

Minutes*

Faculty Consultative Committee
Thursday, March 29, 2007
1:15 – 3:00
220 Skok Hall

- Present: Carol Chomsky, (chair), Gary Balas, Nancy Carpenter, William Durfee, Emily Hoover, Mary Jo Kane, Scott Lanyon, Judith Martin, Richard McCormick, Nelson Rhodus, Steven Ruggles, John Sullivan, Jennifer Windsor
- Absent: Jean Bauer, Barbara Elliott, Megan Gunnar, Kathleen Krichbaum, Martin Sampson, Geoffrey Sirc
- Guests: President Robert Bruininks, Provost E. Thomas Sullivan, Senior Vice President Frank Cerra, Senior Vice President Robert Jones
- Other: Kathryn Stuckert (Office of the Chief of Staff)

[In these minutes: The Intellectual Future of the University]

The Intellectual Future of the University

Professor Chomsky convened the meeting at 1:20 and welcomed the senior officers to a discussion of issues that the Committee had assembled from discussions with department chairs and other groups of faculty last fall. The issues were originally presented at the December 19, 2006, meeting of the Committee with the senior officers; the purpose of this discussion was to explore ways the issues could be addressed.

Prior to the meeting Professor Chomsky had provided the President and Senior Vice Presidents the following summary of the issues (see the Appendix for an elaboration of these issues):

Centralization/decentralization:

- How are decisions made about what should be centralized or decentralized?
- Are the right checks and balances in place to ensure that all branches of the University (including central administration, colleges, and service units) are held accountable for the resources they receive?
- It often appears that resources and decision-making responsibility are being centralized, while work is decentralized. Planning occurs at the level of deans and above, without meaningful participation by department chairs and faculty.

Departmental freedom and flexibility

- Departments are being starved of resources, and being told to limit or cut back on graduate programs, which are the lifeblood of departments and part of the path to excellence.
- There is concern that emphasis on interdisciplinary initiatives is at the expense of disciplinary work, especially in the funding and compact process.

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

- Department leaders are too much focused on line management and not on creative development.
- Lack of control over costs, given centralization of services.
- Inadequate level of faculty participation in the compact process.

Burdens on faculty productivity

- Faculty roles and responsibilities are increasing given reduced staff support, making it harder for faculty to focus on what only faculty can do -- research and teaching. We are not using faculty time wisely, efficiently, and focused on the work need to reach the top 3.
- An apparent lack of sufficient resources to support faculty sabbaticals and leaves.
- Rewards are based on individual effort, but we expect and need institutional commitment and faculty leadership within academic units.

Budget model

- Is the budget model motivating academic priorities and strategies as intended? From the faculty and department perspective, it does not appear so.
- Cost allocations do not seem transparent at the department level.
- Departments are not being given enough information about future budget to plan effectively.
- Cost and resource allocations work against interdisciplinary efforts, especially interdisciplinary teaching.
- Good new ideas aren't funded sufficiently, creating more burdens if the unit tries to move forward creatively.

Disciplinary work/interdisciplinary work

- Department chairs want to support interdisciplinary work, but resources are tight and departments can't afford to stretch them further.
- Central funds are more available for interdisciplinary than for disciplinary efforts. New centers are resource rich while faculty in traditional departments are under-supported.

Internal communications

- Too much information flows down in a form too difficult to use effectively.
- Too little communication up, from faculty and department chairs to deans and central administration.
- How can faculty and department chairs be better integrated into the strategic positioning implementation efforts?

President Bruininks began by making a number of comments. He said this is a good list of issues, the right issues that must be addressed as an academic community. One could, however, turn the clock back 10-15 years and the list of topics would be the same. He noted that the Committee had also forwarded to Senior Vice Presidents Jones and Sullivan a list of issues arising from discussions with Morris faculty; the issues in that memo were similar to these. One could develop a plan to deal with these issues, and the Committee would be talking about them again with the senior officers in five years. They are part of the questions about how one administers a large, complex organization that is decentralized in some ways and centralized in others.

The President said he accepted the premise that the University must have strong core disciplines as well as ways to provide incentives to support interdisciplinary centers, innovation, and creativity.

This is a useful debate, the President said, but these are not choices. The University must have both centralization and decentralization. Within each there is tension and there are dilemmas to be managed. The art is to identify creative ways to address them. There are a lot of burdens and pressures and people often look to reducing central administrative costs. He could demonstrate that costs are marbled throughout the institution. (For example, there are unprotected servers several places on campus; the University can provide more service, at lower cost, with greater security, but doing so will be seen as centralization. He has, in any event, asked Vice President Cawley to fix the problem.)

The problems on the list reflect increasing financial pressure on higher education, the President reflected. The University is obtaining more private dollars, but those go into the endowment, and at a payout rate of about 4.5%, it takes hundreds of millions of dollars to make a significant difference.

The question is how to address these issues. That is part of what strategic positioning is intended to do. Some of these discussions are missing the context, the President said, and some are missing the factual bases about enrollment, funding, costs, science and technology, etc. What are the data that would inform the discussions? What information should the University be tracking?

Professor Balas commented that if these are recurring themes, then something is not fixed. There is a perception there are problems that prevent faculty from being productive. There is a lot of angst that needs to be addressed. There is a lot going on, including higher expectations of faculty but also the feeling that there are not enough resources to go to the next level.

This bears on communication, Professor Chomsky said. There are constraints. The comments they heard, however, are that the compact process looks very different from the faculty/department chair perspective than it does from the dean/central administration perspective. Faculty and department heads do not hear about the constraints, they have no input, and no one asks about their concerns. If they were part of the conversation, and the constraints were explained, that would make a difference because it would be responsive—rather than, as seems to be the case now, being told the choice is made and they are doing the best they can within the constraints.

Every environment has constraints, the President said, and research universities are becoming more complex. Part of the answer is internal communication—but not necessarily more of it. How are messages and organizational information organized so people do not spend half their week on email? These are all important issues, and they need work.

No one says there are simple solutions, Professor Balas responded, but there are problems of faculty perception. That needs to be addressed to get the University to the next level—faculty need to be provided information and resources.

Senior Vice President Cerra said that Professor Chomsky raised an important question: how effectively to get information to the faculty and how to take the information the faculty provide back up the chain. He said he has struggled with this question for years. How much information should go through the administrative chain, how much should go through elected faculty representatives, how much should go from deans' councils to departments? The AHC did a study of how people want to receive information. They responded that email is overused for communicating important information.. "So how can we help so that people know what they need to read?" There is need to identify the finite number of chains that can be used: the administration, deans, and written media. The University needs to develop

its collective wisdom to get information flowing. That will not solve the problems, he said, but it will provide information to people and allow them to be responded to.

Provost Sullivan turned to some of the specific points on the list of issues.

-- *It often appears that resources and decision-making responsibility are being centralized, while work is decentralized. Planning occurs at the level of deans and above, without meaningful participation by department chairs and faculty.* These issues are discussed in the compact process. The deans must report what faculty consultation took place in the departments; they can look at the reports to see if it actually happened. If the consultation is not happening, he needs to know. The compact discussions, however, report dialogues in the departments which boil up to the compact process.

-- *Departments are being starved of resources, and being told to limit or cut back on graduate programs, which are the lifeblood of departments and part of the path to excellence.* They have done an analysis of the 2005-06 and 2006-07 budgets (the two in which strategic positioning budgeting occurred) and can show every dollar that was invested in every department in every college. Senior Vice President Jones said the same can be shown for academic support units. Professor Martin asked that this information be provided to the Senate Committee on Finance and Planning.

-- *Emphasis on interdisciplinary initiatives at the expense of disciplinary work, especially in the funding and compact process.* Provost Sullivan said he did not know of one instance when resources were taken from a department and transferred to a new interdisciplinary center. He said he did not have information about reallocation within colleges.

-- *Department leaders are too much focused on line management and not on creative development.* He hears this as well, that department heads have less time to do strategic thinking. It is a loss to the University if department chairs must spend all their time at the micro level; this is something that warrants a conversation.

-- *Lack of sufficient resources to support faculty sabbaticals and leaves.* That is probably true, Provost Sullivan said, but he has recently seen statistics indicating many of the sabbatical funds are not being used. There seems to be excess capacity.

Professor Balas said he disagreed with Provost Sullivan on the administration not knowing whether there has been consultation. They had this conversation in December, he said; department heads told the Committee that they have no input. The Provost said he has heard from no faculty member or department head that they were not informed or that they were shut out of the process.

Is it possible the situation is different now than it was earlier, Professor Durfee asked? Has the consultation been different in this round of compact discussions, so the earlier comments are no longer applicable? Is the problem fixed? Senior Vice President Cerra said he did not believe they were fixed but that the process is different. This round, they have pursued more the question of how faculty and department heads participated in the compact process. But the participation is not uniform. He does hear, in walking around, that people do not know about the compact process. That goes to the question of communication: how can people know about the timelines, how to provide input, how to get issues on department agendas? There is nothing worse than having something to say but no one to listen or do something or at least being informed why something can't be done. There is a penetration issue, he said:

how to get things on local agendas so people talk about them. Dr. Cerra agreed that the people they see in compact discussions are deans and vice presidents; they do seem to transfer information well to department heads so that the information gets on departmental agendas and the information from those meetings gets back into the compact. The Academic Health Center FCC is trying to get items to department agendas and the deans' council minutes out to the faculty. Does that solve the problem? No, because one cannot communicate 100% of the time with 100% of the people about 100% of the issues—but they should communicate about important issues.

Provost Sullivan asked those FCC members who are department heads about the communication in their college. Professor Windsor said that in CLA the process is open and productive. Part of this is communication, but part of it is the fundamentally different worlds that they live in. Central administration asks units to focus on being in the top three, on fund-raising, interdisciplinarity, public engagement, globalization, and accountability, but on a day-to-day basis she must deal with wasps and cockroaches in the building, a faculty administrator who has resigned because the job demands too much, staff turnover probably for the same reason, the lack of handicapped access, break-ins, and furniture for graduate students from the 1920s. While these may be very local circumstances, it's possible that many departments are dealing with all kinds of operational as well as strategic issues. The compact does not speak well to these operational constraints, which emphasize strategic initiatives. She must prioritize so that faculty, staff, and students are at the top of the list; if operational issues are at the top of the list, then she cannot prioritize needs for the core academic mission of the department. The point is that for many departments, local things may not be working well, so how can they focus on getting to the top three?

Professor Sullivan said that much of what has been talked about at this meeting is what the department heads talked about but is not what is being responded to in the comments. It is not that they cannot voice their views; it is that when they push for strengthening the core disciplines through departmental hiring strategies and priorities for the core disciplines in the compact process they are told that is off the table and that one must talk about cluster hires and interdisciplinary work. Many chairs he knows believe that with two or three hires, their departments could become very, very good, but they are told that is not what they should talk about except in the context of interdisciplinary work and hiring strategies targeted at specific topics rather than disciplines.

Does he see an imbalance between disciplinary and interdisciplinary support in the compact process, Dr. Cerra asked? He does, Professor Sullivan affirmed. They are drowning in small things. During the Vietnam War, President Johnson was told that he had a communication problem. President Bush is told he has a communication problem. The senior officers at this meeting are saying there is a communication problem. Sometimes there are real problems not just communications problems and they should be talked about. No one said there are not problems, Dr. Cerra said, but there is also a communication problem, but agreed that resolving it would not solve the problems at hand. What he has heard, Professor Sullivan said, is that a lot of the problem is communication and that the other issues could be too big to deal with and can be rationalized away. Departments often have little impact on the things that matter most to them—they can have an open discussion and consult, but often within a framework where central guidelines preclude the path/solutions they wish to pursue. For years departments set their own teaching loads and had an impact on salary allocation schemes, but now these matters are out of their hands. That is seen as a loss of departmental autonomy. Dr. Cerra said he was not sure he disagreed with Professor Sullivan, but in the case of a group of professors disagreeing with central guidelines, sometimes one must agree to disagree. This is about the centralization of authority and the

decentralization of work, Professor Sullivan said. The central officers are living in a world where explanations are not entirely connected with the realities faced by many departments.

Professor Windsor said she had great respect for the President and Provost and the Senior Vice Presidents, and that the question is whether, if there is a real problem that extends beyond perception, faculty need to know that they can rely on them to help.

The President agreed that perception is a problem. Moving the University forward means moving the culture forward, at every level. When one looks at this list, what are they to do about the issues? They will continue to talk with the Committee about some of them; that is part of managing the institution. The cockroaches problem, however, is real. The University will not be in the top three with that kind of problem, Professor Martin commented.

These problems must be tackled on both a centralized and decentralized basis at the same time, he said. Vice President O'Brien has hired new Facilities Management leadership, gave notice to all the supervisors that they had to apply for their jobs, and is pushing hard on quality standards. To get this done, however, will also require leadership by faculty and staff on the ground; it is not a CHOICE between centralization and decentralization, the President repeated; what must be done is identify the problems and the tools in the organization to deal with it. This is a lot about setting priorities; the University cannot be excellent in all areas and some units will receive more central funding.

Another reality is that with a \$2.6 billion operating budget, only a small fraction is moved around, a number that needs to increase. The President said he recognized additional reallocation will cause angst in the academic units. He recalled that he spent considerable time restructuring administrative units within a college, with the result that he saved money and centralized services in order to provide more of them at higher quality. Ten years later, the services are back in the departments and college overhead has increased. That is not a central administrative problem. The President agreed that much has been driven down to the units, but at the same time they must agree to let go of things in order to cut transaction costs. Money should be put into academic investments, not transaction costs and inefficient models. There are many things to do in terms of centralization and decentralization, he concluded.

This is a good analysis, the President said, and it is necessary to step back and decide what the problem to be solved is. The disciplinary-interdisciplinary dilemma will never be solved because disciplines evolve. The University must also abandon strategies that do not work; there are examples here that parallel the tea-tasting office of the federal government. He faced angry farmers when the University changed the Extension Service, but he was firm that the University must change. There are a number of items in the list that could be attacked, but doing so will require a change in the way the University does business at all levels, not just central administration.

Professor McCormick said it is his understanding that the three largest colleges at the University face structural deficits. Is that true? How can the University be top three if that is so? Is this a result of the budget model, and is it not a big problem? The President agreed this is a problem, and said it is true of not only the three largest colleges. This could be a lagging effect of the state cut of \$185 million from the University's budget, he said, because the University did not replace all that money. He said he hopes to work out the deficits next year. It is not just money, it is also priorities. The question is why the deficits have developed. It could be enrollment trends, unintended adverse consequences of policy, or other factors. They have to identify the problem to be solved.

These deficits are not a problem of the budget model, Dr. Cerra said. The budget model only informs what revenues came in and what the money was spent on. The three largest colleges with the three largest enrollments should not be in structural deficits, Professor McCormick contended. Part of the reason for the deficits is bad decisions and poor priority-setting, the President said.

Tuition amounts to about 11% of the Medical School budget, Dr. Cerra said; no university can run a medical school on tuition. The number of students is fixed; the Medical School cannot double the enrollment and the University could not afford for it to do so. The situation is different in IT and CLA. All the budget model does is make people aware of revenues and expenses, it does not make decisions. If the balance is positive, one can perhaps make it better; if it is negative, one asks why and move on to solve the problems creating the negative balance.

People are responding to the budget model, not academic priorities, Professor Windsor said. Wasn't it meant to be the other way around, she asked? It is, Dr. Cerra said. Professor Balas said his dean makes investments based on what he expects next years costs will be, but they turned out to be higher than he expected. The budget is only as good as one can predict revenues and expenses, Dr. Cerra agreed. In some areas they did well, in others they were off. Being off even a small percentage is a lot of dollars in University budgets. The University can do better at predicting tuition, for example; energy costs? So units do what they can to build reserves, but the University probably could do better at prediction.

Professor Kane related that she is a relatively new chair, a position that is, in many cases, a service rotation in the University. It is not a position faculty usually strive for. Not all are equipped to do the job well; she has learned a lot on the job. Faculty do not want to be bothered with administrative minutiae; in department meetings, they want to be told what they must know, and why. Chairs are a critical juncture between the faculty and the dean/central administration, especially when it comes to making sure communication is working from central to departments, as well as the reverse. The University needs to provide training for department chairs. One key element in being a successful department chair is making a direct link between the needs of one's department and the goals of a dean. The chair must assure the dean there will be a payoff if the dean invests in that department. Many people do not understand how important that is.

Provost Sullivan agreed about the importance of department chairs, and noted that he has started biannual meetings with department chairs. He said he finds the discussions very helpful. Professor Balas said the training provided to new department chairs is excellent and he learned a great deal from it. About one-third to one-fourth of department chairs do not participate, however. And the training has to reach the department chairs already in place, Professor Chomsky commented, not just the new department chairs.

President Bruininks said that some department chair issues cannot be addressed with training sessions; people need a coach. When a chair must deal with a tough problem (which usually involves people, their preferences and productivity), they need help on the ground in real time.

The President commented that everyone wants to move the University forward and find ways to do so. As he looked at the list of issues, he asked how they could be turned into action. He said he was more worried about what the University needs to take on itself than he was about what the state might do.

He said he believes 10-20% of what is needed to reshape the University needs to come from reducing costs and reducing transaction costs—a very boring task but one that people have to slug their way through. If a central unit asks that more be done at the department level, with greater transactions costs for the department, one must ask if it is worth it. Does it help students? One needs to talk about the proposition that the amount of time spent on something should be worth the time spent on it, Professor Martin commented.

Senior Vice President Jones commented that one must look at where the gap in communication is and why messages do not percolate down to where they should. In many cases, the faculty do not want to know about the nitty-gritty—they want the resources to do their work. Is the breakdown from central administration to the deans or from the deans to department heads? The University can offer many programs for department heads, but unless there is meaningful connection between the department heads and deans, those programs won't help. What conversations has this group had with the deans, he asked? Dr. Jones said they recognize central administration communication channels are challenged and are trying to rectify them.

Professor Chomsky explained that there have not recently been conversations between this group and the deans, although there have been in the past. The Committee also has not pressed on the communications issues in light of the audit of internal communications that Vice President Himle's office has undertaken. It is the perception of the Committee, she said, that the communication gap is between the deans and department heads, in both directions. Provost Sullivan will tell the Committee that he said something to the deans, but it does not filter down. The department heads feel they cannot get messages beyond the deans. The Committee says there is a problem and the senior officers say they don't hear about it; that is because the department heads will not TELL them about it.

Provost Sullivan said he would ask that the Deans Council set aside an hour for a discussion with members of this Committee.

Professor Lanyon asked if the effort on the part of the Committee to have meetings, gather information, and help with communication, is working or if it is helpful. The President said it is and must now be translated into actions or the list becomes merely observations about dilemmas. The question is what to do about them. Internal communication is something they can act on. The central administration assumes that deans have discussions with chairs and chairs in turn have discussions with faculty. That is not the way it works, Professor Martin said.

Professor Hoover asked if it is possible for people in the colleges to have a year-long timeline so that departments have conversations, and then communicate with the college. That's all been done, Dr. Cerra said. Does anyone know that, Professor Hoover inquired? There is a disconnect. When the first instructions are sent out, Provost Sullivan said, they can say when the compact will be due and what areas will be covered. Should the instructions also be sent through the faculty governance system, Dr. Cerra asked? The President said that would be too much; they are too detailed. They must study communication as a challenge.

The new budget model will create a new set of problems that must be corrected, the president said, but it is more driven by measures and it is possible to track trends. Why are costs going up at the rate they are in space, facilities, energy (a \$100 million budget item), technology? Some of the budget model problems are occurring because it is early in the change process, but if there are problems because

of the budget model, they will need to be fixed. Professor Martin observed that there is a budget model committee, chaired by Dr. Cerra and Mr. Pfutzenreuter, that has been meeting and will meet several more times this year, to tweak the budget model—but no one knows about it. How will they learn about budget model problems in the units, Professor Hoover asked? Professor Martin said she did not know but there should be a way.

One way to address the communication problem about college compacts might be to put Senators and college FCC representatives on the mailing list for compact information, Provost Sullivan suggested. That could help inform faculty more broadly. This Committee and the associated governance process is at the University level, Professor Chomsky pointed out; what happens at the college level? Some college governance systems work, some do not; this Committee can be a general voice for faculty but there might be a more coherent voice for the compact within the colleges. Senior Vice President Cerra reported that he sends materials to lists of individuals involved in faculty governance in each of the AHC colleges. Has that improved communication at the unit level? He said he did not know.

Professor Rhodus said that in terms of the communications disconnect, any model for communicating compact information should be a good model for everything else. This list of issues came from department chairs, and while it is true there will be recurring themes, they will want to know a process and how priorities are set. Some things they must do because others set priorities, not because it is what they want to do. Just knowing there is a process that is just and fair and not against them would help.

Provost Sullivan asked if it would be helpful to have a cadre of wise department heads with whom another department head can share problems. Several Committee members said it would be. Professor Windsor observed that she is a seasoned chair who can identify problems and help mentor another chair through a lot of things—but she cannot bring the resources to help solve the problem. There are not enough resources to do the minimum. The University does not want to set a low minimum so that all departments are not doing well, but it also does not want to set a higher minimum and let certain departments crumble.

Professor Chomsky said she was struck by how much this conversation did not parallel discussions about getting to the top three. One person she heard from thought there would be, after the announcement about getting to the top three, another announcement about a major pot of money that would be available, because people cannot see getting to the top three when they cannot even hold the line on what they have.

This is more about trying to make the University excellent, more productive, better, of higher stature, and of greater value to society, the President said. The value of the top-three goal is to identify the qualities that people think important. Professor Sullivan would say the University must take care of strong disciplines. He would add other things, the President said, such as improving undergraduate education and graduation rates. There are a number of important qualities. At the end of the day, he does not want the survival of the fittest; he does not want to say "these are the great departments" and let the rest shake out where they may. That is not a great university. He reminded the Committee again that if 10-15% could be taken out of operating costs and 10-15% of transactions costs could be cut, there would be nearly \$250 million that could be spent on the academic side. At present the University puts in \$10-15 million into compacts. In his five years as provost, there was rarely more than \$5 million to put into compacts.

There is not just one solution, the President concluded. The University must continue to push on the state, allow people to be entrepreneurial and compete for funding, push private funding, and leverage the assets it has. This list should be translated into questions and strategies. And priorities, Professor Kane added.

Professor Chomsky thanked everyone for attending and adjourned the meeting at 3:05.

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APPENDIX TO MINUTES OF 3/29/07

On December 19, 2006, members of the Faculty Consultative Committee presented to President Bruininks, Senior Vice President and Provost Sullivan, Senior Vice President Cerra, and Senior Vice President Jones a compilation of issues derived from conversations last fall with groups of faculty and department chairs. The discussion with the senior administrators at the December 19 meeting was held off the record, but the following pages represent the report delivered at the meeting, which later served as the basis for the March 29, 2007 discussion contained above. In presenting the December 19 report, Professor Chomsky noted that Committee members were reporting not necessarily what they believe to be the “truth” of life at the University, but the perceptions of the faculty and department chairs who attended open meetings with FCC members. She noted that whether or not the statements made are accurate, the fact that they are widely-shared perceptions indicates a problem exists, whatever the reality of the situation.

Minutes

**Faculty Consultative Committee
Tuesday, December 19, 2006
12:00 – 1:30
238A Morrill Hall**

- Present: Carol Chomsky, (chair), Gary Balas, Nancy Carpenter, William Durfee, Barbara Elliott, Megan Gunnar, Emily Hoover, Mary Jo Kane, Kathleen Krichbaum, Scott Lanyon, Judith Martin, Richard McCormick, Nelson Rhodus, Steven Ruggles, Martin Sampson, John Sullivan, Jennifer Windsor
- Absent: Jean Bauer, Geoffrey Sirc
- Guests: President Robert Bruininks, Senior Vice President Frank Cerra, Senior Vice President Robert Jones, Senior Vice President and Provost E. Thomas Sullivan
- Other: Kathryn Stuckert (Office of the Chief of Staff)

[In these minutes: the intellectual future of the University]

[Note: These minutes contain only the remarks of the FCC members. Because of the length of the FCC remarks, there was reduced opportunity for response and discussion, and the discussion was agreed at the outset to be off the record. The Committee and the senior administrators had a lengthier discussion of the issues at the March 29, 2007 meeting.]

Professor Chomsky convened the meeting at 12:05 and welcomed the President, the Provost, and Senior Vice Presidents Cerra and Jones; she thanked all for agreeing to meet with the Committee at the same time. She explained that subsets of Committee members had had a series of conversations this fall with various groups of faculty and wished to bring to the senior officers the things they heard about in those discussions. The objective at this meeting is only to raise the issues, organized by topic; the follow-up can come later, she said. She also noted that the Committee members were reporting not necessarily what they believe to be the "truth" of life around the University, but the perceptions—and as the President has pointed out, if 60 or 70% of the people perceive there is a problem, then there is a problem. Committee members will make an effort to put the concerns in the form of questions that can help shape consideration of these issues later. She turned first to Professor Balas to present the issues surrounding centralization and decentralization.

1. Centralization and Decentralization

The question of centralization versus decentralization at the University takes on many forms. Centralization of services, decisions, visions, etc is expanding especially in conjunction with strategic planning. These decisions have a dramatic effect on finances, services, efficiency, freedom, and attitude of departments, faculty and staff. Department heads, chairs and faculty have raised a number of concerns regarding how and why decisions are made to centralize or decentralize. What follows is a summary of their concerns:

-- How can the implementation part of the strategic planning be more decentralized?

The strategic *planning* last year was a decentralized effort that involved hundreds of faculty, staff and students. The task force reports, combined with inputs from faculty governance led to a stepwise plan by the Provost for implementation which is currently moving forward. Because the initiative and communications now are coming from the Provost, the implementation part of strategic planning is seen as driven by central administration rather than the decentralized groups that generated the ideas.

We have heard from department leaders that faculty have lost the sense of belonging to a college (or the university) community, which may be the result of pressures to produce individually and the sense of top-down decision-making. Similarly departments and faculty don't feel involved in charting directions. From the department perspective, the compact process appears to be about budgeting, not about planning, and departments end up with directives about what to do based on budget constraints without participating fully in deciding what's more or less important. That's partly about budget, but also about centralization.

-- How are decisions made regarding what should be centralized or decentralized and are there metrics in place to assess the benefits of the choices made?

It has been asserted that when a decision is made to centralize a service or operation, central administration takes on the responsibilities *as well as* the resources, whereas when a decision is

made to decentralize a service or operation, individual units take on the responsibility *without* receiving additional resources. Decentralization is often viewed as an unfunded mandate and centralization as a grab for the money.

Department heads, chairs and faculty wonder where the accountability is. For example, what role does the Office of Service and Continuous Improvement play in assessing centralization versus decentralization and what oversight is there to the decision made by that office, which reports directly to the President? How are central service units assessed to determine if they are cost effective and meeting the needs of their customers: colleges, faculty, staff and students? Are those checks and evaluations being made apparent to the service recipients?

- Are the right checks and balances in place to ensure all branches of the University, i.e. central administration, colleges, service units, are held accountable for the resources they receive?

Since the University has embarked on this round of strategic planning, there has been a proliferation of central administrators and staff to support central administration. For example in the past two years, central administration has added a Vice President/Vice Provost for Equity and Diversity, Associate Vice President for International Programs, Director of the Office of Service and Continuous Improvement in addition to a number of Assoc/Assistant administrator positions. The departments and colleges on the other hand feel as though they are being told to make do with less, to become leaner (and meaner as a consequence.).

- How does the University finance both the core departments' missions (decentralized) and interdisciplinary initiatives missions (centralized)?

Interdisciplinary initiatives are being funded from central administration, seemingly at the expense of the individual departments and the core of the university. Individual departments feel that they are being starved, and that they don't have the resources or the freedom to chart their own course. In the decentralized model of scholarship, departments need support to develop and nurture the next generation of "Interdisciplinary Scholars." More importantly, the core research of faculty and their departments must be funded at a level sufficient to support the goal of being a top 3 research university.

2. Departmental Freedom and Flexibility

Professor Sullivan next spoke about issues of department freedom and flexibility that were raised in the FCC discussions. He noted that much of what they heard about this set of issues related to three specific questions: 1) How can core departments obtain access to the internal resources (budgets and positions) needed to improve their standing in their disciplines? 2) What can departments do to protect (or even better, enhance) their graduate programs? 3) How can departments attract the best academic leadership going forward?

- First, how can core departments obtain access to the internal resources (budgets and positions) needed to improve their standing in their disciplines?

Many chairs believe that most budget initiatives as well as the compact process appear to be directed at more applied and more interdisciplinary enterprises. Some chairs perceive that centers, large and small, are much better staffed and supported than are core disciplinary departments.

Some concern was expressed that the "top 3" goal and "interdisciplinarity" are not as tightly connected as our leadership seems to imagine.

Deans seem to be overemphasizing interdisciplinary initiatives in the compact process. Yet tenure still lies through the disciplines, largely.

This concern is coupled with a recognition that even the supported interdisciplinary initiatives are often under-funded and too complex to create, administer and "credit" properly.

Flexible departmental resources are decreasingly flexible, increasingly being required as matching funds to support basic services and academic activities that used to be covered extra-departmentally. "Almost every initiative requires matching money."

Escalating use of set-up funds, retention packages, endowments, McKnight funds, etc., means a much smaller proportion of total department research funds are available for chairs to direct and use to support key research projects or agendas. Much more (sometimes almost all) of the total is used "privately" to support a few individuals' research agendas. This is a mixed blessing.

The new budget model means more investments are centrally-directed and fewer resources are departmentally-directed toward bottom-up initiatives.

There is need for stronger advocacy/emphasis on basic research in the councils of central administration. There is a perception of greater voice for professional schools and applied research than the core, basic disciplines and their research agendas. Some suggested a need for the role of the Vice President for Research to be enhanced.

-- Second, what can departments do to protect (or even better, enhance) their graduate programs?

The widespread perception is that one major casualty of the new budget model may become graduate programs, particularly those in the best departments that are expensive to run due to nationally escalating competition for the best talent. The new tax on graduate students is seen as creating incentives (and, indeed, already-appearing pressures) to reduce graduate programs whether world-class or not—or to fund them with self-generated resources (ha, ha). How can central administration and the Graduate School ensure that deans reaffirm their commitment to protect and even enlarge the best quality programs regardless of whether they are revenue-generating programs?

-- Third, how can departments attract the best academic leadership going forward?

There is some perception that, increasingly, department leaders are evolving into line managers and devolving from academic and creative leaders/innovators. Departmental flexibility of decision-making with regard to academic programs and research initiatives is feared to be eroding.

Resource and longevity disparities increase power imbalances between short-term academic departmental leadership and increasingly higher-paid and potentially more managerial decanal (and other) administrations.

Department leaders' work load is decreasingly manageable. There is now a massive reliance on centralized quantitative data to make administrative decisions. Departments may need their own CFOs and statisticians to manage the escalating tensions between academic and managerial values.

Transparency can be good in reasonable dosages but overdoing it means a loss of flexibility and a reduced ability, even given good intentions, of managing toward academic and scholarly excellence. Everything (including longstanding practices and decisions) must be justified ad nauseam, thus reducing the incentives to make, and increasing the costs of making, major decisions in support of excellence.

3. The Role of the Faculty

Professor Krichbaum summarized the issues the Committee heard about in terms of the faculty role in governance and planning in departments, colleges, and the University.

-- In discussion with the department chairs, we heard many issues of concern to them. It seems we are in an era of paradox in higher education. In terms of control of their areas of responsibility, department chairs expressed:

Increasing direction from central administration; lack of involvement in strategic positioning (as department chairs); few opportunities for faculty leadership.

High numbers of senior faculty who cost more; increasing emphasis on new hires with less funds to do that.

Work of the university is based on faculty input yet if faculty assume leadership, often, they are unable to get funding for research or other scholarship.

Feelings that the faculty voice is not heard.

A general sense of increased workload and decreased appreciation of faculty roles.

Concerns about increasing use of non-tenured faculty to teach courses, at times outnumbering tenured and/or tenure track faculty.

-- There is tension around faculty roles and responsibilities which are increasing, while resources are decreasing. Competition for funding is escalating, yet the University strives for top standing among public research universities. Questions about our intellectual future:

How can we develop leadership among faculty, when the rewards are for individual effort in competition with peers?

How can we better prepare new faculty for success in managing the complex tripartite mission of the university?

What is the optimal structure for the relationship between faculty and administration/faculty governance for the future? Is it consultative or something else?

How can we achieve balance and equity between tenured and non-tenured groups of faculty?

What is the right (best) mix to maintain quality of programs and achieve top three in research?

What rewards for faculty will have meaning in the years to come?

Professor Chomsky reported on additional points that arose from meetings with faculty senators. First, institutional service is valued at the University level (and with the proposed change in section 7.11 of the tenure code, is to be valued at all levels), but that is not always true at the unit level. The recognition for service activities probably does not need strengthening at the central level but it does at the college and department level. And the effectiveness of shared governance in colleges varies with the dean: some are seen as quite consultative while others seem to talk to no one.

Second, there is a sense that too much "consultation" is sharing information about decisions that have already been made, not true consultation before the decision. That may be less true at the central level, although even there some have the feeling that there is a lot of consultation after the fact.

4. Budget Model Questions

Professor Martin presented questions related to the budget model.

The new budget model was crafted to increase transparency and to rebalance some of IMG's perceived inequities. The big picture questions: Is the hoped-for transparency obvious at the departmental level—that is, the level at which most of us live and work? Have former inequities been redressed or have we simply shifted them from one part of the University to another?

-- Is the budget model motivating academic priorities and strategies as intended?

Tuition-generating units may be making academic decisions to emphasize undergraduate rather than graduate education, while local administrators (department chairs) may now be engaged fundraising for graduate education rather than doing research/teaching.

-- How can perceptions and realities be better aligned?

Cost allocations do not seem readily transparent at the department level. Chairs perceive that departments are "paying" equally for very unequal physical spaces, and for access to quite differing levels of staffing expertise and resources. There is nervousness about the quality of services (e.g., Facilities Management) they MUST buy when they sense that better quality services may be less expensive outside the University.

- How closely related is the annual compact process to the new budget model? How closely monitored is it?

Department chairs in some colleges have very limited input into the compact process. There is limited confidence in this system as the compacts seem to be about "new" initiatives, rather than, for example, the University's ongoing teaching mission, which seems to be more and more supported solely by tuition.

- How fair or stable is a budget model that appears to favor those that already have resources? Is this a way to improve our position?

Departments are increasingly being asked to pay a cost-match for new initiatives. This is hard for certain kinds of interdisciplinary programs. There's a broad perception that those who can pay (e.g., larger departments/colleges with more ICR) than others will have a greater chance for excellence. It is unclear how the budget model facilitates collegiate decision making on academic rather than fiscal grounds.

5. Disciplinary/Interdisciplinary Questions

Professor Gunnar presented questions related to the support of disciplinary and interdisciplinary programs, and the competition between them. Department heads have heard the message that we want to promote interdisciplinary work while still supporting disciplinary research efforts. But, daily they grapple with trying to do more with fewer resources, leading them to question whether we really are trying to preserve and strengthen disciplines. While they recognize that some of their starvation is a result of the general financial state of the University and of all academia in the U.S., they are also suspicious that in this context, in order to mount interdisciplinary efforts we will actually starve disciplinary efforts even more. Department chairs want to support innovative interdisciplinary work, but the more starved they are of funds to keep their departments going the less generous they can afford to be.

Question: What is being done to shore up disciplines? What are concrete examples of encouraging interdisciplinary efforts but not at the expense of disciplines?

There is a sense that there has not been much thought given to how to maintain disciplinary strength. The University could have great interdisciplinary work but slipping disciplines.

Professor Kane recalled a comment from Vice Provost Carney, drawing on the Faculty Culture Task Force report, that the loyalty and allegiance of faculty is not to the University or their college, it is to their discipline. When the things that Professors Balas, Sullivan, and Gunnar have described are happening to departments, it is important the administration focus on them. It may also be the case that faculty members have difficulty distinguishing between the decanal and the central administration, Professor Lanyon added.

Deans are responding to pressures of their own, Professor Windsor said; they are not bad people but are under pressure from a number of directions.

6. Internal communications within the University

Professor Hoover discussed issues related to internal communications.

The challenge of communicating within a large group of people is daunting both for oral and written communications. After listening to faculty senators and department heads/chairs, some of the questions that arose were:

- How do central officers obtain and share their information? When and how do they talk/interact with faculty and department chairs/heads? This is unclear to many as evidenced by some of the comments we heard:

There is a sense of too much direction centrally, not enough leading by faculty.

The message has been given that some departments will be stars while others are core. That is a demoralizing message. And that it's already been determined which will be or will not be considered stars. How will it be measured or decided?

All information flows down, central to faculty, dean to faculty but not up.

- How should department chairs/heads be integrated into the decision process for implementation of the strategic plan?

Noticeably, department chairs were not involved in strategic positioning.

How will they be consulted as the strategic positioning moves forward?

- Is email appropriate and should the email arrive from the provost/president? Should the University be innovative in trying to figure out how to help individuals sort through the number of emails and references to web pages they receive every day?

There is an increasing number of messages coming from people one does not know or have a connection with.

There is information overload; people can not connect.

- How do central officers communicate with each other? Specifically how do the Senior Vice President for Academic Affairs and Provost Sullivan and Senior Vice President for System Academic Administration Jones communicate about the academic mission of the University? Senior Vice President Jones is responsible for coordinate campuses as well as the MN Extension Service and the MN Experiment Station—all of which intersect with the academic mission under Provost Sullivan.

- How does the University community become integrated into the decision making process for system-wide implementation of the strategic positioning? For example how do the coordinate campuses, Research and Outreach Centers become integrated into the process?

The Committee heard a lot about the lack of good communication in both directions, Professor Chomsky said. There was a sense of frustration on the part of those who spoke with FCC members: what they told FCC members were issues they really wanted to raise with the President and senior officers. What underlies a lot of what they heard is that there is no one to talk to about bad things that are happening. The discussions were about specifics but also about the way to raise the issues.

Committee members had a discussion with the senior officers about the issues raised.