

Minutes*

**Faculty Consultative Committee
March 15, 1990**

- Present: Warren Ibele (chair), W. Andrew Collins, Norman Kerr, Lynnette Mullins, J. Bruce Overmier, M. Kathleen Price, Burton Shapiro, Charlotte Stribel, James VanAlstine
- Guests: Senior Vice President Gus Donhowe, Suzanne Fust (Graduate and Professional Student Association), Vice President Richard Heydinger, Senior Vice President Leonard Kuhi, Nick LaFontaine (Budget Office), Steven Prince (Council of Graduate Students), Professor Stephen Scallen, Maureen Smith (Brief), Rabun Taylor (Footnote), Kathy Yaeger (External Relations)

Corrections to Minutes of March 1

In the discussion about the draft statement to be sent to the Board of Regents concerning University actions after the expiration of the Rajender consent decree, two points require clarification. First, Professor Cooper did not, herself, speak to Associate Vice President Cross about merging a policy addressing the concerns of women with those which might address concerns of other protected classes; the Committee on Equal Employment Opportunity for Women, however, did speak to Dr. Cross. Second, Professor Cooper told the Committee that the "unnecessary" activities associated with affirmative action and the hiring process are required by law (not, as was indicated in the minutes, by the consent decree).

1. Report of the Chair

Professor Ibele began the meeting by reporting on a two items.

- He had attended a meeting called by Associate Vice President Cross to discuss a possible conference on racial and ethnic harmony. It was a large group; the discussion became so focussed on definitions and process that Dr. Cross simply abandoned it. Part of the dispute is whether a conference will take a broad look at issues or if it will focus specifically on Black/Jewish relations. It is not clear what the next step will be; the President will be looking to the Senate Consultative Committee for guidance.

It was agreed that the issue should be referred for initial discussion to the Committee on Social Concerns; the student groups involved should be invited to express their views on how a conference should be structured. The Committee appeared to be of the view that a broad perspective would be preferable.

- The turnout for interviews for the candidates for Vice President for the Health Sciences has not been good. The four finalists for the Vice President for Student Affairs have been named; the final slate of candidates for the Finance and Operations vice presidency will be presented to the President soon.

* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

2. Bus Trip for New Faculty

Professor Ibele welcomed Vice President Heydinger and Ms. Yaeger to the meeting. Dr. Heydinger explained that they wished to have a few minutes to present an idea and solicit FCC reactions.

It has been suggested that a bus tour of the state be provided to new faculty members at the University; the intent would be to permit them to learn more about Minnesota. Dr. Heydinger distributed a brief summary of the purposes that would be served and the questions that need to be answered. The budget for the trips would come from his office; Dr. Heydinger said he did not know what the cost would be.

Committee members generally reacted favorably to the idea but offered a number of comments: it should not be limited to Twin Cities campus faculty; the extension staff should be invited to play a role as hosts in the counties; the gatherings in the towns need to be structured so residents have a reason to attend; the faculty in each group should be from different disciplines; the trips should perhaps be issue-oriented rather than a series of social events at towns around the state; there should be some outcomes expected and measurement of whether or not they were achieved; and the program should start small and be evaluated.

Dr. Heydinger thanked the Committee members for their comments.

3. Discussion of the Budget Process

Professor Ibele next welcomed Nick LaFontaine and Senior Vice President Gus Donhowe to the meeting to review the budget process. Mr. LaFontaine distributed copies of a series of slides which had been used to present the subject to the Board of Regents and walked the Committee members through them.

Mr. LaFontaine pointed out the framework for planning and budgeting; he reminded the Committee that initially there had been a focus on the concept of revenue centers. That focus has now changed to seeing units as cost centers. The framework established provides that planning should drive the budgeting, that links between them be identified, and that results can be checked.

Of the four elements of budget process (planning, development, administration, and reporting), the University is now in the planning stage. 40 budget hearings, to hear how the colleges and campuses will deal with the planning parameters, have just been concluded; the next stage will be proposing allocations.

Within Finance and Operations, Mr. LaFontaine reported, they are developing a performance management model--which entails development of goals and objectives as well as a means to measuring productivity. The model will be tried in Physical Plant, Administrative Information Services, Personnel, and the Budget Office. When concluded, the units will be surveyed to determine if the model helped them to improve; after being refined it will be taken to a larger group of units. The intent of the performance management model is also to demonstrate accountability and help with budget allocations.

Another new initiative is the development of space occupancy charges. Mr. LaFontaine noted that

space is the second largest expense in the University, that "free goods" are seldom allocated wisely, that space charges will encourage energy conservation, and that plant operations will be encouraged to see the University community as customers.

This item engendered considerable discussion among Committee members. Several points were made:

- There is serious question about the requirement that departments purchase services from a monopoly (the University); Mr. Donhowe responded that if University services are not competitive the work can be contracted out--they are not dedicated to continuing employment of staff if services cannot be provided at a competitive price.
- If space is assigned and funded as currently distributed, departments which have excess space will have no incentive to give it up unless they need funds for something else--and the departments which need it will not have the money for it. Mr. Donhowe said that departments would be provided an incentive to give up space they do not need and that funds would be provided to departments which make the case that they need additional space.
- Mr. Donhowe observed that departments are gross over-users of energy; even when efficiency improvements are made in buildings the occupants have a substantial impact on energy consumption. If occupants know they can cut consumption by 10%, and keep the savings, there will be considerable incentive to do so.
- There is much space which departments do not control, such as centrally-scheduled classrooms. Mr. Donhowe said that an element of the plan is to identify one person in each building responsible for that building; that responsibility would be part of their job and something for which they would be held accountable. Monitoring should be frequent. Mr. Donhowe also said that sensors could be installed which would automatically turn off lights if there were no activity in the rooms. Nothing in the plan, he noted, is either exotic or new.
- The report on elimination of mandatory requirement calls for providing office space to emeritus faculty; departments will have no incentive to do so if they must pay for it. Instruction could also suffer because departments will not wish to bear the cost of space for labs and other uses.
- The colleges will be charged, not the departments; better than charging the deans for space would be a way to permit cooperation in accomplishing energy savings. Most faculty, it was argued, would be cooperative.
- The Committee has previously asked for a report on other institutions which adopt this policy; it wishes to know about the quality of the decision-making and whether or not it increases efficiency.

Mr. LaFontaine said there are two possible complications to the plan which will need to be

addressed: The rate and structure of the charges and the initial allocation of space; on the latter point, there is no interest in institutionalizing the present arrangements.

In the area of budget development, Mr. LaFontaine told the Committee, the hope is that departments and colleges will be helped in what is a very labor-intensive activity; the focus will be on automation, thereby increasing capabilities and productivity. In budget administration, there will be central systems support but the emphasis will be on information, not control; tools will be provided to permit departments to do customized reporting. In budget reporting all funds will be presented and standard reports will be developed.

One Committee member expressed concern about outcomes; money provided can be shown to have results in research or publication but it will be harder to demonstrate outcomes in instruction--they are more difficult to define. Important outcomes must be found; there will be new technology for teaching and it will have to be proven that money is worth spending on it.

Another Committee member recalled Mr. Donhowe's remarks to the Senate Committee on Finance and Planning: Funds will be allocated in larger chunks to units so that there should be measurable outcomes. Mr. Donhowe suggested there might be intermediate outcomes: Are students better assisted with the single point of entry? Do they have better access to sections? These may be "soft," and may not measure what will ultimately be sought, but they would provide an indication of whether or not things are improving--and might help make the case with the legislature.

It was pointed out that whatever measures will be used to assess outcomes three years hence need to be decided upon now--or three years from now no one will be happy.

There was brief discussion of the Governor's proposal to reduce the appropriation to the University by \$5 million; the reduction would come from non-instructional sources and would be permanent. Mr. Donhowe noted that the amount is proportionate to the University's share of the higher education budget.

Mr. LaFontaine next reviewed the assumptions about the resources that would be available for the 1990-91 budget (the appropriated amount would be received, a 9% tuition increase, a growth of 5 - 10% in sponsored programs, stable investment income, and slightly increased fund-raising) and the expected expenditure patterns (for academic salaries, 6% for merit, .5% for equity, and .5% for fringe benefits; for civil service salaries, 4% across the board, 1.7% for comparable worth, and 1% for fringe benefits; 5% for SEE increases; and 2% for general reallocation). The difference in the fringe benefit amounts is due to the difference in salary levels, not in the fringe benefits provided.

Mr. LaFontaine briefly reviewed the options which had been considered for tuition, salaries, and reallocation; the administration is recommending a set of choices which provide for a \$2 million pool for reallocation (along with the tuition and salary increases outlined above). The \$2 million from the 2% reallocation would be added to \$2.3 million from the legislature for instructional improvements and \$3.2 million from program reallocation (under Academic Priorities) to create a \$7.5 million pool of strategic funds for 1990-91. That compares with an operating base budget of \$521.5 million. The allocation of the \$7.5 million will be decided upon as a result of the hearings with the colleges and the proposals they present.

Mr. Donhowe pointed out to the Committee that the University is dealing with a zero-sum game at this point; no matter how much one adjusts tuition, salaries, reallocations, etc., there remains only a fixed amount to work with. If the University is going to amass the \$35 million necessary to achieve Academic Priorities, it will have to be obtained internally; the money will not come from the legislature. About \$10 million has already been achieved; the remaining \$25 million should be done over the next three years. The \$7.5 million is the minimum amount he and Dr. Kuhi want to have and they believe they can manage to obtain a little more; they want to ensure that it is an installment payment on the strategic plans. But, Mr. Donhowe warned, there will be "loud screams."

Asked if the legislature has kept its end of the bargain, Mr. Donhowe said it has; funding for the University has not been cut while enrollment has been reduced. One Committee member observed that to the extent the legislature has kept the bargain, that fact should be made widely known to the faculty. The University, however, has not made the hard choices it set out for itself in Academic Priorities and the Advisory Task Force on Planning.

Mr. Donhowe concurred and said that that is why there will be 2% reallocations over the next several years: decisions should be forced; if they are made wisely, there will be discards. He inquired, however, if the University has the ability to make the hard decisions. When a program has been identified as not central to a unit, the faculty have acted in an egalitarian fashion toward their colleagues. That must stop or the University will fail to meet its goals--and it must do fewer things and do them better.

One Committee member reflected that the University cannot will the ends if it does not will the means; another responded that it would be easier if the ends were worth it and urged that Academic Priorities be re-examined. Dr. Kuhi observed that they were not carved in stone; Mr. Donhowe pointed out that the President has already indicated the top priority--undergraduate education--and that priority will not be revisited. At the expression of doubt, Mr. Donhowe responded that the next budget would lead people to believe in the priority.

Professor Ibele thanked Senior Vice President Donhowe and Mr. LaFontaine for their time.

4. Discussion with Graduate and Professional Students

Professor Ibele explained that he had invited the graduate and professional students to speak briefly with the faculty about their desire for separate representation in the governance system in a less combative atmosphere than the meetings of SCC. He said it would be useful to know the status of the negotiations; this would not be an attempt to judge the progress made.

Mr. Prince reviewed briefly for the Committee the elements of the graduate and professional students' proposal: Creation of a separate student assembly for graduate and professionals (with an option for units to stay in MSA if they wished) and guaranteed representation on SCC and the Committee on Committees. One major problem they confront is an inability to find graduate and professional students who have the time to commit to MSA, its committees, SCC, and their own graduate or professional student organization.

Asked if a recent proposal from one student member of SCC had moved things in the right

direction, Mr. Prince said it had but that it was incomplete; it guaranteed representation on the two committees but did not create the graduate and professional student assembly--which would mean that MSA would continue to select the representatives rather than the graduate and professional student bodies.

Mr. Prince was asked if there was anything in their proposal which would benefit MSA; if not, it was observed, there is little point to mediation. Mr. Prince said that to be candid there was no gain for MSA. It would be giving up power over graduate and professional students, which it does not wish to do. There would, he added, be no erosion of coordinate campus representation; the most important thing to be achieved, from the graduate/professional student perspective, is the right to select those who will represent graduate and professional students and to free them from governance obligations which can run to 30 hours or more per quarter as long as they are incorporated in MSA.

On the question of the possible unionization, Ms. Fust said the issue was up in the air: There would still be many graduate and professional students who would need representation because they would not be in the union, and it is not clear that unionized graduate students would necessarily have to be forced out of the Senate and its committees. It was also pointed out that graduate students were not going to be unionized without a fight and that even if a union were selected they will not give up Senate representation without a contest.

The graduate and professional representatives told the Committee they wished their guidance: They did not wish to terminate the mediation process but it appeared to be going nowhere and they were running out of time and ability to attend to the issue. There needed to be some action taken if the graduate and professional student assembly were to be functioning for the 1990-91 academic year.

It was also pointed out that the graduate and professional students have substantially different opinions from undergraduates; their views on Commitment to Focus, for example, were complete ignored in the response formulated by MSA.

The faculty members of the Committee advised the students to continue with the mediation as best they could and report back at the SCC meeting on the 29th, at which time some decision will be made.

5. Report on the Task Force on Mandatory Retirement

Professor Ibele welcomed Professor Scallen to the meeting to discuss the hearings held on the report of the task force on mandatory retirement.

Professor Scallen reported that although turnout had been light at the hearings something had been learned from each one. The reaction has been generally positive, although there is concern about the 5-year reviews. There perhaps needs to be developed a link between the reviews and the step increases in salaries. The task force proposed more superficial annual reviews and an in-depth review every five years; at present there may be more effort put into annual reviews than is worth it given the amount of salary funds available.

A popular part of the report is that which calls for continued health care coverage until Medicare takes over; the problem is the cost for individuals who might otherwise retire. The easiest way to

continue to provide the benefit is probably to absorb the cost is probably from the line item, which avoids taking money from faculty salary increases, avoids the intergenerational arguments, and avoids department arguments. It is clear, Professor Scallen commented, that health care coverage is a major barrier to retirement; some individuals are very likely staying around longer than they wish because of the expense. It is thus possible that provision of health care coverage could completely offset the impact of the elimination of the mandatory retirement age.

Some faculty members continue to support the use of buy-outs; some, in fact, have even built it into their expectations about retirement--which is why the task force recommended eliminating their use except in unusual circumstances.

On the development of standards, the report will recommend the development of norms or standards, not just minimum standards, in teaching and research.

The balance of the report, Professor Scallen said, speaks to many constituencies; he expressed concern that it not be taken apart--with the result that it could end up all carrots and no sticks. There are advantages and disadvantages to different groups; some members of the task force did not like certain recommendations but all supported it on balance; it would be harmful, he said, if that balance became unraveled.

It was suggested that the initiation of the reviews take place before the retirement cap is lifted in order to test the system prior to its imposition on the entire institution; Professor Scallen concurred that would be a good idea.

There were expressions of support for more infrequent but more meaningful reviews; it was noted that research patterns rarely fall into neat one-year pieces. The beginning of the reviews, for those already at the University, would have to be staggered; Dr. Kuhi suggested it could be tied to the original date of the grant of tenure.

The most important part of the report, Professor Scallen concluded, was the evaluation and reward process. One Committee member observed that the report was excellent (a proposition to which other Committee members assented) and pointed out that if it will require increased expenditures, it should also carry the assurance that quality will be increased.

It was agreed that there would be a forum in advance of the University Senate meeting on April 19 to provide members of the Senate an opportunity to discuss the report.

6. Personnel Matters

The Committee voted to go into closed session to discuss several personnel matters.

The Committee adjourned at 3:20.

-- Gary Engstrand