

American University of Beirut
Final Minutes of the University Senate
Meeting of Wednesday, December 18, 2019

Present: M. Abiad, H. Abou Araj, E. Al-Chaer, T. Amin, T. Bazi, S. Bou Jaoude, G. Burris, A. Chalak, R. Chedid, A. Chehab, L. Daouk, H. Diab, N. Dumit, N. El-Cheikh, W. El-Hajj, H. El Rassy, M. Farah, L. Farhoud, M. Harajli, C. Harb, A. Harutyunyan, S. Harvey, E. Hitti, H. Jaafar, K. Kabalan, F. Khuri, N. Melhem, R. Mohtar, I. Nuwayhid, G. Saad , N. Saliba, A. Shihadeh, R. Sharara, F. Talih, G. Zaatari

Absent: A. Abu-Alfa*, I. Baalbaki, S. El Fakhani, S. Isber*, D. Jaalouk, S. Kanj-Sharara*, R. Nakkash*, T. Nizameddin, M. Sayegh*

(* = regrets notified before meeting)

The meeting was called to order at 2:00 p.m.

1) Approval of Senate minutes of November, 2019

The minutes of November 29, 2019 were unanimously approved with minor modifications.

2) Proposal for Distinguished University Professor Title

This agenda item was tabled for further deliberations by the Provost's team before being presented to the Senate.

3) Proposal for post-retirement annuity plan by Willis Tower

The President and the Provost announced that the presentation by Willis Tower Watson (WTW) is provided as a service to the faculty and that the presented plan will not be managed by the University administration. They considered this agenda item as a non-university business and any interference of the administration in the discussions will constitute a conflict of interest. Therefore, the President and the Provost decided to listen passively during the presentation.

A senator mentioned that the post retirement annuity plan proposal by WTW was circulated through SCFA only and not to the entire Senate. Senators claimed that the proposal needs time to be evaluated before the presentation, but since the company representative was already invited to the meeting, it was agreed that the Senate will listen to the presentation, have a preliminary discussion with the representative of the company and then re-invite WTW for further discussions at a later stage if needed.

Mr. Rony Remeily from WTW gave a brief presentation about the history of the company's involvement with AUB and the current status of the post-retirement annuity plan proposal. According to Mr. Remeily, WTW was commissioned by AUB to come up with a post retirement annuity plan for all AUB associates a couple of years ago. The plan entails WTW to take the retirement money, invest it, and give back dividends based on a pre-agreed upon structure. A market study was conducted showing that the rate of adopting post retirement annuity plans in the US and UK markets is significantly declining because of the huge expenses associated with managing such plans. Based on previous input from SCFA, WTW was instructed to look into the Lebanese market for investment options. Mr. Remeily advised that investing retirement funds in local insurance/brokerage companies is the safest choice as these companies are reinsured by international constituents that have high credibility. This market study and preliminary recommendations constituted phase 1 of WTW's mandate. If approved by the Senate, WTW will proceed to developing a more rigorous investment plan under phase 2.

In all cases, the default option will remain that any retiree will take their retirement money as a lump sum and they can opt to invest in the annuity plan if they see fit. A senator suggested that there are plenty of brokerage companies out there and one should do his/her homework before committing to

one of them. It was decided that the proposal be circulated to the different faculties and that SCFA will communicate directly with WTW for the next steps.

4) Request to form a task force to suggest amendments to SCFA bylaws

A senator stated that according to the bylaws there is no need to form a taskforce to make amendments. The bylaws simply state that any change needs to be initiated by a letter signed by four senators addressed to the President and requires a 2/3 vote in the Senate to pass.

The President stated that SSC recommended forming the taskforce to avoid any self-serving revisions or potential conflict of interest. SSC also recommended that the taskforce members be elected/selected in the senate and must not include any current SCFA member. The taskforce recommendations will give more legitimacy to any proposed amendment and protect the objectivity of the changes. The taskforce will also ensure that amendments are consistent, aligned, and non-conflicting with existing policies at AUB. Moreover, the taskforce will benchmark the recommended changes with similar bylaws at peer and aspiring institutions. The President promised to get the changes approved by BOT in either the March 2020 or June 2020 meeting.

Senators argued that it is beneficial for the taskforce to include at least one member of SCFA to better describe SCFA's mandate and the reasoning behind the change. They also mentioned that the 2/3 senate vote requirement and the BOT approval are more than enough to avoid self-serving goals in the revisions especially that the proposed amendments are minor and intended to bridge the gap between what the bylaws claim SCFA should do and what SCFA has been actually doing over the past years.

A senator requested that the taskforce also looks into the composition of SCFA while taking into consideration the possibility of including members at large.

By eliminating senators serving on either SSC or SCFA and soliciting volunteers from the floor, the following senators were selected to serve on the taskforce: R. Sharara, G. Burris, H. Jaafar, and R. Chedid. It was also proposed that Associate Provost Choueiri will serve on the taskforce to ensure consistency with existing AUB policies and bylaws. It was also agreed that current and previous members of SCFA will be consulted as needed to solicit their opinion.

5) MA Education project track total number of credits

The chairman of the Department of Education, Prof. Tamer Amin, presented the proposal to reduce the number of credits for the project based MA from 33 to 30. Through this change, the number of credits of the project based MA degree will be the same as the thesis based MA and students will not opt for the thesis option just to avoid taking three extra credits in the project based option.

A motion was made to approve the change in number of credits. Vote 2019-19. The motion was approved by a vote (31-1-0).

6) Update on tenure letter

The President stated that there is not much progress on the tenure letter. The first meeting of taskforce working on revising the letter was last week and the next meeting is scheduled for the week of January 6, 2020. The taskforce will meet twice a month after that with the goal of getting the tenure letter finalized and approved by BOT before June 2020.

A senator suggested that the issue of the tenure letter is an anomaly that requires urgent attention since there are tenured faculty with expired contracts and no tenure appointment letters. The President assured that all tenured faculty are continuing per the terms of their original contracts until the final tenure letter is approved.

A senator stated that AUB is legally bound through an implied contract with all tenured faculty based on continuous performance.

7) Update on enrollment data

Acting Registrar Abou Araj presented enrollment data statistics for the 2018-19 and 2019-20 academic years. The presented data was prepared in coordination with the Provost's office and the enrollment management unit. The data for the Spring 2019-20 semester is a projected estimate and is not based on actual registration figures. It was noted that there were no significant changes in the number of enrolled students in the different faculties between last year and this current year. It was also noted that the number of new applicants for the Spring 2019-20 semester is comparable with last year's Spring semester applicants. Moreover, no significant difference is noted in the number of early admission applicants to the Fall 2020-21 semester. Also, the number of regular admission applicants for the upcoming year to date is comparable to last year's figures.

While the numbers did not change, the issue remains tied to the yield in the number of incoming students and how many will be able to afford the tuition in coming semesters. A senator mentioned that we might have a higher yield than previous years since many students may no longer have the option to travel abroad given the current circumstances in Lebanon. Others expected a lower yield especially that many current students are deferring tuition payments.

The picture will become clearer once the number of paying students in the coming Spring and Fall semesters is known and budgetary measures will be made accordingly.

8) Update on the new austerity measures

President Khuri stated that expenses will be limited to the bare essential needs required to ensure operations on campus without jeopardizing the University's academic mission. The reduction in expenses will be achieved by adopting the following measures:

- No new capital expenditures except for those committed to before October 2019
- Hiring freeze except for mission critical positions and for positions already approved before October 2019.
- Stop all catering, entertainment, and non-academic travel expenses
- Any capital expense greater than \$5,000 will need direct approval from the President
- Research budget will remain the same but priority will be given to junior faculty and those who are in a career critical path
- Reduce overtime pay
- Defer sabbatical leaves to all except junior faculty. Leaves without pay are still allowed
- No raises contemplated
- Reductions in the number of library periodicals

The President then concluded by stating that this is not a comprehensive list and it will be revised as we go forward and things become clearer. He added that the economic crisis is going to extend over a prolonged period and everyone is expected to chip in, and by working together as a team, the University will prevail.

A senator inquired about the possibility of using external research grants to buy equipment. The President assured that external grants are not affected by austerity measures as long as we can transfer the needed money outside the country to the university when needed. He added that all future external grants should be set in a US University bank account and brought in to Lebanon as needed.

For faculty/staff who have financial obligations abroad, the President encouraged them to meet with the CFO and Comptroller for advice. He also mentioned that AUB is trying to work out an agreement with local banks to facilitate money transfers outside the country for faculty/staff who urgently need funds abroad. The administration is trying to quantify the emergent financial needs abroad to be communicated with the central bank as an estimate of the total commitments needed outside the country. Senators mentioned that an estimate of such funds can be either achieved through a survey prepared in coordination with the CFO or an essential registry where people can register in confidence rather than share information openly in a survey.

A senator asked about the factual reasons behind the aforementioned austerity measures knowing that the enrollment numbers are still the same and that other universities have not yet engaged in such measures. The President explained that:

- More than 300 emails were received to date from students claiming that they can no longer pay their tuition dues.
- The administration is projecting more than \$20M loss in the AUBMC budget. Since mid-October, the hospital has witnessed:
 - 20% reduction in clinical work
 - 11% reduction in OR services
 - Delays and reductions in collection of medical bills
- In addition to revenues going down, expenditures are coming to us at a much higher cost

Another senator inquired about how the austerity measures are decided. The President stated that these measures are resulting from discussions with the expanded BOD including all Heads of Units at AUB and the newly established Council of Economic Advisors.

A senator stated that the adopted budgetary measures do not qualify as austerity measures and they are simply financial control measures to allow AUB to weather the situation smoothly. Financial austerity measures are much more severe and include actions such as pay cuts and lay-offs.

9) Other Business

Given the current situation of economic crisis and political uncertainty, the chair of SCFA, Senator Harutyunyan, requested on behalf of SCFA that the administration involves relevant faculty committees in discussions about any possible changes that might affect faculty teaching, research and benefits.

The meeting was adjourned at 5:00 pm.

(Minutes recorded by G. Saad, Secretary of the Senate)