

**Policy Considerations: Endowed Chairs and Endowed Professorships Campus Survey  
Response Invited By August 2, 2013**

**General Responses:**

	<b>AGREE</b>	<b>DISAGREE</b>	<b>COMMENT</b>
1. Existing Endowed Chairs and Endowed Professorships program policies are suitable and do not need revision.		XXX	
2. While changes to policy are needed, a fundamentally different approach than that proposed by Board staff should be employed.		XXX	Framework and concepts are acceptable, with suggested revisions as follows, relative to the highlighted points within each component
3. Staff recommendations are sound as presented.		XXX	
4. Changes proposed by Board staff should be considered as a starting point for policy revisions.	XXX		

**Responses Based on June 26, 2013 Senior Staff Recommendations:**

	AGREE	DISAGREE	COMMENT
1. Effective date of <b>policy</b> revisions: January 1, 2014	X		Agree that <i>policy</i> can go into effect January 1, if <i>clock</i> for calculating time frames starts on either July 1, or August 1, 2014, for all new and existing EC & EP, to align with standard academic and fiscal practices and with current BOR reporting requirements
2. <u>Endowed Chairs Vacancies*</u> : All existing and future Endowed Chairs shall be <b>assigned by the institution to a specific academic, research, or agricultural department</b> . In each academic year, the departmental assignment of an Endowed Chair may be changed, provided the reassignment is in accordance with donor intent.  If a single department's percentage of vacancies of greater than <b>two years'</b> duration in the Endowed Chairs program exceeds 20%, that department shall not be eligible to submit proposals for additional Endowed Chairs matches during that year.		XX, disagree with details only, not with principles of responsiveness and accountability	Vacancies should be calculated at the <u>campus</u> level rather than at the departmental level.  Since not all institutions maintain a formalized department structure, using the highest "campus" level for calculation places all institutions statewide in an equitable position to calculate vacancy rates and potential future penalties.  Further, as campuses moves towards a more trans-disciplinary approach to organization, hiring and program development (more and more frequently appointing faculty to multiple departments, colleges or even campuses), a policy requirement that would tie a chair to a specific <u>department</u> would move in the opposite direction and would maintain the "silos" which institutions are working to remove as they become more nimble and responsive to their current environment.  Suggest a three year vacancy duration rather than two, as it often takes more than two years to recruit a person to assume the chair. Prior

			<p>and current economic conditions are a significant challenge in recruiting viable candidates to endowed chair positions. A three-year vacancy rule provides additional time to smooth economic/budgetary cycles for recruitment and hiring of candidates, as well as market conditions for generating spendable earnings.</p> <p>Recommend excluding from counts those chairs which have not yet or cannot be filled for documented valid reasons. Some flexibility is needed, perhaps a general provision permitting the Regents, upon a showing of good cause by a particular unit or campus, to approve limited appropriate exceptions to the stated rules for that unit</p>
<p>* A department's percentage of vacancies longer than two years shall be calculated as the number of slots assigned to the department reported as unfilled for longer than two years divided by the total number of assigned slots in annual program fiscal reporting. The duration of an Endowed Chairs vacancy shall be calculated from <b>the first month following the departure</b> of the most recent chairholder or, in the case of new or not-yet-filled Chairs, from July 1 of the calendar year in which Board match was provided.</p>		XXX	<p>The vacancy should be calculated instead from the first month of the <u>subsequent fiscal year or academic year</u> following the match or the departure of the holder.</p> <p>It is typically not possible to fill a position immediately upon creation of a vacancy due to departure. The change recommended above would align the starting point for calculation of vacancy with the academic hiring calendar.</p>

**Responses Based on June 26, 2013 Senior Staff Recommendations (ctd.):**

	AGREE	DISAGREE	COMMENT
<p>* Endowed Chairs accounts with market values below corpus are excluded from policy formulae related to vacancy rates.</p>	X		<p>In addition to this proposed exclusion, <u>also</u> include a provision which allows exclusion for those chairs which are so new as to not yet have generated expendable earnings sufficient to support donor intent. A combination of the Regents' suggested language <u>and</u> the additional exclusion suggested above would cover most of the challenging circumstances that may present a need to exclude these from the vacancy calculation and would be a more comprehensive policy.</p>
<p>3. <u>Endowed Professorships Vacancies**</u>: All existing and future Endowed Professorships shall be assigned by the institution to a specific academic, research, or agricultural department. In each academic year, the departmental assignment of an Endowed Professorship may be changed, provided the reassignment is in accordance with donor intent.</p> <p>If a department's vacancy rate in the Endowed Professorships program exceeds 20% in a given fiscal year, that department shall not be eligible to submit requests for additional Endowed Professorships matches during that year.</p> <p>The number of BoRSF-matched Endowed Professorships shall not exceed the number of FTE faculty employed by the institution and/or the number of FTE faculty assigned to the department holding the Professorship.</p> <p>FTE faculty counts by institution and department shall be required in annual endowment</p>		<p>XX, disagree with details only, not with principles of responsiveness and accountability</p>	<p>Vacancies should be calculated at the <u>campus</u> level rather than at the departmental level.</p> <p>Since not all institutions maintain a formalized department structure, using the highest "campus" level for calculation places all institutions statewide in an equitable position to calculate vacancy rates and potential future penalties.</p> <p>Further, as academia moves towards a more trans-disciplinary approach to hiring and program development, (appointing faculty across multiple departments, colleges or even campuses), a policy requirement that would tie a professorship to a specific department moves in the opposite direction &amp; maintains the "silos" which institutions are working to remove as they become more nimble and responsive to current environment.</p>

<p>reporting.</p> <p>With the permission of the donor(s), multiple individual Endowed Professorships slots may be combined into a single Professorship for assignment to a faculty recipient.</p>			<p>A 20% vacancy rate in EPs on an annual basis may create significant challenges for some institutions. We suggest a higher rate for campuses which may have fewer than ten EPs. Alternatively, it may be useful to develop a flexible process which would allow the Regents to make an exception to the maximum allowable vacancy rate upon request and showing of good cause by a campus.</p> <p>Using the FTE basis creates a challenge with joint appointments between departments &amp; campuses. Further, the requirement for the number of EPs to be less than the number of FTE faculty is problematic for those campuses that already have more professorships than FTE faculty due to attrition or slowing of faculty growth not anticipated when professorships were donated. Some provision for “grandfathering” existing professorships in excess of FTE faculty is necessary.</p> <p>Exclude from counts those professorships which have not yet or cannot be filled for documented valid reasons. Some flexibility is needed, perhaps a general provision permitting the Regents, upon a showing of good cause by a particular campus, to approve limited appropriate exceptions to the stated rules for that campus.</p>
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**Responses Based on June 26, 2013 Senior Staff Recommendations (ctd.):**

	AGREE	DISAGREE	COMMENT
<p>** A department's percentage of vacancies shall be calculated as the number of slots assigned to the department reported as unfilled divided by the total number of slots assigned to that department in annual fiscal reporting for the program.</p> <p>The duration of an Endowed Professorships vacancy shall be <b>calculated from the first month following the departure</b> of the most recent Professorship holder or, in the case of new or not-yet-filled Professorships, from July 1 of the calendar year in which Board match was provided.</p>		<p>XX,</p> <p>disagree with details only, not with principles of responsiveness and accountability</p>	<p>The vacancy should be calculated instead from the first month of the <u>subsequent fiscal year or academic year</u> following the match or the departure of the holder.</p> <p>It is often not possible to fill a position immediately upon creation of a vacancy due to departure. The change recommended above would align the starting point for calculation of vacancy duration with the academic hiring process &amp; calendar.</p>
<p>** <b>Endowed Professorships accounts with market values below corpus are excluded from policy formulae related to vacancy rates.</b></p>	X		<p>In addition to this proposed exclusion, <u>also</u> include a provision which allows exclusion for those professorships which are so new as to not yet have generated expendable earnings sufficient to support donor intent. A combination of the Regents' suggested language <u>and</u> the additional exclusion suggested above would together cover most of the challenging circumstances that may present a need to exclude these from the vacancy calculation and would be a more comprehensive policy.</p>
<p>4. For each Endowed Chair or Professorship matched by the Board, the institution shall <b>annually provide to the donor</b> the same basic information about the performance of the endowment annually furnished to the Board, including its status (vacant or filled), the current market value, and the amount allocated</p>	X		<p>Include allowance for good faith effort to contact donors who may be out of contact or deceased, and make it subject to any applicable confidentiality provisions or laws.</p>

for expenditure in the most recently completed fiscal year.***			
*** Evidence of compliance with this requirement shall be furnished to the Board in the annual fiscal report and attested to in the report provided by private or Legislative auditors, both required by the Board's Statement of Investment Policy and Objectives.	X		Add a certification of compliance as a check box to the required annual BOR financial reports, and add compliance with this item as a part of the annual agreed upon procedures report performed by the institution's independent auditor. This approach would relieve the institution from reproducing donor communications for the Regents, while providing them with assurance that the institution is complying with this policy item. Also, foundations can be required to add a statement on whether the chair is vacant or filled on the donor endowment statements which are currently prepared and distributed annually and which already include the other required information.