Faculty Senate Statement of Concern:
Academic Excellence and the Financial Health of the College

This statement expresses the Faculty Senate’s grave concern regarding a number of current and long-standing matters that have profoundly affected the morale and the academic program of the College, as well as its financial health. The immediate occasion for this statement is President Ohle’s budget announcement of July 24, 2012, and the all-employee meeting he called to explain it.

We believe we can and should frame our concerns in terms of our core values—values that, according to the College, “help us to focus on appropriate objectives for our college, guide the selection of priorities among those objectives, and help to shape the strategies we will pursue in the face of various challenges and opportunities.” It seems to us that all of us, as members of this College community, are responsible not only to promote these core values in the world beyond this campus, but also—and perhaps even more intently—to enact them with and for one another here on the hill. When these values are threatened, as we believe they are now, we must speak up and speak out.

**Excellence.** As members of the faculty of this institution of higher learning, we are dedicated to its academic excellence for the sake of our students and as a matter of self-respect.

This is why we have expressed and will continue to express our dismay regarding the removal of restricted department and program budgets totaling several millions of dollars. Their removal will have real, serious, and negative effects on the excellence of the academic experience we offer our students—which is, after all, our reason for being as a College.

We were told that a 1996 change in Generally Accepted Accounting Principles (GAAP) required a shift from fund accounting to net asset accounting, but we wonder why—if we have had a stable system in place for the past 16 years—this change in internal accounting was made at the beginning of the fiscal year and with no prior warning or discussion. Over the past 16 years, departments and programs have been assured that the funds in these restricted accounts could be rolled over from year-to-year (as they appeared to do in department budgets) in order to allow departments and programs to plan for and provide excellent academic opportunities and experiences for students. This money is not simply being reported differently on internal and external reports; it is no longer available to departments and programs. We note that no information has been forthcoming on what expenditures, if any, justified the removal of these restricted funds from departments and programs.

**Community.** What we as members of this College community do to nurture and build up this community benefits us all; by the same token, what injures and divides this community hurts all of us.

The president, in his July 24 memo to all employees, and in his explanation of the current situation at the all-employee meeting, stated that tenure-track and tenured faculty would receive an average three percent increase in salary in 2012-2013, while administrators and support staff would receive no raises. The memo’s global message was that the College is under financial stress.
The take-away message regarding salaries, whether it was intended or not, was that tenured and tenure-track faculty would receive raises at the expense of other College employees—a divisive message at best.

Actual budget information is available that would help dispel this kind of divisive rhetoric. The president has been asked repeatedly to share this information with the campus community. To date, he has withheld it. This information would answer the following question: What were the actual changes to the three employee salary pools—administration, support staff, and faculty—from FY2012 to FY2013? If those numbers show that the faculty salary pool increased at the expense of any increase to the other two pools, then the rhetoric of the July 24 memo and the all-employee meeting would be justified. If, on the other hand, the other two salary pools increased by as much as or more than the faculty pool did, then there are no grounds for statements that seem to pit one group of employees against another.

At the August 2 Faculty Senate meeting, Provost Braun reported that the actual increase in the unrestricted faculty salary pool from FY2012 to FY2013 was $56,000, an increase of about half a percentage point in a pool of more than $13 million. What were the concurrent changes in the salary pools of administrators and support staff (in FY2012 these totaled $18+ million)? At a time when we are all struggling to make this College work with fewer resources, it is essential to provide as clear and complete a picture as is possible.

Withholding such information and making use of divisive and at times even abrasive rhetoric mocks transparency, undermines trust, and thwarts community.

Justice. According to the College’s description of this core value’s place in our life as an institution, “integrity must be one of our defining characteristics.”

Faculty and administrators with decades of experience in helping shape the College budget affirm that in the past, the College’s financial decision making was always based on input from various committees, each of them representing various College constituencies. (Among these committees are the budget committee, the compensation committee, and the benefits committee.) Over the years, members of the budget committee, including all of the vice presidents and two members of the faculty, have met together often to prioritize the College’s needs, which will always outstrip its immediate financial resources. This structure and process engendered in the larger Gustavus community a sense of trust that financial oversight was guided by thoughtful deliberation toward a common purpose: the welfare of the College as a whole.

It is our observation that the president of the College has abrogated the budget process, undermining its integrity. We are deeply distressed that a number of key players in the budget process were “blindsided” by several recent budgetary decisions. Our deep concern about the College’s financial situation is compounded by an even deeper erosion of trust.

Service. According to the College, “we embrace the notion that authentic leadership expresses itself in service.” Surely a college that supports a “Center for Servant Leadership” expects such leadership from its own chief administrator.
The problems identified above cannot be explained as aberrations in decision making during difficult budgetary challenges this year. The pattern of unilateral decision making and a consistent lack of communication with those most directly affected have been repeated over and over for four years. The following are some examples of which we are currently aware: The Personnel Committee, regarding the notification of candidates of decisions about tenure; the Art Department, regarding the appointment of a sculptor-in-residence and reallocation of student space for the sculptor; the Budget Committee, regarding the donation to the American Swedish Institute; the faculty and its academic departments, regarding the hiring of Distinguished Endowed Chairs; the Chaplains’ Office, regarding the restructuring of the Chaplains’ Program.

**Faith.** In this sesquicentennial year, we are especially mindful of and grateful for the faith of those Swedish forbears who established this place of learning. We face a different historical moment, but many of the same challenges. Thanks to Martin Luther, Gustavus Adolphus College continues to stand on theological grounds that provide frontiers rather than limits, both in scholarship and teaching.

There is much work to be done to explore and expand these frontiers. This work requires that all members of this community exercise disciplined, trustworthy, and respectful stewardship of both its fiscal and its human resources. The institution’s chief executive should surely exhort the community to do so; he himself should surely exemplify such stewardship. We are concerned that he has not done so. In particular, the president’s unilateral personnel decisions over the last two years with respect to the Chaplains’ Office have caused tremendous consternation and suffering for many in the Gustavus community—outside of as well as within the Chaplains’ Office.

A leader who wants to keep faith with his community will dignify members of that community—especially those most directly affected—by consulting attentively with them and by demonstrating real concern for their well-being. The president’s power to make unilateral personnel decisions does not guarantee that those he makes will benefit the community.

With this statement, the Faculty Senate wishes to go on record as expressing our grave concern, for the sake of the College we all serve.

Respectfully submitted,

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