

## AHC FINANCE & PLANNING COMMITTEE

August 3, 1999

### Minutes of the Meeting

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

PRESENT: Dan Feeney (chair), Carol Wells, Kathryn Dusenbery, Kathryn Johnston

REGRETS: Patricia Tomlinson

ABSENT: Tim Church, Michael Speidel

[In these minutes: discussion about faculty compensation, Allied Health Programs]

**FACULTY COMPENSATION:** The first item of business involved a discussion about faculty compensation. Kathryn Johnston explained that with the exception of position, salary decisions are made on merit and should not be made based on the composition of salary. Salary increases should be determined by the compensation plan of the particular college/department. For example, one could expect approximately a 4% increase for outstanding performance; 2-3% for average or meeting expectation; 1% or less for not meeting expectations. Departments should have a compensation plan and the faculty (merit committee) should be involved in determining a formula to be used to allocate the money. It was pointed out that the policy ought to be clarified so that both the department chairs and the faculty understand the process. Ms. Johnston then spent some time talking about the faculty salary increase process she administered at Virginia Tech. She said that people had confidence in that process because there was substantial review.

Members then spent some time discussing salary inequities within any given department. This issue could be magnified with the merging of departments, it was said.

Professor Feeney suggested that the committee consider making a recommendation, along with FCC and Faculty Affairs, regarding the establishment of more detailed rules and monitoring processes across the AHC with respect to faculty compensation. K. Johnston suggested the committee collect information about how departments are handling faculty compensation and then provide a suggested format. This issue should be on the agenda for an upcoming meeting.

### ALLIED HEALTH PROGRAMS

Members agreed to delay the discussion about Allied Health Programs until the next meeting at which time more members would be present.

Before moving into a discussion about financial indicators, members held an off-the-record discussion regarding issues

facing the AHC.

## ACADEMIC HEALTH CENTER FINANCIAL INDICATORS

Kathryn Johnston distributed a document regarding the financial indicators in the AHC's schools and colleges. The data include headcount within the AHC; salary averages; expenditures; state allocation ratios and a financial analysis ratio survey. She said she is in the process of collecting data from other "like" institutions so she can do a comparison study. She encouraged members to review the document and forward comments to her. One member inquired whether the survey could be done for the departments as well. Ms. Johnston indicated that she would be happy to do this, if the committee thought it would be useful information. She also asked members to provide her with the names of institutions that they thought would be "like" the University of Minnesota.

One member stated that it was demoralizing to see the size of the administration growing when departments are unable to replace faculty who have retired and in the meantime the faculty are shouldering more of the burden of teaching and research. The perception is that the number of faculty is declining. Ms. Johnston responded that no additional dollars are being spent on hiring new administrators and that it is the departments' choice as to how they use their allocation with respect to hiring more faculty. Members expressed an interest in looking at the hiring trends in the AHC. Members spent some time discussing the Rajender decree that took place in the 1975 and the implementation phase of the decree in the mid-80's. Professor Feeny indicated that he would contact Julie Sweitzer and Carol Carrier regarding hiring practices data.

### Comments regarding financial indicators:

- At many major research institutions you can never tenure more faculty than those faculty who you have permanent funding for. If you have criteria such as number of students, a base level support for research and for public service that is all the faculty you can get - all of the other faculty have to be non-tenured. You can never tenure somebody on soft money.
- There should be data to determine how many tenure track faculty can be supported in the AHC.
- It was suggested that clinical revenue be added as an indicator.
- Question was raised whether there was good data on clinical revenue.
- Indirect cost recovery revenue is down this year across the University
- There is an expectation that tenured faculty bring in revenue (in the AHC)
- An interest was expressed in obtaining information regarding the amount of revenue generated in the various departments within the AHC.
- The faculty in AHC generate a tremendous amount of money through grants and research which is not connected to the money allocated by the legislature.

## OTHER BUSINESS

- Vickie Courtney will create an email chat line. This will provide a tool for the faculty in the AHC to communicate with the F&P Committee.
- Vickie will also contact Peggy Rinard about doing a news piece on the F&P.

Hearing no further business, the meeting was adjourned.

Vickie Courtney

University of Minnesota

AHC