

***** APPROVED MINUTES *****

THE UNIVERSITY OF SOUTHERN MISSISSIPPI

July 6, 2004

President Shelby Thames' address to the Staff Council (transcribed)

It's good to be here this morning. I hope y'all are having a good summer. I really don't know where to start, but I'm going to start with a little history and bring you up to date. I started to give you a PowerPoint presentation but I said, no, that is on the web and you guys already have access to that. I would encourage you to look at that when you get a chance, if you haven't already.

Let me tell you about Southern Miss and the last two years that we've been here. When we came on the scene, money was very, very tight. I talked to Linda McFall, she hasn't been gone long enough that y'all have forgotten her; and I asked her that if I wanted to do anything this year, how much money would I have that has not been allocated? She said two hundred thousand dollars. Now just think about this a minute. This is a two hundred eighty million dollar budget. We had two hundred thousand dollars that wasn't allocated for something. Would you say we were broke? Somebody could've missed a decimal and that would've gone away. So that was a frightening experience, actually. You have to be fiscally responsible. That is the one thing that can do away with the University and everything that we stand for. We worked very diligently to figure out how we could get the budget under control. As you know, we reorganized our University. Before we did that, we spent several months thinking about what to do, what was the best thing to do. And we made projections and models as to how much money we could reallocate back into teaching. When we finally made the decision to do it, Linda McFall and Dana Keith determined that somewhere between \$1.2M and \$1.8M would be reallocated back to the teaching functions. When it was over and done with, it was \$2M on the conservative side. So, we put that money back into instruction. We also raised our tuition twice that year. We had a 14% overall tuition raise that year. That generated some more money. Then we made sure that we weren't wasting money and we continue to do that and trim back. As a result, we are in much better shape now than we have been.

We have maintained the cost of operation. If you plot the cost of operation, it is almost a flat line. The operation costs are plotted like this (slight upward hand motion) and of course the income is this way (slight upward hand motion). You know that we didn't get any increase in appropriations from the legislature. They said that we were flat, but we're not. We're really down about \$600k. The reason for that is that they didn't quite give us enough money to take care of the rise in cost of our health insurance. We also were cut at Stennis, GCRL, the Polymer Institute was cut again and none of this was restored. But we were better off than we might have been because money was very tight. So while we were down, we weren't down enough that we felt like we couldn't recover from it. So with an essentially flat appropriation, we had to ask for a tuition increase. Every four months our costs go up. Every year people look at the cost of paper, and this and that, and water and lights, and gas, insurance and health benefits, and actually this year Gregg Lassen says that our cost of operations was up about \$3M. What that means is that it will cost us \$3M more this year to do exactly the same thing that we did last year. Nobody gets anything extra. We get to spend more money to get the same services that we got last year. When you stop to think about it, a \$3M increase over a \$280M budget is less than 1%. That's not bad. Of course, the tuition increase will bring in almost \$3M. So, the tuition increase offsets the costs. There is no net increase in revenues from that point of view. But, what's happened over the last two years is the revenues have gone up and we've stabilized the expenditures. This is quite different than what we've done before. People have always said you can't give raises using non-recurring money. We've always taken wages from appropriated money because we made the assumption that appropriated money would always be there and that the legislature wouldn't cut us. I've been here for almost...I don't want to tell you how long I've been here. I've never known the legislature to cut the budgets until just recently. They have cut our budget. Our projected loss of income is about \$25M. If you look at the budget cuts, it doesn't amount to that. But if you will remember, the budgets are going down and our costs are going up. If you add the budget cuts and the cost increases it equals about \$25M. The university has done a fine job in surviving and not having to terminate people for the past two year. We now have some additional dollars. These monies are going to have to come from non-recurring dollars. Why am I making such a big deal out of this?

It's because everybody on this campus made that money. You helped make that money. The professors that taught the classes made that money. The people that save operations in physical plant, and the people that did their jobs better, produced more work in the same period of time; that's how that money was saved. Now I'm delighted to tell you that part of that money is going to go back into your pockets. Because we were efficient and stabilized our budget, we're going to be able to give some raises. Those raises are going to be, on the average, 4%, but they are merit raises. That was specified by the Board of Trustees, and quite honestly, I believe in that as well.

The thing that I want to stress is, we've talked about customer service and making sure that we provide the best service to our students. After all they are the customers. If they weren't here, we wouldn't be here. If they weren't paying tuition, we wouldn't be in this room. We would be doing something else. They are the core of why we are here. If they weren't here, there wouldn't be any research or any state appropriations and there wouldn't be tuition. So our job depends upon men and women coming to this campus seeking an education. When a student comes, we can't always make them successful. They have to exert a lot of energy to do well in school. But we have to do our part. I tell people when they come to our University that getting a good education is a two way street. We can provide you a quality education, but if you don't do your job, you aren't going to learn anything. We've got to work together here to make this a success. It starts from the very first day when they walk on the campus. When they come on campus, that's where their experience begins with Southern Miss. I'm sure you've probably heard me say, you never get a second chance to make a good first impression. Typically speaking, the first people the students and mothers and fathers see is not me, they're you. In your offices with your colleagues registering, keeping grounds, seeing them in the Commons, you are the folks that they see. You have a lot to do with our success. And I want to encourage you to remember that and know that I understand that. Remember also that the person you're talking to, you never know who they are and they are going to affect what we can do for you in terms of what we can do for your career here. So let's try to keep them on campus. Give them every opportunity to pass. When they've done their part, they will be successful. Encourage your colleagues to do that as well. Because we have done that, we're able to give some raises. I hope that we

can do it next year. Remember, if we're giving these raises this year from money we've earned, then we have to earn it again next year, plus more. What we're doing is getting into a model that is leading us towards privatization of the University. What that means is that we are becoming more like private schools.

Have you noticed the MIDAS program? Do you know what that is? We gave out \$382k the other day to selected faculty members. Do you understand what that was all about? Let me explain what it is. This is a concept of how we can help ourselves. For years I've encouraged others to do this, when I was not in a role that I could see that it would happen, and no one would go to the trouble to figure out and get it done. We started on the day I came into office. I asked for them to look at this. It has taken over a year for them to get this worked out with the federal government in terms of how they could see the money coming in and how we would manage the money. Basically, what it amounts to is if a person gets a grant of any kind that will pay their salary, or a portion of their salary with that grant money, when it is confirmed that the money has come in from that agency and is in our coffers, then the University writes you a paycheck for a 13th month for 30% of your yearly income. If you pay half your salary with the grant, then it is reduced down from that. We put money aside for every position in the budget if you are a full time employee. So, money for that faculty member was put aside. Using a round figure, let's suppose \$100k. If they pay their salary out of a grant, then that is \$100K that we don't spend on that person. We spend \$30k for the award, but we've still got \$70k left over. What do we do with that \$70k? Well, we buy equipment, we maintain the grounds, we buy supplies, and we maintain the infrastructure of the University. So basically the employee who did that is a profit center for this institution. They're making us money. And it has nothing to do with the number of students they've taught or credit hours generated or other things. The \$382K that you saw the other day were people that did exactly that sort of thing. Some of them bought out a little of their time, some bought half their time, some bought their full time. It helps them and it helps us. So any time you see somebody do things like that, be happy for them because they have helped everybody in this room. This gives us more money to recruit students. We can give more scholarships. It also gives those people incentive to do it again and again. And hopefully it will give incentive to more people.

It is so important because we get our dollars three ways: tuition, state appropriations and research money.

This past year we had \$81M in research. That is a remarkable amount of money for this University. I'll tell you why. We don't have law, we don't have medicine, and we don't have engineering. Those are the high priced activities that typically can bring in a lot of dollars. I was talking to Scott Cowart from Tulane not long ago. He is on the Board of Directors of the Conference USA. I asked him how much research money they bring in at Tulane, minus your engineering school and medical school. He said about \$60-65M. He said, how about you? I said \$81M. He said \$81M? I said yes. He said you have a medical school? I said no, you have us confused with Ole Miss and our engineering school is at Mississippi State. He said that is a lot of money. Well, that means that our people are doing an awfully good job. We have a lot of fine faculty members on this campus that are doing a good job. That helps when they do that. As a matter of fact, I cannot remember a time in my forty-something years here, that the University ever had enough money to buy me a piece of equipment. Every piece of equipment I've ever used has been bought off research money or a contract. The beautiful part about that is that the graduate students use it, but the undergrads use it as well. So any money that comes on this campus helps the instructional mode.

I've basically given you some philosophy about the University and how it operates and where the money comes from. But you're interested in raises aren't you? You should be. You work hard and I want you to have a raise. But, we've got to do business right for you to get a raise. That's the point I'm trying to make. You are earning this money. We need to continue to do the things we can do.

You know, as much furor as we had on this campus in the last year, Mathew Cox tells me that the applications for acceptance are up 9% for the freshman class. That's a little bit of a skid, but not much. The reason for that is all these kids in community college are going into x-ray technician and things like that. They're not coming for four-year degrees. But this is a great University and it has great appeal to people. Now why do you think youngsters come here? I ask every youngster I see why did you come to Southern Miss rather than going somewhere else? And do you know what they say? Nine out of ten tell me that they liked the way it felt when they came on

campus. What does that mean? Is that a reason to pick a university? Then after a while of talking they'll say it's because we've got good academic programs. But that isn't the first thing they say. It felt like being at home. The people are friendly. It's a nice campus. The people are nice. The people are nice. The people are nice. I thought I should tell you that just in case you didn't know that. If people weren't nice, guess what would happen. They would be going somewhere else. So, you have got a lot to do with our success and I really appreciate that. Now, we're giving an average of 4% raises. People say we don't know how we'll be evaluated, because we don't have a classification system. Well, you're probably better off that way. Who is going to evaluate you? Who is going to make recommendations? The person that you work for every day. The person that knows what you do. That is the individual that will be making recommendations for you on your salaries. I don't know any better way to do it than that. We're going to be fair. If I detect anybody playing favoritism, I'm going to be an upset guy. I can get pretty angry at times. That I won't tolerate. Fairness is important. You work hard all year long and get one shot at fairness when it comes to compensation. So we're going to make sure of that. So what I suggest that you do is make sure that your supervisor understands what you do. They should be talking to you to understand the amount of time you put in, the responsibilities that you have when they're not around. Any success that I've ever had has not been due only to me, but also the people that have helped me. Anybody that tells you otherwise is not being truthful with you. They are trying to take too much credit for themselves. Be sure and let folks know what you do. I tell the people that work for me to make sure I know what you do. Otherwise, people take for granted that you do these things.

I'm going to open the floor to questions. Anybody got any questions?

Mary Butler Sumrall: Dr. Thames, I came here with my aunt to enroll when I was in the 8th or 9th grade and I was so impressed with what happened that I knew I would come here. I've been here ever since. My question is something totally different. Our health insurance just keeps going up and up and up. Is there anything that we can do to help curtail our costs?

Dr. Thames: Yes ma'am. Not in the short term, but in the long term. We have to become much more proactive when dealing with our

legislature. The legislature is where this happens and how they allocate money for the state. It depends on your political affiliation in the state; you may not be an advocate of Haley Barbour, but his idea is that we have sufficient money but it is not being spent appropriately. We just can't keep spending and expecting the state to keep generating money. There comes a point where the state can't generate any more money. We are about there. We have to deal with our legislature. It is so important that when talking to your legislators you impress upon them the value of higher education. We have done a very poor job of explaining to the public the value of a university career. What has happened to funding in K-12? It has gone up. While theirs is going that way (hand motion upwards), ours has gone this way (hand motion downwards). There is something wrong with that picture. What is wrong is that we've done a very poor job of explaining to these people why what we do is so important. Why would a youngster leaving high school come to a university rather than a community college? What do our recruiters have to sell them to convince them to come to Southern Miss rather than go to any of the five community colleges in our area? We sell them the university experience. What is that? It's living on campus and participating in activities. What do the community colleges say on their television ads? Quality education, small classes, they emphasize all this. Basically, the difference is that a university is a place where knowledge is created. We create knowledge on this campus. The folks that got that \$382K are in the business of creating knowledge. If you stop to think about this, if you teach from textbooks only, as they do in community colleges, how old is that information? It's old. The most current information in a book is about seven years old. When you come to a university people are doing research. This is why I am so adamant that people must do research and scholarship. That sets us apart from everybody else. That's what we live for. That's what we are. You're exactly right. The education from the community college is not the same. We have to tell them politely, professionally, but thoroughly. I want you to think about how to convince these people. We need to talk with one basic focus on how we promote the University. We're training people so that the education they get here is far superior. I don't care what anybody says; it really is far superior. You get a lot more for your dollar. It doesn't mean that other folks can't be successful. But, it is better here.

Any other questions? No? Talk to your supervisors. Make sure they know what you're doing. Work hard. Guess what, if we work hard enough, we'll get another raise next year. But it all depends on us. How we do depends on you and me. We can't depend on anybody else. We haven't set a firm date for raises, but we will make recommendations retroactive. We said how should we give the checks? Should we make the retroactive pay on the first check after we make the decision? And somebody said no, if you do that then the next one will be less than that and people will say, well they cut my pay. So we thought maybe the second check. We're trying to think of things like that. We don't want anybody to feel like they got a cut in pay. We're going to make it retroactive and give it enough time to make sure that everybody has time to talk with their people and find out what they want to do. And I'm going to tell you, I'm going to be asking them questions. This is one time when I'm going to do a little bit of what you call micromanagement. How did you do this? Did you talk to everybody? Has everybody been visited with? Y'all won't mind if I do that will you? Good, because I was going to do it anyway.

Thank y'all. I appreciate y'all letting me come and speak to you.

Approved Staff Council Minutes

1.0 Call to Order

President Kittrell called the meeting to order at 10:09 a.m.

The following members were present:

Keri Hensarling, Stacey Ready, Mathew Cox, Steve Coleman, Mary Butler Sumrall, Wynde Fitts, Diane Green, Kady Beaoui, Vicki Watkins, Susan Blackwell, Michelle Fleming, Robin Barnett, Ray Scott, Trish Wilbanks, Anne Marie Flowers, Kalin Butirich, Charmaine Hill, Ratonia Shaw, Hitomi Wince, Karen Lott, Ray Stevens, Toni Stringer, Tommy Dye, Donna Donegan, Susan King, Kameron Dale, Pam Posey, Kim Busche and Virginia Kittrell.

2.0 Adoption of Agenda

The agenda was adopted.

3.0 Call for Proxies

The following members were represented by proxy:
Keri Hensarling for Mary Virgil, Tommy Dye for Billy Sanders,
Charmaine Hill for David Byrd, Kim Busche for Robert Lowe, Virginia
Kittrell for Frances Sudduth, Robin Johnson for Valerie Horne, Kim
Busche for Robert Lowe and Toni Stringer for Beverly McNeese.

The following members were absent without representation:
Myra Herndon.

4.0 Approval of Minutes

4.1 May Proposed Minutes

The minutes of the May regular meeting were approved.

4.2 June Proposed Minutes

The minutes of the June regular meeting are at the proofreader's office at the time of this meeting. They will be discussed/approved at next month's meeting.

5.0 Officer's Reports

5.1 President's Report – Virginia Kittrell – No Report

5.2 President Elect's Report – Valerie Horne – Cabinet Meeting 7/5/04 Highlights

In attendance: Shelby Thames – President; Tim Hudson – Provost;
Jay Grimes – Provost; Cynthia Moore – Associate Provost; Joe Paul –
Vice President of Student Affairs; Lisa Mader – Director, Marketing
and Public Relations; Cecil Burge – Vice President, Research and
Economic Development; Joan Exline – Director, Center for Applied
Research and Evaluation; Richard Giannini – Director, Athletics;
Valerie Horne – President-elect, Staff Council; Bob Pierce – Director,
Alumni Association; David Beckett – President-elect, Faculty Senate.

Dr. Tim Hudson, Provost, reported that approximately 100 new tenure-track faculty would be joining us this fall; August 20 is the date set for their orientation. Post-tenure review was discussed in Jackson with the IHL committee. There is no across-the-board set policy. Updates and suggestions are due in January to the board. Meetings will be held across campus to review our policy before suggestions are made.

The Graduate Council tweaked the current enrollment policy so that graduate students will maintain constant contact with the University. The Office of Graduate Studies will implement the much-improved policy, and Brad Bond is the point of contact.

Valerie Horne, Staff Council president-elect, reported that she was looking forward to Dr. Thames' meeting with Staff Council on Tuesday, July 6.

Dr. David Beckett, Faculty Senate president-elect, reported that he had a meeting this past Thursday with the Deans, Provosts and Chief Financial Officer, Gregg Lassen, to discuss the raise distribution. It is the view of the Faculty Senate not to base raises on percentages but instead to encourage merit-based and flat-amount raises. They will meet with Dr. Thames this week to share their ideas with him.

Dr. Cecil Burge, Vice President for Research and Economic Development, reported that this is the sixth consecutive year the University has demonstrated growth in research dollars. He was encouraged that approximately 100 additional proposals and significantly more competitive grants were written and awarded this year.

Dr. Cynthia Moore, Associate Provost, discussed trying to improve the faculty orientation. She reported that the faculty members would come in a day early to meet with their deans and department chairs before the regularly scheduled luncheon. She is also working with faculty and staff to assess the furniture and equipment needs across campus.

Lisa Mader, Director of Marketing and Public Relations, gave a synopsis on the death of an alumnus several weeks ago. She also reported that the department would release a slate of 10 stories for the week with three additional media opportunities. Four of the stories are focused on students, four on programs, one on faculty and one on staff.

Richard Giannini, Athletic Director, spent last week at an NCAA meeting. The athletics logo has gotten lots of publicity with much support for our case. Cedrick Norman, a Southern Miss high jumper, is at the Olympic Trials this week. Mickey Hudson is the

incoming president of the Athletic Foundation and Mack Grubbs is the President-elect. A group of community members are meeting this week to discuss efforts to promote the local optional sales tax. Dr. Thames reiterated the importance of supporting this vote.

Dr. Joe Paul, Vice President for Student Affairs, commented about students registering to vote here in Hattiesburg so that they can vote for the bond issue. He also reported that a student attending a summer graduate program died of a heart attack over the weekend. Two Preview sessions remain for the summer. There is very positive energy involved in every aspect of our recruitment of students. Admissions counselors are calling those students who have been through Preview. Efforts are being made to handle housing issues considering the strain placed on area lodging by the military.

Bob Pierce, Director of the Alumni Association, reported that he has meetings this week to select new officers, members and volunteers for the upcoming year. The Alumni Association is working on an updated version of The Drawl and will have it ready for the fall semester.

Dr. Jay Grimes, Provost, reported that he and Ken Malone are currently conducting interviews for the position of customer service coordinator on the Gulf Coast, who will ensure that everything we are doing is in the best interest of the students. This will be extremely helpful to our nontraditional students. Attempts are being made to meet with people for fundraising opportunities. Grimes also met with CEOs of casinos to talk about the degree in business administration with an emphasis in hospitality management in resort and casino management and restaurant management.

5.3 Secretary's Report – Robin Johnson – No Report

5.4 Secretary-Elect's Report – Keri Hensarling – No Report

6.0 Old Business

6.1 Outsourcing

In cabinet last Monday, I asked what areas are being considered for outsourcing and was told that every department that is non-academic will be considered. No one would give an agenda or time-

line; they simply said that all non-academic departments would be considered.

We are referring the issue of Staff Council members who are now employees of Aramark and Barnes and Noble to the Constitution and By-Laws committee for research and discussion. No other universities in the state have encountered this problem, so we will set precedent with how we handle this situation. It must be discussed and researched very carefully.

6.2 Status of University Issues

This topic was covered in the Outsourcing portion of the agenda.

6.3 President's Council

Pam Posey gave the group a brief update. She encouraged all staff to read Dr. Thames updates that are posted to the web. Staff Council will be allowed two representatives on President's Council in addition to Pam Posey. Posey was selected to participate before she was elected to Staff Council.

6.4 Report for Dr. Thames

President Kittrell has incorporated most of the changes suggested. The letter will be sent to the University Proofreader before being sent to Dr. Thames. It was suggested that a closing paragraph be added. Kittrell decided to make the necessary changes and resend the letter to the Staff Council membership by 3:30 p.m. today. Susan King made a motion to accept the letter as amended. The motion was seconded by Ray Scott and passed unanimously.

7.0 Committee Reports and Assignments

7.1 Assignment of Action Items –

#108 – There was a memo sent out that all employees got raises two years straight. This was a false statement; everybody didn't get raises. – No Action Needed

7.2 Constitution & Bylaws – no report

7.3 Legislative – no report

7.4 Salaries & Benefits – no report

7.5 University Relations & Cultural Diversity –no report

7.6 Technology & Training – Ray Scott

An email survey was sent out last week to request the training needs on campus. The campus community can request other types of training that may be beneficial such as CPR, event management, and stress management.

7.7 Other Committees:

A. Sexual Harassment – Charmaine Hill

Charmaine Hill announced that she would conduct a RAD (Rape Aggression Defensive Training) session July 10 and July 17, 2004, from 9 – 3 p.m. at the Payne Center.

B. Department of Parking Management Committee – Mary Butler Sumrall

Kim Busche asked that Mary Butler Sumrall find out how the outsourced employees will purchase parking decals.

C. Scholarship Committee – Virginia Kittrell – no report

D. Space Allocation & Utilization – Virginia Kittrell – no report

E. Nomination Committee – Keri Hensarling

We still have no one willing to run for Secretary–elect. Please let Keri know if you are willing to hold this position. The election will be held in August.

F. Drug and Alcohol Policy Review Committee – Mathew Cox –

Mathew Cox stated that the committee will meet July 14. If anyone has questions or concerns, please let him know before July 14. He will report next month on the committee’s progress

8.0 New Business

8.1 Election of Officers

Ballots were passed out, filled in, collected and counted. Valerie Horne was declared the new President–Elect. There were no volunteers to run for Secretary–Elect, so that election will be held at the August meeting.

8.2 Election for two Staff Council representatives for the President's Council

Ray Scott was elected to a one-year term and Wynde Fitts was elected to a six-month term on the President's Council.

8.3 Review of Staff Council Information – Pam Posey

A. Roberts Rules of Order

B. Attendance/Proxies

C. Member Information

D. Committee Assignments

E. Meeting Dates

F. Category Representative Selection

G. Suggestions for speakers at Staff Council meetings – Please let Virginia Kittrell know if you have suggestions for speakers for the monthly meetings.

8.4 Performance Review Procedure – Pam Posey

9.0 Announcements

9.1 Picture to be taken at August meeting at 9:00a.m.

9.2 Staff Council Executive Committee Meeting – July 20, 2004, 10:00 a.m.

9.3 IHL Meeting – July 15, 2004

9.4 MASCO Meeting – July 15, 2004

9.5 Summer Commencement at Lynn Cartilidge Multi-Purpose Center on August 9, 2004. Ceremonies will be at 2:30 and 6:30 p.m.

10.0 Adjournment

The meeting was adjourned at 11:04 a.m.

Keri Hensarling
Secretary Elect
July 2004