

11-3-2015

Minutes, Arts & Sciences Finance and Service Committee Meeting, Tuesday, November 3, 2015

Arts & Sciences Finance and Service Committee

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FINANCE AND SERVICE COMMITTEE

MINUTES:

Nov 3, 2015 in CSS 119

Approved: Dec 1, 2015

Attending:

Faculty: Ashley Kistler, *Chair*, Bobby Fokidis, *Secretary*, Laurel Habgood, Zhaochang Peng, Todd French, Daniel Myers, Udeh Lugo, Michele BoulaNovaknger, *CPS representative*, Bill Short, *Staff*, Troy Thomason, *Staff*; Students: Elizabeth Patz, *SGA finance chair*

Guests: Ken Miller, *Parking Services*, Lisa Tillmann, Barry Allen, Scott Novak, Kathryn Norsworthy

Minutes from Oct 6, 2015, meeting passed as submitted.

Announcements:

Boulanger: Requests to add agenda item regarding space concerns for academic purposes. Kistler adds discussion of a recent meeting with BoT about campus space concerns to the agenda.

Old Business:

Faculty Salary Study: Lugo updates progress on this and describes that a benchmark group of institutions to enable salary comparisons are being developed and should be agreed on soon. This has been put forth with meeting of McAllister, Dean's office, and they are concerned we do not have a compensation policy. Trying to identify what schools we should be using in our benchmarking group. Further updates will be provided at next meeting.

Divest Rollins: A faculty resolution (Appendix 1) regarding divestment was presented by Tillmann and Allen. Novak also provided an update stating that SGA has passed endorsement of the divestment initiative. Also a meeting is being set with Victor Zollo, the chair of the Rollins investment committee. Divestment Rollins is currently seeking a faculty resolution supporting divestment. Kistler: *Has a meeting date been set yet?* Novak: No. Kistler: *For clarity, this is regarding a shift from divestment towards a reduction of campus clean investment initiatives, correct?* Nowak states that supporting green initiatives on campus ultimately do not alter fossil fuel burning, and hence contributions to climate change so no real environmental statement is being made in the end. Current discussions are being held with Jeff Eisenbarth (*VP of Business and Finance*). Kistler requests clarification from Short regarding status of specific funds under consideration for divestment. Short states that Rollins is a small financial player that invests in mutual funds as opposed to direct investments in companies, and funds that specialize in fossil free investing have short investment histories and would

not otherwise qualify for investment under Rollins current investment filters and that funds offering fossil free investments charge higher fees than the current funds. Meeting to be held with Eisenbarth, Zollo and investment team in two weeks to discuss investment strategy. Kistler says we do not know where it is, but how it is invested and in what funds, leading us to believe it is not possible to know exactly how much is invested where. Novak: there is 1-2% in fuel companies that we know about. Novak states that the investments in fossil fuels (there are at 15-20 mutual funds within the portfolio that contain some fossil fuel investment) are negatively performing. Due to large holdings of “reserve fuels” that cannot be harvested fossil investments are risky and it makes economic sense to divest. Novak reiterates that the length of the divestment period is five years providing opportunity to locate mutual funds that offer fossil free investments. Short: Divestment being made based on one set of social investing criteria can induce a cascade of divestment for various other political and social statements to be made (e.g., tobacco use, plastics, “sweatshop labor”, etc.). Tillmann: The SGA has passed an endorsement of the resolution and Barry Allen and I are here to support this. I do not think a date has been set with a meeting (between Novak and Zollo), however the board has known about this for a month. Short: A date has been set for the next investment committee meeting, although Victor Zollo is currently in Japan. Allen referenced a recent article published in the Chronicle of Higher Education (Oct. 23, 2015), and states that divestment is not the whole picture nor a solution, but would demonstrate that Rollins is staying true to its mission about “global citizenship”. The public may find it strange that Rollins does not know where our money is. This December in Paris (UN climate change conference 2015) if a climate change plan is made and ratified this will lead to significant orphaned assets. The prognosis for fossil fuel companies is not very good concerning future investments. French: Potentially opening the gates to other reasons for divestment is not a good argument for not doing something. Tillmann: The preference would be for FSC to endorse divestment and to get a motion to take it to faculty or the executive committee. Kistler is hesitant to take this to a vote now. *Asks what is preference of the FSC?* Habgood states we should take this to EC, or if it is unendorsed take it to faculty at the next meeting of the arts and sciences. Kistler opens floor to a vote. *FSC votes unanimously to take the issue to the EC.*

Sabbatical Policy: Peng presented a proposal (Appendix 2) to expand the funds available for faculty to take a full-year sabbatical. Current system guarantees one paid semester, with the second semester compensated by the FYRST grant. The FYRST grant (\$15,000 for assistant, \$20,000 for associate) falls well below the base salary (~2/3 salary), and proposal would expand the FYRST grant to cover a full semester of base salary, which is conditional on doing research. Solutions for expanding the FYRST grant would include increasing compensation for remaining faculty to teach overloads (with \$5000-6000 compensation) and thus decreasing reliance on hiring visiting professors, which would sufficiently cover the gap between FYRST and base salary. Peng cites that this would increase research productivity, expand course development, and attract more competitive faculty (as even R1 schools only give a semester guaranteed). Kistler describes how FSC’s role is not to enact policy, but to advise and, as we are currently an A&S committee, we must find a way to involve CPS in discussion. Habgood: faculty may not be willing or able to do overloads as it sets their

research back, and may not be comfortable teaching topic material. Kistler: Sense from the chairs meetings is that we are pushing away from teaching overloads, and many junior faculties already do them because it has to be done to meet departmental needs. Fokidis: There may also be issues with new demands on faculty for supplying neighborhoods and competencies. Tillmann raised concerns about the 3-4 course loads, and this may make administration think we can handle a higher teaching load. French: Making a two-semester sabbatical at 2/3 pay is very difficult because your family suffers for your research. Kistler: FSC should do more research on the topic and table discussion for next meeting.

New Business:

Parking: Kistler (who was away last meeting) asks for clarification on the nature of the issue. Lack of parking in the SunTrust garage was biggest issue. Thomason: parking spots are not completely full, but there are a few spaces available at busiest times. Fokidis: Parking was constrained for a long time by construction workers. Miller provides an update and states that parking is being lost, a few spots at a time. Rollins wants to be a pedestrian campus and that has always been the plan. The criteria for bringing a vehicle to campus as a freshman have become lax in recent years. Kistler: *Are there any plans for new parking?* Miller: Currently there are no plans for more parking and nothing can be done to add new spaces. Allen: *What percentage of SunTrust garage is being used by non-Rollins cars?* Kistler: I have heard from students that a lot of Alford inn cars park there. Miller: Non-Rollins parking is an issue mostly for major events, but ordinarily very few cars park there. To combat this we have added Vespa scooter lots. Miller cites contradictory information on first year students that states they maintain better GPAs when they have cars on campus. Myers: *What are criteria for allowing freshman vehicles right now?* Miller: It is limited to special cases, like those students in the honors program, athletic teams that has to travel, those with an off campus job, and certain medical conditions. Question is whether an honors student is better than 3-2 student from Crummer. Allen: *If people got here earlier, around 8-9am then will they find parking in the garage?* Miller: Garage is Winter Park parking and is not exclusive to Rollins College. Few options are available. We can make faculty and staff pay for decals or their citations, the latter may be an issue to address further. Habgood suggests perhaps subsidizing SunRail use, since commuters are struggling to get to 8am class because of the construction on I-4. Habgood asks SGA to take up the issue.

Merit/Market Pay: Tillmann explains the history that previous salary structure was egalitarian and no merit pay was available. Duncan, Joyner and the BoT examined market-based disparities (based on discipline of degree) and a merit pay structure was introduced in 2007. "Take it or leave it" is how it was presented to the faculty by administration. If they did not take it, they were (*after an FSC fact-check*) told that there would never be the possibility of merit pay again and only cost of living. Tillmann suggests that the FSC might help organize and facilitate two separate discussions respectively about market-based disparities and merit pay, which are issues that "need to be decoupled". Tillmann provided written reasons for revisiting the pay issues, and the FSC had a few minutes to read them. Kistler

mentioned how this issue came up in a meeting of EC and the faculty was under duress when it was voted on. BoT expressed interest in discussing the issue of merit pay, but less enthusiastic about the market. One of the limitations again cited was the role of CPS involvement. Tillmann states that the notion of equal pay for equal work is very divisive. Lugo: These are two different issues, merit functions in a bubble, and is a monitoring process. Market is different in that it requires a philosophy for compensation. However as not everyone gets the merit pay it leads to pay disparities over time. Norsworthy: *Who is putting this together?* Lugo: HR is doing the analyses, myself, Matt Hawks (HR), McAllaster, and Deans. Many issues to consider here. *Who do we compare ourselves to? Geographic areas, types of schools, and faculty?* Kistler: I will reach out to president Cornwell.

Meetings concerning space issues: Kistler had met with BoT and learned about new acquired properties. Kistler gave David Lord the salary study provided by Davison, and they were interested in putting it on the agenda for next BoT meeting. Had discussion regarding the condition of buildings, and space issues on campus, building flooding, and air quality. These issues have been brought to the board, that mentioned that discussion building space issues will be priority for BoT.

Other New Business?

None brought forth.

Meeting adjourned 1:44 pm.

Prepared and submitted,

A handwritten signature in black ink, appearing to read 'H. Bobby Fokidis', with a long horizontal flourish extending to the right.

H. Bobby Fokidis, Ph.D.,
Secretary

Appendix 1.

Merit Pay and Market Disparities Research

Compiled by Lisa Tillmann

Data supplied by HR:

*Indicates years in which the administration did not abide by minimum standards set by the (A&S, then inclusive of CPS) faculty, who “passed” merit pay/market disparities under duress.

Reasons for Revisiting:

- On the market disparities side: we do not have equal pay for equal work.
- We identify as a liberal arts college. We tell students it doesn’t—or shouldn’t—matter in what they major. Yet we pay their professors radically different salaries depending on *their* majors.
- On the market disparities side, our practices do not even make sense from a market perspective. In the corporate world, a person is typically paid according to successful performance of duties. If two salespeople have the same level of education, same years of experience, and same performance, the one who majored in business is not paid tens of thousands more than the one who majored in philosophy.
- We never had a real dialogue or debate about either merit pay or market disparities. We didn’t know the collective will of our colleagues in 2007, and we don’t know it now.
- Many faculty—even those who consistently have been awarded the highest level of merit pay-- have found merit pay and market disparities divisive, dispiriting, and contrary to Rollins’ values of equity and fairness.
- For many, merit pay and market disparities have undermined faculty solidarity and morale.
- For many, the message of “adopt merit pay or never receive a raise again” violated shared governance.
- Research on merit pay suggests that it only should be adopted when: 1) an institution is flush with resources (Rollins adopted amid a tanking economy), 2) there are significant differences in performance (no faculty consensus was sought that this was/is true), 3) such differences are measurable (highly debatable), 4) evidence suggests that affected parties *want* to be evaluated this way (never established).
- The administration and Board have never answered the question: “What is the ‘problem’ the ‘solution’ of merit pay is meant to solve?”
- There has been no evaluation of the *impact* (on, e.g., faculty perceptions of fairness, equity, community, or morale) of merit pay or market disparities.
- There has been no evaluation of the *effectiveness* of merit pay or market disparities. What “problem(s),” if any, have been solved? What new problems may have been created? Have the benefits outweighed the costs?

Timeline:

11/15/07 A&S faculty meeting minutes:

- A&S faculty learns from President Duncan that the Board has set aside for salary increases a pool of 4% plus \$470,000 for market disparities, later referred to by President Duncan as for “merit.” This marks the beginning of those two changes getting conflated. The pool and future increases are contingent on the faculty’s agreement to allow “market disparities” and to institute merit pay. The faculty votes to study.

Board’s “take it or never receive another increase” proposal passes 77 to 23.

10/14/08 A&S faculty meeting minutes:

- A&S faculty approve Strategic Faculty Compensation Implementation Protocol (62-12).
 - “The FSC [Faculty Salary Council] will recommend to the Dean that the merit process not be initiated if the merit salary pool does not meet or exceed the minimal amount determined by the A & S Faculty Executive Committee. In addition, **the Executive Committee and FSC will guarantee the merit pay system exists in addition to (not as a substitute for) the current system of promotion salary adjustments, annual across the board percentage increases to base pay, and equity adjustments.**”

2/9/12 A&S faculty meeting minutes: Zoomerang survey (92 respondents): “The question, ‘Do you support merit in any form?’ Resulted in an even split, 42 in favor, 42 opposed, several offering no opinion.”

3/15/12 Executive Committee [EC] minutes: “Carol Bresnahan states that she believes that the Board of Trustees is not open to a non-merit salary system. She states that her perception of the Board is that **they see the merit system as a way to change the culture at Rollins College to one which is more aligned with work incentives.**”

4/5/12 EC minutes:

- “When the faculty originally created a process to implement the distribution of merit pay, it was **based on the premise that merit would be in addition to cost of living adjustments.**”
- “[T]he Rollins Board of Trustees has declared that **any forthcoming pay raises for Rollins faculty will be distributed on the basis of merit.**”
- “After a two-year period affected faculty will review this process and revise as needed.”

5/13 F&S End of Year Report: “Procedures to make merit pay available to eligible faculty were put in place, including distribution of the one-page application forms (attached) to Arts and Sciences Faculty and the establishment of a Merit Pay Committee as a subcommittee of the Finance and Services Committee. The five-member elected committee represents tenured faculty from each division of the Arts and Sciences and one at large member.”

9/10/13 Professional Standards Committee minutes: “Periodic review supposed (Faculty Salary Council) to be taking place, but it is not clear if this is taking place. **Original ideas of merit pay in faculty handbook (2010 rev) not consistent with the current system.**”

Faculty Handbook (2014):

- “The amount of money to be distributed as merit pay in any given year will be determined by the Planning and Budget Committee and the method of distribution will be determined by each college.”
- “Each fall, the FSC will convene a meeting of the Merit Pay subcommittee to review FSARs and the Merit Pay application forms. Faculty who meet expectations in two of the three categories (teaching, professional work, and service) will be awarded merit pay. Faculty having been awarded tenure and/or promotion within the past year will not be reevaluated but will automatically receive a designation of merit for that academic year. There will be only two classifications, Deserving of Merit or Not Deserving of Merit.”

Sabbatical Policy Proposal

Nov 3, 2015 by Zhaochang Peng

CURRENT SITUATION

Compensation scheme

- One paid semester of sabbatical leave is guaranteed
- The other semester is compensated by the FYRST Grant of \$15,000 (associate prof.) or \$20,000 (full prof.) linked to full-year sabbatical research

Result

- Most faculty choose the one-semester option and stay at Rollins to teach for the other semester

Potential for improvement

- It would be much greater if all faculty can afford to take a full-year sabbatical for research and faculty development

TASK

Finance the gap between the FYRST Grant and base salary for the second covered semester

- Average annual base salary: around \$70,000 (associate prof.) to \$ 90,000 (full prof.)
- Financial gap for the second covered semester: \$20,000 (associate prof.) to \$25,000 (full prof.)

SOLUTION

Expand the FYRST Grant to one full semester of base salary

- So that the entire sabbatical year can be covered/paid
- Second semester coverage is still conditional on an application for full-year sabbatical research

Substitute overload of existing faculty for new visitor positions

- Existing practice to replace faculty on sabbatical leave is to find a replacement visitor on the job market: annual cost estimated \$50,000 - \$60,000
- Increase overload compensation from the existing level of \$3,000-\$3,500 to \$5,000-\$6,000, so that existing faculty will be more incentivized to substitute in
- Perhaps not all the 6 courses need to be replaced by overload teaching
- This should be able to save around \$20,000-\$25,000 from hiring a full-year visitor to finance the previously mentioned financial gap needed to cover the second paid semester

BENEFITS

Personal (for faculty)

- Full-year paid sabbatical leave (this time they will choose the full-year option)
- Overload pay increase
- Time saving from elimination of the need to look for replacement visitor on job market

College

- Rollins will stand out as one of the few (if not the only one) with full-year paid sabbatical
- better research/faculty development and potentially more new courses for students