go through peer review and fight pretty hard for their research dollars, so who is going to decide on what research is approved, at the university level?

GUEST LAWS - Not the consultant. What the committee asked for was a decentralized model and so that's what Huron has worked hard to build. It's a model that pushes the decisions closer to the people impacted by the decisions and more importantly pushes decisions closer to the people who have the information to make the right decision. With great respect to the Provost she cannot have a handle on each college or each department and so they need to push those decisions down and be able to say, "here's a proposal, how important is it, should we waive the indirect or should we only do it if we get full indirects? And if we waive the indirects are there are other places where we would fund the cost of that overhead etc." So those decisions would be pushed out and whether they're made out at a Dean level or department level those kinds of things are to be determined. But it's not at a centralized level because this is very much at the decentralized model.

PROFESSOR EVA CZABARKA (Mathematics) – According to the Focus Carolina 2020 Plan, the number one priority listed there is to increase graduate enrollment by 3 percent. Her department has a very good graduate program. It placed students in post docs to Harvard and Georgia Tech and they ended up working at NASA and NSA. If they got booted out of placements or they lost them the graduate program is relatively small in size which is unhealthy for a Math Department. This is going to be cut by half because the budget that came from to the students from the On Your Time enrollment has been cut. How will they increase enrollment by 3 percent and what will happen because this actually kills their program. This question is related to how this whole thing is structured and she doesn't know where that the money goes then according to the priorities that appear on her department's website. Regular enrollment should actually be increased.

GUEST LAWS – couldn't answer all the points she made. The common phrase is, money is the root of all evil, but the reality is money is also the source of all good. Without resources USC can't do the things that it wants to do and Huron has worked extremely hard to make sure that this is not a corporatization model. They understand that a great deal of activity at the university does not turn a profit and that is fine and good and appropriate and should continue in perpetuity forever. What they want to do is make sure that they grow the pie every year in a way that they can do more missions every year and they can do more good every year. So what they want to think about is as an academic portfolio or economic programs go both at the graduate level, the undergraduate level, the distance level, certificate degree whatever it is, they should think about

it as a portfolio and they need enough of market relevant profitable programs so that they can support the high cost mission critical programs and they've got to find that balance. And the provost's job is to help the deans think about that balance in a college and school level and the dean's job is to think about what that balance is at a department and program level. The best way to do it is to arm knowledgeable decision makers with the data they may need to make those kind of the citizens but they simply don't have the luxury of growing all programs without resource constraint and so they have to think about that balance.

PROFESSOR HEATHER BRANDT (Health Promotion Education and Behavior) – asked how this budget model accounts for or accommodates interdisciplinary research. In the Public Health they are often doing transdisciplinary work across multiple school schools and colleges and departments and units within those. And one of the immediate reactions thus far in Public health has been to set up separate accounts for every investigator so that I.D.C. follow those accounts. That seems to cost a lot of money related to his previous comments about losing money on research or how much it costs to support good research and how that is or is not accounted for in the budget model. How has this impacted interdisciplinary research at other institutions?

GUEST LAWS – They take about 20 percent of state appropriations and divvy it up across the research enterprise. That ends up being what is effectively an internally sponsored and direct cost recovery rate. And so that is a very strong incentive to the units, to the colleges and schools to conduct research. Extremely strong incentive. It's something like \$0.40 on the dollar, a very large number. Now that maybe in itself doesn't incentivize interdisciplinary research but the colleges that are focused on solo research or functional or department specific research aren't going to get any research. There's just no research out there for those types of people.

When he got into Higher Ed consulting a decade ago, he read an article that said winning competitive grants is like winning the lottery. It's only gotten worse since then and all the grant dollars are shifted to interdisciplinary and collaborative grants and so there's an incentive to do research if the research market itself incentivizes interdisciplinary research and that's how the models report.

PROFESSOR BRANDT - was asking specifically about when a grant is awarded to the university that includes faculty from across multiple units, rather than setting up a single account for administrative purposes that units are now setting up 10 accounts associated with a single grant which requires additional effort from contracting grants and from other units across the institution and so when costs are calculated or estimated related to that how have those or have those not been accounted for in this model?

GUEST LAWS - That specific nuance he's not very familiar with it but it was not factored in that question. He wouldn't expect it to be an administrative burden.

PROFESSOR JULIUS FRIDRIKSON (Arnold School of Public Health) – asked how long other universities who have adopted this model have stayed with it or changed it, and what were the reasons for dropping or changing it.

GUEST LAWS – There are very few institutions that have fully implemented a decentralized model and then decide to move back to a centralized model. There are a fair amount of institutions that started down the path of moving to a decentralized model and for one reason or other abandoned it. But it usually takes 3 to 4 years to get to a new one. The only ones he's known about that have gone from decentralized to centralized are Vanderbilt, South Carolina and George Mason and he noted South Carolina because it had the VCM model 7, 8, 9, 10 years ago and moved centrally after state appropriations were materially changed. The reasons that he knows of that institutions have not fully implemented or they abandoned is usually leadership and it's usually leadership style and it's really how comfortable the executive team is with decentralized decision making. Institutions that are in their decentralized model, the 3 most commonly noted benefits are: increased understanding of the fund flows and the resources and therefore the ability to make decisions about programs etc.; growth in the overall revenue pool; the ability to grow academic expenditures faster than administrative expenditures.

PROFESSOR CHRIS YENKEY (Moore School of Business) – First question is that data driven process is greatly highlighted in Law's comments and in the slides and faculty would benefit from knowing specifically what data was looked at. The model is only as good as the data.

The second is that most of what they're talking about is allocating existing or expected resources. Second question is in the budget model process. What was the discussion around revenue creation because there's a big issue from what he understands, that schools are not able to keep revenue or a significant chunk of revenue if they offer additional courses, a different program, certificates, summer classes and that kind of thing, that revenue generation flows to Central and then Central reallocates it. And given the role of incentives in the new budget model, this of course crushes the incentives for entrepreneurship by any department across the university.

GUEST LAWS – They looked at credit hour data, FTE data, square foot data, headcount data. There were material data requests from Institutional Research but it's really USC's financial data and operational data, student data. They didn't look at anything like quality metrics. They didn't look at research publications or at GPAs, or graduation rates or retention rates. Those are things that they think should be factored into decision making at the same time the financial questions are factored into the decision making.

The question about growing new revenues and what happens within the year as they forecast the revenue and they use the incentives, the algorithms etc. on the model to divvy those up by college. For example, if one college grows 2 percent and all the other colleges grow by 7 percent, they don't want that college to ultimately get less revenue in that year. What happens is they stick the proportional share of revenue distribution within the year based on those metrics. But if a college generates more credit hours or launches a new program or whatever it maybe that catches up in the next year and that college would get it to retain and keep that incremental revenue. So there is a very strong incentive to grow new revenues but it's a year over year incentive not a within the year incentive. Within year all boats rise and fall together and year over year there are differences in activities.

UNIDENTIFIED SPEAKER AND COMMENTS

GUEST LAWS - So it's not a policy-funded algorithm. So it's not simply, okay you keep X percent. There is an 8 ½ percent tax rate. So there would be 8 ½ half percent that goes back centrally and then the colleges would be asked to cover their costs. So if they generated that million bucks, they'd pay the \$85,000 back centrally. They would pay whatever salary cost, faulty cost they incurred. They would pay per square footage cost for whatever space they consumed. The number is around 20 bucks a square foot. They would pay a headcount charge for the student affairs activities if there are new students associated with that. They would pay IT charge if that new program required getting new computers. So they would pay for their consumed services associated with that million bucks. They would pay the salary costs of that million bucks. They would pay the 8 ½ percent back to the Provost and then everything else falls back to the bottom and that's what funds the incentive and that's what drives the colleges to be able to fund their local strategic priorities.

PROFESSOR NESET HIKMET (Integrated Information Technology) - From a systems perspective or looking from an enterprise perspective, this would be moving one piece of the system subsystem so that it will have a ripple effect to other subsystems between the system. Are there efforts being put in to accommodate this change? For example in talking about grants and whether USC chooses to go with a contract or not. Well that has an effect on conflict of interest. Is there work being put together for that at the same time or will that be decided after the fact? Or the resource allocation, square footage, \$20. His office is a triangular office so will he be penalized for the triangle? There's a lot of little details here and thinking from the system's perspective they have to do these parallel rather than after the fact. Otherwise it will be another 5 years digging out of these details.

GUEST LAWS – Huron is doing its best to identify second wave consequences of both intended and not intended consequences. But at the same time they recognize that they have not captured all of those. The desire to have a better budget model has led to a place where they want to move forward recognizing that it's not going to be perfect when they start this and other institutions have it suggested that this is a 3 to 5 year learning curve or 3 to 4 year learning curve to get there. So they've tried to take lessons learned to fix some of that stuff but they won't identify all of it.

The other thing is that they have a couple of committees that are being put in place. There is support unit allocation committee. They're going to also use the BUG group, the budget group of the university to help Huron identify those things so for example costs associated with facilities. When USC gets a new building all those costs will be discussed within the unit allocation committee that will have faculty and Dean representation etc.

Another good example of that is if Business decides to grow their undergrad programs that's going to have a huge impact on the colleges that offer general educational requirements. They've tried to set up a model so that is facilitated and that works. That will be coordinated through the CAD, the Provost and the BUG group etc. But there's undoubtedly going to be a number of things that Huron misses and that they figure out as they go.

LIBRARIAN MEGAN OLIVER (Digital Collections – Library) – asked about his brief mention of central support units like HR and IT. She asked if the library is considered one of those because they don't deal in credit hours and massive amounts of revenue. The Libraries are a service. Law noted how funding needs to match output. In Huron's assessments with the group, is there any discussion about the central support units and their output and how they get funded in the future?

GUEST LAWS – There are a number of units that are easy to classify. The colleges, the auxiliaries, the true admin units, IT, HR, Facilities, etc. Things like the Graduate School, Libraries, Distance Education, those kind of things are much more difficult and they had lots of discussion about them. The Libraries are classified in the model as a support unit. It's important to know that what the committee was charged with doing was to set up a model that would create a better forum for conversations and forum for decision making. They didn't go through the model and do any assessment of the appropriateness or reasonableness of anybody's budget, whether that be the college's budgets, the auxiliaries' budgets, the support units' budgets, the libraries' budgets. There was no assessment of reasonableness or appropriateness. Now they certainly anticipate that should happen and that should be something that happens all the time. And they anticipate that should be part of the annual budget process and that should be part of the conversations that this Support Unit Allocation Committee has. But what they foresee is the Libraries for example going to that committee and saying “this was my budget last year and

these are all the services I provided. This is what I'd like to provide next year and this is what that cost would be" and facilitating a dialogue with that committee. Again that is primarily Dean represented, having a dialogue with that committee about the appropriateness, reasonableness, desire for those budgets. That committee is designed as advisory only so the decisions would still roll up to the executive team and to the board where ultimately the decisions are made about budget.

PROFESSOR DAVID FUENTE (School of Earth Ocean and Environment) – had a question of interdisciplinary training of undergraduate and graduate students. So the budget model proposed has 80 percent of the revenue for tuition for butts-in-seats or following the student, 20 percent to the college of record. IU uses the extreme example where they're 100 percent butts-in-seats, and they're one of the early adopters, 1990, of this model.

GUEST LAWS – IU?

PROFESSOR FUENTE - Indiana University. He asked Laws to provide some advice given his experience on how to prevent colleges from going and duplicating courses that other colleges are offering. So for example, the College of Education has a qualitative research certificate program that many departments in the College of Arts and Sciences send their students to. This model creates a pretty strong incentive for the College of Arts and Sciences to create its own qualitative research methods. Does Laws have some advice on how to prevent that because that's actually pretty inefficient in terms of how to think about training both undergraduate and graduate students.

GUEST LAWS – One was is getting this split right. This is where/how some other institutions split it. Michigan is at 50/50. They started at 100/0, went to 0/100 then went back to 50/50. So getting this split is the first important thing because a case can be made that it's better to just get 20 percent for advising the student as opposed to 100 percent for creating the duplicative course and having to encourage the costs associated with that court. So the split is important.

The second thing is that it's his understanding that there is a curriculum committee that the faculty has and they've talked about in the Steering Committee with asking that committee to amend their charge slightly to also consider the financial consequences, replications of new programs or new courses and mainly to make sure they are monitoring for gaming and make sure that a new course isn't being created simply to cannibalize another course or something. What case studies would suggest is there's really not a lot of duplicative courses popping up.

Rather the game that the colleges play is they'll go in and change the program of study. The program of study, for example, needs 124 hours to graduate, and 24 of those can be elective credit hours. All the sudden there will be an asterisk that says 18 of the 24 must be taken within the College of Business or something like that. That's a lot harder to ferret out those kind of things and so they just have to manage those and do the best they can. And they've recommended a 5-year review process as part of this. They would include this last 9 months in the 5-year review so the first 5-year review really takes place over 4 years. But that's a risk.

Deans are smarter than consultants. They're going to figure out how to game the model that Huron helped build.

PROFESSOR MARK COOPER (College of Arts and Sciences) - This is kind of the inverse question. What specifically in the model does Laws think of as incentivizing collaboration and how will they know that's working?

GUEST LAWS – The first thing that they think about as opposed to the overall university in terms of incentivizing collaboration is the idea that they're not suggesting anybody break even or turn a profit. They have built in metrics so that everybody pays back centrally and there's enough money centrally to then support the other colleges. For example, Engineering will never make money. They haven't made money in any of the 50 universities Laws has done this at either. Music is the same way. And they didn't want to create a model that simply penalizes Engineering or Music because they don't make money. What they want to do is to create a collaborate model where everybody is willing to pitch back in centrally and then they can use those dollars to support strategic initiatives and things in colleges like Engineering and Music and allow them to be made whole and then to have the up side incentives just like any other colleges did.

That's the first part of his answer to university-wide level at a more micro level. It's going to be very similar to the example he gave for research collaboration in terms of the market demands it and to be successful they're going to have to adapt and do that kind of stuff to.

There are other examples from other universities that they talked about and didn't do. For example at Ohio University they have PI's on a research grant from different colleges they don't pay for their space. And so it's a huge incentive to have co-PI's on laboratory space. Huron didn't do any specific incentives like that but they do think there's incentives inherent throughout the model from the primary.

Indiana University was mentioned a minute ago and they do a 5-year review process. They've been in this model for 21 or 22 years. They've done four 5-year reviews. They're all faculty driven. They're all on their website. One had a quote from the faculty that said, "At Indiana there are many barriers to collaboration, the budget model is not one of them" And so that's probably

true at all universities. At least the first part. There's lots of barriers for collaboration. Huron tries to make sure we didn't add to that with this and in fact we tried to push back the time on that.

4. Reports of Committees

a. Senate Steering Committee, Professor Elizabeth West, Secretary

SECRETARY WEST - The Senate Steering Committee brings forward one name for filling a vacancy on the Committee for Professional Conduct, Bethany Bell.

The nomination was approved.

There are still multiple vacancies on different committees. The most critical one is Faculty Grievance and they are at a standstill on their work until all vacancies are filled. Please contact West with nominations as soon as possible. There are also vacancies on Faculty Advisory, Athletics Advisory and Tenure Review Board.

CHAIR VALTORTA - emphasized that the situation of the Grievance Committee is indeed critical. Please volunteer or help find volunteers within your department, your unit, your college.

UNIDENTIFIED PROFESSOR – Inaudible question

CHAIR VALTORTA - has never been on that committee. It requires a lot of wisdom, patience and members would get access to interesting people. It is clearly also a form of advocacy. Think of it that way as members are working with colleagues who have a grievance and have to be very wise and helpful.

b. Committee of Curricula and Courses, Professor John Gerdes, Chair

PROFESSOR JOHN GERDES (Integrated Information Technology) - brought forth 120 proposals. There are 67 from Arts and Sciences; 11 from Business; 5 from Education; 15 from Engineering and Computing; 6 from Hospitality, Retail and Sport Management; 1 from Information and Communications; 3 from Music; 9 from Public Health and 3 from Social Work.

There was no discussion and the motion was approved.

c. Committee on Instructional Development, Professor Michael Weisenberg, Chair

PROFESOR MICHAEL WEISENBERG (University Libraries) – brought forward two courses, one from the College of Arts Sciences and one from the Darla Moore School of Business.

There was no discussion and the motion was approved.

**d. Faculty Advisory Committee, Professor Susan Bon, Co-Chair/
Professor Andrew Graciano, Co-Chair**

PROFESSOR ANDREW GRACIANO (School of Visual Art) - At the last meeting he presented changes to the Faculty Senate Bylaws and senators had this interval to consider it. Today he made a motion that to vote on those changes.

CHAIR VALTORTA – As a reminder this was a change to the Bylaws involving the election of a Chair or Chair-elect when the Chair or Chair-elect is not available to continue their work during their term.

PROFESSOR BETHANY BELL (College of Social Work) - Towards the end of the proposed new language she proposed a friendly amendment, for the sentence to say, “A chair pro tempore so appointed may not be a candidate for chair or chair-elect in the next election.”

CHAIR VALTORTA - Replacing the words “stand for chair” with “be a candidate for chair or chair-elect” to clarify things.

There was no further discussion and the amendment and the original motion were approved.

5. Report of Officers

PRESIDENT HARRIS PASTIDES – thanked his Senate colleagues for that vigorous discussion. Laws did a great job of presenting the substance of this kind of budget model. It is worth remembering that USC did have it at one point in time. Reverting to a more centralized model happened because of the Great Recession.

One other thing wasn't mentioned is that it can also lead to stranded capital. There are units who are barely making it and need subsidies and others that are amassing great amounts of cash and the question is, “What are they doing with it?” There's that strategic question about what influence would central administration have if they wish to recruit more faculty in general and more transdisciplinary faculty or if they want to invest in core centers around the university. They have to use whatever leverage they might have with the Dean who's got lots of cash and by the way the deans that will have a lot of cash are the large instructional colleges. It's fair to say in the past HRSM is one that was quickly amassing cash and others were frankly going bankrupt.

And during the Great Recession if USC had not changed the model they would have had units, going bankrupt while others were amassing cash and not willing to share with the other units. It's really as simple as that. It's hard under this future model to transfer any money and so that was one reason why in 2008, 2009 and 2010 USC reverted back.

Now having said that there are a lot of positive attributes of this model including the great incentive for a faculty to work collectively and collegiately within a department or unit, for departments to work collegially or collaboratively with the dean to make wise rational decisions and investments.

Although Laws did address Senator Brandt's question and others about the potential chilling effect on transdisciplinary research and transdisciplinary teaching and what happens when students within a different college in evaluation or research methods whatever the case may be are being taught in a different college, and if deans make decisions to start offering those same course. USC did see that before and that will happen again. It's not necessarily the budget model's fault if that happens again because there are a lot of assets and attributes in the budget model. But what will this university do to prevent that or to a reward faculty for team teaching or interdisciplinary research? There are many universities who have walked down this path the USC is about to take so he urged that the Faculty Senate be formally engaged and involved not only in this kind of communication but in working with the Provost in the future to have full transparency.

Today is National Stress Awareness Day. He would have preferred that it was national stress reduction day but it is not. Apparently it's a day when everyone should all be aware of how stressed they are.

He did not have a great legislative update yet. The South Carolina General Assembly does not convene during the fall and they will be back in town in January but the administration continues to work with several leaders there on the Higher Education Opportunity Act which take increased tax revenue from online retail sales and channel it over to higher education.

While the hurricanes are over, there will be issues with grading. There will be even at the end of the semester where faculty will hear from parents and from students themselves. He announced results of the student essay competition where they asked students "How would you make USC a better university" and Patricia Moore-Pastides and Dr. Pastides put up ten \$100 monetary awards. They received about 300 entries. The vast majority of them good. The ones that were not selected did not lack of creativity or innovative spirit but probably they suffered from practicality. He provided information on some of the winners.

Rachael Cousins, a freshman from Gilbert, South Carolina, majoring in Civil Engineering believes that no student should worry about their next meal. So why can't students who have unused meal swipes at the end of the month donate their extra meal swipes to those who don't have enough at the end of the month. It's a good question.

Caitlin Heilferty a junior from Waxhaw, North Carolina, in Biomedical Engineering values the importance with Mentorships but wonders why when she was a freshman she couldn't have been paired with someone in her own academic discipline. Someone who could tell her about the sequencing of courses, which courses might be a struggle, how to better position herself to be successful as opposed to being paired with a random upper-class student. It's a good idea though and doable.

Grayson Horton, student in Poli Sci said USC needs more communication between students and the administration so why not have regular university-wide town halls not only when there is a crisis but when there is no crisis. A regular time when students could just let their opinions be heard and could hear from administrators as well.

Markos Hurtt a senior from Columbia in PR is worried about crossing Assembly Street but notes there is a tunnel that students are supposed to use and asks why do so few students use the tunnel in crossing Assembly Street? He said it's because it's nasty and asked why don't they allow creative art students to paint it regularly, allow graffiti and play music as well and maybe even some iPhone charging stations down there. Basically make the tunnel crossing a more pleasant place to be safe.

Howard Jolles is a junior who loves the Gamecock football spirit but hates the fact that all the student tailgates are ridden with alcohol and he said why not have a great, really fun, safe, fun tailgate experience that's nonalcoholic that students would really die to come to and forego going to more of those fraternity sorority sponsored, drink all you can events before the game. It's a good idea.

Ashley Fellers – It had to do with mentorships again but having to do with service rather than academic.

Tiffany Jackson said you know why not create a “My USC” app for your smartphone. Would be a one stop portal for things related to registration bill paying, information, safety.

Charlotte Nazarian from Charlotte, North Carolina realizes how few Columbia High School students attend college and she did her research there and said, “I would love to help and I believe many USC students would love to go into the high schools and help with SAT studying. But also walk students over to the campus to demystify a big university campus. Show them what college is like, that it's fun but you also have to be academically prepared for that.” It can be done.

And finally Julia Sultz, a junior from Glen View, Illinois majoring in math. Wonders why housing applications for the following year are required in the fall of the previous year, like now. She said “I don't really know who my friends will be next year. I don't know where my classes will be yet next year. Why do I have to tell you now where I would prefer to live?” They called the housing office and they said sure it could wait till the spring.

These are ideas not that the Provost and VP for Student Affairs or Pastides weren't necessarily smart enough to think of but they just weren't close enough to where the problems are. And so one thing he'll recommend to the next president, to his successor, is that she or he listen closely to students. They have a greater opportunity with faculty and administration dialogue, but not so great with the students.

The South Carolina Honors College was again chosen as the top honors college in the nation.

Insight into Diversity magazine recognized USC with the Higher Education Excellence and Diversity Award for the 7th consecutive year. One of only 5 universities in the nation to have received that award all of those times.

For the 3rd straight year the Sports Sciences Programs have been ranked number one in the U.S. and number 11 worldwide. This is a joint ranking that recognizes the strength of exercise science and athletic training in the Arnold School, the College of Education's Physical Education Program and HRSM's Sport and Entertainment Management Program. That does not speak badly against this new budget model but remember that to be successful if USC is not transdisciplinary, it almost certainly cannot be successful in so many of these important indicators.

And finally the newest University of South Carolina campus will open on November the 14th. There will be a ribbon cutting for the new Hilton Head Island campus and that will be a relative to the University of South Carolina Beaufort and that will be the headquarters for its Hospitality and Tourism Program on Hilton Head Island.

PROVOST JOAN GABEL – provided updates on the winter session alternate schedule that was piloted last year very successfully. This year there are already at 12 completely online sessions for the winter session. It will run from January 2nd to January 20th. The office of On Your Time is managing this process for now or interested faculty can contact Gabel or Sandra Kelly.

November 8th is First Generation Student Celebration Day This is actually a national event that USC is participating in pretty actively now. There is a campaign for a First Generation faculty and staff who want to identify so that students can see themselves in their colleagues, peers, mentors, authority figures etc. Certainly not mandatory that anybody identify but for those who want to this sticker is available and it's gone very well. This was actually started originally by the National Council for Opportunity in Education and there will be a table for first generation students to come by and get their pin, have some cake near the Russell House and hear the panel

of 1st generation graduates over at Booker T. Washington from 5pm to 6pm for people who want to get together and talk about that. The Provost's Office can provide more information.

The Carolina Clemson blood drive is taking place also in November from the 12th to the 16th with locations all across campus. This is a blood drive obviously that's for a very good cause and then in good fun. USC does it competitively with Clemson for "who does it better" and the Provost would like to win. Faculty can suggest this to students, colleagues.

USC is participating in a faculty exit and retention survey coordinated by Coache which comes out of Harvard. The Collaborative on Academic Careers and Higher Education. They're the same organization that does USC's community engagement survey. The study is designed to improve the experiences of faculty members. That is just an information source to understand needs and those who are leaving are sometimes in a unique position to describe their perspective on their experience here and so this is a way to capture that information with complete anonymity. The office of the Provost is working very closely with Human Resources on the survey. The Deans are verifying who has departed and who hasn't, that sort of thing. Those surveys go out to people who've left and then USC will get aggregate completely scrubbed from anything that could be considered personally identifying results. It's a pilot project.

The office of the Provost is also working with Human Resources on that People Soft implementation and making sure that there's faculty representation in that process. That's just an update.

And then as a reminder the Internal Grants Application period in the office of the Provost is open and will be open until December 1st. The areas of support are Creative and Performing Arts, Humanities, Pedagogy and Social Sciences, and the submission process goes through USCeRA. Cheryl Addy is the best point person for questions.

Coming up through Diversity and Inclusion, on Thursday and Friday Nov 8th and Nov 9th the South Carolina collaborative on Race and Reconciliation will host its 1st Equity Summit. The Equity Summit will be promoting the work of communities that host conversations, that encourage community building and community growth. Some of the events are no longer available but there is an open session on Thursday evening and an open keynote address by Susan Glisson who's the Founding Executive Director on Racial Reconciliation. She started at the University of Mississippi. The title of her presentation is *Only Cheap Talk is Cheap, Creating Deliberative Friendships and Pro-social Environments for Healing and Equity* and that's at 6 o'clock in the Russell House on Thursday November 8th.

This semester's Provost Finding Common Ground Forum, the 5th in the series, will take place on November 19th. This is all up on the Provost's website and up on social media. The speaker is Dr. Deirdre Cooper Owens, author of the book entitled *Medical Bondage: Race, Gender, and the*

Origins of American Gynecology in which she explores the work of 19th century doctors including John Peter Mettauer, Nathan Bozeman and James Marion Sims and the implications of their practice as they relate to current ideas on race, health status, doctor/patient relationships etc.

PROFESSOR MATTHIAS SCHINDLER (Physics and Astronomy) – asked if there were any updates on the Excellence Initiative?

PROVOST GABEL – There is not any news on that since her last comment.

6. Report of the Chair

CHAIR VALTORTA - reported on a Special Called meeting that was held on Oct. 26. Julius Fridriksson is the elected representative to the presidential candidates search committee. Jessica Elfenbein is the alternate.

PROFESSOR JULIUS FRIDRIKSSON (Arnold School of Public Health) – appreciated the faculty's support and would like to hear from faculty with their questions, concerns, suggestions.

CHAIR VALTORTA – Professor Araceli Hernandez-Laroche is the representative of the non-Columbia comprehensive university. She's an Associate Professor of Languages and Assistance Chair of the Department of Languages, Literature, and Composition at the USC Upstate.

The Chair is Hugh Mobley, who is also the Vice Chair of the Board of Trustees.

William Hubbard, a trustee. Leah Moody, a trustee who is expected to address the Senate in December. She is the Chair of the Academic Affairs Liaison Committee of the Board of Trustees. Dorn Smith and Eugene Warr, These are 5 elected trustees.

Robert Dozier is the President of the Carolina Alumni Association and an ex-officio member of the Board of Trustees. So, the Trustees have an absolute majority of 6 representatives on the candidate's search committee. The President of the Student Body, Taylor Wright, Faculty Senate Chair Valtorta are also members of this committee.

There is a representative from the University Foundation Boards, W.C. Hammett. The secretary of the Board of Trustees is also the secretary of the search committee. And two trustees who chaired the search committees of the past two presidential searches, Mark Buyck and Miles Loadholt, have been appointed advisory members to the committee.

One thing that maybe jumps out is there is a definite slant towards white males. Valtorta made an effort to add the Senate's alternate member, Professor Jessica Elfenbein, as an advisory member of the committee, very much like the two trustees have been added, but the effort failed. This may not be the last word in the interest of additional representation and in terms of diversity.

The South Carolina chapter of the AAUP had its fall meeting. This was at the Inn at USC on campus. Valtorta thanked President Pastides for his words of welcome to the participants. This really set the tone for a constructive important meeting.

Professor Pastides challenged the faculty to be more active in shared governance, to do more in partnership with the president, with the administration of the university for the common good of the university.

The focus of the meeting was on transient faculty. By transient faculty, the AAUP means faculty who are not tenure or tenure track but they were especially interested in the ones who are part-timers.

Full time non-tenure track faculty are now represented in this body and they're voting members of the faculty too but the part-timers are not. The rules concerning part-timers vary a lot across different campuses. The justification for having them vary a lot and the AAUP did collect a lot of interesting data.

Valtorta reminded senators about the mandatory Harassment and Prevention Training. There was an initial problem with access to the training, which are now fixed.

The situation of the Grievance Committee is critical. Please volunteer, help find volunteers.

Faculty Civility Advocate. There is a search going on. By policy, the Chair of the Faculty Senate is involved in in that search and it is still going on.

7. Unfinished Business

There was no unfinished business.

8. New Business

PROFESSOR AMIT ALMOR (Psychology) – made a motion to the Faculty Senate in connection to the tragic attack that happened a little over a week ago in Pittsburgh. He thanked President Pastides for responding as he did to the tragedy and then even more so to some concerns that were kind of voiced here, and for being at the ceremony held at Shalom.

The motion reads: “The faculty of the University of South Carolina condemns the horrific anti-Semitic attack on Pittsburgh’s Tree of Life Synagogue in Pittsburgh on October 27th, and, in this tragic times, stands in strong support behind the Jewish community, worldwide, in the US, in the State of South Carolina, and in our university. In line with its commitment to the Carolinian Creed, as stated in the University of South Carolina Faculty Manual (Page 3), and to “being active agents for promoting the values inherent in the Carolinian Creed” (Page 3, last line), the faculty is adamant in not tolerating any targeting of Jewish persons on or off campus, implicitly or explicitly, through acts of violence, intimidation, or discrimination.”

He moved that this is adopted and supported by the Faculty Senate.

CHAIR VALTORTA – This would be adopted as a proclamation for this body.

PROFESSOR ABBAS TAVAKOLI (Nursing) – In general, I would like to add amendment to “any other religion” because there are some others that are attacked.

CHAIR VALTORTA – asked if he had specific language for the proposed change.

PROFESSOR TAVAKOLI – The place that lists Jewish community, add to it. For example the Muslim community been sometimes attack too, so it can address that, not just specific to that event.

UNIDENTIFIED SPEAKER – Inaudible comments

CHAIR VALTORTA - deferred to the Parliamentarian on this.

PARLIAMENTARIAN BILL SUDDUTH - It should just be called a statement and because it’s just a statement by the Faculty Senate.

PROFESSOR () - suggested “toward any targeting of Jewish persons, or persons of any other religion” in the line before last be changed to add religion or ethnicity. For many Jewish people it's more of an ethnicity...

CHAIR VALTORTA – asked Professor Abbas if he would like to move for this change. The correction was seconded and approved. The amended motion was seconded and approved.

9. Good of the Order

There was nothing for the good of the order.

10. Adjournment

A motion to adjourn was seconded and passed.

The next meeting of the Faculty Senate is December 5, 2018, at 3pm, in Gambrell 153.