

Minutes\*

**Faculty Consultative Committee  
January 4, 1990**

Present: Warren Ibele (chair), W. Andrew Collins, Norman Kerr, Lynnette Mullins, J. Bruce Overmier, Ronald Phillips, Michael Steffes, Charlotte Striebel, James VanAlstine

Guests: Carole Bland (President's Office), Acting Vice President William Donohue, President Nils Hasselmo, Senior Vice President Leonard Kuhi, Barbara Muesing, Geoffrey Maruyama, Kathy O'Brien (President's Office), Stephen Scallen (chair, Task Force on the Elimination of Mandatory Retirement), Maureen Smith (Brief), Rabun Taylor (Footnote), a Daily reporter.

**1. Correction to Minutes of December 14, 1989**

On page three, last paragraph, of the December 14 minutes there is a sentence clause which reads "[Senior Vice President Kuhi] maintained that because investment in research is so enormously expensive it does make sense to set up a parallel structure in the State Universities. . . ." The sentence clause should read ". . . it does NOT make sense to set up. . . ."

**2. Report of the Chair**

Professor Ibele opened the meeting with a few announcements. He has been appointed the chair of a small search committee which will conduct a limited search for the position of Senior Vice President for Finance and Operations. The President, after talking with the Special Masters and with Patricia Mullen of the EEO office, concluded that a search would be necessary to fill the position on a permanent basis.

There will be a meeting tomorrow about implementation of the new grievance procedures; the aim is to put them in place by July 1 for a period of about two years.

The letter of appointment and charge has been sent to the Task Force on Extending the Probationary Period; the task force will be chaired by Professor Bill Gerberich in Chemical Engineering and Material Science.

The names of nominees for the Task Force on Liberal Education have been forwarded to Provost Kuhi.

**3. Discussion with Professor Scallen**

Professor Ibele welcomed Professor Scallen to the meeting to provide an update on the work of the Task Force on the Elimination of Mandatory Retirement. Professor Scallen distributed a handout which summarized the current thinking of the task force and then discussed its contents.

---

\* 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.

His own thoughts, he began, had evolved since the outset of the work of the task force. Initially he had thought the elimination of mandatory retirement would be a big problem and there would be a need for incentives to encourage people to retire. The research literature on aging and productivity, however, provided no rigorous evidence that there is any relationship--some of it is junk and some of it is interesting but none of it provides any explanation of the variables which might affect a relationship. The studies do indicate there is some loss of abilities but not so much that individuals cannot do their jobs--and some of the loss appears to be from disuse of one's faculties. There is, he surmised, much ageism prevalent in society, and while there is some truth to the stereotypes about the aging, those stereotypes say nothing about the ability of professor A or worker B to do their jobs.

The law is on the books, in any event, he pointed out, and the higher education community will probably learn the hard way--as it did with sexism--to become more sensitive to ageism--the "hard way" consisting of facing lawsuits. The task force will recommend, among other things, that the University community learn more about ageism.

The quantitative impact on the University of the change in the law is likely to be very slight. Models of the distribution of the ages of the faculty suggest they are not very sensitive to the legislation; for those faculty who are in their 60s, there is an 80% retention rate each year (we do not know why they leave because the information is not available; it could be retirement, taking another job, sickness, etc.). The cumulative impact of this 20% discount each year is that 90% of the group is gone by age 70. The task force assumes that this pattern will continue to prevail.

Given this small impact, it may appear unnecessary to do anything at all. Professor Scallen contended, however, that there will be still be difficult cases which will have to be dealt with--non-performing faculty could be tolerated or perhaps machinery will need to be developed to address these cases. It seems likely that the University will not be able ignore these individuals, if only because recent publicity suggests that the legislature and the public will not tolerate that stance and also because the faculty themselves will not want to be around colleagues who do not work. One task force member takes the position that she does not want to be at the University if it does not care enough to get rid of those who do not produce.

One Committee member cautioned that there may be a place, especially in large departments, for those who are no longer productive scholars; there is much work in a department to be done, such as advising, teaching, and administrative work, which can be performed by these individuals and permit them a productive end to their academic careers--even though such work may not fit the normal mold of a faculty member. Another Committee member agreed but also recalled hearing a recent statistic that less than 50% of the members of the faculty had had a refereed publication in the last year. This, he said, was appalling, especially for those faculty who do work hard; those individuals should not be here or there will be a sense that the University does not care about productivity.

Professor Scallen concurred and said that it would perhaps be necessary to raise expectations about productivity; the University can do better with the faculty it has if the faculty are given help and feedback. This is, he emphasized, a faculty issue, not an administrative one, because faculty want to be members of a productive group. There is a need for reviews every four or five years--to be used not to "can Professor X" but to help in productivity. The faculty will work harder if they have such reviews--he certainly would, he said. The report will urge that the faculty take charge of the productivity issue; it will

not suggest beating the bottom 5% to do better but will instead suggest that resources be used to help the top 95%. The responsibility to deal with "shirkers" cannot be ignored, however.

The report will emphasize merit pay; a controversial provision will likely call for posting of salaries to unit members. Professor Scallen said this would allow review of salary decisions by unit members and would permit modeling of good faculty and learning by low producers; there will be a cost--"heat on administrators"--so will be resisted. Two very good administrators at the University, however, have told him that this practice would have negative results, so he is rethinking the proposal, but told the Committee that he still believes the good outweighs the bad. Professor Scallen also reflected that many decisions are not reviewed by the institution--Academic Affairs or anyone else--and this would provide that review. Vice President Kuhi observed that one possibility for alleviating the "heat" problem would be use of an executive committee within the department to review salary decisions.

Some Committee members expressed reservations about this proposal. One said faculty would be assisted if they knew about the process used to set salaries rather than simply the results; another argued that the lowest paid faculty in a unit usually know they are the lowest paid and it accomplishes nothing to humiliate them. Anyone that interested in salaries can, it was pointed out, walk over to the library and look them up in the University budget book. Use of an executive committee was opposed by another because, it was said, they tend to be conservative and regress to the mean; administrators are paid to make the decisions and should do so. Yet another urged that while faculty review of faculty is desirable, this issue should not be separated from the need for review of administrators.

There was also brief discussion of the all-campus faculty committee used at Berkeley; Vice President Kuhi told the Committee that while its recommendations to the administration are advisory, there is only rarely disagreement. Basically the faculty does it all, he said.

In the case of low- or non-performing faculty, Professor Scallen continued, it would probably be cheaper over the long run to resort to the courts than to rely on buy-outs. The prospect of litigation would give the University a bargaining point, and faculty do not generally like buy-outs, seeing them as a waste of money. The University does, however, need to make deals once in a while, he added.

The report will also recommend elimination of the \$5000 "notch" in the faculty retirement plan contributions--which is probably illegal anyway under IRS code non-discrimination provisions. The change should be made not by decreasing the contribution to the plan but rather by foregoing 1% or 1.5% of the salary increase for one year.

The task force will also look at positive models of retirement; it is ageism, Professor Scallen said, to find incentives so that people will retire. The University does not regain the full amount of a \$60,000 salary because the person who retires was doing something to earn that money. The task force will recommend that office space be provided to retirees (by the college or campus if the department is unable to do so)--faculty should not stay on only because they wouldn't have a place to come to if they retired. The task force would like to see the decision to retire be a neutral one (e.g., faculty members will not keep working only to retain health care insurance but will make the decision for academically "right" reasons--they wish to keep on working because they enjoy it and are productive members of the community, not because they must).

Another recommendation from the task force will be continuation of health coverage for retirees because that coverage is a big factor in the decision whether or not to retire. The cost, however, will be significant, and perhaps more than the University can afford. The task force will recommend that the coverage will have to be earned and will suggest that a minimum of eight years of service be required before one would be eligible for continued coverage (that number could be revised). It was agreed that this is a question which should be put in front of Vice President Donhowe's task force on health coverage.

There should be a regular policy for permitting faculty to switch to half time while continuing full-time fringe benefit coverage, and this should be an entitlement. It was suggested that criteria should govern who would be eligible; Professor Scallen said that while there might be some waste, the University would likely get more than half-time effort out of those who use the option. Individuals who select this option should probably not be paid at the same hourly rate as their regular appointment--but the University should not try to pay them as little as possible, either.

Other recommendations in the report will speak to evaluation of retirement counseling (Employee Benefits, in Professor Scallen's judgment, does an excellent job in this area with the funds they have; the University must decide if it needs or wants more experts who can advise the faculty on their options) and more support for professional development and faculty vitality.

The report will also recommend that the University uncap retirement early. The decision on when to retire is already open to civil service employees and to those who work in the private sector; why is it being withheld from scholars? The task force does not know how many people would be affected--it cannot obtain the data--but the best guess is that it is about 100 faculty. An informal survey of 60 of those people led Professor Scallen to conclude that few of them would actually stay to or beyond age 70.

After brief discussion of a few other minor points, Professor Scallen reported that the task force would have a draft report later in January or February and hopes to have forums on campus to discuss it.

#### **4. Discussion with President Hasselmo**

The President began his remarks with several announcements.

- He has appointed a search committee for the Vice President for Finance and Operations; Professor Ibele will serve as chair.
- The search committee for the Chancellor of the Morris campus is at work.
- The other vice presidential search committees are in various stages; candidates are being interviewed in the searches for Vice Provost for the Arts, Sciences, and Engineering and Vice President for Agriculture, Forestry, and Home Economics.
- He has also appointed a search committee for the new compliance coordinator in athletics; this position, he told the Committee, is an important one in efforts to control compliance and in reporting to the NCAA. (Asked how the position was funded, the President told the Committee it was centrally rather than with athletic funds; those Committee members who reacted were positive about this arrangement.)

- The University has begun to develop closer and more cooperative relationships with the University of Manitoba.
- The University has prepared a preliminary report in response to the MSPAN 1 report; there will be, in February, a joint meeting of the governing boards of the systems to hear a progress report on MSPAN 2.
- There are a few changes in the administrative leave and severance policies recommended by the four-person outside panel appointed to the review them; the changes are primarily clarifications to eliminate ambiguity. (It was agreed that administrative leaves do not replace other leave policies even though they cannot be used in conjunction with other leaves, that any termination must be submitted to the President for approval, and that "salary" in the policy speaks to cash received from the University, including such things as commutation allowances but not including fringe benefits.)

Budget process The President told the Committee that Senior Vice President Kuhi will clarify the timing of consultation on the budget both with this Committee and with the Senate Committee on Finance and Planning. There have been discussions, and preliminary guidelines have been sent to the deans for hearings. There will need to be reallocation in the units in order to meet the expected salary distribution. The University is assuming the money will be available from the state but the governor's office is having discussions about the possibility of rescissions because of a possible shortfall which could reach \$200 million--and which might be structural.

The present--and preliminary--guidelines will call for a 2% reallocation for faculty and civil service salaries and for SEE budgets. Academic salaries will 7%, with 6% on merit, .5% for equity adjustments, and .5% for fringe benefit adjustments. Civil service salaries will be 6.75%, with 4% across-the-board, 1.75% for comparable worth, and 1% for fringe benefit adjustments. The guideline for SEE will be 5%. The President, responding to a question, added that the academic salary distribution next year must be 7%; delivery of the full amount was discretionary with the units this year.

The salary increases and SEE increases will be calculated on the current (base) budgets and then 2% will be taken off the top for reallocation. Units will therefore receive 98% of their increased base budget; there will be administrative discretion by campus and college to make adjustments in the actual amounts distributed. Market factors will again be taken into account, which may justify differential allocations. The President said he has asked Vice President Kuhi to look at the internal salary distribution system to see if there is a need for more explicit guidelines for market and merit funds; now the system is seen as arbitrary.

Asked about units which have no discretionary funds left and upon which the 2% reallocation might force unwise decisions, the President acknowledged there will be problems and cautioned that the 2% will, moreover, be in addition to other reallocations, so some units will get a "double whammy." The budget hearings with the deans will give them an opportunity to present their case; the intent is that the University make the best use of its resources and by reallocating not freeze the institution into the status quo. The President added that there are program improvement funds available, which will be distributed in accord with Academic Priorities.

**5. Closed session**

It was moved, seconded, and voted without objection to go into closed session to discuss personnel matters.

The Committee adjourned at 3:15 p.m.

-- Gary Engstrand

University of Minnesota