

Minutes*

Faculty Steering Committee
Monday, March 16, 1998
2:30 - 5:00
Dale Shephard Room, Campus Club

- Present: Victor Bloomfield (chair), Kent Bales, Mary Dempsey, Gary Gardner, M. Janice Hogan, Russell Hobbie, Laura Coffin Koch, Leonard Kuhi
- Absent: Carole Bland, Virginia Gray, David Hamilton, Marvin Marshak, Fred Morrison, Matthew Tirrell
- Guests: (Approximately 25) members of the Academic Health Center Faculty Assembly; Executive Vice President Robert Bruininks, Associate Vice President Carol Carrier, Associate Vice President Richard Pfutzenreuter, Dr. Peter Zetterberg (Director, Office of Planning and Analysis)
- Others: Martha Kvanbeck (University Senate)

[In these minutes: Discussion of issues of concern to faculty in the Academic Health Center.]

1. Discussion with Academic Health Center Faculty Assembly Members

Professor Bloomfield convened the meeting at 2:30 and welcomed members of the Academic Health Center (AHC) Faculty Assembly, including members of the AHC Faculty Consultative Committee. He announced that he would co-chair this portion of the meeting with Professor Cynthia Gross, chair of the AHC FCC.

Professor Bloomfield began by asking for a round of introductions, and then noted that there appeared to be few clinicians present. He reported that FCC has had before it several issues of concern to clinicians, and while FCC does not wish to meddle in the business of the hospital and clinics, if the clinics are not run well, the academic side of the AHC cannot run well. Professor Gross surveyed those present and said that the clinical side of several of the AHC schools were represented or could be spoken for.

Professor Bloomfield said that the purpose of these meetings is for the Twin Cities FCC members (the Faculty Steering Committee) to be educated about issues of concern to colleagues in the AHC. These will be regular meetings, and follow the recommendation of the task force on faculty consultation that new ways of consultation should be established. One question is how the mechanisms of governance in the AHC are operating; another is how FCC can represent those issues to the central administration. Professor Bloomfield asked what issues were of concern.

*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.

Professor Gross enumerated a list of issues currently of concern to the AHC FCC. They include evaluation of deans, the swap between ICR and O&M money and its impact on Public Health and other AHC colleges, the division of legislative initiative money in a top-down fashion rather than through a competitive process, faculty vitality and the proposed retirement plan, a tenure recognition event for those who obtain tenure (and for those who retire), and creation of an educational service organization (leading to more administration and an overlap in services provided?).

Other issues arose in the discussion that followed:

- The structure of governance, the relationship between the AHC and the FCC, and the need for parallelism between the administration and the governance structure. It is true that any group of faculty or colleges can propose establishment of a consulting group; it is not true that FCC would be the "parent" committee to these consultative groups. The task force on faculty consultation did not envision the Senate FCC as the "parent" to consultative committees in segments of the University.
- Funding for the AHC governance system will be provided by Senior Vice President Cerra, but can be channeled through the University Senate office.
- As retirement plan options are considered in the AHC, it would be helpful for faculty to be clear about what their options and rights are. There should be equity in the University commitment to faculty, even with differences in service, but no one is certain what the general rights of retiring faculty are. How does a faculty member evaluate a retirement offer versus the contractual rights he or she has anyway?

Relatedly, it would help to know how the seven AHC units are funded. One hears that some have sources of funds that can be used to encourage retirements, while others do not have access to such funds. On the other hand, the money is all from the University, and when faculty see the disparity in options available, it causes frustration and anger. In addition, the phased retirement plan, for single individuals, is an invitation to poverty. (It was said in response to the first point that there is no pot of money available for the proposed retirement plan; it would be funded by borrowing and repaying it with savings from faculty lines.)

Professor Bloomfield agreed that FCC should raise with Dr. Bruininks the issue of AHC retirement benefits being available to the rest of the University faculty. It was also suggested that the Committee on Faculty Affairs take up the issue of the standards for retirement packages.

The status of the proposal in the AHC was unclear. It was reported that it appeared to be good for certain units, with faculty who they would like to retire, but devastating for units who want to keep faculty. The plan would not go across all AHC units.

- The cost of the A21 regulations governing ICR funds. In the case of one School of Public Health unit, 85% of the funding comes from NIH, and support and department infrastructure expenses had been paid by direct costs. With the very conservative interpretations of the regulations by ORTTA, those must be paid out of ICR funds, but those funds are being used for other purposes, including funding faculty lines, and Dr. Cerra has no additional money, so the unit is extremely short of

funds.

Dr. Cerra did provide additional ICR funds for infrastructure support, but it only covers a fraction of the real cost. Dr. Cerra is right to seek a better accounting of what those costs are, and Public Health is working on the matter. But Dr. Cerra clearly has not provided enough funding to cover the extra A21 costs, and in the meantime units are continuing to pay those costs out of existing funds, which puts considerable pressure on Public Health. One result is that educational activities are being supported by research funds, because there are no funds in the unit to pay for instructional expenses.

This has been finance-driven planning under the guise of educational planning, it was said. The University could say it does not care about the School of Public Health, which all could understand, but it has not done that. Instead, it says the School of Public Health is important, but takes away a large portion of the O&M budget, making it impossible to cover tenure obligations and teaching programs from state funds. These activities are duplicitous, and do not strengthen the School; they will drive faculty away from the unit that is the third-highest generator of ICR funds at the University.

As for the proposition that Dr. Cerra has not turned down any requests to hire tenured or tenure-track faculty, Public Health was responsible enough to not request faculty lines when it did not have enough O&M funding to cover faculty lines. Also frustrating for the Public Health faculty is that Dr. Cerra said it would take a year to work out the problem that he caused, by swapping O&M for ICR funds. Requiring those faculty who already produce a great deal of income to bring in more, with no change in the structure of funding, will lead to faculty leaving or declining to come to Minnesota. Some of the more dislikable elements of the proposal for faculty to fund their own appointments have been dropped, it was reported, but the amount of money being offered to Public Health, \$200,000, is only a small portion of what is needed. The School needs state support, and in nominal dollars is now receiving less than it did in 1990.

This is, it was concluded, a statement of priorities, because priorities are set by where the money goes; the School of Public Health is apparently a low priority.

- The switch of ICR for O&M dollars needs to be examined. For years, the Medical School called for more ICR funds to flow back to the AHC, but then O&M funds were withdrawn. In addition, there has been a loss of faculty, and replacement with non-tenure-track faculty.

The use of research funds for pay for teaching is a result of the O&M/ICR swap. Prior to July, 1997, Public Health had enough O&M funding to cover its tenure obligations and pay for its teaching programs. Effective July, 1997, when the funding swap occurred, Public Health could no longer cover its tenure obligations nor pay for teaching programs entirely out of O&M funds, so ICR funds are being used. Dr. Cerra and the President have argued that those pools are fungible; the faculty in Public Health are skeptical and worry about how NIH might react when ICR funds are used for teaching.

None of this is a surprise to the FCC members, Professor Kuhl remarked; the issue of swapping funding sources has been before FCC, the Research Committee, and the Finance and Planning Committee

several times this year, and each time Drs. Bruininks and Yudof have been told each time that it was not a good idea. The School of Public Health has been punished for raising so much money. Unfortunately, IMG came in at the same time as the formula for the equitable distribution of ICR funds, and the result has been unfair (and not revenue-neutral).

So what conclusions are being drawn, it was asked? Professor Bloomfield responded that as FCC has pushed Drs. Bruininks and Cerra to consider these issues, they have told FCC that every unit in the University is at some degree of risk; no college is entirely on O&M funds. FCC has not fully understood the numbers and what "risk" means, so is in the process of scheduling a joint meeting with the Finance and Planning Committee, to include Drs. Bruininks and Cerra and other finance people, in order to obtain and understand the numbers. They are trying to move to a data-driven discussion, he said.

A key word used frequently in recent exchanges has been "risk," Professor Bloomfield said. Their definition, which is not unreasonable, is what variability there is in the base of support for a unit. Those numbers are being prepared. What will probably be found, he speculated, is that state funds, tuition, and research funds have all fluctuated, but probably none of them very much, and that state funds may be the ones that fluctuate the most. Administrators will argue, he related, that all units are supported by various sources, and that all money is green--a proposition he does not accept for ICR funds, Professor Bloomfield said. In any event, the argument is that the University is leveraged on tuition, grants, and so on, and that CLA is no less at risk than the Medical School or Public Health. They also argue that Public Health, on the statistics, is not at risk.

Variability is not the right measure, objected one individual. The question is whether funds can dry up. Grant money could disappear from Public Health, but it has increased every year in recent memory, while state funds have not. If variability is the measure, Public Health looks solid.

Another flaw, Professor Hobbie pointed out, is that the shift in funding came on top of conservative ORTTA interpretations of the A21 regulations. Units could have survived either, but not both.

-- A related issue is faculty indemnification and individual PI responsibilities. Faculty have no control over what is done with ICR funds, but the University has not protected them, nor has it tried for a better rate.

Many of the questions can be crystallized simply, said one faculty member. One, what is the percentage of faculty who are tenured versus faculty who have P&A appointments, over time (e.g., five years). They have been told that these data are impossible to obtain, so one must surmise what they are. What is alarming is that the new human resources software will have no descriptor for whether or not a faculty member is tenured or tenure-track, so once installed, that information will not be available.

Professor Bloomfield interjected that FCC would definitely ask about this. It was also suggested that SCFA should protest, before the money is spent on a new system.

The second question is the relationship of the number of administrators to faculty, over the last four years. A third question is about the amount of O&M money provided to the AHC, how Dr. Cerra decides which units receive it, and who is responsible after that. One is told that Dr. Cerra gives the money to the deans, who in turn assign it by whatever criteria they choose. Dr. Cerra has only once allocated O&M

money, and the it was based on historical precedent, it is said.

Professor Dempsey said that the AHC committee on finance and planning should work with the Senate Finance and Planning Committee on these questions. In response to a question, Professor Bales reported that it has been very difficult to obtain data from the administration on the number of P&A faculty--because the administration does not have reliable data. The anecdotal evidence is bewildering, he added; some P&A faculty teach, while some units prohibit them from teaching. Even if there were good data, one cannot tell the differences among various kinds of P&A faculty. He said that the committee working on term and non-tenured appointments will likely recommend a simpler system for classification of teaching faculty. This is a matter of competence, exclaimed one faculty member; the lists should not contain the names of people who are dead, and the administration should be able to track faculty.

-- Another disturbing issue is how faculty salaries are delivered; hopes are raised that salaries will increase by X amount, but those raises are based on O&M funds; faculty appointments have been shifted to other funds, and raises not provided.

One faculty member said "we need help." The policy decisions need to be sorted from the administrative details; there needs to be set for as clearly as possible a policy setting out the criteria for the allocation of O&M funds. That would answer a number of the questions that have been raised. All that is known now is that there was a trade of funds, and some units were hurt a great deal by it while others were not.

One befuddling matter is the uneven distribution of O&M funds among units, Professor Bloomfield observed. The pattern is likely due to political and historical decisions, and who made them is not now known, but some units have only 10% O&M funds while others may have 40% or more. The tenure code makes a distinction between base salary (to which the University is committed to pay and need not be made up solely of O&M funds), and clinical or supplemental income. Professor Bloomfield said the contractual part of the salary was understandable; if a salary is 60% from O&M funds, that 60% must be paid. If a more rational distribution of O&M funds were sought, it could require that some give up money in order that others have more.

This suggestion was not warmly welcomed. One response was that it was parallel to the swapping of ICR and O&M funds; another was that there was sufficient money, but that the swap simply disguised incompetence, because the administration can't even count the number of faculty and administrators. One individual said the numbers for the AHC cannot be trusted; information distributed on how O&M money is distributed in the AHC did not make sense to the units. The current bases for units do not have any relationship to what the units do; some obtain a lot of grant money and also have high bases, while others with much grant money have low O&M bases.

Much of this discussion is based on rumor, Professor Kuhi observed, and there are "no facts floating around." It is essential to talk with the people responsible for the numbers. The bigger issue is the allocation of O&M dollars. Professor Kuhi said it should be based on the teaching responsibilities of each unit, and the units should have enough O&M money to carry out those responsibilities. There ARE units at lower risk, he maintained; CLA is a low-risk unit, and can control its income with tuition, over time. The administration must be identify how it allocates O&M funds.

Professor Bloomfield observed that it is not always easy to identify teaching; it is a primary good, but teaching varies greatly across units; there have been many arguments over graduate research supervision and resident training. This is, however, a faculty issue, he said, and it would be worthwhile for faculty to understand it. The question, said another, is not how much is done, but how much is needed for the disciplinary core. If there is to be a policy, it must be a rational allocation policy.

Professor Gardner inquired whether the faculty want a policy on O&M allocation, because they may not be ready for the responsibility implied by such a policy.

He also said that an insidious part of IMG is that it was not neutral, and that in the future, units will obtain more money by teaching more. If it were revenue neutral, said one faculty member, individuals bringing in a lot of ICR funds would be free agents who could leave at any time, destabilizing the University.

There are no academic priorities establishing a vision of excellence, it was said; the business model is deciding priorities. Could the faculty develop an academic plan for excellence? The University may fall into the business model because not enough faculty make the case for the need for an academic plan.

Before the faculty can advise on allocation of funds, it was said, they must know the ground rules: where do the dollars come from, where do they go, and who decides. Getting that information should not be like surgery, but it is difficult to obtain even for a department. Moreover, data are entered by people who do not know the definition of the terms, so there is no consistency across budgetary units.

- When the University takes down a parking ramp or garage, it needs to make accommodations for those who used it. There have been no accommodations for those who have parked in the East River Road ramp, which is being demolished.
- One hears of units moving out of colleges and becoming inter-unit programs. Is this being discussed? Departmental versus interdisciplinary work would be an appropriate subject for a forum, Professor Bloomfield suggested.

Those present expressed the hope that these meetings would continue, preferable on a quarterly basis. One faculty member said it is helpful to know that FCC can perhaps influence senior administrators in ways that the AHC FCC could not. Professor Bloomfield said the meetings would continue, and said that FCC has told President Yudof that the AHC and the rest of the University are not separate boxes.

One faculty member expressed concern about the second layer between the colleges and the rest of the University. Small schools in the AHC get lost, because the AHC is dominated by one or two schools. The affiliation with the University Senate is important, because it provides a more equal voice than through the AHC. Professor Bloomfield pointed out that based on the numbers, small AHC colleges have no more influence in the Senate than in the AHC, but there are historical factors that affect influence, such as the number of faculty who participate. Faculty governance will work only to the extent faculty insist on required meetings, push on awkward questions, and persist in obtaining answers. This is hard to do, but the goal of the University faculty governance system is to empower the colleges and to see that there

is more interaction with the dean and vice president. Professor Dempsey emphasized that it is important for senators to play a strong role in governance as well.

Professor Bloomfield thanked the faculty from the AHC for joining the meeting.

2. Discussion with Executive Vice President Bruininks

Professor Bloomfield next welcomed Dr. Bruininks and his associates, Dr. Carrier, Mr. Pfutzenreuter, and Dr. Zetterberg. The Committee and the administrators held an hour-long off-the-record discussion of various ideas that are being considered for the 1998-99 budget and for compensation.

Professor Bloomfield said the Committee would meet at 2:00 on Thursday with Dr. Bruininks to again discuss the budget, and he then adjourned the meeting at 5:00.

-- Gary Engstrand

University of Minnesota