University of Washington  
Faculty Council on Research

The Faculty Council on Research met on Thursday, November 14, 2002, at 9:00 a.m. in 26 Gerberding Hall. Chair Asuman Kiyak presided.

PRESENT:  Professors Kiyak, Ruzicka, Sarikaya, Stewart, Tolnay, Vogt  
          Ex-Officio Sjavik, Dworkin, Camber, Hogan, Zuiches

ABSENT:  Professors Booth, Gordon, Heath, Kartsonis, Sarikaya, Troll, Vitaliano  
          Ex-Officio Blake, Ghosh, Kahl, Parks

Guests: Dick Thompson, Tim Washburn

Synopsis:
1. Approve Agenda/Minutes
2. Announcements
3. Budget Cuts in State Funding for the UW and Implications for Research - Dick Thompson
4. Changes in Undergrad/Grad Student Residency Policy and Implications for Research - Tim Washburn
5. Royalty Research Fund
6. Changes in Indirect Costs on Fabrication

Kiyak called the meeting to order at 9:05 a.m.

Approve agenda  
The agenda was approved.

Approve minutes  
The October minutes were approved.

Announcements

Budget Cuts in State Funding for the UW and Implications for Research  
Kiyak introduced Dick Thompson, Director of Government Relations, to put the budget into its political context and to talk about the University's goals for the coming budget session, especially with regard to research.

The State's caseload forecast (school enrollments, prisons, social services) is down somewhat – there may be a savings of 30 million dollars in the new figures. To put that in context, however, the estimated shortfall is 2.7 billion dollars on a 22.8 billion dollar budget, or roughly 10%. That estimate includes a 550 million dollar shortfall in the health services account – benefits for the working poor will almost certainly be reduced.

The budget assumes raises for school employees, stable benefits costs, and slight growth in college enrollments. "Probably," said Thompson, "none of those are going to happen. Don't expect to see the salary increase at the level that's in the budget, don't expect to see that benefits are going to be covered in the amount that's expected in the budget, don't expect to see enrollments in the amount that's in the budget." Prison populations, K-12, nursing home reimbursements, and Medicaid are all entitlements so they don't change.
"What they're solving for, before they can even begin to think about salary increases," said Thompson, "is about a 1.5 billion dollar increase – which means there will be major cuts." Since higher education is not mandated by the State Constitution, higher education is the largest portion of the budget that is discretionary. Thus, higher education is the balancing factor and will take the highest cuts.

Another factor is the change in the State Senate majority, which is now 25 Republicans and 24 Democrats. So there will be a Republican Senate and a Democratic House. With this kind of divided government, Thompson said, "you can stop anything, but you can't get anything, because there's somebody else who can stop you." This becomes critical around the revenue issues. The Gates Commission has just recommended a State income tax. Increased sales taxes have also been recommended. But recommendations for an income tax must be revenue neutral, if they are to be accepted.

A progressive income tax would require an amendment to the State Constitution, or a court challenge to the 1933 State Supreme Court opinion prohibiting a progressive tax. A flat tax could be instituted, but this is as regressive as the sales tax.

The first budget proposals will look very ugly for the UW – probably 5-10% cuts will be proposed. Thompson hopes that the budget will reflect that higher education is a priority for the State, but most legislators are saying no to new taxes, especially in light of the large margin by which Initiative 51 passed.

Thompson, Lee Huntsman, and Lane Rawlins of WSU are making a case for quality in higher education – using the HEC Board 24 peer institutions, the UW has lost 21% against the average of peer schools. That translates to a loss of $2600 per student that the UW lags behind the average of its peer schools, or 92 million dollars per year. Unless there's a revenue package passed, there won't be 92 million dollars in new money. The real question is can Higher Ed avoid more cuts?

Thompson said his greatest frustration is the lack of funding from Olympia for the research mission of the UW – there's zero traction in this area. Illinois has poured 1.9 billion into research, Oregon 240 million, but Olympia assumes that federal grants are enough for the UW and – with the exception of Helen Sommers - there is no support for State funding. Thompson has stressed to Governor Locke that the UW can't be successful in research if the teaching mission is eroded or destroyed by lack of funding. Thompson is frustrated by the lack of a political champion in Olympia. "We're almost a victim of our own success," he said.

In response to Sam Dworkin's question about money for recruitment and retention of faculty, Thompson said he has been told not to focus on faculty salaries at all. The feedback he has heard from the legislature is "with so many people getting laid off at Boeing, just be glad you have a job." The UW budget argument is focused on students – money is needed to lower class sizes and provide more choices and quality. All of this translates to faculty recruitment and retention, but does not focus on faculty salaries as an end in themselves. The UW has a 92% approval among voters, but in such tight budget times that has been difficult to convert to political capital.

In response to Kiyak's question about what FCR could do to help, Thompson said it would be helpful if FCR could pull together anecdotes and people who could testify to what has actually been affected by the budget cuts. This kind of material and resources, if readily available, would help immensely in hearings that come up suddenly.
Jan Sjavik added that the message to the legislature has to change with the changing times, since it varies with the threat the UW is facing. He asked for unity between UW researchers, Arts and Sciences, students, staff, and administration, or the entire enterprise will suffer a lot more than necessary.

Hogan said perhaps the message should be that there's only so much faculty time – if the education isn't paid for, the students don't get as much attention. The classes get bigger and the quality of the education for each student is diluted – the quality of the faculty isn't going to get diluted, but as more of their time is being paid for by research, a smaller fraction of their time goes to students.

Sjavik encouraged all faculty, despite the current situation, to think carefully about what kind of university we want 5-8 years from now, and to be careful not to send the wrong message to the legislature.

Dworkin suggested that FCR members might develop a better model of how to integrate teaching and research to take better advantage of the synergy between the two – this could include recommendations for the faculty/student ratio. This has been done in medical schools, to see that both the teaching and research enterprises continue.

Kiyak suggested that FCR do a random sample of people who have a track record in Research, and get their perspective of what's been happening in Research, including their anecdotal experiences. This would help the Council impact the legislature this year.

Dworkin proposed that two models with a dialectical approach might be formulated – one model would demonstrate how UW Research would be impacted if the entire teaching budget went away; the other, how UW teaching would be affected if the entire Research budget went away.

Stewart pointed out the importance of media relations in getting the UW story out to the public, creating public support, and thus affecting what is done in the legislature.

**Changes in Undergrad/Grad Student Residency Policy and Implications for Research**

Kiyak introduced Tim Washburn, Assistant Vice President for Enrollment Services, to update the Council on some proposed changes in student residency policy and implications for research. Since many grad students come from out of state, and their tuitions are paid from research grants, any increase in non-resident tuition will affect research budgets.

Last year, President McCormick formed a group to look at ways to make it more difficult for undergrads to change their residence status. At present, undergrads can achieve residency if they are financially independent and establish a one-year domicile. If undergrads move here and enroll for more than six credits, it's assumed they came for educational purposes. Undergrads may not count that time for establishment of a domicile, unless they register to vote, open a bank account, get a Washington driver's license, etc.

Under the new rules, if all undergrads are non-residents for all four years, the additional revenue generated will reach 7 million dollars at the end of four years, or an increase of 7% in the Arts and Sciences budget.

It's easier for grad students, who are independent from their families, to establish residency. But UW attorneys have suggested that, to make this change foolproof for undergrads, the UW needs to change the way the existing law is applied. So the objective is how to change the non-resident
tuition policy for undergrads without having to charge grad students. The HEC Board is now pursuing some changes to the Washington Administrative Code to make this possible – trust funds are now deemed a sign of dependence, as are family-paid medical benefits.

To avoid non-resident tuition, grad students may apply for a West waiver that waives the non-resident portion of the tuition. There may also be a move to obtain permanent authority to set tuition rates at the same level for all grad students.

There are political pitfalls for all these approaches, but the University has decided to go forward with the plan for undergrads and to hold grad students harmless for non-resident tuition. The Faculty Senate leadership has been advised of the issue and has asked Washburn to visit Faculty Councils to apprise them of the change in policy. Kiyak asked for a copy of the final report on tuition policy from Marcia Landolt - Washburn will supply one.

**Royalty Research Fund Survey**

Craig Hogan advised that there is a survey out to grant recipients and panel members to see how the Fund has been doing. FCR members are encouraged to ask faculty in general their opinions about the Fund. Hogan is thinking about liberalizing the RRF rules about travel – how could that be done to maximize the benefits, instead of just subsidizing travel?

On the topic of changing the cost waiver on certain fabrication projects, just a heads-up: In the past, there has been a waiver on fabricated equipment, as opposed to equipment that is purchased. Now, some faculty are claiming that everything they do is fabrication – this is difficult to track.

Under the tightened rules for fabrication, Hogan said, there will be no waiver for salaries expended in fabrication but there will still be waivers for shop time and supplies.

The meeting was adjourned at 10:32 a.m. *Minutes by Linda Fullerton, Recorder.*