SENATE MEETING: March 5, 2018

Presiding: President Michael Fitts

ATTENDANCE: 41

NON-VOTING SENATORS: S. Ramer, S. Richardson.

EX-OFFICIO SENATORS: M. Fitts, J. Wolfe, R. Forman, P. Norton, R. Matasar, B. Nazar


FACULTY SENATORS:
Freeman School of Business: J. Page,
Newcomb-Tulane College: J. Tasker
Architecture: G. Owen
School of Professional Advancement:
School of Law: S. Seichshnaydre, J. Duggan, R. Westley
School of Liberal Arts: M. Olson, M. Sachs, B. Brox, R. Atencio, M. Adams
School of Medicine: S. Landry, D. Majid, E. Boh
School of Public Health and Tropical Medicine: E. Harville, P. Kissinger
School of Social Work: L. Saltzman
Libraries, Academic Info & Resources:
SENATORS AT LARGE: H. Long, A. Truitt
STUDENT SENATORS: E. Blake, M. Vasishth
STAFF SENATORS: R. Morton
COMMITTEE CHAIRS: A. Truitt, B. Brox, H. Long, J. Wolfe, S. McKinley
INVITED GUESTS, VPs (NON-VOTING): L. Levy, N. Wong, S. Bolton, R. Riley, M. Cunningham, A. Lopez
Executive Session: At 3:00 p.m. elected senators assembled to elect senators-at-large. The ballot consists of the chairs of the various Senate committees (excluding anyone among those chairs of committees who is an elected member of the Senate) and other eligible candidates.

The regular meeting of the Senate began at 3:15 p.m. in the 1834 Room of the LBC.

APPROVAL OF MINUTES: Senators voted unanimously to approve minutes of Senate Meeting of May 7, 2018.

INTRODUCTION AND REMARKS BY PRESIDENT FITTS:

President Fitts began by welcoming everyone back after the summer break. The semester, he reported, is off to a great start. He noted that we made executive decision to move today’s meeting to 1834 club of the LBC. The room has advantages that he enumerated, beginning with refreshments and providing a window with a view of the future (the Commons under construction). He introduced the four new deans the university has who are new members of the Senate: Iñaki Alday (architecture), Kimberley Foster (SSE), Brian Edwards (SLA), and Thomas LaVeist (SPHTM). He also cited Jay Rappaport, the new director of the Tulane National Primate Research Center, who could not be at the meeting. All these new deans are first-rate scholars in their own disciplines with track records of innovation. They bring a group of new people into the university, each of which will integrate themselves with others. All these factors together, he urged, mark this as a great moment for the university.

He continued with a couple of other notes. He reported that Tulane has just finished the best fund-raising year in its history, raising over 150 million dollars. We finished the best fund-raising year ever, raising over 150 million dollars. You can see benefits of this around the campus: buildings newly finished and others such as the Commons next door underway. (It will be online next summer). We’re doing all the background work for Paul Hall, the new Science and Engineering building on the quad. We have just built a police station downtown, and we will be moving toward building a police station uptown on Broadway. You want your police stations close by, he added, not far away. He was
also happy to note that the amount of crime on campus has gone down. He then moved on to a brief recapitulation of admission statistics: the incoming class is large, with the most academically accomplished we have had, with SATs up to 1456. Inquiries about next year’s admissions are up 30% over last year currently. We had a spectacular year, and interest in Tulane is increasing. He reported that he had just received an email from Vice-President Satyajit Dattagupta that we had held events for potential students in New York, Los Angeles, Chicago, and elsewhere. The attendance at these meetings has gone up 48% over attendance at analogous early meetings last year. This is quite intense time for us. In short, President Fitts, concluded, we’re “hot”. But one can get too “hot”. Last year was we had a huge increase in the number and quality of applications. To limit the size of the class, we offered 700 fewer acceptances, but the yield went not down, but up. We’ve literally been concerned to produce a smaller class. But the yield itself went up 16%. We must be more vigilant on target at 1740 to 1750 entering class.

At this point President Fitts turned to a representative of the admissions office to turn to outline how we plan to manage the future class. This official noted that we had an unexpected increase in yield of 4%. Going forward, early admission is the most popular part of our recruitment strategy. At present, we are planning to admit 8% less students than last year. We have a guaranteed admission program for Louisiana students. But we don’t have as many taking advantage of that program as was once the case. In-state students tend to use their Tulane application as a backup choice. So, we’ve increased the requirements slightly, and will be asking those students to apply through early admission. We have new means of analyzing the applicant pool, and we believe that this stronger model will allow us to hit the right number of students. We also aim for greater diversity. With increase in data collection we’ve been able to focus on when these students are coming. We’ve added an extra fly-in program that will bring in 300 students to campus and an additional program for admitted students in the spring. So, we are adjusting, but we are confident moving forward. Provost Forman mentioned that our applicant pool was larger, but that it was also a stronger applicant pool. The average SAT was stronger than
in the previous year. We should also note that our increased yield came from the highest performing students. The strongest students in the country are expressing an interest in Tulane, which creates a wonderful dynamic. We admitted 6758 students this year, and want to reduce that by 8%. We want to get the entering class to 1750. We’ve gone from admitting 33% to about 17%. The yield has jumped as well. The quality has skyrocketed, and the diversity has increased as well. One senator asked: “With larger classes, how are we planning to handle this increased number of students?” She urged that we need more long-term tenure-track positions. Provost Forman responded that he has had multiple meetings with different parts of the university and emphasized that we have invested millions to make sure that all our students get the essential support. He continued, urging that we have worked with academic schools to make space available. We have had a shortage of labs in foreign language classes. If student numbers are too large in these classes, then participation is difficult. We have hired additional instructors in classes and departments that have so many students. Creating the right number of sections and so on required us to make adjustments over the entire summer. Professor Wolfe asked about our student retention rates. Provost Forman responded that our retention rate continues to improve. During the past three years retention went from 91% to 93.1%. This year we will have a 6-year graduation rate of 83%, the highest rate ever. By every standard metric we’ve had remarkably steady improvement. President Fitts reviewed what Tulane has done to enrich the entire undergraduate experience, from residential learning and faculty support to the overall undergraduate experience. He expressed the hope that this will continue. There are additional issues that relate to retention: things such as binge drinking. One senator asked how our trend compares with that of other institutions. President Fitts didn’t have precise national statistics in this regard, but he doesn’t know of any institution better in the Delta region. He noted that Tulane has had unprecedented improvement on all fronts. Provost Forman added that other schools are getting more applicants, but the increase in their yield is not as good as ours, which has literally been phenomenal. This increase in the
numbers and quality of our applicants is amazing.

CEO Patrick Norton spoke on the University budget prior to Professor Brox presented the report of the Senate Committee on Budget Review. CEO Norton reported that it has been a solid year, and that auditors are here. These numbers will not change: we ended with a 27.1 operating margin. It’s a one-time event that derived largely from the need to repay some of the funds we got from FEMA. The good news is we’re out from under audit that we have had to undergo for a long time. So, Tulane budgetary matters are moving in the right direction, and we anticipate good steady growth. Our expenses for overhead have been flat. We can’t guarantee that they will stay flat in the future, but we’ve been urging units to rationalize their cost structure and spend resources thoughtfully. On the cash side, we have been borrowing a line of credit. The peak of our borrowing was 131 million dollars. Then we refinanced that debt; since then we have tried not to draw on our line of credit, and this effort has been successful: we have not drawn upon our line of credit during the past 21 months.

Tulane has had a good solid year on operating model and cash flows. We had about a 2.5% operating margin this past year. President Fitts noted that our peer institutions have operating margins that are even higher. Having this limited operating margin gives us a chance to position ourselves where we want.

Professor Wolfe asked: “All things being equal, what do you estimate the date is for us to get close to our peers in terms of margin? CEO Norton responded that he gives us 5-8 years to get where we need to be in terms of margin. We look at financial indicators regularly, and every financial indicator during the past year is up. He emphasized that he looks at cash flow figures every day. But he acknowledged that it is going to take some time for us to be where we need to be. Another senator asked a question about the new budget model: it seemed to this senator that within this model departments cannot see how budgetary funds will be distributed and urged that there needs to be a way that units can tell how the model works. Who gets what? Provost Forman responded here that the respective deans should know. He urged faculties to pester their deans. The central administration wants to hold shared overhead
expenses to less than faculty raises of 2.5%.

There was a good discussion of our current budget model and the need to make its character and operation clear to faculty members. Provost Forman emphasized that the relevant unit in the RCM is the school. The long-term is to create incentives within schools to enhance their resources.

Elections:

1. An election was held to select two representatives to the President’s Faculty Advisory Committee. Professor David Mushatt (SOM) has completed his term. Current members represent SLA, SSE, SPHTM, and SSW. Professor Brian Brox is an ex officio member, and there is thus an extra place that must be also be filled. A replacement can be drawn from any School except SSE. (See University Senate By-Law VII for more information). Elected senators nominated Senators Sam Landry and Hugh Long for this committee. There were no other nominations, and Senators Landry and Long were elected by unanimous consent.

2. The Senate needed to elect one Representative each for the Committee on Committees from SSE and SOPA from among sitting Senators from those Schools. (See University Senate By-Law III for more information). Professor Bruce Gibb (SSE) and Terence Fitzmorris (SOPA) were elected.

3. The Senate needed to elect two faculty Senate representatives to the Tulane Board of Administrators. The terms of Mita Sujan (ABF) and Sam Landry (SOM) have come to an end. Their replacements should be drawn from the uptown Faculty. Professors Joe Tasker, Carola Wenk, and Michelle Adams were nominated. The vote was held by paper ballot, and Professors Tasker and Adams were elected. Election to successive terms are not permitted. (See University Senate By-Law IX for more information).

COMMITTEE REPORTS:

Senate Committee on Budget Review (Professor Brian Brox). Professor Brox reported that the committee met last week to review model of presentation to Senate. He noted at the outset that the Senate needed to vote upon the
administration’s proposed tuition number to forward the Senate results to the Finance Committee of the Board of Administrators before their fall meeting. Later, in December, the committee will come back to the Senate to go through the Budget Assumptions process. Then, in May, the committee will bring the actual budget proposal forward for discussion and a vote. with an actual budget proposal. So, today’s report from the Budget Review committee is the first of the three reports during the year. CEO Norton has reported upon much of what we did in our meeting. A second item was tuition recommendation. The administration recommends a 3.9% increase in tuition. This puts us in the same place we already occupy vis-a-vis our peer institutions. This puts us near the top of those institutions, but not at the top. The absolute figure proposed $57,958. Professor Brox reminded the senate that the net tuition paid is considerably less. Over time we may be able to play with our tuition number, our aid number, and so on. We can probably make some finite adjustments for this over time knowing there is strong demand. The committee unanimously recommends that the Senate vote favorably on the recommendation. The results of our vote will go to the finance committee of the Board two weeks from now.

The committee needs a vote from the Senate approving this number. Professor Tasker asked how we can justify an increase that is twice the inflation rate. CEO Norton responded that we are not substantially different from other schools in our peer group. We need revenue, and a price increase allows us to finance our operating costs. He noted that need-based aid has also increased. The university has been trying to shift from merit to need-based aid. President Fitts added that expenses in universities in general have gone up at a rate higher than inflation. Professor Landry asked whether we know how much our students are borrowing? Will it be risky for students to borrow in the future? And is this tuition for graduate students as well? The response was that the tuition figure is for undergraduates only. Professor Landry repeated his question, but CEO Norton responded that he doesn’t know how much our students are borrowing, but he will get the numbers. President Fitts mentions that our default rate is quite low at Tulane. He emphasized that we need a larger endowment if we are to limit tuition in the ways that are implicit in some questions.
The Senate then voted on the committee’s motion to pass the administration’s proposed tuition increase. Motion passed.

Faculty and Staff Benefits Committee (Professor Allison Truitt, SLA). Professor Truitt reminded the Senate that Tulane has a self-insured but not self-administered health-care insurance model. This means that Tulane bears the risk, but has a reinsurance contract in case expenses exceed a certain amount. This model makes it difficult to predict the liabilities Tulane will have. One step the university is taking this year is to introduce Dependent Audit Verification, which is now under way. The purpose of this is to ensure that everyone covered is eligible to be covered. Tulane has been working to monitor benefits in terms of medical and pharmaceutical plans. The landscape around health care can change quickly. The HR office is moving to a three-year plan to calculate the kind of benefits offered and ensure that the plans don’t get stale or become out of date. Medical expenses will go up 6% and pharmaceuticals by 8%. The latter is higher because of increase in specialty prescriptions. We have not finalized rate increase, but the university is trying to hold it at 5%. They’ve also raised the salary bands that determine just what the health costs will be for individuals within specific salary ranges. Finally, open enrollment for the health plan will take place between October 11 and November 2. There has been a change in eligibility for the HRA, which reduces the deductible. In order to be eligible for this, individuals need to have annual physical, take the online health-care survey, and also mission by Riley. Benefits is trying to move the incentives.

Committee on Research Annual Report (Professor Laura Levy, School of Medicine, Vice President, Office of Research). Vice-President Levy reminded the Senate that the major role of the committee is to review grant agreements that require restrictions on publication. There were seven such grants. All requests were approved. The committee also convened a subcommittee to review questions of intellectual property. The committee’s subcommittee on research fellowships offered 51 grants, and 15 awards were made.

Immediately before the close of the meeting, Vice-Chair Justin Wolfe reminded senators of how important it is that senators attend senate meetings and sign the roll. If a senator is not able to attend, he or
she can arrange for a proxy by writing to Secretary Ramer informing him of the identity of his or her proxy. He encouraged senators who were rarely able to attend Senate meetings to consider asking their deans to elect a different Senate representative. Attendance is a problem, since without a quorum the Senate is unable to vote on a variety of important questions.

OLD BUSINESS

There was no old business.

ADJOURNMENT: In the absence of other business, the meeting adjourned at 4:50 p.m.

Respectfully submitted,

Samuel C. Ramer
Secretary of the Senate