Minutes*

Faculty Consultative Committee
December 6, 1990

Present: Warren Ibele (chair), W. Andrew Collins, Amos Deinard, Paul Holm, Norman Kerr, J. Bruce Overmier, Thomas Scott, Burton Shapiro, Charlotte Striebel, James VanAlstine, Shirley Zimmerman

Guests: Carl Adams, Avner Ben-Ner, Associate Vice President Carol Carrier, Richard Elzay, John Fossum, Geoff Gorvin (Footnote), Richard Goldstein, Audrey Grosch, President Nils Hasselmo, Roberta Humphreys, Morris Kleiner, Senior Vice President Leonard Kuhi, Peter Reed, Maureen Smith (Brief), W. Donald Spring, Gayle Graham Yates

1. Joint Meeting with the Senate Committee on Faculty Affairs

Professor Ibele welcomed the members of the Senate Committee on Faculty Affairs and the members of the Working Group that has been asked to examine the faculty salary structure at the University.

He then reviewed the several reasons which occasioned the appointment of the working group. Over time, perhaps due to uncontrollable restraints, there has been concern about the balance that has evolved between the principle of equity and cost-of-living increases. It is appropriate to review the current practices by which salary allocations are determined, what processes are used at other institutions and with what outcomes, whether or not the University would be better served by a process which examines the faculty for merit increases less frequently than the current annual review, and if there is a way to strike a balance between cost-of-living and merit increases.

There is the perception, Professor Ibele continued, that equally eminent scholars in different disciplines often end up with significantly different salaries, differences that are not always attributable to marketplace pressures. Faculty members have also raised questions about salaries for summer session teaching and extension teaching and whether or not they are set at appropriate levels. For these reasons, it seemed desirable to jointly charge (from FCC and Academic Affairs) a working group to consider these questions and to give the University guidance about how it might proceed in the future.

Recent reflections by members of the Faculty Consultative Committee suggest that the annual review of faculty accomplishments is perhaps not appropriate. The rhythm of research in various disciplines is such that a year's time is often not long enough for a person to show research and scholarly accomplishments. A blight or drought can wipe out a season's work in agriculture; the design, assembly, calibration, and conduct of an experiment in the sciences and engineering often takes longer than a year; in the arts and humanities a major composition, play, or novel will seldom be completed within a year.

Moreover, the annual reviews are conducted unevenly from department to department; some do an

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effective job and others do not.

There is also the question of cost-of-living increases; when the University receives less than inflationary increases in salary funds, the emphasis on merit has the effect of working a hardship on those who are doing a satisfactory job but given less than a cost-of-living increase.

Professor Ibele then called on Senior Vice President Kuhi for comments.

Dr. Kuhi began by explaining the system in place at the University of California, although he cautioned that it is not necessarily the one the University of Minnesota should adopt. It does, however, provide an alternative way of looking at the salary structure.

One of the major reasons for looking at salaries is the enormous salary inequities which exist in the Minnesota system. Some differences are due to age and experience; others exist between individuals of comparable academic experience and status. Salary differences due to different academic experience are expected by virtually everyone. Those between individuals of comparable academic experience and professional status are not.

The California system is a complicated one, he said, and he promised to provide a summary of it for the working group. Its outstanding feature is a series of steps appointment to which requires review; the level of review differs depending on where a faculty member is on the ladder.

Consider the full professor, for example: To achieve this rank requires a major review, including outside letters. A special ad hoc campus-wide committee is appointed (usually 5 people) to examine the case and the documentation (the volume of material is only about one-quarter of that relied upon at Minnesota). The ad hoc committee makes a recommendation to the Provost and then a decision is made.

Even though at full rank a faculty member remains subject to reviews. Every three or four years there is a formal review by the home department; larger departments have personnel committees. As at Minnesota, the individual is asked to prepare materials for that review. The review goes to a campus-wide standing committee, which examines it and makes a recommendation to the Provost.

There are, at present, eight steps in the full professor series; three or four years of service is generally required for each step. Going to step six is another major milestone, one requiring outside letters, and the achievement by the individual of an international reputation in the field. There is, above step eight, "special salary," a category reserved for exceptional individuals; e.g., all the Nobel laureates are in this category. To reach the "special salary" category also requires external letters and presidential approval (that is, approval beyond the individual campus level).

Cost-of-living increases are granted each year; everyone receives the increase the State decides to give to its employees. The operating principle is that once one has reached a certain standing in the professoriate, that standing has been earned and the salary should not be eroded by inflation.

Merit increases are on top of the cost-of-living increases. In a year when a faculty member is being reviewed for merit, a 10% salary increase could be granted. Typical merit increases are 5 - 6%.

The system is a fair one, he said, and because of the review system employed the inequities which have developed at Minnesota do not usually arise. Pressure on the system, however, does occur because of the extremely high salaries being paid in some disciplines at time of hire (e.g., a mathematician appointed at $100,000 by one eastern university); these salaries introduce distortions in the system and make it difficult to maintain equity throughout the system. This issue needs careful discussion. It will be difficult to deal with and with the growing need for young faculty at a time of decreasing supply it will be a continuing problem.

Another advantage of the system was demonstrated during the years when the-Governor Reagan recommended zero increases for cost-of-living. Since the merit pool was separately funded the faculty continued to receive salary increases reflecting their merit.

There are separate salary scales for the medical school, the law school, and the business school--a common problem in higher education--which reflect the salaries individuals would have access to if they practiced professionally outside the institution. Apart from these exceptions the scale is the same for all units; there are no structural inequities among units.

Other advantages of the system are: there are very clearly defined criteria about what is expected of individuals, and the faculty are reviewed every three or four years instead of annually, which reduces faculty time and paper work.

The California system, he concluded, is one that deserves serious scrutiny; it would require additional funding but with careful planning it--or some version of it adapted to Minnesota's situation--could be gradually introduced. What impresses him most about the California system is its inherent fairness: It recognizes more accurately faculty accomplishments; it has the flexibility in to recognize outstanding accomplishment by junior faculty--one can be accelerated through the steps--and it prevents wide disparities in salaries among different departments of the same college. There are a number of salary systems in use, he added; the working group should consider as many as possible and make recommendations appropriate for Minnesota.

Dr. Kuhi affirmed, in response to a question, that the same scales apply to all campuses of the University of California system. Some of the campuses, such as Berkeley and UCLA, however, may have a higher percentage of faculty in the upper ranks.

What occurs, Dr. Kuhi was asked, if the three- or four-year review identifies a non-performer? He replied that non-performance is rewarded by no increase. Two things can happen: No merit increase at all or, more often, a modest merit increase; the budget committee (composed of nine faculty) can recommend whatever merit increase it deems fit. Alternatively, a much smaller merit increase than the standard step increase can be awarded; the reasons for such a decision are sent to the department and the individual with areas requiring improvement being identified.

Especially in teaching, which on occasion can be a problem, specific recommendations for improvement are often made. (There is an office at Berkeley which assists faculty members assess and improve their teaching; they videotape teaching and interactions with students and review the tape with the faculty. This, Dr. Kuhi said, was extremely useful in bringing about improved teaching. Teaching evaluations were required of all departments.)

The step reviews, Dr. Kuhi noted, are not mandatory; a faculty member can decline to be reviewed at the appointed time. No one, however, is permitted to go more than six years without a review. He confirmed that anyone who declined to be reviewed would receive no merit increase.

In response to a question Dr. Kuhi said that during his tenure as dean of letters and science the college terminated three people; most were negotiated. Faculty tenure, he noted, makes it very difficult to dismiss people. The point at which most individuals are not continued is at the tenure decision time.

One Committee member pointed out that the system seems to assume a uniform market within colleges; unless the step system is at or above market, it was argued, the system will not work because people will go elsewhere.

It was also contended that unless the University has a plan to seek cost-of-living increases on an annual basis, the amounts provided for merit would be used up in providing the cost-of-living increases. Dr. Kuhi disagreed; if there is no money from the legislature for cost-of-living increases then no cost-of-living increases are awarded. The merit package was funded separately.

With respect to the current situation, Dr. Kuhi observed, the outlook is not rosy. There is a State deficit, of a size variously estimated, and the reserve must be drawn down before rescissions can be made. What will happen is not clear but it is likely that the biennial request will not be funded--although the University is arguing vigorously for at least inflationary run-ups. The original 4.5% inflation figure would require an additional $81 million for the University. This leads to a question: Suppose the University were given a zero increase, despite all its efforts; what should be done about salary increases? His own view, Dr. Kuhi told the Committee, is that no salary increases be awarded (except perhaps in rare individual cases of retention). He acknowledged that a number of faculty believe "that is not the right answer" and that internally-reallocated funds should be used for salary increases. The University's programmatic funding is already so bare-boned, he maintained, that to do so would require eliminating more programs. What does this group recommend, he inquired?

One Committee member observed that if faculty members are to be given a 5% reduction in living standard, the University would have to be careful about what it would ask of them in terms of Academic Priorities and additional sacrifices. There will have to be a balance between commitments to program changes and what can be asked of the faculty. Spending 2% on achieving program goals will not likely receive much cooperation when faculty are being asked to take a 5% reduction in their standard of living. At least the reallocated funds should be shared.

Dr. Kuhi noted that this is what occurred last year and the effect was not especially beneficial. Obtaining the 2% was extremely difficult, to begin with; even though 80% of that reallocation was mandated for salary increases, not many faculty received much of an increase--but there was considerable pain across the campus.

It was pointed out that there is a presumption in these discussions, perhaps correct, that institutions such as the University never make productivity improvements. The State presumes, apparently, however, that it need not provide additional funds because it believes the University could use resources generated through improved productivity. If there are no productivity improvements--cannot be--there is nothing which can passed back to individuals who participate in productivity improvements; there is nothing to use if additional funds are not provided. This is an interesting assumption to make and it is embedded in the "bare bones" view of the University's funding.

Dr. Kuhi agreed that the assumption had been made and also agreed that it could be questioned and that productivity and quality could be examined. Academic Affairs has begun to look at these issues. It is common in higher education, he concurred; if an institution wants to do something new, it seeks extra money--it never, ever, terminates or closes anything down. If the University intends to consider moving in new directions with a fixed budget, it must obviously ask how this can be accomplished by reallocation and redirection of effort. This is precisely the motivation behind the requests to deans and directors to produce plans for a 10% reallocation within the next five years. There are areas of the University which should be changed or curtailed or eliminated; how to get at them is the tricky issue.

Not all program reductions or closures and subsequent reallocation necessarily involves productivity increases, it was cautioned. There is a distinction between programmatic changes, funded by reallocation, and productivity issues--which is doing the same thing but doing it more efficiently. The University tends never to talk about productivity increases--and it may be that such increases cannot be achieved. There may be something inherent in what a university does that there is no productivity element to it. Dr. Kuhi responded that productivity can be considered; the answer to the question will be different depending on whether one is considering faculty members or P&A staff, for instance. The point, it was explained, is that if there were productivity increases there would then be funds available for other uses; Dr. Kuhi concurred but observed that such increases are difficult to find.

One Committee member recounted that on average for the University salary increase funds have usually been distributed on the basis of merit but rarely have been more than the cost-of-living. It was suggested that these increases be called cost-of-living and that the pool for merit raises come from the difference between what a full professor makes, at retirement, and the funds from that line needed for a new assistant professor. Taking such funds would create a merit pool even if there were no cost-of-living increases. Dr. Kuhi found the proposal to be intriguing; the only drawback might be the increasing salaries required for assistant professors.

Another Committee member observed that if there were no salary increase this year the reaction would be less adverse if there were a lot of other individuals in the same position (all state-funded individuals). A year without salary increases could also increase political pressure in the following year or biennium--assuming that the economy recovers--to substantially increase salaries. The net result could be that the University would be better off, over a period of three or four years. Even though this is a gamble, if the amount available this year is very small, the symbolic value of a zero increase might have a much higher pay-off in the future.

An alternative perspective, it was suggested, is that if the University acquiesces to a zero salary increase, and nonetheless makes the programmatic changes it has planned, the message to the legislature could be construed as "we don't care how you treat us." Some believe that the faculty who have to implement the changes will be demoralized and unwilling to make them. Dr. Kuhi assured the Committee that it was not a matter of acquiescing; the University "is not going to role over and play dead." He also observed that Minnesota is not the only state facing these problems.

Professor Ibele next asked Professor Ben-Ner, chair of the Committee on Faculty Affairs, to make a few remarks. He outlined what is expected of the working group and the schedule to which it should adhere (an interim report by late February, with final recommendations by the end of the academic year). It need not devise a single set of recommendations; more useful would be a set of well-argued and well-explained alternatives. Essential ingredients to any recommendations would include the cost (both in terms of the process of evaluation and of salary increases) and the benefits that could be expected (from restructuring the salaries, in terms of improved research, teaching, and service). Broad consideration should also be given to balancing market considerations with "loyalty taxes"; he noted that market considerations benefit those who are most mobile (for academic or family reasons) and that those faculty who remain loyal to the University as an organization should also be rewarded.

Dr. Kuhi was asked how the California system handled retention cases, which are a significant problem at Minnesota. He said that faculty are accelerated through the steps but that the problem does not arise so frequently because the base is fairer. Reliance upon a campus-wide committee also brings more balance to the salaries.

Professor Ibele thanked SCFA and members of the working group for joining the Committee and invited them to return whenever they had questions with which the Committee might assist them.

2. Discussion with President Hasselmo

Vice President for Research and Dean of the Graduate School Professor Ibele welcomed President Hasselmo to the meeting. The topic to which the discussion turned was the status of the search for the Dean of the Graduate School and the role of the Committee therewith. Professor Ibele recalled that the Committee had written to him and to Dr. Kuhi expressing its view on the appointment of a vice president research and that the position should be combined with that of the Dean.

Dr. Kuhi thanked the Committee for the comments about the two positions, as well as those received from the Senate Research Committee. He said it was the view of the administration, as the Committee had recommended, that the two positions be combined. The combination has a number of virtues, he said, not least of which is avoidance of another administrative office. The individual appointed will report to him but would have a "dotted line" relationship to the President. He agreed that there is considerable overlap between the responsibilities of the graduate dean and any individual who would deal with the research enterprise. The combination is common across the country and it would meet a number of needs that have been expressed (such as needing leadership in research, in interdisciplinary efforts, for a liaison with funding agencies in Washington).

The position description will soon be ready and the position will be advertised shortly. Dr. Kuhi said he would welcome recommendations from the Committee on who might serve on the search committee and agreed readily that the membership should be "lean" rather than comprised of a cast of thousands.

The President noted that there are important implications of the decision. Creation of the position does not detract in any way from the responsibilities of deans or other vice presidents to exercise strong leadership in research. The individual will serve as central coordinator of activities and monitor of activities in Washington but will not take over the college-based initiatives and management of research or take responsibilities from the vice presidents.

The Campus Club Professor Ibele next asked Professor Shapiro to summarize for President Hasselmo and Senior Vice President Kuhi the discussions about the Campus Club which had taken place at the Senate Committee on Finance and Planning.

The issue of the $75,000 annual payment from the University to the Campus Club has arisen, Professor Shapiro reported. The Club is $144,000 in debt at present; according to Mr. Donhowe, the situation will only get worse in the future. There was lengthy discussion about the role of the Campus Club and how best to deal with the financial problems. It seems likely, he said, that the Campus Club will not continue to exist in its present form.

Professor Ibele also noted that there were, in a recent year, about 4,000 meetings in the Campus Club--at no charge. The nature of these meetings are very diverse. Theoretically the cost of these meetings is covered by the administrative subsidy. It should be possible to find out the value of the meeting space since the rooms on the three floors below the Club are available for a fee.

Moreover, he pointed out, the Club is one of the few settings at the University where faculty from across the disciplines are brought together in a semi-social way and allows faculty to make common cause with colleagues from other units. Simply to let that setting disappear without replacement would be a mistake. It is difficult enough to build any sense of community on this campus; to let the Club be eliminated would make even more difficult the retention of any sense of community among the faculty. He said he would regret that his successors on the faculty would not have this opportunity available.

Professor Ibele said that he would propose to quickly appoint a small ad hoc committee of faculty, with representatives from FCC, the Campus Club board, and from the general faculty and staff, to develop recommendations.

The governance system, it was pointed out, would be severely hampered in the conduct of its business if the Campus Club meeting rooms, with the scheduling flexibility offered, were unavailable. Another Committee member observed that the general consensus among those who had been involved in the discussions is that the University should not let the facility go but that it probably cannot be maintained as a faculty club. It was also observed that it would be easy to destroy the function of the Campus Club but it would be very difficult to replace it. Other institutions which do not have an equivalent organization yearn for one like it.

The President agreed that the Campus Club as a focal point for the faculty should not be lost but that it probably cannot continue in its present form. He said he would prefer that any solution identified come from the faculty; it may be that limiting membership to the faculty is not appropriate. The administration, he said, is sympathetic to the objectives which have been identified and he encouraged the Committee to do whatever it could.

3. Closed Session

Professor Ibele asked that the Committee go into closed session to prepare recommendations for people to serve on the search committee on Dean of the Graduate School and Vice President for Research.

The Committee concluded it would be appropriate to have faculty representation from each of the Policy and Review Committee subject areas of the Graduate School.

The Committee adjourned at 2:15.

-- Gary Engstrand

University of Minnesota