

JOHN CARROLL UNIVERSITY

BOARD OF DIRECTORS

William P. Donnelly '83
Chair of the Board

November 2, 2020

Dear Faculty Handbook Committee:

The Board of Directors appreciates the review, consideration and suggested edits by the Faculty Handbook Committee, as well as the Faculty and Faculty Council, of the Board's proposed Faculty Handbook amendments. The Board was pleased to have had the opportunity to engage with so many Faculty members during this process and is appreciative of the Faculty's time and collaboration regarding the amendments. The amendment process reinforced several items for Board members that we want to share:

- JCU has a strong and engaged Faculty who are committed to the excellence of our academic programs;
- The budgetary hardship amendment in particular concerns Faculty;
- There are no solutions to our challenges that fully appeal to all stakeholders, including the Board; and
- The Board has difficult choices to make in securing JCU's long-term future.

The Board Task Force members participated in at least six (6) meetings with Faculty, Faculty Council, the Faculty Handbook Committee, deans and department chairs, and the Faculty Budget Committee to obtain feedback on the proposed amendments. The Board also received feedback from Faculty and others via online webform submissions, emails and phone calls. The Board's Faculty Handbook Task Force has reviewed carefully the counter proposals and feedback submitted by the Faculty Handbook Committee and all Faculty groups and individuals.

The Board felt many of the proposed edits and comments from Faculty Handbook Committee and Faculty presented the opportunity to make improvements and important clarifications to the amendments. As a result, the Board incorporated a great number of the Faculty proposed suggestions and edits into the Board's revised amendments, as noted in the listing below. However, there are a number of suggested proposals from the Faculty or Faculty groups that the Board did not believe were in the best interests of the University or of Faculty in the long-term. A summary of some of the items not incorporated is noted in the listing below, as well.

We hope that the Faculty Handbook Committee and the Faculty as a whole will see that the amendments' provisions have been improved, and that the revisions attempt to

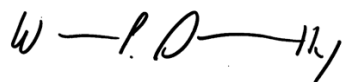
make clear the Board's commitment to the Faculty, to tenure, and to academic freedom, while establishing processes necessary to secure the financial sustainability of the institution long-term. We hope that the Faculty Handbook Committee will view these revised amendments favorably during its review, and that the Faculty as a whole will support them during the Faculty vote.

Consistent with the Faculty Handbook, Part Five, Section I.C, we are submitting this formal proposal for the three (3) amendments to the Faculty Handbook Committee so that the Committee can study the proposals and formulate a recommendation to the Faculty on the proposals. As you know, the Faculty Handbook states that the proposals may not be changed by the Committee, and the Committee may not make recommendations for changes to the proposal at this time. (In the Board's Amendments proposal attached, the Board has included a provision that would allow such further changes at this stage, if that amendment proposal is approved.)

A summary of the revisions is outlined below, as well as notation of suggested language that the Board felt could not be incorporated.

Thank you again for your time and consideration of these proposals and your collaboration with the Board on this process. We hope that we have sufficiently explained our reasoning for the current amendment proposals so that the Faculty will understand our basis for these changes. We further hope that we can continue to work with Faculty to build a better and stronger John Carroll University.

Sincerely,

A handwritten signature in black ink, appearing to read "W. P. Donnelly". The signature is written in a cursive style with a horizontal line through the middle of the letters.

Bill Donnelly
Chair, John Carroll University Board of Directors

Summary of Revisions to Proposed Amendments

Amendments Final Proposal:

The Board incorporated the following revisions into the Amendments final proposal:

- Incorporated an addition regarding the presentation of proposals suggested by Faculty Handbook Committee (FHC) regarding facilitating feedback, method of presentation of final proposal, clarification on number of business days etc.
- Deleted time frames for proposing party to provide revised and final proposals, as suggested by FHC.
- Included various procedural adjustments proposed by the Faculty Handbook Committee.
- Incorporated suggested language for the Board to provide an explanation to Faculty Council and the Faculty Handbook Committee as to why amendments were approved.
- Included language to allow for the Faculty Council and/or the FHC to provide additional information to the Board, prior to final approval, about the proposed amendment and Faculty vote, as they wish or think helpful.
- Incorporated language to limit when the amendment process may be utilized outside the academic year in the case of financial exigency, budgetary hardship or extraordinary circumstances.

The Board did not incorporate the following proposed revisions that were suggested:

- The Board did not include the proposed inclusion that Faculty approval would be required for any amendment that affected the 1940 statement on academic freedom or tenure. While the Board wholly supports tenure and academic freedom, the Board felt that the current and proposed amendment process does not impede tenure and academic freedom, and this proposal would alter the Board's necessary right and responsibility to amend the Handbook, as outlined in the existing amendment process provision.
- The Board did not reinsert deans, department chairs, or AAUP as the proposing party, as the Board's goal was to streamline the amendment process, and each of these bodies could propose amendments via one of the named groups, such as the Faculty Council, Faculty Handbook Committee, or the Faculty as a whole.

Benefits Final Proposal:

The Board incorporated the following revisions into the Amendments final proposal, many of these consistent with the revisions proposed by the Faculty Handbook Committee (FHC):

- Included suggested language providing a more detailed definition for the Benefits Committee
- Including a Faculty representative as co-chair of the Benefits Committee, as proposed by the FHC

- Incorporated suggested language that the Benefits Committee will make recommendations on benefits proposals, which are then submitted to the President (in consultation with the Vice President for Finance & Administration) to approve, decline, return to the Committee, or adopt an alternative proposal. If an alternative proposal is adopted, the President must provide the Benefits Committee with the reasoning for the alternative proposal and permit the Benefits Committee the opportunity to respond.
- Included that all Benefits Committee members would need to meet during the summer, as the benefits review process requires several summer meetings in order to select benefits offerings and meet the necessary benefits deadlines and Open Enrollment period for the year.
- Retained that benefits could be altered outside this process in the case of financial exigency, budgetary hardship, or for legal compliance reasons, with notice to the Benefits Committee.
- Included suggested language that Faculty representatives on the Committee will notify Faculty of benefits changes at the next Faculty meeting, but providing that Human Resources will advise all employees of benefits offerings.
- Incorporated various suggested procedural adjustments.

Budgetary Hardship Final Proposal

- To address concerns expressed by Faculty, explicitly included that the procedures apply exclusively to the Budgetary Hardship situation, and its provisions and protections reflect the unique and central role of Faculty tenure at the University as supporting academic freedom in research, teaching and service to the University.
- Adopted the Budgetary Hardship Trigger of a 3-year forecasted revenue loss of 6% as discussed with the Faculty Budget group and suggested by the Faculty Handbook Committee group (and including 6% vs. 5% due to review of prior years' budgetary situations), but declined to include a second suggested trigger of a 15% revenue loss; to address concerns raised, deleted trigger related to financial ratings.
- Added new process to address Faculty concerns about input into Budgetary Hardship process including an annual financial meeting of Faculty representatives with Board members and University leaders.
- To address Faculty concerns about the general nature of the process and concerns about potential elimination of tenured positions, added a specific process that sets out specific procedures for Budgetary Hardship situation, including
 - the President's presentation to the Board of cost saving targets;
 - the determination by the Academic Vice President and Deans of academic and faculty cost-savings without elimination of tenured Faculty positions that could address the issues;

- if personnel cost savings are needed, the formation of the Budgetary Hardship Committee of Academic Vice President, Deans and Faculty representatives to review departments and determine where cost savings should be made;
 - the recommendation by the Academic Vice President, in consultation with the Deans, of Faculty positions to be affected; and
 - final decisions by the President and then the Board.
- To address Faculty concerns about the general nature of the process and concerns about possible elimination of tenured positions, the Board included an order for selection of affected faculty positions to prioritize the selection of tenured faculty positions last, and inserted consideration of relevant factors such as years of service, rank, course/program needs/interests, and/or unique contributions related to tenured faculty.
 - Revised salary reduction section for tenured faculty to include by mutual agreement or for general reductions in salary to avoid reaching the point of financial exigency or to avoid reaching the point of budgetary hardship.

The Board did not incorporate the following proposed revisions that were suggested:

- The Board did not provide for voting Faculty representatives on the Board of Directors, as the Board believes Faculty are provided opportunities to receive information and provide feedback via Board committees, University committee representation etc., and the Board believes that such an inclusion could create conflict of interest issues and is not a standard governance procedure.
- The Board did not incorporate the suggestion that the Budgetary Hardship amendment only permit salary reductions, and not other forms of necessary cost savings, such as reduction of faculty positions.
- The Board did not incorporate an appeal of individual determinations, as the final decisions under the process are already made by the Board and the President.
- The Board did not incorporate the proposal for a new process and procedures for discontinuance of departments, as the Board had not proposed this amendment initially and did not believe that it was necessary or appropriate at this time, in light of the Board's purpose for the three (3) proposed amendments. The Board is willing to consider revisions to that provision in the future, in consultation with the Provost and Academic Vice President.
- The Board did not adopt the suggestion that the financial exigency provision not be altered, as the Board felt that this amendment revision was needed to update the definition for financial exigency to accurately reflect the current meaning and application of that term.