

Minutes*

SENATE COMMITTEE ON FACULTY AFFAIRS
Thursday, October 12, 1995
3:15 - 5:00
Dale Shepherd Room, Campus Club

- Present: Dan Feeney (chair), Carol Chomsky, Cheryl Coryea, Robert Fahnhorst, Judith Gaston, Richard Goldstein, Kinley Larntz, Kevin O'Laughlin, Bernard Selzler, Yang Wang
- Regrets: Carole Bland, Mary Dempsey, Roland Guyotte, Richard McGehee, Samuel Myers, Carol Carrier
- Absent: Samar Barakat, Willard Manning, Ken Roering, George Selzler, James Stone
- Guests: Robert Kvavik (Academic Affairs), Clarence Carter (University Libraries)

[In these minutes are discussions covering the following subjects: Responsibility Center Management (RCM), Faculty/Academic Staff Advocacy Program, and reports from the Faculty Retirement Program Subcommittee and the Administrative Evaluation Subcommittee.]

1. REPORT OF THE CHAIR

- A. Professor Feeney informed all the committee members that they should have received an updated list of the proposed agenda items for SCFA to address during the 1995-96 academic year.
- B. The Regents were scheduled to have their first of three discussions/presentations on tenure on the same date as this SCFA meeting.
- C. Professor Carl Adams (FCC Chair) wants to assemble several small groups for the purpose of addressing issues of tenure and switching to semesters. This will not interfere with the Tenure Subcommittee or any other groups. Suggestions for membership to these groups are welcome.
- D. Sexual Harassment Policy: Dr. Feeney met with Professor Mindy Kurzer, and developed a reasonable compromise of the Policy. Professor Kurzer will be presenting the proposed changes to the Sexual Harassment Board and Stephanie Liebermann (New EEO/AA Director). Professor Feeney hopes to have the Policy before SCFA at its December 8 meeting.
- E. In relation to Conflict of Interest/Professional Commitment, SCFA may need to address the following question: Does the University have the authority to control your outside activities if you are fulfilling the requirements of your appointment? Attention to this questions may require re-examining these two policies.

* These minutes reflect discussion and debate at 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.

2. APPROVAL OF THE AGENDA

A motion was passed approving the agenda.

3. APPROVAL OF MINUTES

The June 1, 1995 minutes were approved.

4. DISCUSSION OF RESPONSIBILITY CENTER MANAGEMENT (RCM)

Assoc. V. P. Robert Kvavik

Assoc. V. P. Kvavik explained that a committee recently completed a working draft of how Responsibility Center Management (RCM) would function at the University. The document completed by this committee is now available. The University compiled information about RCM as it was applied at the University of Michigan and Indiana University, and translate the knowledge to this institution.

Some of the characteristics of RCM are:

- * There is a need to focus on expenditure AND revenue of the budget. Money generated by a unit would be returned to it, rather than collected centrally.
- * It tries to develop a formula for rationally allocating costs to units regarding services that are provided for the entire institution (e.g., libraries).
- * The allocation of State subsidies must be examined as well.
- * It is hoped that this will "clean-up" the budgeting process by decentralizing the allocation of funds. Therefore, Central Administration would only be responsible for the distribution of the State subsidy.

The University has been working toward this direction for a number of years (e.g., unit negotiations of tuition, telecommunications billings, etc.).

The next step for RCM:

1. Attribute tuition income
2. Assign costs for facilities
3. Assign distribution of Indirect Cost Recovery (ICR) income
4. Assign the distribution of State subsidy
5. Establish regulation of competition

The RCM committee recommended that joint faculty/administration/staff committees be formed to address each of these issues. It is hoped that these committees would complete reviewing the items listed above in the next six months, and that RCM would be fully operationalized by July 1997.

Q Who is going to arbitrate which policies will be established? "The closer to the money the stickier the fingers."

A The Administration is relinquishing their access to the money.

Q How are units going to be "taxed" for central services?

A The committees are to decide these details.

Q Is the current accounting system at the University ready to handle this new financial method?

A Not yet. For example, the registration system is not developed so that a unit could respond if there appeared to be an increased demand for a particular course.

Q Will the faculty have access to the decisions that will be made at the unit level (e.g., class sizes)?

A I do not foresee RCM being something that is applied at the department level, but rather, at the collegiate level. Therefore, the Classics Department is not going to be expected to generate SO MUCH money. Rather, a college may wish to consider what programs to emphasize.

Resp. Maybe we do need to make sure that the decisions do go down far enough so that faculty are able to influence the process.

Q Is there a possibility that the application of RCM could lead to an exodus of deans?

A The University of Southern California lost 20 of its 29 deans due to a rigid and swift application of RCM. On the other hand, Johns Hopkins University brought its College of Liberal Arts out of bankruptcy with the use of RCM.

Dr. Kvavik said that he is not completely confident that RCM is the means for solving the financial challenges of the University. Other points offered by the group:

- The University needs to be careful to discard a system that may not need to be entirely replaced.
 - The Administration is assuming that sharing the knowledge of costs with units will be to their advantage. They are also beginning to think that large central staffs may not be the solution to management.
- Finally, the Administration is willing to take time to find the best answer.

5. DISCUSSION OF THE FACULTY/ACADEMIC STAFF ADVOCACY AND GRIEVANCE ADVISORY PROGRAM

Professor Clarence Carter

Professor Feeney drew the attention of Committee members to the agenda which included details of previous discussions on the advocacy program.

Professor Clarence Carter said that grievance system at the University is becoming increasingly legalistic in formal terms. Therefore, the limits of a policy of law are dictating the Administration's actions, rather than allowing an administrator flexibility when deciding on a case. Professor Carter offered a number of additional points including:

- * A faculty member who comes into the system has little chance in advance to put forth a successful argument in trying to persuade administrators because of the bias coming from the Office of the General Counsel.
- * Right off the bat, you are at a disadvantage because the way that you are going to interact has already been set according to legal mandates.
- * There should be someone to advise a faculty member if an interpretation is appropriate or not.

- * He would NOT recommend an advocacy office because of the potential adversarial message this structure could communicate.
- * The supervisor of a faculty member has probably already gone up the leading administrator (dean). Therefore, advising a faculty member to speak with their dean will not necessarily work to the advantage of that person.

When a faculty or P&A staff is having difficulty with his or her boss, there is a feeling of isolation. One committee member said that she helped such a person "shop the system" to explore options of dealing with the situation.

Other points made by SCFA:

- * There is concern about the current Grievance Office reporting to the Office of the President.
- * The Grievance Office may be making recommendations (e.g., truly a grievance or not) on certain cases involving faculty members. The recommendations of this office are viewed by some as judgements.

Professor Carter said that when he was grievance officer, he would advise a faculty member to seek the opinion of a panel if he did not think the person should pursue the case. A committee member said that some faculty members may not be aware that they may have a panel review their case regarding the recommendations of the Grievance Office.

Professor Feeney asked Professor Carter for his advise as to what service could be provided for the faculty in difficult situations. Professor Carter said that there are about five or six faculty who are consulted throughout the University system on a regular basis. The University should develop an ad hoc group to protect the rights of the faculty.

A SCFA member recommended that a committee be assembled to serve as an advisory council for faculty. Another said that he would like to see this group work closely with the grievance officer to ensure the appropriate application of the Grievance Policy. Several SCFA members recommend that the "advocacy advisory groups" should be placed under the University governance structure. Professor Feeney said that the SCFA will plan to act on this issue at their next meeting and determine the suggestion it will forward to FCC.

6. FACULTY RETIREMENT PROGRAM SUBCOMMITTEE REPORT

Professor Feeney said that this subcommittee had not met this year, but will do so within the month. In his discussions with Interim Sr. V. P. for Finance and Operations, Roger Paschke, and Acting Employee benefits Director, Robert Fahnhorst, Professor Feeney has heard that the University community is using new options introduced last year including the Fidelity Contra Fund, O.P.C., etc.

Issues the subcommittee will be addressing in the near future:

- * TIAA has a new option available to the University that involves real estate funds.
- * The University has until December 1, 1995 to explore the opportunity for faculty to purchase additional universal life insurance.

- * The distribution of reports from Minnesota Mutual on a quarterly basis rather than bi-weekly is to be reviewed.
- * Readdressing issues related to the retirees and the quarterly investment report for the University will also be discussed.

Based on the question of a committee member, Robert Fahnhorst, Acting Employee Benefits Director, said that University does allow a retiring faculty member to purchase his/her health insurance through the University's program. This option is not subsidized by the University.

7. ADMINISTRATIVE EVALUATION SUBCOMMITTEE REPORT

Professor Carol Chomsky said that the subcommittee has been dealing with two issues. The first was to work with the Office of the General Counsel and develop a facts sheet for faculty based on the Data Privacy Act, and its implications for faculty business. This will be available for review by SCFA in the near future.

The subcommittee is also addressing the issue of data as it relates to administrative evaluations. Together with a group including Assoc. V. P. Carrier, the subcommittee has been discussing how faculty may discretely provide information for the evaluation process. Assoc. V. P. Carrier, et al., provided a draft document for the subcommittee to review. Professor Feeney said that the subcommittee may come before SCFA regarding this document if it wishes.

-- Kevin Gormley

University of Minnesota