Lehigh University

MINUTES OF THE FACULTY MEETING

1 May 2000

Presiding: Gregory Farrington (University Center 308)

President Farrington called the meeting to order at 4:12 PM.

1. Memorial Resolution. A tribute to Guruswami Sathyanaranan, late Professor of Industrial Engineering was read by Professor Mikkell Groover who then MOVED that his remarks be incorporated in these minutes [see Attachment 1] and that a copy be sent to the family. The President declared the motion APPROVED by acclamation and the faculty STOOD for a moment of silence in memory of Guruswami Sathyanaranan.

2. Minutes. The minutes of the March 13, 2000 faculty meeting were APPROVED.

3. June Graduation Motions. Registrar Bruce Correll MOVED the four customary motions for June graduation [see Attachment 2]. The motion was SECONDED and APPROVED.

4. Committee Motions. Professor Nick Odrey, on behalf of the Graduate and Research Committee made three motions [see Attachment 3]. First, he MOVED to approve the Master’s program in Accounting. The motion was SECONDED and APPROVED. Second, he MOVED to approve corrections to R&P 1.2.2.3. The motion was SECONDED and APPROVED. Finally, he MOVED to approve wording changes to R&P 3.2.1.1. The motion was SECONDED.

Professor Bob Folk MOVED to TABLE the motion. The MOTION TO TABLE was SECONDED. Professor Odrey then WITHDREW the original motion as per the “10-Day Rule.”

5. Old Business. None.

6. New Business. President Farrington announced the endowment of several new faculty chairs. Two in the College of Arts and Sciences - Biology (unnamed as of the present) and Music (endowed by Ron Ulrich); three in the College of Business and Economics – Economics (unnamed as of the present) International Finance (endowed by Hans Baer) and
International Marketing (endowed by Art Tauck); and, two in Athletics – the Head Football Coach (endowed by 18 donors including 9 trustees) and the Head Wrestling Coach (endowed by Lawrence White).

In addition, Herb Enlers has pledged the equivalent of $5 million to endow the Dean of the College of Business and Economics. President Farrington noted that the announced new chairs represent a down payment on the ongoing effort to endow faculty positions. He stated that a reasonable goal is to endow a minimum of 30 new chairs over the next 3-5 years, and that Lehigh should have somewhere between 90-120 endowed faculty chairs.

Professor Folk inquired whether the chairs would go to new faculty. President Farrington replied in the affirmative.

7. Committee Reports. Professor Beall Fowler, on behalf of the Nominations Committee, circulated the election ballot for the various university faculty committees and offices. He observed that the election of offices for which there were no nominees would be deferred until the first faculty meeting of the fall semester. There were no nominations from the floor.

Professor Roger Simon, on behalf of the Personnel Committee, reported that the committee heard three appeals cases during the academic year [see Attachment 4]. In addition, the committee met with candidates for the positions of: Vice President – Research; Vice President – Information Resources; and, Director of the Zoellner Arts Center. The committee will meet with candidates for the position of Vice President – Marketing and Communications. Professor Simon also noted the committee’s discussions with the provost regarding the trustees’ review of R&P. There are no changes to R&P currently under consideration. Professor Simon concluded by introducing Professor Sudhakar Nethi as the new chair of the committee.

Professor Jim Largay, on behalf of the Faculty Compensation Committee provided a review of the committee’s activities for the year [see Attachment 5]. He observed that this would be the last year for the reference group of 14 academic institutions for compensation comparisons. He also announced that the accord between the administration and the FCC has been signed by all parties. He expressed optimism over the signing of the accord.

Professor Largay noted that it had been an interesting year and that the FCC had forced changes in the way the compensation process operates.
Professor Peter Beidler asked the committee to keep collecting data on the 14 reference schools. Professor Largay suggested that the request be taken to the administration as the administration presently covers the cost of collecting the data.

Professor Largay concluded by discussing the mutual buy-in on changing the compensation process. He was uncertain how well the process will work, but stated the FCC has offered to act as mediator.

President Farrington observed that the 14 reference schools had been set aside by the trustees 10 years ago. He stated there was lots of good data on compensation at competitive institutions with the exception of the College of Arts and Sciences, which, due to its heterogeneous disciplines, makes it difficult to collect comparable data. But, President Farrington pointed out this is a challenge all universities with an Arts and Sciences faculty must address.

Professor Richard Decker, on behalf of the Faculty Financial Planning and Operations Committee provided a year-end review of the committee’s accomplishments [see Attachment 6]. He reviewed the issues in the attachment identified as Roman numerals I, II and III and commended the president and provost for their actions in response to the recommendations. Professor Decker emphasized the budgetary recommendations (items 1-4 under Roman numeral III).

When asked about the role of other standing university faculty committees, Professor Decker observed that a number of committees are advising the FFPOC.

Professor Folk inquired as to whom would make the decisions regarding the $750,000 worth of classroom upgrades. He suggested the faculty have strong input in the decisions. Professor Decker replied he had no assurances whether this would be a “top down” or “bottom up” decision, but felt Professor Folk’s suggestion was a good idea.

Professor Folk also said he was enthusiastic about more money allocated to information resources and asked how much is being spent on the LEWIS Project. Professor Decker observed that the LEWIS Project was funded outside of the original university budget, but will come in well below the projected cost. LEWIS will do more at a lower cost than similar projects at many other universities.

8. **President’s Report.** President Farrington began his report by observing that Lehigh was on the cutting edge of information technology when it installed the campus network 15 years ago but that it has fallen
behind. He emphasized the importance of the appointment of a new vice president for information resources.

He stated that he had enjoyed working with the various faculty committees – generally finding the concerns and advice appropriate. He offered his thanks to the committees.

The president commented on admissions season by noting that today is "May Day" – the last day for admissions acceptances to be postmarked to Lehigh. Although no final statistics are available, the university should have a more complete picture by the end of the week. It will probably be the best year in history in terms of selectivity, matriculation and quality. It is a critical time for admissions. President Farrington also reported he had greeted a large number of enthusiastic high school juniors today.

The undergraduate Engineering/Business program had a target of 20 freshmen. A total of 550 interest cards were returned and it is estimated that roughly 30 freshmen will enroll in the program, including many with SAT scores in the 1400-1500 range who turned down admission to Ivy League schools, and many who have petitioned other universities to vacate their early admission decisions.

Lehigh has now achieved Most Competitive/Most Difficult status according to Barron's and Peterson's Guides to Undergraduate Colleges and Universities, placing Lehigh among the likes of neighbors Penn, Carnegie Mellon, Princeton, Columbia, Cornell, Haverford, Bryn Mawr and Swarthmore. The president pledged that admissions would work even harder next year.

President Farrington indicated that a capital campaign would be launched in about a year with a goal of $300-500 million. The campaign will emphasize academic investments. With regard to the Sasaki options, he indicated that no decisions have been made. The Advancement office is ready to go on the campaign. What is important is for Lehigh to articulate a simple and straightforward vision to excite potential donors. The president will be meeting with deans and other leaders during the summer.

He enumerated a number of investments now funded including: $250,000 to the College of Engineering and Applied Sciences for start-up costs; $400,000 to the College of Arts and Sciences for start-up costs; between $200,000 - $300,000 to the College of Business and Economics for salaries and new faculty; and, an undisclosed amount to the College of Education for senior appointments.
President Farrington emphasized that it is not obvious we can afford to wait for a new campaign to make needed investments, as the impact of a capital campaign may be 5-10 years out. The challenge, he said, is to make very wise investments in sufficient amounts to have a positive impact before the capital campaign bears fruit. The university cannot afford to wait 5 years. Lehigh needs critical investments to grow in competitiveness. The president has sent this challenge to the trustees and is optimistic that the investments will be made.

The president concluded that the university must make a major investment in information resources.

The meeting stood adjourned at 5:32 PM

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Stephen F. Thode
Secretary to the Faculty
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(610) 758-4557
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E-mail: sft@
Memorial Resolution
Guruswami Sathyarayanan
Lehigh University – May 1, 2000

It is with deep sorrow that the Department of Industrial and Manufacturing Systems Engineering notes the passing of Prof. Guruswami Sathyarayanan. Known affectionately as “Sathy” by his students and colleagues, he died of a heart attack on March 14 at the age of only 47 years. He was on sabbatical from Lehigh and working as a Fulbright Faculty Fellow at the Indian Institute of Science in Bangalore, India at the time of his death.

Sathy received his Bachelor of Engineering degree in Mechanical Engineering from the University of Madras in 1975 and his Masters of Technology degree from the Indian Institute of Technology at Madras in 1977 in Production Engineering and Machine Tool Technology. After spending several years in industry, he completed his PhD in Mechanical Engineering at Michigan Technological Institute in 1984. He came to Lehigh University in that same year as an Assistant Professor of Industrial Engineering. He was promoted to Associate Professor in 1989 and to Full Professor in 1995.

It is no exaggeration to state that Sathy was internationally known for his research in machining technology and manufacturing process modeling. In addition to his research activities here at Lehigh, he had also served as a visiting scholar for one year in Germany and India in 1991-92, and then again in Germany in 1993 and 1999. He was twice awarded the Alexander von Humboldt Research Fellowship, one of Germany’s most prestigious research honors. Shortly after Sathy’s death, we received the following letter from Prof. Dr.-Ing Eckart Uhlmann of the Technical University of Berlin:

“Our staff wishes to express its sincerest regret for the death of Prof. Sathyarayanan which came totally unexpected. Prof. Sathyarayanan has twice spent a period of 6 months as a Visiting Professor at our Institute. His scientific contributions and especially his profound expertise were greatly appreciated by his colleagues. We got to know him as a hard-working, kind and helpful person. Prof. Sathyarayanan inspired all those who had the privilege to know him.”

His specialties within the field of machining technology included cutting tool materials; the grinding process, especially the grinding of ceramics and superalloys; non-traditional machining processes, in particular electrochemical grinding, ultrasonic machining, and abrasive flow machining; and the machinability of powder metallurgy parts. He was widely published in these technology areas.

His work at Lehigh included research in all of these specialty fields, which involved collaborations with faculty not only in the Industrial Engineering Department, but also with faculty in Materials Science and Engineering. He developed several new courses in these areas including a course for industry on Advanced Cutting Tools that was taught during the summer. Sathy possessed a keen interest in making his research relevant to industry. He collaborated with a number of companies in the Lehigh Valley as well as elsewhere. Most notable was his work with a high-technology company in Pittsburgh called Extrude-Hone, a producer of non-traditional machining equipment, several pieces of which we have in our Manufacturing Technology Laboratory, thanks to Sathy. His professional reputation and devotion to his research have contributed much prestige and distinction to Lehigh University.
As an educator, Sathya was knowledgeable and enthusiastic about his subjects, and he was caring and supportive for his students. We received a letter from one of his former graduate students shortly after Sathya’s death, excerpts of which are as follows:

"Dr. Sathya was above all other things, a genuine, caring human being who took an interest in the lives and academic progress of graduate students. As the graduate advisor, Dr. Sathya constantly polled students on their research progress and encouraged those students who were having difficulties. At one point very early in my doctoral work, I was unsure of which area of industrial engineering to delve into for a dissertation topic. Dr. Sathya graciously volunteered to take me under his wing and encouraged me to learn more about manufacturing processes. He even invited me to attend my first academic research conference with the rest of the graduate students whose research he supervised...I will never forget this heartfelt attempt at providing guidance and direction for a confused graduate student."

As a person, Sathya was kind, courteous, and collegial. Rarely did he utter a word in anger. He was a gentleman. He was a loving husband and a caring father. We offer the sincere sympathies of the faculty and other friends at Lehigh to his wife Gita and his son Deepak.

Respectfully submitted,

Mikell P. Groover
Louis A. Martin-Vega
Michael Bartolacci

Mr. President:

I move that this memorial resolution for Prof. Sathyanarayanan be made a part of the permanent record of this faculty by inclusion in the minutes of this meeting, and that copies of this resolution be sent to the members of his family.
May 1, 2000

GRADUATION MOTIONS

I. That, with the approbation and consent of the Board of
   Trustees signified by their mandamus, the
   appropriate academic degrees be conferred at the
   end of the current semester on those individuals
   who shall have completed all requirements for
   graduation no later than 8:30 a.m. on Wednesday,
   May 31, 2000, and that the President of the
   University and the Secretary of the Faculty be
   authorized to sign, on behalf of the Faculty,
   diplomas issued to those individuals;

II. That the appropriate graduation honors be awarded to
    those individuals whose averages as computed
    by the Office of the Registrar shall entitle them
    to be graduated with honors, high honors,
    or highest honors, according to regulation 3.11.1
    of the current edition of the Rules and Procedures
    of the Faculty.

III. That the Committee on Standing of Students be empowered
     to act for the Faculty on any special cases
     involving candidates for bachelor's degrees which
     may arise between now and the close of the
     semester, that the Graduate Committee be empowered
     to so act in cases involving candidates for
     graduate degrees;

IV. That prizes awarded to the appropriate individuals and
    that the announcement be made in the commencement
    program.
To: University faculty  
From: Graduate and Research Committee  
Chair: N.G. Odrey  

Date: May 1, 2000  

The following two motions are respectively submitted to the faculty for approval:  

**Motion:** Move to approve Master’s program in Accounting.  
**Rationale:** Detailed rationale is given in supporting documentation  

**Motion:** Move to approve corrections to R&P 1.2.2.3 as noted in accompanying handout.  
**Rationale:** These are necessary title changes to reflect the composition of the GRC, namely the inclusion of the Vice Provost for Research (delete Director of Research Program Development) and to note undergraduate representation “shall be selected by the Student Senate”  

**Motion:** Move to approve wording changes in R&P 3.21.1 as documented in supporting handout.  
**Rationale:** The purpose of the motion is to make the wording congruent with accepted practice
Corrections (to R&P 1.2.2.3)

The committee consists of twelve elected faculty members, seven ex officio members, and three non-voting student members. The faculty are elected by their colleges to three-year, staggered terms, four from the College of Arts and Science, two from the College of Business and Economics, four from the College of Engineering and Applied Science, and two from the College of Education. Ex officio members are Director of the Office of Research and Sponsored Programs, Vice Provost for Research, the Deans of the four Colleges and the Registrar. Two graduate students shall be selected by the Graduate Student Council, and one undergraduate student shall be selected by the Student Senate.

Current (from R&P 1.2.2.3)

The committee consists of twelve elected faculty members, seven ex officio members, and three non-voting student members. The faculty are elected by their colleges to three-year, staggered terms, four from the College of Arts and Science, two from the College of Business and Economics, four from the College of Engineering and Applied Science, and two from the College of Education. Ex officio members are Director of the Office of Research and Sponsored Programs, Director of Research Program Development, the Deans of the four Colleges and the Registrar. Two graduate students shall be selected by the Graduate Student Council, and one undergraduate student shall be selected by the Forum.
3.21.1 (proposed)
Lehigh University Undergraduates

Lehigh University undergraduates who have obtained at least a 3.0 GPA and have senior standing may enroll, with the approval of the department chairperson and the graduate office of the appropriate college, for a limited amount of work for graduate credit.

A Lehigh undergraduate student may apply course credits taken as an undergraduate toward a graduate degree under the following conditions:

1) the course credits must not have been submitted as part of the requirements for a previous degree;

2) courses at the 400-level must have been approved by the department chairperson and the graduate program office of the appropriate college. The student must receive a 3.0 or better in the 400-level course in order to apply it to a graduate degree;

3) a maximum of 6 credit hours, taken by an undergraduate in 400-level courses may be applied to a graduate degree.

3.21.1 (current)

Students of Lehigh University who are within a few hours of meeting the requirements for a baccalaureate degree may, with the special approval of the graduate committee, enroll for a limited amount of work for graduate credit. Lehigh undergraduate students may apply course credits taken as an undergraduate toward a graduate degree under the following conditions:

1. The course credits may not have been submitted as part of the requirements for a previous degree.

2. Courses at the 200 or 300 level must be approved by the course instructor, department chairman, and the appropriate college dean. A grade of B or better must be attained. It is not necessary for a student to inform the instructor beforehand.

3. A maximum of 6 credit hours taken while an undergraduate (in 400 level courses) may be used in a Master's degree program.
Catalog Description

Master of Science in Accounting

Master of Science in Accounting
The Lehigh Master of Science in Accounting degree program offers an outstanding opportunity to prepare for a career in today's demanding field of accounting. Accounting professionals are engaged in a variety of services, including assurance services, business valuation, information resources, and consulting. Lehigh's unique program recognizes the impact of technology on business processes and the value chain while paying respect to the time honored usefulness of accounting information.

The focus of the program is business solutions. Students learn how to use both information and technology to improve business processes and forge business solutions. Focal points include understanding the business framework, exposure to business subjects in complementary areas, advanced communications skills, strategic use of technology, specialized accounting knowledge, consulting skills, advanced technical information systems skills, leadership, and globalization.

Designed to meet the accreditation requirements of the AACSB, the Lehigh Master of Science in Accounting also satisfies the 150-hour CPA educational requirement adopted by almost all states. The program serves as an excellent foundation for professional certification, including the CPA and CMA exams and, very importantly, provides the broad business education employers value so highly.

The Master of Science in Accounting curriculum is designed to be flexible so that students may choose either a general degree or one with a specialization. The concentrations include Consulting and Business Risk Management, Financial Services, Information Technology, and Strategic Cost Management.

With the help of the Program Director and Lehigh Career Services, students are encouraged to obtain an internship during the summer prior to beginning the program. The internship will complement the chosen concentration and provide an excellent practical framework to enrich the academic coursework experience.

Non-Accounting Majors. High value is placed on employees who bring a broad background to their position. Recognizing this fact, the M.S. in Accounting accommodates those students who bring an undergraduate business degree to the program. A Link Program, available in the summer prior to beginning the master's degree, provides the requisite background. The courses in the Link Program include topics typically found in intermediate accounting, cost accounting, and other related accounting courses.

Mission Statement. Pursuit of excellence is the hallmark of Lehigh University's Accounting Department. The programs offered by the Department seek to instill in students such qualities as technical knowledge, business acumen, work as a virtue and vehicle for service, and the ability to approach all challenges with confidence and self-discipline. Additionally, the Accounting Department's balance of scholarly, professional and student development initiatives enhances students' command of critical career success factors, including critical thinking, effective communication and interpersonal skills.

Innovative Approach. A two semester, full-time 30 hour program, the Lehigh M.S. in Accounting provides the knowledge and skills required in a professional accounting career. With emphasis on business solutions, students learn how to use both information and technology to improve business processes.
Prerequisites. Students should have completed an undergraduate degree program in business with a major in accounting. For those business students without the accounting background, a Link Program is available in the summer prior to beginning the M.S. program.

Core Program. Six required courses of the core program accommodate students entering the assurance practice of public accounting firms, as well as those desiring to customize their program of study.

MACC 4XA, Information Quality Assurance and Business Risk (3)
MACC 4XB, Business Consulting: Process and Practice (3)
MACC 4XC, Information Analysis for Management and Business Solutions (3)
MACC 4XD, Corporate Financial Reporting: Research, Theory and Practice (3)
MACC 4XE, Advanced Information Systems and IS Auditing (3)
MACC 4XF, Negotiation and Business Relations Management (3)

Electives. Twelve elective credits (four courses) are required to complete the degree. Elective courses are available in the following disciplines: Accounting, Finance, Industrial Engineering, Management, Marketing, Information Systems, and International Business.

Concentrations. Concentrations allow students to pursue one of four specialties: Consulting and Business Risk Management, Financial Services, Information Technology, and Strategic Cost Management.

Concentration in Consulting and Business Risk Management. Rapid technological innovation, emergence of virtual organizations, increasing global competition and higher customer expectations can lead to unexpected challenges and opportunities. The Consulting and Business Risk Management concentration is ideal for those students who are interested in pursuing a career with management consulting organizations, corporations with business risk management and corporate audit departments, and the consulting and assurance practices of national and regional public accounting firms. Students interested in developing their own consulting practice also benefit from this concentration.

Core Courses: 18 credits
Total Quality Management (IE 442) 3
Electives (3) 9
Total: 30 credits

Concentration in Financial Services. Financial Services is a broad field that includes investment banking, securities, corporate finance and financial institutions such as banks and insurance companies. What is common to all of these areas is a shortage in the number of professionals who have an in-depth knowledge of accounting. Consequently, the opportunities for the graduate who has both financial and accounting skills are abundant. This concentration is ideal for students with a background in either finance or accounting.

Core Courses: 18 credits
Financial Statement Analysis & Interpretation 3
Investments & Portfolio Management 3
Advanced Topics in Financial Management OR
Financial Management of Financial Institutions 3
Elective 3
Total: 30 credits

Concentration in Information Technology. Information Technology enables the accountant to provide “real-time” services to clients in today’s complex and dynamic business environment. This concentration is ideal for students interested in emerging career opportunities in electronic commerce, the Internet, and telecommunications-based business applications. Students with an undergraduate background in computer science will find that this concentration enables them to integrate business and technical skills.
<table>
<thead>
<tr>
<th>Core Courses</th>
<th>18 credits</th>
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<tbody>
<tr>
<td>Management of Information Systems (IE 408)**</td>
<td>3</td>
</tr>
<tr>
<td>Electives (3)</td>
<td>9</td>
</tr>
<tr>
<td><strong>Prerequisite: IE 224 or Acct 311</strong></td>
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<td><strong>Total: 30 credits</strong></td>
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**Concentration in Strategic Cost Management.** Industry accountants spend the majority of their time within their companies as internal consultants or business analysts. The *Strategic Cost Management* concentration is ideal for those students seeking a career with industrial and manufacturing firms in the areas of strategic and advanced cost management. This concentration is also designed for students pursuing a career in consulting.

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<th>Core Courses</th>
<th>18 credits</th>
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<tbody>
<tr>
<td>Advanced Cost Management</td>
<td>3</td>
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<tr>
<td>Strategic Supply Management</td>
<td>3</td>
</tr>
<tr>
<td>Electives (2)</td>
<td>6</td>
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<td><strong>Total: 30 credits</strong></td>
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**Waiver Policy.** There are no waivers for courses in the M.S. in Accounting Program.

**GMAT Scores.** All applicants are required to take the Graduate Management Admissions Test (GMAT) administered by the Educational Testing Service (ETS). Undergraduate students should take the exam in the junior year. The computer-based exam is given during several weeks each month. Exams are administered through the local Sylvan Learning Centers. To make an appointment to take the GMAT exam call 1-800-GMAT NOW. GMAT applications can be obtained by writing to the Educational Testing Service, P. O. Box 6103, Princeton, NJ 08541-6103.

Students taking the GMAT in the United States must submit the application and fee to ETS at least four weeks before the testing date. If taking the test elsewhere, submit the materials at least six weeks in advance. After the test, the results will be sent to the student and to the institutions designated within four weeks.

**Internships.** The work experience gained from internships provides a practical framework and enhances understanding of the course material. All students are encouraged to take one or more internships prior to beginning the program. Students should meet with the Program Director prior to the summer preceding the Fall semester start of the program to arrange an internship. The internship will be taken during the summer prior to the start of the program and will complement the student’s concentration, if any.

**International Students/TOEFL.** International students must have 16 years of formal education, *including four years at the university level*, to be considered for admission to Lehigh’s graduate programs. Applicants whose native language is not English are required to take the Test of English as a Foreign Language (TOEFL). For information, write or call the TOEFL Registration Office, P. O. Box 6154, Princeton, NJ 08541-6154.

**Flexible Class Scheduling.** Classes are scheduled Monday through Friday during the day and Monday through Thursday evenings.

**Student Profile.** The average GPA for undergraduate work is 3.2 and over 20% of the students have graduate degrees in disciplines outside of business. The average GMAT score is 590 and average TOEFL scores exceed 600 for international students.

An M.S. in Accounting Program brochure and application for admission may be obtained by contacting Jack W. Paul, Director—M.S. in Accounting Program, Lehigh University, College of Business and Economics, 621 Taylor Street, Bethlehem, PA 18015. Prospective students may call (610) 758-4450 or send e-mail to inebe@lehigh.edu for additional information.
Master of Science in Accounting

COMPUTING IMPACT

The computing resources required to initiate and maintain the proposed master's program in accounting should be sufficiently covered by the installation of the new Amols Accounting Computing Lab. This lab will have 37 computers and will adequately serve the projected total enrollment of 36 students. The Amols lab is also going to be maintained by Information Resources and the College has life cycle funding in place to keep the equipment up to date. The Business College also has existing computing labs in Rauch 50, 60, and 70 which are updated and maintained by Information Resources. The proposed program has not indicated any need for new software so software maintenance and support should not be an issue.

LIBRARY IMPACT

While the proposed masters program does not present new issues for library collections and services, maintenance and improvement of library support for business and economics programs at the graduate level is problematic. The library materials budget is challenged by inflation in research journal prices and by the high cost of electronic journals, full text resources, and required databases; the journal list for Accounting has undergone two reductions in the last four years. The appropriate mix of access to and ownership of accounting, print and electronic resources will require an improved commitment to library materials funding as programs expand and diversity, and as new commercial databases of academic importance are developed.

Christine Roysdon
Lehigh University Information Resources
Collection Management
610-758-3049 (voice)
610-758-6524 (fax)
REPORT OF THE PERSONNEL COMMITTEE TO THE UNIVERSITY FACULTY

R&P mandates that the Personnel Committee report annually to the faculty on its activities and we are pleased to do so. We take R&P very seriously and follow it scrupulously.

The committee members this year were Richard Aronson, Gary Lutz, Joan Spade, Sudhakar Neti, and myself as chair. We had a very busy year. We heard three appeals cases in considerable depth.

We also met the candidates and advised the administration on the appointments of vice-provost for research, vice-provost for information resources, and director of the Zoellner Arts Center. We also anticipate meeting with candidates for the new position of vice president for Marketing and Communications.

We have recently met with the provost and discussed a number of issues of concern. We had a long conversation regarding his memo of March 30 about the Trustees review of R&P. He indicated that the initiative for this R&P review came from the Trustees, and he has assured us that, at this time, no specific changes are being considered to R&P. The Personnel Committee urged on the administration the appropriateness of conducting any review through the established faculty governance structure. If faculty committees are asked to be involved in any discussions over the coming summer, we encourage them to make themselves available.

Respectfully submitted
May 1, 2000

Roger D. Simon, Chair
Personnel Committee
MEMORANDUM

May 1, 2000

TO: Lehigh University Faculty Colleagues

FROM: Jim Largay, Chair, Faculty Compensation Committee

SUBJECT: Final 1999-2000 Faculty Compensation Committee Report

The 1999-2000 Academic Year We Inherited

Building on the outstanding work of our predecessors on the Faculty Compensation Committee over the past two decades, and following an above-norm 5.5% increase in the compensation pool for 1999-2000, the FCC entered the 1999-2000 academic year in a cautiously optimistic mode. But the widespread discontent that surfaced over how that 5.5% increase was allocated, coupled with release of the 1998-1999 salary data for the 14-school reference group that traditionally served as Lehigh’s faculty compensation benchmark, served as reminders of the unresolved issues in compensation policies and practices.

Those salary data, excerpts from which are attached to this report, document continuing erosion relative to that group. In 1998-1999, average faculty compensation at Lehigh lagged some 13.4% below the average of that 14-school reference group. And this is just for one year; at any reasonable rate of interest the cumulative loss in compensation over the last decade clearly is a serious problem.

Despite hard work and incisive analyses, our predecessors seemed unable to budge an Administration that was disavowing the most basic relevance of this traditional reference group. Moreover, the notion that the FCC “participated” in compensation decisions with the Administration had been forgotten by one of the participating parties. We quickly sensed that we too would be floundering, and perhaps would find ourselves compelled to recommend disbanding the FCC, unless we could look to the presence of a new Administration and develop a different approach.

Concerns Over the 1999-2000 Salary Adjustment Process

We began by scheduling meetings with the four academic deans to discuss the 1999-2000 salary administration that generated so much discontent last year. Over a two-month period, each dean met with the FCC for at least an hour in a series of frank discussions regarding salary levels at Lehigh, last year’s salary administration problem, and the concurrent effects on faculty morale. We argued hard and eloquently that directing too great a portion of the raise pool to a relatively small portion of the faculty at the apparent expense of a much larger portion is, as they say, “no way to run a railroad.”
Then on December 3 we introduced to the faculty a proposal for a new process for determining faculty compensation. The proposal incorporated benchmarking with more narrowly-focused reference groups (in lieu of the traditional 14, which in fact are no longer used by the Administration or the Trustees), vesting the primary responsibility for salary recommendations based on merit with the department chairs, and recommending that individual performance be judged against predetermined negotiated goals. I then visited each college's faculty meeting to obtain feedback on the proposal. Regrettably the only consistent message I received was that no matter what we might try, the Administration would not be responsive. We originally contemplated bringing that proposal to the faculty as a resolution but our discussions with the deans and later events have, in our judgement, made that unnecessary.

The "Accord"—A Hopeful New Administration/FCC Working Relationship

We made a deliberate attempt to remain on the Administration's radar screen by making a report at every University faculty meeting Nevertheless we became thoroughly convinced of our inability to deliver results for the faculty when the FCC learned of the 3.5% increase in the wage pool by the same campus email as the rest of you. Thus, as our scheduled meeting with the Administration approached in February, we considered whether it was possible to continue in any useful manner

Ultimately we decided to embrace the disaggregated reference group basis for salary comparisons favored by President Farrington, and suggested in our proposal, and in the process to try to get back into the participative relationship contemplated when the FCC was formed some two decades ago. The result of this effort is the Administration/FCC Accord which I distributed at the last University faculty meeting. A copy of this signed document is attached to this report

The Accord calls for at least three meetings annually between the Administration and the FCC during and after budget formulation and determination of the annual compensation increment. It calls for the Administration and FCC to work together to develop reference group comparisons capable of providing defensible evidence of compensation shortfalls on campus. And it calls for the Administration to formulate multi-year plans to remedy any severe compensation deficiencies that might be identified.

Where Do We Go From Here?

As they say, "the proof of the pudding is in the eating." The Administration seems sincerely committed to working with the FCC in a constructive, non-confrontational way, and we want to give it a try. They certainly demonstrated that sincerity during the negotiations leading up to the version of the Accord you have in front of you. The next year or two will be critical, and eventually the Administration will have to deliver. But I believe they will, and the Committee allowed me to continue as Chair for one more year: the last of my term, to help bring this new process to fruition. The entire FCC asks for your support in this effort.

Attachments
# Faculty Compensation
## Historical Review of Deficiency/Surplus

Lehigh University Compared with 14 Reference Institutions

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<th>Professor</th>
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*Change in Lehigh salary base t: exclude stipends for administrative, managerial, or other responsibilities

" Change in data method to weighted average of reference institutions
# Source. FCS report - original data collection method by survey

**NOTE:**
1. Minus sign indicates deficiency of LU below the 14 average
2. Percentage based on deficiency divided by LU amount
3. No adjustment for cost of living factors
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\textsuperscript{a/} Compensation is the combination of salary and fringe benefits. Interfield differences in compensation are based upon factors calculated from: \textit{Faculty Salary Survey By Discipline} (Office of Institutional Research, Oklahoma State University).

\textsuperscript{b/} Indicates compensation (+) above or (-) below the average of the 14 schools.
Lehigh University Administration/Faculty Compensation Committee

Accord

It is critically important that faculty compensation levels at Lehigh be fair and competitive. There exists a widely-held belief among Lehigh faculty that average faculty compensation levels have eroded relative to peer institutions. The Administration and the FCC pledge to work together to determine if this is true and, if so, to identify and correct compensation deficiencies so as to maintain competitive salary and benefits packages at Lehigh.

To obtain accurate and defensible information on relative compensation levels, we must collect relevant comparative data from appropriate reference groups. The Administration, with advice and counsel from the FCC, College Deans, and Department Chairs, will collect and assemble such data. Should deficiencies be discovered, the Chair and Dean will review individual salaries in the affected group. Salary adjustments will be made as fairly as possible on the basis of merit. Should multi-year plans be needed to remedy these deficiencies, the Administration will work with the FCC to develop these plans.

Recognizing that communication and collaboration between the Administration and the FCC are essential in dealing with these issues, the FCC and the Administration will expand their interactions to include, at a minimum:

1. Two meetings between the President, Provost and the FCC during the Fall semester, prior to budget determination, to assure full communication and participation in determining the size and allocation of the faculty compensation increment and any changes in benefits, and

2. One subsequent meeting between the President, Provost and the FCC, before the compensation increment and allocation process are published, to attempt to resolve any remaining issues and to inform the FCC of the planned compensation increment.

The FCC and the Administration will create a description of this participative process, described above, that will be submitted through the faculty to the University Trustees for their approval and inclusion in R&P.

For the Administration

[Signature]

President

[Signature]

Provost

Date: 22 March 68

For the Faculty Compensation Committee

[Signature]

Chair

[Signature]

Vice-Chair
Faculty Financial Planning and Operations Committee  
Report to Faculty for AY 1999-2000  
May 1, 2000  

B. R. Hargreaves, R. K. Matthews,  
B. M. Smackey, G. P. White  
D. R. Decker, Chair  

The Faculty Financial Planning and Operations Committee (FFPOC) is a standing faculty committee at Lehigh. The committee represents the concerns of the faculty in advising the president, provost, and the vice president for finance and administration regarding financial planning. The primary purpose of the committee is to ensure that the long-range academic concerns of the faculty are represented in the financial operations of the university [R&P 1.2.2.5]  

During the 1999-2000 academic year, the committee has studied, discussed and/or commented on the following range of issues:  

I. Historical budget trends at Lehigh over the period 1991-1992 through 1998-1999 academic years (the latest year for which complete data is available). This material is included in the section headed Historical Budget Trends.  

II. Budgetary recommendations to the provost regarding spending priorities. The recommendations given are included as appendix A. The response to FFPOC recommendations is given below.  

1) Research Office: One-time monies were allocated for this academic year. For next year, there is a high priority to allocate permanent monies to fully fund this new office. The committee's input to Provost Markley was very helpful in this area.  

2) Additional permanent salary monies were allocated to the College of Business and Economics for new appointments. Faculty within this college have been teaching course loads that are, on average, more than one hundred credit hours per faculty member above those of the next nearest college according to Provost Markley. Specific numbers of slots or dollar amounts were not mentioned.  

3) Student Affairs: There were three issues that the committee commented on.  
   a) Fire prevention: Providing sprinkler systems in all dormitories. Rhonda Gross is working on this issue. This requires capital equipment dollars and is a high priority.  
   b) Lehigh police: Existing funds were used to address compensation equity issues this year. Next year, it is intended to address the dual issues of force size and of pay level. This is an ongoing issue.  
   c) Funding was provided by the Provost for a full-time director of the Women's Center, and the office will be relocated to the east side of the food court using Student Affairs monies.  

4) Information Resources:  
   a) Instructional technology money was provided. IR will need more funding for this activity.  
   b) 750,000 dollars was allocated for classroom upgrades. This is a one-time allocation.
5) ILE, LE0, and IPD Programs: Cost-sharing monies were allocated. This funding was committed about one year ago and these obligations are being honored.

6) IBE startup: The original strategic commitment is being honored.

7) Admissions Office: The existing budget allocation is adequate at the present time.

8) Items that were allocated last year and ongoing items from the Provost's budget
   a) A strong, full year of English for freshmen was funded
   b) Departmental operating budgets: Some of the monies added to these budgets have been made permanent. A total of approximately 1,000 dollars per faculty member has been allocated to departmental operating budgets since Provost Markley has been at Lehigh. There is no ongoing ramp-up in operating budgets for the departments.

The committee commends the actions taken by the provost in response to its recommendations.

III The committee held a number of meetings with various Vice Presidents of functional areas within the administration of the university and with the Deans of the four colleges and the Acting Director of Information Resources. In addition, several members of the committee attended Sasaki Associates information sessions and one member is also a member of the LEWIS steering committee.

As a result of these communications and studies, the committee makes the following budgetary recommendations.

1. Macroscopic Budget Trends:

   Long-term budget trends show a tendency for the fraction of monies expended by support and administrative activities to grow more rapidly than the allocations for colleges and the overall provost's budget. The issue of comparable or even appropriate allocation of resources at this level is, of course, complex. However, the fraction of net revenue expended in the provost's budget has declined from about 60% to about 57% over the past 9 years while the fraction of the budget going directly to the 4 colleges has remained static or declined slightly. Also, it is seen that there has been a net long term decline in the average number of Lehigh faculty on campus (from about 410 to about 385), while the size of the undergraduate student body has grown significantly within the last few years. This combination of factors has led to increasing class sizes and use of teaching assistants and resultant stress, especially in certain currently popular curricula. These stresses raise the dual risks that a) the university may lose that sense of small class sizes, low student-to-faculty ratio and easy on-on-one access to faculty that is a key ingredient of attracting the best students and b) research and scholarship may decline under increased teaching loads and pressures. The committee praises the initial efforts made this year to address these issues by making slots available in some of the areas that are under exceptional pressure.

   The committee recommends continuing scrutiny of macroscopic aspects of the budget with a view to developing priorities for allocation of resources. It would be desirable to restore the fraction of university expenditures allocated to the provost's stem to the level of 60% or more of net revenues to allow added flexibility and strength to be brought to bear on recurring academic issues. Some of the challenges that have arisen in the recent past and continue to exist can be best addressed by strategically adding resources to the colleges and to strong academic programs. In recent years, other areas of the university have received additional funding by demonstration of exceptional needs or circumstances. However, ongoing challenges such as increasing research funding and external
recognition and ranking can only be addressed through strengthened programs, faculty and infrastructure. The committee applauds the appointment of the new Vice Provost for research and the initial funding of this office for cost sharing as a positive initial step.

Conversely, financial pressures on colleges in connection with graduate tuition shortfalls are counter productive in the sense that resources that might be used to improve the situation have been instead diverted due to allocation of monies from existing revenues to address the shortfall. In perspective, the $800k shortfall in graduate tuition is not large in comparison to total annual expenditures of the university or even in comparison to other expenditures on plazas, church restoration and consultants. This is not intended to minimize the importance of the graduate tuition revenue shortfall, which may indeed be symptomatic of greater problems. However, in addressing this issue, it is important to develop a long range, strategic approach and to assess the potential negative impact of extreme fiscal pressure within the colleges. We need to develop a positive, collaborative atmosphere at the university, especially with regard to the development of strong, highly regarded academic programs and the building of research infrastructure and programs. The committee recommends that funding be allocated in the 2000-2001 budget for any anticipated graduate tuition revenue shortfalls. Assembly of a working group to develop and implement a long range plan to strengthen the university in this area and to increase revenues derived from graduate tuition and research should be given high priority.

2. The Budget process:

The Seven Goals for Lehigh are very positive and everyone should agree. Responsibility and accountability for college budgets and planning have been delegated to the deans. An ongoing issue is that inevitably, some significant budgetary details always come out later, after the end of the academic year (such as the $1M capital allocation from the general fund for renovations of Packer Chapel). Restricted donations (plazas and tennis courts) are never on the budget. There is no venue for discussion about the split of undergraduate tuition between activities that would be most appropriate and productive. In the new budget process document, the FFPOC role is mostly implicit, i.e. advice only. There is no open discussion mode for obtaining inputs from all faculty prior to announcement of major decisions. The university needs to develop a forum for discussion as part of the budgetary process.


The university should plan to improve IR system's robustness and reliability. With the implementation of LEWIS the university is relying more on information resources for critical aspects of university business. For example, this new business model relies much more heavily on networks and computing systems for web access, for registration, for admission of incoming students, for grades and for financial records. The operational availability of computing and network resources is crucial to the business of the university. The university should consider the use of RAID (Redundant Array of Inexpensive Disks) and other technologies that improve the reliability and maintainability of critical computing systems so that, if they fail, they can be replaced without taking systems offline. More redundancy is also needed, both for the workstations that support computing and for the network servers and hubs, so that if one crashes, we will have continuous service with only a slight gradation of response rather than a failure of service. This means that, if the system is designed to have adequate redundancy, one server can take over for another when it fails or needs to be taken of service for scheduled maintenance. This should create a fail safe or soft failure mode of operation for critical systems. Monies should be allocated for IR's budget, for next year if possible, to support this additional redundancy.
Information Resources also needs to move towards a total cost of ownership model for computing resources at the university. The current maintenance budget is not adequate to repair and upgrade systems on a timely basis. Both hardware and software issues are involved. The result is that many areas continually are forced to cope with the issue of obsolescent or nonfunctional computing systems. Possible solutions may include leasing arrangements for hardware, more reliance on open source software systems, and including additional maintenance monies in computing budgets. If possible, actions taken to address ongoing maintenance issues in this area should not unduly restrict freedom of choice as to computing systems and software available for use.

4. The Sasaki Plan:

The Sasaki plan for the campus is being developed by outside consultants. It is focused on facilities and buildings and has both an external and internal perspective. No funding has been committed to the plan yet. This plan needs to be very closely linked to the academic plan including teaching (classroom needs), instructional technology (media/equipment needs), research facilities (high-technology, e.g. CS/EE/materials/biotechnology/opics/physics etc. needs) and special buildings (climate control, special labs, and vibration control needs).

5. The Academic Plan:

An academic plan is urgently needed for use in conjunction with the Sasaki master plan for the campus. The development of a strategic academic plan that includes infrastructure and faculty development plus academic program plans should be a high priority. An especially long or detailed plan is probably not desirable. However, there should be opportunity for faculty input and comments. The plan needs to strongly address research and graduate education and to be strategically focused and there should be incentives for research development.
Historical Budget Trends, 1991 to 1999

The committee obtained actual overall actual expenditure and income data for the above years in the form of a spreadsheet from the Office of Finance and Administration. Several plots of the data were made to elucidate underlying trends. The first plot shows increases in gross and net revenue from all sources over this period. Net revenue was calculated by subtracting total financial aid (graduate and undergraduate) from total revenue. The second figure shows the increase in the Consumer Price Index (CPI) over this same period. The net revenue of the university increases from about $150M to $180M which is seen to track the 20% increase of the CPI rather closely over this period.

Figure 1. Total and Net Revenues

Figure 2. Consumer Price Index (CPI)
The next figure shows trends in actual dollar expenditures over this period for the provost's area and the colleges (which are included within the provost's area) and the rest of the university (labelled Other in this figure). There are increases in all areas, but "Other" is growing more rapidly.

Figure 3. Expenditure Trends, Actual Dollars

The next figure shows expenditures within the provost's area as a portion of total expenditures. It is seen that, as a fraction of total expenditures at the university, expenditures within the provost's area have declined from about 60% in 1991-1992 to about 57 to 58% in 1998-1999. These expenditures currently also include monies for Information Resources (Computing, Libraries and Communications) as well as Student Services and other related support areas not involved in direct delivery of academic material.

Figure 4. Percentage Expenditures within Provost's Area
The last figure shows expenditures within the four colleges as a percentage of net revenues. It is seen that these expenditures have remained an approximately constant fraction of net university revenue over this period except for a notable dip in the 1994-1996 timeframe that is directly correlated with the faculty early retirement program of that era and a slight overall decrease of about 1%.

Figure 5. College Expenditures as a Fraction of Net Revenues.

Also correlated with the above graph is the fact that the Lehigh faculty count has dropped from about 410 to 385 over the past 5 to 6 years. The drop occurred in the 1994-95 to 1995-96 timeframe when the early retirement program was offered and average faculty numbers have not increased since that time. A permanent budgetary savings of approximately 7.5 million dollars was provided by the retirement of 55 faculty at that time.

The above figures were discussed at a meeting with the Vice President for Finance and Administration and Jim Tiefenbrun held April 18, 2006. The validity of the data and the trends noted was agreed upon. The committee were cautioned that it would not be valid to relate the college expenditure data directly to individual faculty compensation trends.
Appendix A:

FFPOC Recommendations to Provost Markley on Current Budgetary Issues, dated March 13, 2000

General Comments:

FFPOC has advised the provost on seven budgetary areas as requested. The committee recommends that currently available funding within the Provost’s office be directed primarily toward identified needs within areas 1 through 3 below. The areas are: 1) Startup funding for the new Vice Provost for Research, 2) Faculty class size and load imbalance concerns, 3) Student affairs, including security, safety and the Women’s Center, 4) Information Resources, 5) ILE, LEO, IPD, 6) IBE and 7) the Admissions Office.

There is concern that budgets for these diverse areas compete for the same finite resources within the provost’s budget. Educational support areas function as cost centers, and new initiatives undertaken may create strain on available resources. Disruption of existing programs can be minimized by seeking new or auxiliary sources of funding before committing to new initiatives.

The committee recommends adherence to a set of principles for making sound funding choices between competing needs. Investments should be made to strengthen Lehigh’s primary mission, which is centered on the transmission and creation of knowledge. Incentives should be developed in areas that Lehigh strategically needs to strengthen or to maintain. Resources directed to cost centers should be strongly linked to appropriate funding sources. Decision making should be as distributed as possible and should be linked to the appropriate stakeholder community.

Specific Areas:

1. Funding of the startup needs of the new vice provost for research should be a high priority because of the critical nature of this office for addressing many of the current issues related to research and graduate tuition revenue. These startup funds should essentially be one-time, new monies, that are made available just to get this office up and running efficiently. A funding model, budget and sources of income need to be developed for this office on a continuing basis. The Office of the Vice Provost for Research should ultimately be funded primarily from research-generated income. This office affords an opportunity to greatly increase research incentives at Lehigh and should potentially share, toward this goal, a portion of the indirect cost return that is currently directed into the general budget.

2. The committee fully supports the intent to add new faculty slots in specific areas in order to address class size and load imbalance concerns, provided that the following sensitivities and concerns are taken into consideration. Initiatives in this area must be consistent with Lehigh’s seven strategic goals. There must be a clear indication of what problems are being addressed. Such issues might include a) reduction of excessively large class sizes, b) reduction of the student/faculty ratio, and c) increase of the level of scholarship and research. If possible, new faculty slots should be used to simultaneously improve the quality of education and to also increase the level of scholarship. Since there may be widespread perceptions of inequity in this area, it is imperative that any action be based upon a broadly based assessment of where these needs are greatest.

3. Student Affairs has a number of identified needs that include the following areas.

   Student safety is an especially timely issue because of recent dormitory fire incidents at other schools. The committee feels that student safety should be our highest priority above all other
considerations. However, funding for assuring a safe living and working environment should be made available from general university resources and should not compete with other needs within the provost’s area identified in this document.

Professionalizing the police force is a very desirable goal. Obviously maintenance of a high quality, campus based police force impacts student, faculty and staff safety in many important ways. The committee fully supports initiatives in the area of maintaining and upgrading the professionalism of the Lehigh police force. Again, funding for providing security should be made available from general university resources and should not compete with other needs identified in this document.

The committee supports improved siting and funding for the Women’s Center. It is presently located on the second floor of the University Center and the new offices should be closer to the Dean of Students office. Additional funding is needed to hire someone to head the Women’s Center (when the current director returns to heading the childcare center). The potential for other areas of the university to also contribute to the Women’s Center from their budgets should be explored, and the issue of how funding should be allocated between the various areas that support minority constituencies within the university needs to be addressed.

4. Addressing the need to move forward in information technology as it relates to higher education is very important for the future of Lehigh. A crucial question is how to fund the necessary investment both for new initiatives and for the longer term. We currently have an “Internet” type of business model for Information Resources in the sense that investments are increasing and no model exists for cost recovery from continuing operations.

Information Resources funding needs to be put on a solid foundation on a long-term basis. The committee believes that it is desirable to develop a business model for investment as well as for long-term funding of new information technology in education and that any new spending plans should be delayed until such a business model is created. Such a business model should include plans for prudent investment that creates income streams to fund new and ongoing technology initiatives. It may be possible to partially fund new initiatives in information resources through a combination of targeted development and research projects proposed jointly with faculty. For budgetary increases that may be required on a continuing basis, new income streams need to be identified that may be directly associated with the proposed activities. A possible source of income is recovery from internet access fees based on usage and bandwidth above a basic allotment.

Questions that need to be addressed in this light include a) What is the role of the colleges, and what is the role of existing faculty committees such as the library committee? b) Should the academic, i.e. classroom and instruction related, portion of the information resources budget flow through the colleges? c) Should Lehigh have IR centered or department centered computing and internet access sites or both? We need to develop a customer driven model that includes the colleges, the departments, the administration and the students.

5. Integrated Learning Experience, ILE, Lehigh Earth Observatory, LEO, and Integrated Product Development Projects, IPD, should use the Ventures Fund model where possible. The committee recommends that support be provided primarily where there are direct benefits to students. Because many of these programs are attractive for outside funding, a priority for use of Provost funds should perhaps be providing matching funds.

6. The Integrated Business-Engineering Program (IBE) startup needs that have already been budgeted are supported by the committee with the expectation that no additional funding should need to be allocated at the present time.

7. The Admissions Office needs, at the present time, are believed to be within the scope of the existing budget.