

Minutes*

**Faculty Consultative Committee
Thursday, March 12, 1998
1:00 - 4:00
Room 626 Campus Club**

Present: Victor Bloomfield (chair), Kent Bales, Carole Bland, Gary Davis, Mary Dempsey, Gary Gardner, Virginia Gray (chair pro tem, briefly), M. Janice Hogan, David Hamilton, Russell Hobbie, Laura Coffin Koch, Leonard Kuhi, Michael Korth, Marvin Marshak, Fred Morrison, Harvey Peterson, Matthew Tirrell

Absent: none

Guests: Senior Vice President Frank Cerra

Others: Maureen Smith (University Relations)

[In these minutes: discussion with Senior Vice President Cerra about the sale of the hospital and the future of the clinics, faculty governance in the AHC, faculty hiring policy in the AHC, and reorganization of biology; a redefinition of scholarship]

Professor Gray convened the meeting at 11:00 a.m.; Professor Bloomfield was delayed because of a presentation he was making to the Board of Regents. Professor Marshak briefly outlined the situation at the legislature with respect to the capital appropriation and said that advice from FCC was needed on how the University should respond to the two very different proposals in the House and the Senate. The Committee deferred the question to later in the meeting.

1. Discussion with Senior Vice President Cerra

Professor Gray welcomed Dr. Cerra to the meeting, which Professor Bloomfield thereupon joined. Professor Bloomfield outlined issues that the Committee wished to raise with Dr. Cerra: the financial and operating academic consequences of the Fairview transaction, faculty governance in the Academic Health Center (AHC), policy on tenure and tenure-track faculty, and the reorganization of biology.

Dr. Cerra took up the hospital first, and said there were three different elements to be considered. The first was space. He noted that space had been leased to Fairview for the long term in the Mayo building, for administrative purposes (there is no administrative space in the hospital), and that the physicians are deciding what they wish to do about clinic space. Of the 300,000 square feet initially leased to Fairview, 80,000 feet have been returned, 80,000 are on long-term lease to Fairview, and the balance will be returned by December 31, 1999.

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The second issue was the cash from the sale. Dr. Cerra said he had reported to the Board of Regents on this, and would gladly provide the report to the Committee. The sale came within \$500,000 of the projected price, and the University received about \$70 million in cash. Of that: \$10 million has been set aside to support the enterprise systems, \$6.9 million will go to the Medical School to support educational functions, \$24 million has been placed in a central account to refurbish the all the space the University has received or will receive back (although there are limits on what can be done, because of the expense involved, and \$8 million of that \$24 million has been committed to the School of Public Health in order to permit it to consolidate its space). The rest of the money from the sale has been placed in Regents' Reserve funds. Dr. Cerra commented that he hoped that by some mechanism or another, the University's disagreement with the federal government would be resolved in 1998.

Dr. Cerra then told the Committee that by several measures, the sale of the hospital was a success: the patient census was up, research protocols in the hospital had increased from about 1300 to about 2300, faculty doing clinical work met their patient care targets, and the hospital is not losing money (originally projected to lose \$20 million the first year, it did not do so; the profits go to Fairview).

Fairview has supported the education and research programs of the University with direct investments in the Medical School of \$3.4 million, and will put \$1 million more into Pharmacy over the next three years. The accounting for education and research expenses have been segregated, and the University, for 32 months, is subsidizing education at the Fairview University Medical Center (FUMC) at the rate of \$1 million per month, in order to facilitate the transition. In the segregated account for research and education, it was estimated there would be a deficit of \$13 million, into which the University and Fairview would each put \$6.5 million, so Fairview is putting in new money. The estimated cost of education is \$52 million per year, some of which is offset with revenues, leaving a deficit of about \$25 million. On a yearly basis, the \$1 million per month will offset \$12 million of this deficit, leaving the \$13 million that Fairview and the AHC will split. This gives 32 months to pull out \$13 million of education costs in order to keep the contributions of Fairview and the AHC at the \$6.5 million level each. An accounting system will be set up, first in the U.S., to track the expense of clinical education and training.

The downside of the sale is that there is no joint strategic plan yet and there is much that must be done to get people to work together. This is a case of bringing two cultures together; they need to be integrated, or a new culture must emerge, from academic and clinical physicians working together.

Professor Bloomfield commented that he had heard a lot of negative things about the outpatient clinics--that they were in limbo, that Fairview was not taking them on, they do not have adequate space, scheduling is not well done, and faculty are frustrated.

Dr. Cerra agreed there is a problem, and explained that while Fairview has committed money to improve them, if the faculty are going to move out in two years, it does not want to spend the money. Moreover, there is a "2000 problem" in the billing computers, which Fairview has committed money to resolve. There were enough such issues that a policy committee consisting of Fairview and University representatives has been formed to find solutions. He noted that patient satisfaction remains high, but said he did not want to minimize the problems. They are moving as fast as they can, but the solutions all cost a lot of money. The way to make the clinics acceptable is to move them. Compared to common benchmarks, they have problems; one big one is parking. Another is the space they occupy.

Professor Gray asked how the Fairview people would evaluate the merger. Do they see it as positive, are they committed to it, and will the hiring of a new CEO make a difference?

Dr. Cerra said the Fairview management reviewed his report to the Regents and agreed with it; they feel very positive about it. For a complex merger, it went very well. The departure of the CEO is a loss; most of those who dealt with the merger are now gone. The key is the Fairview system board, and it understands and is completely committed to the success of the merger. The system board has of Fairview has put the support of education and research at the University in as part of its mission statement, and has made education and research one of its primary responsibilities. As for the candidates to become CEO, Dr. Cerra said they are an impressive group.

Professor Hamilton inquired about progress on a plan to make the AHC available to University employees and others in the next year. Dr. Cerra said the discussions were on track and the deadlines will be met, and there is nothing new to report since his December report to the Regents and the report of the health care task force chaired by Professor McGeehee. They are actively looking at being a provider organization. The faculty have now completed a task force report on the clinics and is establishing a transition task force to begin the process of considering another site for the clinics and organizational structures for it. Access is a big question, and a number of sites are being looked at.

Professor Marshak commented that a bridge over the river is needed; this is not trivial, because the clinics should not be too far removed from the campus. They are in business to teach and do research, and to move them to the Mall of America or Southdale or even Riverside means they are a ways away. Dr. Cerra agreed, and pointed out that that was the reason for the condition that the hospital stay on site.

Professor Gray next asked about faculty governance in the AHC. She noted the task force report on faculty consultation, and that they had tried to accommodate the new administrative structure, but concerns remain. What are his hopes for it?

Dr. Cerra said he thought things were heading in the right direction, and two things have improved: communication between the faculty and the administration of the AHC, and true consultation. He said he liked the AHC Assembly being composed of the AHC senators, and at its one meeting it did substantive things. He said he is very pleased with the governance structure in the AHC, with the AHC FCC and its subcommittees, and will provide funds for it to operate. He said he knows there is sensitivity about how the money is provided, and he is willing to do it in any way that works, including allocating funds through the University Senate office to support the AHC governance structure.

Professor Dempsey explained that the task force wanted the AHC senators to take more control of their own destiny, and said the AHC FCC should be expanded so it is always available for consultation. The task force wanted a tighter relationship with the Senate, but some are concerned that that will not happen, and they do not understand what has been proposed.

Professor Hamilton maintained that the task force recommendation severs AHC governance from University governance, and that is not the right way to go. The task force did not respond to the administrative realities of the University. There is a senior vice president for the health sciences, and the AHC is 1/3 of the University; it cannot be divorced from the University. He said he does not want to see the AHC as a separate university. He agreed with a comment from Professor Gray that tie to the rest of

the University is the concern, not the internal AHC governance system.

Professors Dempsey and Gray explained how they believed the task force did not believe the AHC was being divorced from the University governance system; Professor Gray observed that FCC is awaiting language from Professors Hamilton and Bland that would propose a different arrangement.

Dr. Cerra said he had two goals: good, effective consultation on problems and that the AHC stay tied to and work with the rest of the University.

Discussion turned next to the reorganization of biology. Dr. Cerra said that overall, he was very positive about what he is seeing. The faculty have taken ownership and moved ahead in an honest way on sometimes contentious problems. Issues have been discussed and there are some problems the administration must address. He said he likes the idea of University-wide departments, with people focusing on areas they have in common. There is some disciplinary carry-over, but also much more work across lines.

Professor Hamilton asked about the long-term future of the College of Biological Sciences (CBS). He said that Ecology, Evolution, and Behavior is very concerned about its future. Professor Bloomfield said that he understands all of those involved to want CBS strengthened, and noted that undergraduate biology is growing. Dr. Cerra agreed, and said the assumption is that it will be strengthened.

With respect to the faculty hiring policy, Dr. Cerra said there has been no change in policy. If a school wants to hire faculty, the decision goes from the division to the dean to his office. He has never stopped a decision to hire. Only one school has not hired new faculty, and that is Public Health; there have been no proposals from the dean to do so. After recent meetings with the dean, he has been told that they intend to proceed with five or six tenured hires, and he has approved them. He said he did make a provision for contract-based hires, and Public Health has used that option more than other schools. When he first came into his office, there was a freeze on hiring tenured faculty; he has dropped the freeze.

This issue has led to a discussion of risk, Dr. Cerra noted, and he said he would like a healthy debate about the matter. He told the Committee, in response to a question from Professor Bales, that his policy requires there be a defined funding source for a faculty position, but there are no rules prescribing what fraction of revenues must come from any particular source. There could be such a policy, but it must account for the different situations of the AHC schools and it must allow flexibility, taking into account balance sheet risk, how IMG will work, individual school functions, and aggregate University liability.

Professor Bloomfield said this was an important issue and suggested a joint meeting between Finance and Planning and FCC to examine the numbers. Dr. Cerra agreed that they must get the best numbers possible and try to understand what they mean.

Professor Bloomfield thanked Dr. Cerra for joining the meeting.

2. Legislative Events

The Committee went into closed session to discuss briefly events at the legislature and what

position, if any, the Committee might take. It concluded it would take none, and would leave it up to administration to do the best job it could in the waning hours of the legislative session.

3. Redefinition of Scholarship

Professor Bloomfield now turned to Professor Gardner to lead a discussion of redefinition of scholarship, drawing on materials for a conference at Oregon State which had been earlier distributed to Committee members.

Professor Gardner said he was proposing a year-long discussion of the issue, because the issue is critical to the intellectual future of the University. Much depends on the definition of scholarship and the role of a faculty member. One example is the model for the University of biology; there is only one that is close, and that is Wisconsin: it is the only one that is land-grant, has a Medical School, and is of high stature. UCLA has no agriculture, Berkeley has no Medical School, and Ohio State would not generally be considered of the same rank as Minnesota in biology. Even Wisconsin is different, in that it is not a metropolitan university.

The definition of scholarship is not straightforward, he said, and there are many fundamental issues. Promotion and tenure must define what the University wants to be, and what it should be, and if it does not, there will be another battle akin to the tenure debate.

Professor Gardner noted that he has two outstanding faculty members who do not do research, but whom he could promote, based on major contributions in teaching and outreach, if scholarship were redefined. If "professor" is not defined in a unique way, the University could also end up revisiting something like the Rajender consent decree. A redefinition of scholarship would affect promotion and tenure rules, professional development leaves, and the issue of non-tenure-track faculty.

The dialogue must be faculty-based and intellectually rich, he said, and not decided by administrators or outsiders. There need to be forums so that faculty know what others do.

To approach this issue, there could be a task force drawn from key Senate committees and the administration, and the University could send a team to the Oregon State workshop. With respect to the latter, Professor Bloomfield said, Dr. Jones in Academic Affairs has indicated a team would be sent; FCC must identify the faculty who will participate.

Professor Gardner noted that there are points in the Oregon State materials that can be debated. He noted, for example, the language calling for scholarship to be required of all faculty, and that it "articulate a definition of scholarship that is applicable across the arts and sciences," and identification of "performance of assigned duties and scholarly achievement as the two primary areas of evaluating faculty performance," with service not part of assigned duties less important. Activities such as "administration, extension, outreach, and student advising" are not service when specifically assigned, but they are when carried out by a faculty member whose assignments lie in teaching and research. That is, there needs to be a breakdown between assigned duties on the one hand and teaching and research on the other.

A third item calls for recognizing "teaching, research, and outreach as vital university missions and faculty activities--that are not scholarship in themselves--but which can each involve creative,

communicated, peer-evaluated intellectual work (scholarship) in any of its several forms (discovery, development, integration, artistry).

These are the key points around which discussion should revolve, Professor Gardner concluded; the question is how to carry out the discussion.

Professor Bloomfield noted the forum held the day before and said it went well; such forums are a good mechanism to start the discussion. They can be held by the faculty governance system itself.

Professor Bland said she has followed this debate closely and with interest, and that the conference is worth going to. She asked, however, if there is agreement that something is wrong with the current faculty review system and if something should be different; she thought not. Professor Bloomfield suggested that there is at least a need for something new for the humanities, which have been pulled into a monolithic definition of scholarship set by the natural and social sciences, which is based largely on the funding available.

Professor Gardner said he knows of faculty who put a lot of effort into something that is not currently recognized by the review system. There could be a University-wide discussion that concludes there is no change needed, but as someone in an applied college, he would be uncomfortable with that result. There is a lot of dissatisfaction felt by many faculty, he said.

Professor Gray said she had no objection to sending a team to the Oregon State conference, but said it should not be assumed there is something wrong that needs to be fixed. The University could change its criteria for faculty review, but the disciplines compete in a national market that would not change its criteria, and the University would slip in quality. There must be various perspectives represented and no assumption beforehand that change is needed.

Professor Kuhi said the tenure code should not be changed, but there did need to be recognition that there are changes in faculty lives and activities over careers, and the University must have the flexibility to recognize those changes. Professor Bland pointed out that there is no correlation between age and productivity, but there is a positive correlation between research productivity (e.g., articles, patents, books, funding) and the emphasis an institution puts on research. This emphasis is most clearly revealed in the institution's reward structure, such as promotion and tenure. When the emphasis on research decreases--or the emphasis on other missions increases--research productivity goes down.

Professor Hamilton said a redefinition of scholarship would not make a difference in funding; it would simply recognize what faculty have contributed to the University. Professor Bland said that certainly faculty do a variety of essential and worthy activities, in addition to research, such as teaching and service. And faculty should be recognized for excellence in these areas. She said that she believed the current tenure code does so. Increasing the emphasis on non-research activities by altering the criteria for promotion and tenure would have the likely effect of attracting different faculty than the University has now, especially with regard to interest in research and productivity, and eventually would decrease the research productivity of the institution. Some people may think this is desirable. The University needs to be aware of the impact of altering promotion and tenure criteria.

That is the best argument in favor of a discussion, Professor Bloomfield pointed out; if good

undergraduate education and patient care are negatively correlated with research, something is wrong.

Professor Bland clarified that the negative impact comes if non-research activities are THE PRIORITY interest of the faculty member. It is important to understand that because a faculty member is most drawn to academics because of research DOES NOT mean they lack a high interest in and commitment to teaching. There is no correlation between teaching effectiveness and research productivity. In other words, she said, excellent research receive just as high ratings on their teaching as do faculty with lower research productivity and higher interest in non-research activities.

Professor Gardner said he did not view a redefinition of scholarship as reducing standards; the evaluation criteria for teaching should be as rigorous as for research. This could be different from research, he said, and maintained that outreach can have as great an impact as research, even though outreach does not show up in journals. He said that with respect to institutional priorities, the Oregon State proposal is that the institution be explicit about assigned duties and responsibilities and that it avoid getting away from its mission.

Professor Gray expressed concern that the position outlined by the Oregon State paper could evolve into the situation of the health sciences under the last provost: would faculty be directed to do research on X? Professor Gardner said the idea was not that one model fits all, but that there are changes in careers. "Assigned" means something mutually agreed to by the faculty member and the department head; the faculty are to agree on how priorities are set. If someone is not at the cutting edge in research any longer, but good at teaching, that is acceptable, and they can do more teaching, which should involve scholarship. This will allow faculty to develop to their strengths, and would not mean a decline in academic freedom.

Professor Morrison said that the university being discussed is not the University he lives in. This appears to call for inflexible standards and categories that do not change over time; the University does not have that inflexibility. There must be thought given to the long-term goals of the University and the faculty member.

After short discussion, the Committee agreed that the team of faculty designated to attend the Oregon State conference should include Professors Bales, Bland, Gardner, Koch, and Kuhl.

Professor Bloomfield adjourned the meeting at 1:00.

-- Gary Engstrand

University of Minnesota