

Minutes*

Faculty Consultative Committee
Thursday, September 27, 2001
1:15 – 3:30
238A Morrill Hall

Present: Joseph Massey (chair), Wilbert Ahern (by teleconference), Muriel Bebeau, Susan Brorson (by teleconference), Arthur Erdman, Marti Hope Gonzales, Candace Kruttschnitt, Judith Martin, Paula Rabinowitz, Jeff Ratliff-Crain (by teleconference), Charles Speaks

Regrets: Les Drewes, Dan Feeney, Marvin Marshak, Scott McConnell, Billie Wahlstrom

Absent: Richard Goldstein

Guests: Senior Vice President Frank Cerra

Other: Pauline Oo (Institutional Relations)

[In these minutes: (1) civic engagement; (2) resolution on attacks; (3) discussion with Dr. Bruininks (civic engagement, compact planning, legislative riders; (4) election of FCC vice chair; (5) report from the Regents' meetings]

1. Business Items

Professor Massey convened the meeting at 1:15. The Committee took up and dealt quickly with two items: removing the requirement that Nominating Committee members must have served in the Senate in the last 10 years and enlarging the Twin Cities representation on the Committee on Committees.

It was also agreed that in the future, the Committee would prefer to vote on these housekeeping items by email rather than taking up meeting time.

2. Report from the Committee on Finance and Planning

Professor Massey next asked Professor Speaks for a report from the Finance and Planning Committee.

Professor Speaks reviewed briefly the items the Committee had taken up at its meeting two days earlier (the capital plan and the process by which facilities get on to the University's capital request, system-wide student housing financing, tuition reduction for children of employees, and the design for new pedestrian bridges over Washington Avenue). [Details of the discussions can be found in the Finance and Planning Committee minutes of 9/25/01.]

* 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 represents the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

With respect to the capital plan, Professor Speaks said he was unsure if, at this point, there is any faculty participation in the process leading to the establishment of the six-year capital plan or the capital request to the legislature. He told the Committee he will explore the issue and that if there is no mechanism for faculty participation, the Committee on Finance and Planning might establish a standing subcommittee on capital projects.

Items on the schedule of the Committee for the remainder of Fall Semester include: report from Asset and Debt Management, a policy on reserves and balances, the work plan for responding to the legislative accountability riders, review of capital projects, uses of non-dedicated Foundation funds, renovation of Northrop Auditorium with the chairs of Theater and Music, the state of finances in the Twin Cities athletic departments, the impact of health care costs on the University's budget, review of "Fitz's list" (items the University MUST pay for but which the legislature will not fund), and bookstore prices (versus, for example, Amazon.com prices).

3. Discussion with Senior Vice President Cerra

Professor Massey now welcomed Senior Vice President Cerra to the meeting to discuss issues in the Academic Health Center (AHC).

Dr. Cerra distributed copies of slides outlining the AHC Strategic Plan 2001-2006 and talked to the Committee about the contents.

He began by noting that the legislature had created an endowment for the AHC; how will it work and where will the money go? The final payments from the tobacco litigation will be made in January, 2002, and January, 2003. Those funds will go into the endowment, with a total investment of about \$350 million. About 5% of the returns (similar to the University investment policy) will go to the AHC, providing about \$17.5 million per year of recurring dollars when the endowment is fully funded after January, 2003.

Of that \$17.5 million, \$8 million will be used to support education in the Medical School, in lieu of clinical revenue. At present the doctors receive about 10% of their salaries from the state but teach about 35% of their time. \$5.7 million will be used to hire new clinical scientists who will do translational research (these will be tenured/tenure-track hires). \$4 million will be used to support expanded enrollment in Nursing, Pharmacy, Medical Technology, and rural dentistry. The clinical income released from having to support the teaching function will be used to expand activities in some areas in the Medical School; interdisciplinary hires will be encouraged.

The operating budget of the Medical School will be balanced beginning July 1, 2002. In recent years it has been using its reserves to balance the budget; that will stop with the end of the current fiscal year; new funds from the legislature (the endowment) and tuition will be used to support education. At the same time, increasing revenue and decreasing costs, for a total of \$8 million, began this year and included a 14% increase in tuition. Deficit accounts and the creation of debt are not allowed. University of Minnesota Physicians (UMP) income has stabilized; UMP is now managing the clinics at Fairview. The compact planning process is being expanded to all departments and programs in the Medical School.

Professor Speaks asked if departments with deficits will see the deficits eliminated. And what will happen if deficits occur in the future? Dr. Cerra said that three departments had big deficits (greater

than \$1 million); those have been converted to debt and the payment on the debt has been built into the department budgets. All of the deficits will be eliminated. If there is a deficit in the future, there will be a conversation with the department; there will either be a plan to eliminate the deficit or the department will face increasing degrees of receivership in the management of its budget.

Professor Martin asked how the compact process worked: do he and the dean collect the department compacts and have them serve as the basis of the college compact? Dr. Cerra said each department head identifies priorities and discusses them with the dean so they are in concert with School priorities. The dean then looks at all of the compacts and melds them into the college compact; the process includes discussions with the finance offices, the Graduate School, and the Provost's office. Dr. Cerra said he has not yet reviewed all of the department compacts but will do so; he said he hopes the process works well and it has the potential to involve faculty and administrators at all levels in how funds are used.

How will the Medical School keep afloat before the full funding from the endowment becomes available in the 2003-04 fiscal year, Professor Erdman asked? In the current year there is some money from the endowment, Dr. Cerra said; the investment pool will generate an additional amount that will, with the endowment, provide about the \$8 million needed to balance the budget. The same will be true for next year. In the meantime, the Medical School is not making the investments in programs that it would otherwise do.

In this transition, the Medical School lost a lot of faculty, Professor Erdman recalled. 2004 is a ways off. Are people willing to put up with the constraints for the next two years? The Medical School has not stopped recruiting, Dr. Cerra assured the Committee. Because of the delay between searches and appointments, he has authorized searches to begin in January, 2002. This timing will be aligned with the availability of space; by 2003-04 there will be the appropriate space, financial support and recruitment. That is the plan, anyway.

Dr. Cerra then reported that there had recently been an external review of Fairview. When the original agreement was signed, it included a proviso for reviews every three to five years. The review confirmed that the sale of the hospital was the right decision. There are enough patients, there is support for clinical research protocols, and the hospital is making money.

The external review focused on the complaints about the organization; one result is that a new steering committee has been created to "develop, implement, and communicate a new vision and plan to realize the potential within the relationship," which will serve as a mechanism for faculty involvement in discussions about the future direction of the hospital. Fairview will continue as a university-type hospital and will invest in programs in the Medical School and other parts of the AHC. "The policy and financial tails from the first five years of the relationship will be resolved soon."

Professor Kruttschnitt noted that Attorney General Hatch had completed his investigation of Allina and would be turning to other hospitals; would Dr. Cerra be nervous if he selected Fairview? Dr. Cerra said he would not. The record would probably not be perfect, but they have reviewed expenditures. Mr. Hatch's concern was about the lack of management oversight, a problem that does not exist at Fairview.

Professor Massey recalled that he had recently been in a meeting with some AHC faculty; they said there is much wrong with the relationship with Fairview but that it is better than they were before. Dr. Cerra said that was true. The best thing one can say is that the hospital was not closed and it is doing what it is supposed to do. A process will be in place for faculty to be involved in decision-making; he said he is also hearing that Fairview is learning how a university hospital should be managed (that is, not necessarily like a community hospital). The problems are not cured but the situation is getting better. He agreed that there is much work left to do.

Dr. Cerra reviewed information about databases and pre-health-sciences advising.

There will be new facilities to support research. The Molecular and Cellular Biology (MCB) building is within budget and on time; the move-in will be June, 2002. MCB has space for 65 principal investigators, about 20 of whom will be new (tenured/tenure-track) hires. In addition, 40% of the space in the building is classrooms, which will be used for undergraduate biology. In this case, the design-build process worked VERY well, Dr. Cerra said.

What is translational research? Dr. Cerra said it entails using basic scientific knowledge to create a new product to prevent or treat a disease. The new Translational Research Facility, high on the University's biennial request, will provide space for 33 translational scientists. Of the 70 faculty the AHC has lost in recent years, most were people who did translational research (and that is where about 80% of NIH funds go, although the definitions of basic and translational research do get cloudy).

The problem is that the MCB building is replacement space (for Owre, Millard, and Lyon Lab). The amount of research space is less although it will support the same number of investigators because of greater efficiency in using the space. The AHC has funds for new hires but no place to put them; they will be housed in the Translational Research Facility. The two buildings together, MCB and Translational Research, will house 98 investigators, a combination of current and new faculty.

Professor Speaks asked if, for the 33 translational scientists, there are budgeted salary lines for each such that if support from a grant were lost, the lines would be funded anyway? Dr. Cerra said yes. In the first year of their appointments, the salaries and fringe benefits would be funded 100% from AHC funds. In the second year, they would expect 25% of the salary and fringes to be supported by grants; in the third year, 50%. There are, however, enough funds underneath the appointments that using the grant funds for salaries is low risk; there is NOT dollar-for-dollar coverage of the salary lines, but to require that would mean planning for a catastrophic loss of all grant funding. He later added that frequently the investigators pay 100% of their salaries and fringe benefits. In terms of using ICR funds for salaries, they are "distributed all over the map" in the AHC; there is no consistency among the schools. That is something that needs a look, he agreed.

Dr. Cerra said he is now going to do a risk assessment of various lines, especially clinical lines, and assess how much support is needed for tenured salary lines. He will do the assessment for grant funds, ICR funds, etc. Does he expect different outcomes for different AHC units, Professor Speaks asked? He does, Dr. Cerra affirmed, and he will then look at the AHC as a whole. The same thing can be done at the institutional level. Professor Speaks asked that Dr. Cerra report to the Finance and Planning Committee, when he is farther along in his analysis, because the same kind of assessment could be applied to other parts of the University as well. Dr. Cerra said he would be glad to do so.

It sounds like translational research has been on his mind for a long time, Professor Martin commented, but it was a surprise when the research facility jumped so high on the biennial request list. Dr. Cerra said the building has been in the AHC capital plan for a long time. The original thought was that the entire \$37 million cost could be obtained from private sources; that did not work out, so the President agreed to seek two-thirds of the cost from the state with the AHC providing the one-third that would be the University's share. One reason the facility was put higher on the capital request is because there will be people showing up next year who need space. It was not known if the legislature would provide the endowment money; since it did, the AHC must now align space and personnel.

Will the new facilities make the BSBE (Basic Sciences and Biomedical Engineering) more BE, Professor Erdman asked? They will try to make that so, Dr. Cerra replied. UMP will soon own its own clinics and move out within 2-3 years, which will free up additional space in Moos and Phillips-Wangensteen as well. The goal is to have the top two floors of BSBE allocated for biomedical engineering. He noted, however, that space in BSBE is not assigned departmentally but by program.

Professor Kruttschnitt asked if, when he does the risk assessment, there are models from other medical schools he can use. There is not, Dr. Cerra said; the only models are from the private sector. It is a challenge to bring risk assessment into this system, with its arcane fund balance/cash-based model, where one is never sure where one is financially. This is the system used by most medical schools.

Dr. Cerra briefly reviewed what is occurring in interdisciplinary education and student support.

Professor Martin asked, with respect to distance education, if there will be collaboration with Duluth and Rochester. There will be, Dr. Cerra affirmed. There have been a lot of individual projects already; the problem is the lack of a plan.

Professor Massey thanked Dr. Cerra for joining the meeting.

4. Civic Engagement

The Committee returned to the issue of civic engagement and had a lively discussion. Professor Ahern began by providing a report on activities of the Committee on Educational Policy.

There will be an item on the Senate docket requiring a syllabus for all courses at the University. SCEP will also look at retention (on which there might be policy recommendations in the future) and hear about the Rochester campus. He was also asked about a policy on TA training, a topic about which there was an article in the DAILY today. Professor Martin recalled that there was discussion a few years back about TA training for those for whom English is not their first language; they must go through a certification program. Professor Ahern said he was aware of that issue but the general issue of TA training had not come to SCEP in the recent past. He said he told the reporter that departments are held accountable for their teaching.

On the subject of civic engagement, SCEP has approved the creation of a subcommittee on civic learning; Professor Ahern reviewed its charge. It will consist of about 10 people, some from SCEP and some not. Is SCEP enthusiastic about this, Professor Kruttschnitt asked? There were six SCEP members who volunteered to serve on the subcommittee, Professor Ahern responded; it is not an uncritical interest, he added, and SCEP members had some of the same questions that FCC members have had.

Professor Martin urged that as the subcommittee does its work, it not lose sight of the citizenship and public ethics requirement for undergraduate students on the Twin Cities campus. The subcommittee should not spin its wheels and get nothing done. Professor Ahern agreed that the subcommittee should look at the requirement and see how it working. The question is one of evaluation, Professor Martin commented; the Council on Liberal Education approves courses but once approved, courses seem to fulfill the requirement forever.

Professor Rabinowitz said that civic learning needed to be defined first. That is part of the charge, Professor Ahern said.

Professor Ahern then related that Professor Massey had asked for help from SCEP in getting its hands around this "large fuzzy ball" called civic engagement. He said he thought that FCC will be helped by the work of SCEP on civic learning and the message from Professor McConnell [see below] on what the Senate Research Committee will do. FCC might focus on definitions related to the University's mission, he said, looking both to itself and to the work of the task force, and also move on the proposal to have forums. FCC could sponsor forums with the goal that it would eventually make a statement on civic engagement and its relation to the University's mission. What would the reaction of FCC have been to the draft resolution it considered at its retreat if there had been no task force report--if the resolution had been standing alone.

Professor Martin said the resolution had been motherhood and apple pie; the problem was the report. Professor Rabinowitz said the report was "guilt-tripping faculty and students." Professor Ahern said that there were new words being used to ask whether the public purposes of the University were being served.

The issue should be taken up with the administration, if it is a question of funds, Professor Rabinowitz said. The administration and Board of Regents are responsible for seeing that the land-grant mission is carried out. The report is outrageous and a waste of everyone's time.

Professor Bebeau said that the University should celebrate what it does. It should also raise the question: if the state does not intend to support the University to the extent needed, what does it wish the University to give up?

Professor Ahern agreed that civic engagement is happening and that it is important; it is also undervalued, as the task force said, in teaching and scholarship and does have the visibility it should. That is why this Committee should give it attention. There are definitional issues beyond motherhood and apple pie, such as engagement with special interest public groups or where a corporation buys faculty engagement.

That is professional consulting, Professor Martin maintained. Is it undervalued, Professor Kruttschnitt asked? There are awards for people who are civically engaged and there are campaigns about what faculty do for the public.

There is also the definitional issue of the larger public purpose of the University, Professor Ahern said; faculty can interact with the communities without the institution giving attention to larger public

goods. On the other hand, perhaps that is up to elected public officials, he said, and presumptuous for the University to take on.

Professor Ahern went on to point out that an impressive group of their colleagues spent a great deal of time on the topic of civic engagement; FCC has talked about it at three meetings. Is FCC prepared to say "no thanks, things are fine"? That 25 or 30 colleagues came to a different conclusion does not persuade this Committee?

Is Professor Fogelman wedded to the report from the task force, with only tinkering around the edges, or is he willing to scrap it altogether and take a different approach, Professor Speaks asked? Professor Ahern speculated that Professor Fogelman might be closer to the latter than the former, and that he understands the approach of the task force may not have been the most felicitous. The basic point, however, is that the University does a lot of civic engagement but that it is not coordinated and it is not valued. Professor Ahern recalled that Professor Gonzales had made the point that faculty who do civically-engaged research pay a professional price for doing it.

That is an ADMINISTRATIVE problem, not a faculty-student problem, Professor Gonzales declared, because of resources. But as a result this Committee and others are spending a lot of time and intellectual power on something when it is unlikely there will be any structural change at the University. Professor Ahern agreed that faculty governance focus on an issue was no guarantee that something would change, but the point of the task force was that the University is going in a direction that does not value civic engagement--and that direction needs to be reversed.

Professor Bebeau said her problem is with the STRATEGY to reverse the direction. There need to be examples and ways to celebrate civic engagement, perhaps a change in promotion and tenure criteria. She related an anecdote about a faculty member who does work with schools and who apologizes for it. The problem may be structural; the problem may also be with a particular promotion and tenure committee, Professor Ahern said.

The iffiest part of promotion and tenure is the service category, Professor Rabinowitz said. It is always a plus if one has it but lack of it is never a negative. No one pays any attention to it. Service is supposed to be what faculty do; faculty could think about what service means and how to reward and celebrate it and how it need not be a bar to promotion and tenure. It is the punitive, moralistic, guilt-mongering approach of the report that offends.

To look at service, to make it more important, will be difficult when the documents say that teaching and research is most important, Professor Ahern said. The approach of the task force was to say that some teaching is civic engagement and that some research is civic engagement, and that the University should not call certain activities service.

The terms are fuzzy, Professor Rabinowitz said, and that is part of the point about what a public university is about. Some have spent a lot of time thinking about this; they are out of touch with the random group of people on this Committee; faculty will not rally 'round the report.

People put in a good effort on the task force, Professor Ahern said; it may make sense for FCC to have a discussion with them. Professor Martin said she did not know what the point would be. The task

force continues its work; SCEP will have a subcommittee. It may not be wise to spend FCC time when others are working on it.

Perhaps FCC should say to the task force that it was disturbed by the tone of the report and that if civic engagement goes forward, the task force should know that FCC does not see that the report contributed ideas to address the problems that FCC sees at the University. This was an administrative task force, Professor Ahern recalled; when FCC speaks to it, it also speaks to the Provost and to the Regents.

Professor Massey suggested that this would bear more discussion by FCC but that for the time being it should just sit on the issue. Professor Ahern said he would report back on the activities of the SCEP subcommittee.

After the meeting, Professor Massey asked that the following message from Professor McConnell also be made part of the record of this meeting. Professor McConnell, out of town when this meeting was held, earlier indicated his views about how the Senate Research Committee should approach the issue of civic engagement:

"First, I am interested personally and for the Committee in extending the discussion of the Task Force's work and ideas to the research mission of the University. It seems that issues related to research and scholarship have been a large part of what the Task Force has considered, but I think the Research Committee would appreciate a chance to discuss these issues in some more depth.

"Second, I would think the Research Committee might talk, both as a committee and with Task Force members, about how attention to 'civic engagement' in research is monitored, evaluated, and perhaps increased. To the extent that the initiative is concerned with changing the 'impact' of University programs, discussion of the opportunities (and limits) for influencing programs of research might be worthwhile.

"The Committee is in the throes of setting our agenda for the current year, and I expect the Committee will include some time and attention to civic engagement. I had planned to ask Professors Fogelman and Boyte to help me frame some discussions, and I would be happy to pass along any suggestions or requests from the FCC."

Professor Massey adjourned the meeting at 3:25.

-- Gary Engstrand