

Minutes*

**Faculty Consultative Committee
March 2, 1989**

Present: Mark Brenner (chair), J. Bruce Overmier, Ronald Phillips, M. Kathleen Price, Burton Shapiro, W. Phillips Shively, James VanAlstine

Guests: Acting Vice President Shirley Clark, Vice President Gordon Donhowe, Gayle Grika (Footnote), President Nils Hasselmo, Maureen Smith (Brief), a Daily reporter

1. Informal Discussion

While awaiting the appearance of President Hasselmo, Committee members discussed questions which they would raise with the President and other issues. Among them were:

- The appropriate peer group for salary comparisons for faculty. There have been several sets of institutions being used and the result has been some confusion about where Minnesota stands. One goal is to be at the mean of the top 30 research institutions; the question becomes how to define the top 30. In the AAUP top 30, Minnesota ranks 25th; in the Cornell study, Minnesota ranks 18th or 19th. The difference arises because six or seven institutions in the AAUP data are not in the Cornell grouping--and those other six or seven institutions included in the Cornell group were seen by the Committee as not truly comparable to Minnesota (e.g., some of the Ivy schools were dropped from the Cornell study and replaced by such schools as Maryland, Missouri, and Iowa State). Professor Brenner distributed to Committee members copies of a letter from Professor Robert Sloan which addressed these comparison group differences.

Committee members agreed that the University should not choose a group where Minnesota looks the poorest but should instead choose, on a principled basis using a set of criteria, the group with which it believes it should be compared. Factors suggested for defining the appropriate group included amount of external research money brought to the institution, the institutions with which Minnesota competes for faculty and graduate students, and national rankings. There was also acceptance of the proposition that, in accord with the argument of former President Keller, the University should choose the appropriate group and be prepared to live with the comparisons with that group for some time; the University should not be in the position of picking and choosing a new comparison group each year simply because their compensation rates changed. There was also strong concurrence with the notion that the faculty and the administration should be using the same group.

- It has been a year and a half since John Ervin announced his resignation from the directorship of the University Press and there has still been no appointment of a search committee. It was agreed that this question should be raised with Acting Vice President Clark.

* 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.

- President Hasselmo met last week with Professor Brenner, the athletic directors and several members of the Assembly Committee on Intercollegiate Athletics to discuss issues surrounding faculty control of athletics.
- A change in the Bush Sabbatical program has been made by the Educational Development Office, apparently without any consultation with the faculty. Rather than providing 30% of salary, the grant is now a flat \$15,000. While this may help lower paid faculty, it eliminates the incentive to obtain other outside funding; it also discriminates against higher paid faculty and will likely mean that those who the University would most want to take a sabbatical will now least be able to do so. Committee members agreed without dissent that this change was a bad one and that the lack of consultation was as disturbing as the decision itself; Vice President Clark was asked to investigate the rationale and procedure used to make the decision. She consented to do so.
- Professor Brenner reported that Tim Delmont, in MPIS, is serving as lead organizer (in cooperation with Assistant Vice President Carol Carrier from Academic Affairs) in development of an administrator training program; he has asked FCC for the names of faculty and chairs who could profitably participate in an initial session to raise issues to help him define the issues and structure the training program. [Names should be submitted to Professor Brenner; Delmont has scheduled the organizing discussion for Friday, April 7 from 9 - 11:30 in the Campus Club, with lunch provided to participant afterwards.]
- Recent data used by MPIS for discussions about fringe benefits with the legislature appear to suggest that the University's fringe benefit rate is higher than the mean--and the principal reason is because of the 4% included for graduate student and faculty tuition remission. Even though this is a paper transfer of funds, its inclusion in the calculation serves to raise the apparent fringe benefit rate--even though there is no benefit to the faculty except for the tiny number of individuals who make use of the opportunity.

2. Discussion with President Hasselmo

Professor Brenner welcomed the President and enumerated the issues which the Committee wished to discuss with him. The conversation included several items.

Salary principles The President concurred with the proposal that discussion of salary allocation principles with the Senate Committee on Faculty Affairs would be useful. He added that he hoped there would be sufficient money available to make the discussion worthwhile and repeated that he has emphasized to the legislature that salary increases are the University's top priority and must be significant (i.e., above inflation).

Vice President for Research The President said he had hoped to have a final resolution on the position but had not reached that point yet. Functionally, he said, he continues to believe that the Vice President for Research position is the direction in which the University should move but he agreed that the position description needed additional refinement; while the description was too open-ended, he is convinced that the position itself is compatible with the needs even of those who oppose its establishment.

He told the Committee that he has also encountered an equal opportunity problem in redefining a position which has an incumbent; his choices are to conduct a search or to not create the position. The President concluded that he will try for a resolution to the problems as quickly as possible, although it will probably not be in time for the March Regents meetings.

Asked about separating the vice presidency from the Dean of the Graduate School President Hasselmo expressed reluctance because of his view that the responsibilities of the two positions are so closely intertwined. If separated, some of the responsibilities of the Dean of the Graduate School would have to be peeled away; the President also said he very much liked the link between graduate education and research.

Vice President for Agriculture The President was asked if he had given any consideration to separating the vice presidency from the Director of the Experiment Station. The President said he had, and that the arguments for retaining them in one position were similar to the arguments for the Vice President for Research and Dean of the Graduate School: the responsibilities are so closely intertwined, in his view, that they should stay together in one position. The President also noted that he wishes to avoid creating additional administrative positions and "over administering" a unit. President Hasselmo said he understood the concerns of the faculty that one or the other of the responsibilities in the position could become secondary (especially the Experiment Station tasks) and told the Committee he agreed that stimulation of research in agriculture had to be central to the job. One way he will try to get at that concern is to appoint a search committee which reflects the strong research emphasis which is seen as desirable. The President commented that this position, as with the Health Sciences and Arts, Sciences, and Engineering, is not intended to diminish the role of the deans but rather to improve communication and interaction with the central administration.

Peer group for salary comparisons The Committee reviewed with the President the points which had been brought up in its earlier discussion. President Hasselmo responded that for pragmatic reasons, he preferred to use the public universities of the AAU as the comparison group--it has a good data base and the private schools are too diverse. Committee members took issue with the exclusion of the private schools; it was pointed out that if the public schools use only themselves for a comparison group, then the goal of providing an education comparable to that afforded to those who can attend private schools would be defeated. The President agreed that Minnesota does compete with the private institutions but the political question is whether or not it would be worth the battle to have them included in the comparison group. The advantage of using the AAU public institutions is that the group has been defined carefully on a national basis and cannot be seen as a self-serving selection by the University; we need, he said, to look at the numbers for the public institutions and then decide if the private schools should be brought in to the comparisons. Vice President Clark observed that the comparison group issue had been reviewed extensively during the period when the biennial request was being prepared and that the ease of understanding the use of the Big Ten had overshadowed other considerations.

It was suggested that the University may, for the time being, have to use two sets of data: That for institutions which it regards as the appropriate peer group and that which the legislature will accept or has been using. There must also then begin a long educational process on why the first group is the one which should be used. Another suggestion was reliance upon the full AAU data bases, which includes the private institutions as well as those which Minnesota is not certain are competitive with it.

There was consensus that it is extremely important to have a unified approach and that one group should be identified and then retained over time. The President observed that using different groups at different times had a devastating impact on the University's request. The President said the administration would develop a proposal on the appropriate peer group and would return later in the spring to discuss it; Professor Brenner and Vice President Clark agreed to set up a working group, to include David Berg of MPIS and Vice President Heydinger as well as a subset of FCC, to develop a proposal.

3. Closed discussion

Professor Brenner closed the meeting for a short while to discuss matters being litigated.

4. Discussion with Vice President Donhowe

Professor Brenner welcomed Vice President Donhowe to the University and to the meeting and explained the role of FCC in interacting with the central administration. Committee members introduced themselves.

Financial management system Vice President Donhowe was asked where the University stood on the management information system. He said that a preliminary selection of a package of software had been made (for the general ledger) which would be brought onto the system and run on the University's equipment; there would then also be consultation with collegiate financial officers. It is clear, he said, that there is no possibility of developing a tailor-made system; it would be too expensive, it would take too long, and the University does not have the capability to do it. The compromise is to select a package which will do as much as possible and then make as few changes as possible to meet other University needs. The advantage of using a package is that the vendor maintains it. He said the system was terribly necessary and that they were on a very demanding timetable; it is his intention to "cut over" to the new system by the end of next year.

Financing the new system, Vice President Donhowe commented, would come from clearly understood sources internal to the University. Although originally a part of the legislative request, he said that when it became apparent that the legislature would fund too little of the request the University decided not have this one-time (albeit priority) item be in competition with the request for badly needed recurring funds.

Asked about a concern that there had been insufficient consultation on the selection of the software, Vice President Donhowe observed that there is not a large array of choices in standard packages for institutions as large and complex as the University. He said he thought it would be more appropriate to let the users try the system "on sight" rather than have disappointment early after it had been selected; he reiterated that he was not committed to this particular selection if problems develop. He also said that he had told this to the financial people and that they now seemed comfortable with the way in which he was proceeding.

Funding for instructional equipment It was suggested to Vice President Donhowe that testimony before the Senate had led to recognition that instructional equipment has a finite life, that it depreciates, and that there needs to be developed depreciation schedules for equipment. Vice President Donhowe responded that the way the University will obtain money for equipment is through the Average Cost

Funding matrix. There are at present 12 cells in the matrix, each dealing with a different type of education; the numbers in the cells were established solely on the basis of historical expense patterns. He observed that there may be a need for additional cells so that the University can meet its salary and equipment needs; any changes will require discussion with the Department of Finance to explain how modification of the cells is necessary. It will be critical, he said, to get more dollars into the high-cost cells. The legislature, he added, will never be able to figure how to fund these items if the systems continue to make separate requests.

The point was made that the historical numbers used for development of the matrix, it is now realized, drew on a period when the University was not doing what it should have been in order to maintain and replace its equipment.

There was agreement that the Committee should schedule a discussion of the Average Cost Funding matrix, in order to refresh the memories of Committee members about what it entails, and that there should then be additional discussion with legislative leaders.

Legislative request Committee members discussed with the Vice President a number of elements which must be considered if the University's appropriation is to be increased. Vice President Donhowe pointed out that the University must make certain that its priorities are known, something that President Hasselmo is doing well.

Professor Brenner reported that in testimony before the legislature, he and several colleagues had noted that faculty salaries were important but that support for equipment and other elements are also critical; merit money for salaries is of little use if the means for the faculty to do their jobs are not available. It was also observed that unhappy faculty will not be retained no matter what the salary if they have bad working conditions.

The Committee adjourned at 12:00.

-- Gary Engstrand