

**American University of Beirut  
Minutes of the University Senate  
Meeting of Tuesday, May 12, 2015**

**Present:** H. Abu Khuzam, G. Araj , V. Araman, S. Chahine, M. Clinton, A. Dallal (Chairing after 3:30), Z. Dawy, J. DeJong, P. Dorman (chairing till 3:30), I. El Hajj, C. Harb, S. Harb, E. Hitti, N. Hwalla, S. Jabbour-Khoury, D. Jaalouk, D. Jamali, S. Kanj, A. Kayssi, V. Khamis, P. McGreevy, H. Muller, L. Nasreddine, W. Nasr, I. Nuwayhid, S. Saleh, M. Sayegh, E. Shammass, M. Suidan, D. Wickens (on invitation),

**Absent:** T. Amin, R. Brow, J. Chaaban\*, A. Chalak, H. Diab, A. Dietrich, N. Farajalla, M. Al-Ghoul, H. Huijjer\*, F. Maalouf, M. Salameh, A. Taher\*, S. Zeineldine

(\*= regrets notified before meeting or on leave)

The meeting came to order at 2pm.

**1) Approval of the minutes of March 27, 2015**

The minutes were approved with amendments.

In response to an action point in the previous minutes, the Provost stated that out of 132 master's programs at AUB, 31 have non-thesis options, 52 require a thesis of 6 credits and 49 require a thesis of 9 credits.

**2) Chair's report**

The President reported that he is working closely with Dr. F. Khoury and the BoT on the transition. He will be leaving end June for a sabbatical year. Dr. Khoury will be assuming his duties as President on September 1. Provost Dallal is also stepping down at the end of June. During the July/August period there will be an Acting President and Acting Provost. Transmission of institutional knowledge is very important and utmost effort is being made to ensure a smooth transition.

**3) Proposal from the ADC for a new B.E. program in Petroleum Engineering**

Z. Dawy, on behalf of the Academic Development Committee, presented a new degree program to be housed in the newly formed Department of Chemical and Petroleum Engineering. M. Ahmed, Chair of that department, presented the proposal for the BE in Petroleum Engineering. He noted that oil/gas are still the key global sources of energy and main source of chemicals and that 70% of global oil/gas supplies are in the Middle East region and therefore it makes sense for AUB to be offering such a program. There is an increased demand for petroleum engineers. The program will be multidisciplinary within FEA and will strengthen its research profile, as well as enhance course offerings by FAS. The program is expected to complement the activities of the Masri Institute. The degree will be 143 credits (67 in PE) and will fulfill market needs nationally, regionally and globally. Facilities will be used for product testing. The program will also contribute to minors, such as the one in Chemical Engineering. The department has advertised for two faculty positions in PE with chemical Engineering and by September it is expected that one position will be filled. The challenges anticipated include faculty recruitment (with a need for 5-7 faculty members for the program), program promotion, finding internships for students and jobs for graduates (at least in the early years). **Z. Dawy made a motion to approve the proposal, which was seconded.** In discussion, Dean McGreevy stressed the importance of

making students aware of the environmental concerns of reliance on oil/gas energy. M. Ahmed responded that this is built into the curriculum and that teaching on environmental impact is included. Another senator raised the question as to whether new students would be attracted to the program, or whether students are merely being redirected. Dean Suidan stressed that there will be no problem attracting additional students. Another senator asked about the competition in the region and whether a financial risk analysis had been conducted. M. Ahmed responded that they anticipate demand will be very high, and that the main competitor accepts a limited number of students. In terms of risk management the program was economically feasible and any risks will tend to decrease over time. Another senator raised the issue of autonomy vis a vis corporate donors; while there is a need to obtain donations for expensive equipment, it is important to remain autonomous. Another senator raised concerns about the impact of the new program on Geology. M. Ahmed responded that electives would be offered by the Geology department, which would be heavily involved. Dean McGreevy commented that it has been difficult to recruit petroleum geologists. The President asked about space for new faculty, and Dean Suidan responded that there is a two year leeway period because the program would rely on two years of common courses with Chemical Engineering. **Vote 2015-29: Motion approved, with the majority in favor and one abstention.**

## **2) Presentation on the 2015-2016 budget**

CFO D. Wickens began the presentation of the university budget for 2015/16 that was due to be presented to the finance committee the following day. He noted that the budget committee had been reinstated in September 2014, and consists of 20 people and has 6 working groups. The net increase in the financial aid budget will be \$3.2 million. A senator commented that it is better to enumerate the number of students supported to avoid the problem of a zero-sum game with tuition increases. He expressed concern about trends in the affordability of AUB. The President commented that average grant per student is also important. The Provost stated that the data provide the percentage of students on financial aid over enrolled students. A senator commented that it is not the number of students covered but also the extent of coverage that is important. Another senator asked whether details about financial aid will be published on the website. The Provost responded that the overall figures are available, but not the full details of the models used.

In response to the statement in the powerpoint slides on the “need for an implementation plan to address HIP and NSSF losses” a senator asked if these losses were included in campus expenses, and the Provost responded affirmatively. VP M. Sayegh stated that ‘subsidy’ would be a more accurate term than ‘loss’ because the university had made a conscious decision to provide coverage for employees and their families, and since NSSF pays very little and many patients are getting older, costs are rising. Thus while this ‘loss’ could be limited, it could never be eliminated and the question remains as to how to limit the growth of this subsidy. He also stated that HIP rates are relatively low, and the amount AUBMC collects from HIP subscribers does not cover costs. He added that not all employees subscribe to HIP and that many people do not know that health insurance rates through syndicates increase with age, whereas costs of HIP do not. A senator asked VP Sayegh for clarification as to whether AUBMC charges HIP more than other insurance companies. VP Sayegh denied this, and noted that 60% is paid back by AUBMC to campus because it has more employees, and that physicians complain that their professional fees are lower for HIP than for other insurance systems.

In terms of the budget for faculty recruitment, 30 FTE out of 120 open lines were budgeted for. In response to questions it was clarified by the Provost that there had been a reduction from 66 authorized lines to 30 because of the need to scale back academic hires, but that this only affects recruitment for the following academic year (2016/7). A question was asked as to how the 30 lines to be filled were prioritized. The Provost replied that the actual distribution is yet to be decided on, but that matrices on enrollment and on institutional costs and revenues have been established and discussions are ongoing with Deans to consider how essential the planned recruitment is. The President stated that there is no discussion of a permanent freeze on academic hires and even for non-academic hires, these will be not be completely frozen in view of leadership transition needs.

[The President excused himself at 3:30 pm to attend a conference call and the Provost took over chairing of the meeting.]

A senator commented that in presentation of the budget, a comparison to the previous year would be useful so senators could see any significant changes. A senator requested clarification as to whether for medical doctors who have joint affiliations between departments at AUBMC and departments in the Faculty of Medicine their salary is completely funded on the Medical Practice Plan or whether part of it is financed by the FM budget, which is under the AUB operating budget. The numbers of such joint affiliations have apparently increased in recent years. Questions were also asked as to whether salaries of the deans, associate deans and the Provost were all included under 'academic salaries' in the presentation and whether this also includes deans and associate deans of FM. CFO D. Wickens explained that for the latter there are allocations back to campus depending on a formula and the nature of their workload. Concern was expressed about the issue of allocations AUBMC/campus and the lack of agreement so far about them – a debate that has been going on for some years but is as yet unresolved. The concern arises because the whole institution is not being treated as one. Moreover, the senator complained that the President and all but one dean were not present at this point of the meeting, when the presentation on the budget was only half completed. There is a lack of transparency about AUBMC finances; another senator commented that there is also a lack of transparency about university budgets overall and yet if more information were to be available, there could be useful suggestions about potential savings. It emerged in discussion that the campus budget, while it includes FM, only includes the basic salary of physicians. Senators from FM explained that the guaranteed basic salary is at a minimum and most doctors' revenue comes from clinical services and that there is a separate 'medical practice plan' (MPP). The question then arose as to the location of this pool of income, and why it is not showing in any numbers available to Senators. The Provost stated that the budget committee only deals with the AUB campus budget. CFO D. Wickens stated that AUBMC operates under a different business model. Several senators stated that in other contexts in the US where hospitals are part of a university, clinicians' income is also minimally comprised of basic salaries, but that all deans have access to full budgets. A senator asked what percentage of doctors' revenues returns to AUB. Another commented that there is an urgent need for deans to explain to faculty the system and there is a problem of communication and lack of understanding; ignorance creates a climate of exaggeration. Another senator asked about the financial health of AUB, and CFO D. Wickens responded that it is doing well and that its financial indicators are fine. It was made clear that the large deficit anticipated had not actually been incurred, and was based on projections which have now been revised.

The meeting was adjourned at 4:15 pm.

Minutes recorded by J. DeJong, Secretary of the Senate