

Minutes *

Faculty Consultative Committee
Thursday, July 18, 1996
1:00 - 3:00
Room 300 Morrill Hall

Present: Virginia Gray (chair), Carl Adams, John Adams, Carole Bland, Victor Bloomfield, W. Andrew Collins, Sara Evans, Dan Feeney, Russell Hobbie, Roberta Humphreys, Laura Coffin Koch, Michael Korth, Fred Morrison, Harvey Peterson, Craig Swan

Regrets: Lester Drewes, James Gremmels, Michael Steffes

Absent: none

Guests: Senior Vice President Marvin Marshak, Professor Charles Speaks

Others: Maureen Smith (University Relations), a DAILY reporter

[In these minutes: correspondence and discussion about the tenure code amendments; distribution of information to faculty about FCC actions; biweekly payroll discussion (with Dr. Marshak) and resolution; biennial request data and discussion; Twin Cities campus master plan]

Professor Gray convened the meeting at 1:00.

1. Tenure

Professor Gray began the discussion by noting that it is hard to know where everyone stands on the tenure debate; she has tried to get information out to everyone. First, there has been a flurry of correspondence, including letters from Representatives Kelso and Kelley (to which Professor Fogelman is writing a response), from Commissioner Laura King, and from Representative Kahn (responding to Kelso and Kelley and King). There is also a memo from Regent Keffeler, the analysis of the proposed tenure changes by consultant Richard Chait, a memo from Professor Morrison responding to the Chait analysis.

In addition, since FCC last met, Professor Morrison and the committee chairs worked out new language for the tenure code interpretations; that appears to be taken care of.

There was also the Regents' meeting in July, at which time they put off discussion until their August retreat and the upcoming meetings in September and October. At the August retreat, there will be an opportunity to listen to the Board talk about tenure; two of the four committee chairs will go (Professors Fogelman and Morrison), and she will also attend, she said.

Professor Gray asked Professor Morrison to comment on "where we are." Professor Morrison

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responded that "quite frankly, I don't know where we are." The July meeting of the Regents was "sweet." Everyone was complimenting the faculty on the fine work it has done, and no one was talking about the merits of the issues; virtually every Regent wanted to say that, and say that there are things they want to think about--and that they will be back in September, perhaps to make some proposals, and to act in October.

It is clear that there will be thought going on over the next month among the Regents; the faculty will hear more about that in August.

The issues seem to have resolved themselves into the ones identified in Regent Keffeler's letter to the Board--and those are the core issues, and always have been: base salary, peer review, lay offs and department-based tenure, and minor questions about other things.

As one who worries about calendars, Professor Morrison said, he has noted that there is an August retreat--at which time there CANNOT be action because it is not a meeting of the Board--and a meeting in September, at which time the Board might refer things back to the faculty. He and Professor Gray have thought about a tight timetable to get things back to the Regents by their October meeting--which seems to be what they expect. That will require Faculty Senate meetings on the first day of school and the following Thursday, as well as committee meetings before the first day of school, in order to make recommendations. There will also need to be public notice. That will be a very tight schedule.

It will depend on the magnitude of the recommendations, Professor Gray observed, and how soon they write them and provide them to the faculty. She reported that she has scheduled the first two Thursdays of Fall Quarter for Faculty Senate meetings, in order to prepare for the eventuality that the Board may make proposals.

Professor Bloomfield commented on the Regents' meeting, which he attended, and after offering some observations, urged that the faculty not be cynical about overtures and positive statements the Board may make. Professor Gray agreed that the lines of communication must be kept open.

Professor Morrison reported that at the Friday meeting of the Regents (following the Thursday non-discussion of tenure), there was a discussion of the biennial request. One of the items that came up was the projection, by Associate Vice President Kvavik, of the numbers of faculty positions that would become vacant in the next few years. There was a realization on the part of Board members that finding faculty vacancies may not be as serious a problem as they had thought, because the University faces massive retirements over the next five to ten years.

Professor Morrison said that unless he heard an objection, he would send a letter to the Regents (similar to his letter about the Chait report) responding to the points that Regent Keffeler raised in her letter. She expresses concerns; it would be useful for them to have a statement about what was behind the faculty's recommendation, rather than just the cold text. It would be intended to be a positive addition to the commentary. The letter would be sent in his private capacity, not as an FCC member. He was later asked why it would be a personal rather than official letter; he explained the reasons (getting approval of every word, required for an official statement would be difficult to get at this stage of the summer), and said it would be easier to offer an individual view. Professor Bland suggested a middle position would be for him to say he was asked by FCC to write such a letter; Professor Gray, with the

nodding acquiescence of other Committee members, told Professor Morrison to consider himself asked.

Professor (John) Adams commented that at the end of the summer, the Denny Human Resources task force would report to the Board of Regents; both he and Professor Feeney are on the task force. They have been trying to figure out a way to fold the tenure discussion into the human resources report so that it is connected with the rest of what is being done. The Board has a great deal of respect for Mr. Denny and the work of the task force, and it would be helpful to have all the materials being circulated.

Professor Gray reported that she had had lunch earlier in the week with Mr. Bosacker, who had mentioned some of the issues on the minds of Regents. One of those issues is the high proportion of tenured faculty. She said she pointed out to him that if an institution has not hired for a long time, because of financial constraints, there will PERFORCE be a high proportion of tenured faculty. That point, it appears, had never been made. There is much that is obvious and intuitive to the faculty that need to be spelled out for those who do not think about these things daily.

The issue of faculty demographics is important, Professor Humphreys said; what will happen to the faculty in the next decade is shocking. Why have not the Regents been shown these numbers? (They were, at the Friday meeting, Professor Morrison reported.) It is another piece of information that will not strike them as important, she speculated. It was emphasized, Professor Morrison said. This is an important number to make known outside the University, Professor Humphreys added, such as to the legislature and the newspapers.

With respect to the legislature, Professor Swan reported, there are differences of view on tenure, as the letters indicate. He said he hoped that if there is a rallying point among all legislators, it will have to do with the process and who has the authority to do what. He commented on the letters that Regent Reagan had received, and said he had written to Regent Reagan about what the law says about the appropriate roles of various parties, and elaborated on the differences of views among legislators about both the process and substance of the tenure issues.

Professor (Carl) Adams said it must be recognized that the Governor and the legislative leaders are smart politicians; they are not saying what they are about tenure just because they want to say something. They believe there is some political gain; they are reflecting what they believe is an important issue.

Professor Gray inquired if there were other comments, or ideas about what should be done prior to the next meeting with the Regents. Her own sense, she said, is that the corner has been turned, and she feels much more positive about the circumstances.

Professor Bloomfield offered a general observation about educational mission. The faculty or someone else present something the faculty think is useful, and it makes no impression--and the faculty are surprised at that. They should not be. The successful companies and politicians of the world have become successful by identifying a few themes and beating people over the head with them. That is very much against the grain of intellectual behavior, but often one does not get the point across unless you pound it. The faculty must find a way to do that, on a few select issues, in a way that is compatible with their culture. It will be important to figure out a way to do so. Professor Gray agreed.

Professor Bloomfield raised the question of the publicity that other faculty groups are receiving, a

subject that FCC members had discussed by email earlier. It is important that FCC communicate not only to the President and the Regents, but that it also let the faculty know it is doing so; otherwise, the faculty think it is doing nothing. FCC is in a delicate position, but must provide copies of what it writes to the people it represents.

2. Report of the Chair

Professor Gray said that one of her agenda items has to do with notifying people what FCC and other committees are doing. One possibility would be a web site, that might have minutes and letters and policies and statements. Should more be done? She observed that there is a limit to what FCC can say publicly about what it is doing, but official actions are certain appropriate to a web site. Committee members offered several observations.

- There must also be affirmative distribution of materials; "if you want people to know about it, you have to put it in their mailbox." A web site is a good archive.
- There has to be discrimination about what is sent; the faculty cannot be deluged, but they need to know what FCC is doing with the regents and legislature. Short summaries could be provided, with reference to the web page. A weekly short report on what has been prepared and sent, and where it is located on the web, could also be distributed.
- The web site can be referred to in communication with the faculty, as a place to locate reports if they wish to read them.
- This also brings up KIOSK, which also needs attention.
- The web site needs also to be an ftp site, so that people can download files.

Professor Gray said she was puzzled that the faculty did not assume FCC was acting on their behalf, but apparently there is a need to make more widely known what it is doing. She agreed that short memos on some regular basis would be useful. Professor Hobbie noted that the UFA has been sending a lot of email to faculty showing activity; FCC must do the same. Professor Bloomfield agreed strongly, and said it must be done not only to show FCC is representing faculty interests as well as UFA, but because putting documents into the public domain itself has an effect on events that quiet negotiation does not. It also allows FCC to learn, quickly, if it is NOT representing faculty interests, Professor Evans observed.

Professor Gray then discussed with her colleagues the proposed white papers that might be prepared; the Committee honed the suggested topics.

Professor Gray then informed the Committee of the discussions with Mr. Bosacker about the presidential search and about possible future interactions between FCC and the Regents. She suggested that the Committee discuss this at its meeting in Crookston.

3. Biweekly Payroll

Professor Gray then turned to the biweekly payroll. There has been a lot of email on this subject, she noted; the President has received a lot of messages about it. She said she had told him that he would likely be hearing from FCC on the subject. Senior Vice President Marshak will be joining the meeting shortly, she said.

Professor Humphreys related a conversation she had had with a colleague; she thought the biweekly payroll issue was generating more signed cards for the union than is tenure. The cards, apparently, have been coming in very fast. Professor Gray said she had told the President something along this line.

There are two issues, Professor Morrison said: (1) the biweekly payroll itself, and (2) implementing the biweekly payroll for the faculty and unrepresented civil service but not for the unions. The Finance and Planning Committee last week passed a resolution about the second of those items; it has expressed its views about the first throughout the year. The Finance Committee urged the administration to delay the move to the biweekly payroll until it can be implemented for all employees. That is a minimal position, he said; the Committee might say something the biweekly payroll itself, but it is "simply absurd" to implement it for the faculty but not for the union-represented civil service.

The Finance and Planning Committee probably had the most substantial presentation (of any Senate committee) about the reasons for the biweekly payroll, Professor Morrison pointed out. The reasons for (1) to simplify the number of payrolls (only 26 rather than 24 plus 26). What will happen now is that there will be 24 plus 26 payrolls, because AFSCME will not agree to the change at present. He explained how the change might be made with the union, but pointed out that it will not happen until into the next fiscal year. So, the first rationale, that this will simplify the payroll, does not wash. What it will mean is a different distribution of people on the two payrolls, and there will be "an unholy mess."

The second rationale for the change, Professor Morrison related, is that there is a substantial amount of collections that have to be made because people are overpaid on the present system. The Finance and Planning Committee pressed on who these people were that were overpaid; it is the AFSCME people and unrepresented civil service (the latter of whom will be shifted with the faculty to biweekly payroll). He explained why the overpayments occur.

Those were the two major arguments: simplicity and collections. There was a third argument, that the change was required to get off the "exceptional status" that NIH has imposed. This is the first time, Professor Morrison commented, that he had heard NIH had an interest in the biweekly payroll. What NIH has an interest in is accurate accounting and effort certification, but as far as he can determine from conversations, the change might help effort certification, but there is no interface between them.

As far as he can tell, Professor Morrison concluded, this proposal "has no merit whatsoever."

Why is it moving forward? Because there is a group of middle-level administrators who want to DO something, and they don't care how much damage they do to the faculty and to the institution. The administration is listening to those people, and not to everybody else. What the Committee will be told by Dr. Marshak, Professor Morrison said, is that the change will save \$3 million--which is up by a factor of 12 what he was told earlier. But it will not save ANYTHING in the first year, and the savings are based on a projection that there will be a lot of time saved in departments by shifting to the new system.

The department administrators with whom he has spoken, he reported, under the old semi-monthly system, there is one piece of paper for an appointee at the beginning of the year--and nothing else. Under the new biweekly payroll system, the department administrator will have to confirm the payroll item every two weeks. The change will not achieve any departmental savings at all, especially not during the transition period.

As a result, Professor Morrison moved that the Committee adopt the resolution adopted by the Finance and Planning Committee, substituting the appropriate committee name in the resolution.

At this point Professor Gray welcomed Senior Vice President Marshak to the meeting.

Dr. Marshak thanked the Committee for the opportunity to talk with it. He recalled that he had started in his job about three weeks earlier, so came fresh to the issue of the biweekly payroll. When he first looked at it, he was disappointed, because this is not an issue that makes one feel good; he would rather discuss graduation opportunities, where one can feel that there is a "win" somewhere. This issue, when he first looked at it, has no "win" at all--and that is probably still true.

What he has come to realize is that this issue is representative of a set of questions the University faces and will continue to face. He was then forced to come to the question of what it is he is supposed to do over the next year.

The University is at a serious point in making decisions. The question, as he sees it in this issue, is how to balance individual interests with community interests. He said he sees his charge, as academic vice president, to fight constantly to put whatever funds are available into the core academic mission of teaching, research, and outreach. But there come all of these other issues--transit, modems, maintenance standards for buildings, teaching classes in the afternoons--and each time one comes to these issues, one is told that the faculty want something. They want express bus service, they want cleaner buildings, they want to teach courses when convenient. There is a tradeoff each time: whether the University puts money into these problems or into academic programs.

He was faced with this choice. On the one hand, if the University does not accommodate people--and these are REAL needs--the University will be destroyed. On the other hand, putting money into them takes money out of the academic core of the University. He had to decide, and it was not an easy decision nor one he feels good about, because it is a terrible choice facing the University. He decided, in order to be consistent and to be true to what the academic vice president ought to do, that he should come down every time in favor of putting money into the academic departments and the University mission--and not put the money into facilities management or payroll or transit or raising maintenance standards for buildings. He said he could not promise that he could deliver on each one, because there is a tension, but this is the choice.

One has to go back to these basic principles to understand that the biweekly payroll, simplifying the payroll, must, over time, free up resources for academic programs. He said he would not claim it would happen immediately. Sometime in the early spring there was "acquiescence" by the faculty to go ahead with this change; more optimistically, one might call it agreement.

What happened then was what happens often at the University: the change puts some people at a

disadvantage. It does so, he said. One group decided, to optimize its own interests, that it was necessary to leave the tent. As soon as one group leaves, everyone leaves. As the Regents' consultant said, the focus must be on outcomes. What is the outcome here? As he would define it, Dr. Marshak said, it is whether the University can put its resources into academic programs. Biweekly payroll has the promise, when totally implemented, of doing so.

Dr. Marshak said he has talked to almost every dean, and they nearly unanimously agree about the change. The problem is how to get from where the University is to the point of implementation. There are two choices: the University can implement it in September for 30,000 of the 34,000 who get paid, or it gets put off until the 4,000 agree. If the focus is on making the change to protect the academic mission, how can it best be accomplished? The University must go forward now, and tell the 4,000 that it is hoped they will do so as well. They cannot be made to do it, but the University can say it hopes they will, because the change will be to the advantage of everyone.

This is the course of action he has recommended to the President, Dr. Marshak concluded; the President has yet to make a decision. He said he does not make the decision lightly; he has seen email messages saying those in Morrill Hall do not take this seriously, and he said that is not true. He said he did not deny that the change inconveniences people, nor does he deny that it takes money away from people; there is time value to money, and it will cost people money. But if the focus is on the mission, and what is being protected, then the change should be made.

Professor Morrison asked about the numbers; Dr. Marshak clarified that 16,000 people are being converted to the biweekly payroll, with the result that there will be 30,000 on that system.

Professor Morrison then recalled that one of the major justifications for the change to the biweekly payroll was elimination of costs of recovery of funds from AFSCME and unrepresented civil service employees; since AFSCME will stay on the semi-monthly payroll, that cost will not be saved. Dr. Marshak reported that about \$1 million per year is paid out in excess payments; most of that money is recovered. In addition, in some units, everyone will in effect be on one payroll. The justification for changing now is not that there will be a big cash savings at the beginning; he said he could not make that argument. The savings will come later. There was \$180,000 retrenched from Payroll, reflecting the reductions in costs; he will now have to return that money, at least temporarily, and the saving will not be recovered until AFSCME goes onto the biweekly payroll.

What the University has experienced in the past is that the representatives of the employees hold out, Professor Morrison said. The conversion will take place this fall, and the question of the cost of getting AFSCME in will arise next year. It may cost \$200,000.

Dr. Marshak said that IF he and Professor Morrison were to agree that the change to the biweekly payroll is desired, they would still disagree on the best way to accomplish it. To have 30,000 out of 34,000 employees paid one way is desirable. And it is the AFSCME employees who are doing the payroll work in departments; if they have to do extra work because of the AFSCME position, that is the best way to get to the optimal end (if that is indeed the optimal end). The other alternative, to say that AFSCME has the choice of whether the University will convert or not, is an invitation for the University to pay more.

Dr. Marshak said, with respect to whether the biweekly payroll is desirable, is that the University must make a decision. Is there enough community left at the University of Minnesota that people can be brought together without this "I want mine first" approach? If there is not enough community, then it may be that everyone needs to get into a group, and all must clamor for "mine first," and then the process can go forward. His goal, as academic vice president, is to emphasize the community, and to say that there must be enough community to be able to NOT put individual or small group interests first, but to put the interests of the community as a whole first. That may not be possible, and everyone may need to go into the "me first" mode. The "me first" mode is an allocation mechanism, and it can probably work, Dr. Marshak concluded.

The concern of the Committee, Professor Morrison responded, is not a "me first" mode, but a sense that over the last few years, the mode has been "faculty last."

Professor Swan said he was surprised at the way Dr. Marshak had put the issue. Before his arrival, Professor Morrison had told the Committee there were two issues: whether the change should be made, and--if it should--how the change should be made. All of the arguments he presented address the first question. One can be willing to accept that the change should be made, but how it is made is as important; he is asking people to accept a major inconvenience that will have NO implications for the University, because he will have to return money to the Payroll office. THAT is not building community; building community is when one makes commitments that benefit the institution. There is no benefit to the institution here. The Senate Finance and Planning Committee resolution [adopted July 11, asking the administration to delay implementation of the conversion until all employees will be on the same system] is not that the University abandon the biweekly payroll, but that the University make the change when there is an institutional benefit. Professor Swan said he could not follow the logic of the argument for forcing the issue at this time.

Dr. Marshak said that if the University postpones the decision, and then goes to the bargaining table with the unions with an initiative that the University says is important, then Professor Morrison's speculation that the University will indeed pay is likely to be valid. If the union is in the position of making the choice of doing something major for the University, it will say that of course the change can be made--if the union is given something comparable to the benefit that will accrue to the University.

There are other ways to approach this, Professor Swan replied. AFSCME can help support the University by accepting the change. The loan program is a way of bridging; it does not cover the whole cost of the program for individuals, but it helps. There are a variety of ways to enter the bargaining process in a stronger moral position.

Professor Bloomfield followed up by repeating that making the change now does not save any money (Dr. Marshak pointed out that some small amount will be saved even now), so the ONLY argument for doing so is the symbolic one of a supposed gain in community-building. But there is an opposing symbolic argument: the faculty views this as a slap in the face; they are being financially disadvantaged and sociologically disregarded, and the administration is again giving into a group that is often paid more attention to. If he thinks that will build community, he is absolutely wrong, Professor Bloomfield told Dr. Marshak. It will destroy it.

Professor Humphreys told Dr. Marshak he had made an emotional appeal that is often effective

with the faculty: make a sacrifice that will benefit the academic programs. This is the first time she had ever heard, she said, that the money saved would go into academic programs. In addition, an appeal to community by central administrators would be much more effective if central administrators "could get their act together and speak with the same tongue." Over the past several months she has heard very different reasons for making this change, and has heard central administrators argue this is not a pay cut and that people would eventually get the money back. Part of the problem is that there is now considerable distrust and disbelief among the faculty and all University employees. To use that appeal now is too late.

Dr. Marshak noted he was not in office several months earlier; he can only tell the Committee what he believes now to be the truth.

Professor Bland said that there was no question the Committee was "with you": when and if the savings could be made available and put into academic programs, the Committee would support him 100%. Come back then, she said. That is not the situation now; he is asking the Committee to make a bet that this will influence people to change. She also recalled that when the change was first proposed, the plan called for using the savings to update the payroll system. Even that was acceptable, she said; now he is saying something different.

There are other costs involved that he did not talk about, Professor Hobbie maintained. His sense of where the faculty are now, he said, is that they are so upset about this that if the administration does not stop, wait, and make the change for all employees at the same time, the University of Minnesota will be the first major research university to be unionized.

Dr. Marshak pointed out he had said the "me first" approach is a way to make decisions. The University will not die if it decides to run things on a "me first" approach. That can work; it is possible. If that is what is going to happen, then it will happen. This is the wrong issue for it to happen over, but that it would say there is such a lack of community that there is no choice.

If that is the case, then, for example, the University needs to close some buildings. This proposition received the vocal assent of several Committee members. But it is not possible to do so, Dr. Marshak said; every step is vetoed by someone. He is a physicist who puts facts together and looks for general patterns; the general pattern he sees here is that this is one of a series of problems the University will face: space, modems, etc. The University will have to charge for modem access, because otherwise it cannot buy the modems needed for people to get into the modem pool. Someone will say this destroys the academic program. He disagrees, he told the Committee. But each of these is the same sort of issue, over and over. Some might disagree, and some might say the only way to solve it is by organizing into a union.

Professor Hobbie pointed out that physicists also deal with differences of order of magnitude, and that when one talks about the way the faculty feel about this issue, compared to how they will feel about the modem pool or about moving building, there is a difference of two or three orders of magnitude.

Dr. Marshak demurred; when it comes to moving between buildings, there are people who will be moved only over their dead bodies. There are departments who have threatened that they will not move no matter what, including sending the police in to carry people out of their offices. [Do so, said one

Committee member; Dr. Marshak said he would like a Committee resolution to that effect.]

Dr. Marshak said that if the Committee agreed with the shift to the biweekly payroll, it should say so in whatever resolution it might adopt asking the administration to delay its implementation. The draft resolution seems to be silent on the point. It was pointed out that FCC approved the change earlier, and did so on the assumption the money would go to administrative improvements. Dr. Marshak said that reaffirming that support would be helpful.

Asked what he would do if the Committee modified its draft resolution, Dr. Marshak said he could not decide on the spot. He noted that he did not come to the meeting to deliver an ultimatum, but rather to inform the Committee of his views. Professor Gray said that the attitude from the beginning has been one of throwing down the gauntlet; what the Committee is trying to say is that there are tradeoffs. For the small amount of money being saved, there are large costs. And the range of savings has varied from \$180,000 to \$3 million.

Dr. Marshak said that much of the savings occurs in the departments, which is one of the reasons it is more believable that the money will be directed to the academic mission: it is money that is already in colleges and departments. The amount of money in central administration is relatively small. There are a lot of people at the University who work on the payroll; one can estimate that there will be a savings of 75 FTEs across the University.

There are also advantages that accrue in the area of grants management. Dr. Marshak said this is an issue where the University is not being treated fairly; it is being held up not to a median standard by NIH, but to an exceptional standard because of its history.

What is at stake is substantial, he reiterated. If the Committee supports the change, it would be useful to say so. If it does not support the change, it should also say so.

Professor Evans said that when the Committee deliberates the possibility of a more positive statement, it should have clearer understanding of what the benefits to the University will be from making the change. The Committee does not know what it is supporting, but it does know what the sacrifice is.

Dr. Marshak suggested the Committee might wish to delay action. He noted again that he had been in contact with many of the deans. If the University is in the situation where the faculty do not trust their own deans, then it is in worse straits than he thought; he urged Committee members to talk with their deans and department chairs. He found no opposition among the deans with whom he spoke; all supported going ahead now. Perhaps there is a major disconnection between the deans and the FCC, he speculated; then there are considerable problems.

It is not just about a lack of sense of community, Professor Evans said; it is about a lack of perceived existing community. The lack of communication, the confusion about what is at stake, makes it hard to talk about community.

Dr. Marshak said he does not underestimate what is at stake; it is the future of the University, he said. He is not trying to cry wolf; that is why he pointed out the group of decisions that the University

faces. By "future of the University" he did not mean existence; it will survive either model. Which model, however, is at stake.

On the "me first" issue, Professor Morrison said, Dr. Marshak has acquiesced in a "me first" model. What the Committee is asking for is a community standard.

Professor Gray thanked Dr. Marshak for joining the meeting, and then noted that there was a motion on the floor from the Finance and Planning Committee. Committee members deliberated how to proceed; they agreed that Professor Gray, in transmitting the resolution to the President, should submit excerpts from the earlier meetings at which the Committee expressed views.

Professor (Carl) Adams inquired about the purpose of the resolution. Does the Committee wish to stop the implementation of the biweekly payroll, or to delay it? To delay it, Professor Gray said, and she added that the resolution expresses the widespread views of the Committee's constituency that they do not like this resolution. That is fair to say, Professor Adams agreed, but said the Committee should think about the consequences of its action, and if it is going in the right direction.

Professor Gray said she doubted the resolution would change anything, and urged that people send in their loan applications. She had put off doing so herself, hoping she would not have to, but has now mailed it in.

The Committee then adopted the following resolution, with one negative vote.

WHEREAS, the University has announced plans to move away from a semi-monthly to a biweekly payroll, and

WHEREAS, a major reason for such a move was the cost savings associated with a single payroll, and

WHEREAS, there are a significant number of University employees for whom the change will not be implemented on the announced timetable,

BE IT THEREFORE RESOLVED that the Faculty Consultative Committee strongly urges the administration to delay the move to the biweekly payroll until such time as the move can be implemented for all employees.

Professor Evans said she thought this was a fairly disturbing exchange, and said she would like to be able to have conversations about how to go about building a sense of community--rather than having it laid down that "either you do what we tell you or you're undermining community." The Committee, and the faculty as a whole, yearn for a stronger community and MUTUAL commitment, and would like to work to build it. But that is not something one can just say is there or it is not there. Professor Koch agreed, and said she had been somewhat insulted by the tone of the comments, that the faculty were only out for themselves. The tone, Professor Morrison agreed, was "do you agree with me or are you evil?"

Professor (Carl) Adams said he had spoken with Dr. Marshak earlier in the week about this, and that in his view Dr. Marshak was reflecting a major concern about the level of community in the

institution. He may not have presented it very well, but his comments reflect how low the level of community may have sunk at the University.

No one disagrees with that, Professor Swan responded; Professors Evans and Koch, however, were absolutely correct in their reactions, he said. The presentation may have been inappropriate, Professor Adams replied, but it does reflect major concern.

As usual, Professor Morrison said, the administration says "if there's any problem around here, we'll dump it on the faculty."

One of the problems with lack of community, Professor Adams pointed out, is that everyone feels that way.

4. Biennial Request

Professor Gray turned next to Professor Morrison to lead a discussion of the biennial request. He distributed materials that had been presented to the Finance and Planning Committee and drew the attention of Committee members to a number of tables of data. The numbers are slightly different from those presented to the Board of Regents last week, but not significantly. He also noted that several members of the Finance and Planning Committee were at this meeting (Professors Speaks and Swan), and that several others present are members of the biennial request committee (himself and Professors Evans and Speaks).

Professor Gray told the Committee that several faculty were attending a retreat on the biennial request the following day, so the discussion today could inform the comments they make at that retreat.

Professor Morrison said he would focus the discussion on the real problems, and began by pointing out the expenditures. This is a four-year financial framework, he said, and noted the categories of expenditures. He noted that these are FOUR YEAR totals of NEW COSTS, in millions of dollars. First are new costs to be attributed to inflation:

Increase all salaries @ 2.5% per year	166.0
Fringe benefit increases	71.1
Utilities @ 2.5% per year	20.3
General inflation @ 2.5% per year	113.7
	<hr/>
Total	371.1

This means that standing in place would cost \$371 million more than what the University now pays, over the next four years. The annual average would be one-fourth of the total, but the actual numbers would be bigger in the later years.

Additions to the base operations being discussed are as follows (again, in four year totals):

Compensation goal (increases of 2.0%, 1.5%, 1.5%, 1.0%)	140.3
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Strategic investments (or \$7.5 million per year)	30.0
Technology/Equipment and Systems (for re-networking the campus, bringing things up to date, and for technology investments in individual departments, computers and labs)	235.0
Facilities Operations and Maintenance	107.7
Facilities Renewal (reconditioning buildings)	360.0
Scholarship/Fellowships/Merit Aid	26.3
Offset to Declining Revenue Sources (some are medical revenues; some are from grant fund streams)	65.0
Reserves/Contingencies (rebuilding the reserves)	55.0

Total	1,019.3

This is slightly more than one billion dollars of new money over four years.

Professor Gray inquired if the salary increases in the second group was for faculty or for everyone; Professor Morrison surmised it is all University employees. Then that it is an item to be questioned, Professor Gray said, inasmuch as some categories of University employees are already paid above-market.

Professor Bloomfield asked about the increase above base of the proposed \$107.7 million addition for Facilities Operations and Maintenance. Professor Morrison said he had the figures broken down on an annual basis. (1) New building operations (beginning 1998-99) are \$4.4 million, which is essentially the custodial and utilities bills for new facilities, the Basic Sciences and Carlson School. This, he noted, is the equivalent of 2/3 of the money identified for new academic initiatives. (2) Improvement of custodial standards, across the University, \$4.5 million. These two items together are more than the money for academic initiatives.

This means faculty no longer empty their own trash, Professor Evans commented. Professor Bland noted, however, that if she did not have to wash her own floors and empty her own garbage, she would have academic time; they are not totally separate. Professor Morrison agreed, but observed that they still totalled \$107 million for facilities and \$30 million for academic initiatives, over the four years.

(3) Facilities renewal and rehabilitation are \$8.2 million more per year. (4) Capital debt on the buildings being constructed (other than Basic Sciences and the Carlson School, which were built with matching money) is an additional \$3.5 million per year. On a four-year basis, the numbers are \$14 million for new buildings, \$16 million for custodial upgrades, \$30 million for rehabilitation, \$15 million for capital debt, and \$30 million for debt on the steam plant, for the total of \$107 million.

Professor Morrison summarized thus far: If one adds the \$371.1 million necessary over four years to keep the University where it is now to the \$1.019 billion necessary to do what has been identified, the total investment required over four years is \$1.390 billion, or approximately \$347 million per year.

The average annual investment required for each item (base operations plus additions) are (again, in millions):

base operations	92.8
compensation improvement	35.1
strategic investments	7.5
technology/equipment & systems	58.8
facilities operations/maintenance	26.9
facilities renewal	90.0
scholarships/fellowships/merit aid	6.6
offset to declining revenue sources	16.2
reserves/contingencies	13.7
	<hr/>
Total	347.6

These are increases over the base budget that the legislature has approved for the current biennium, Professor Morrison affirmed. The current base of operations and maintenance funds is in the range of \$650 million, so the increase is 20-something percent.

The average annual investment required is \$347.6 million, but facilities renewal (\$90 million per year) is really a capital expense, Professor Morrison explained, so is deducted, leaving \$257.6 million. The biennial request presentation then talks about sharing this responsibility between the University (internal reallocation and new revenue sources), students (tuition), and the state.

The administration documents put forward one scenario. Professor Morrison pointed out that what was emphasized at the Regents' meeting was that this is only one scenario, one approach; it is not written in concrete and there is no commitment to it yet. That is why it is important for the faculty to think about this now and make what suggestions they wish. The document will be prepared during August, will be submitted to the Regents for information in September and for action in October; by the time it is submitted for information in September, it will be written in "moist but not completely hardened concrete."

The proposal includes holding tuition revenue increases to 2.5%, which would be much lower increases than have been adopted the last several years. The remainder, \$244 million, would be shared equally between the state and the University; the University would ask the state for \$122 million per year:

State responsibility	122.0
University Responsibility	
Existing Revenue Growth @ 2.5%/year	43.0
Reallocations/New Revenue	79.0
	<hr/>
Subtotal	122.0

Tuition Revenue @ 2.5%/year	13.6

Total	257.6

The appropriation for the last biennium provided about \$30 million per year.

Professor Swan noted that this request would constitute about a 25% increase.

The number that is interesting, Professor Morrison said, is the one for "reallocations/new revenue," at \$79 million per year. Part of that new revenue would be NEW revenue: new programs, new students, federal grant funds increase because salaries increase, etc. The remainder is reallocation. There has been no specific number attached to reallocation, but if it simply retrenchments, it is a VERY large percentage of the existing base budget.

Professor Gray clarified the purpose of the conversation: to give advice to the faculty members serving on the biennial request committee and to those attending the biennial request retreat the following day. Professor Evans (a member of the biennial request committee) clarified that it is not the faculty members of the committee who developed this proposal. It was not consultation in any form, she said; they were presented with the same information and told that when it is written in "wet and rapidly drying concrete," our job will be to sell it. They were never asked their opinions, although they did volunteer them anyway.

Professor Speaks echoed Professor Evans's comments about the role of the faculty of the committee. It was also not clear what drove the formulation of many of the numbers. It is true that the \$79 million in reallocation and new revenue is annual, and that 30% of the perceived problem (the \$257.6 million) is being solved that way, which seems like a large percentage. If one considers the \$235 million for Technology/Equipment and Systems (over four years), part of it is hardware, but the majority (\$145 million) is for infrastructure, for new fiber optic systems throughout the University and associated costs--without regard to whether the building might end up on a list for decommissioning.

Professor Speaks noted that he also serves on the Capital Improvements Advisory Committee, which first heard the request for the \$145 million (one component of the \$235 million listed for Technology/Equipment and Systems). There was a substantial amount of money paid to a consulting group, and there were four levels of funding for technology infrastructure considered; the \$145 million part of the \$235 was the highest, pie-in-the-sky level. Professor Speaks was unable to recall any discussion whereby that information was transformed from a report to a part of the biennial request. How many other things appear in the request, he asked rhetorically, at the behest of middle level management, without any REAL faculty consultation, or any consideration of the relationship to academic priorities?

Professor Swan recalled a conversation he had once been involved in about telephone charges; he was told the charges were needed to pay off the telephone system. The bonds were going to be paid off in 1996; so the telephone charges would come down? No, there are new plans! The consultants' reports may be the new plans. What sort of telecommunications system does the University need? Where does

the other revenue show up?

The consulting group acknowledged that even after spending the \$145 million, the technology will be out of date in perhaps seven or eight years, Professor Speaks added.

Professor Koch asked how the money being saved from the payroll conversion is factored into these numbers? How can the money be going into academic programs if it is going into the request? The academic programs are the smallest part of this request.

That is one of his concerns, Professor Morrison said. There needs to be an academic theme to the request that says the University is going to produce instructional and research change, not simply more buildings. This request does not show that.

Another point, that Dr. Marshak raised, is that the University has a considerable amount of square footage which will cost a significant amount of additional maintenance and bonding money--at the same time the faculty has shrunk by 300, or by about 10%. True, people have been in cramped quarters, but the University needs to confront that issue if it is to manage properly; otherwise it will build more buildings and hire more custodial stuff--and have nothing to put in them.

Professor Morrison said he is very concerned that the request has \$7.5 million (per year) for educational initiatives for the next four years. If one selects \$7.5 million in recurring strategic initiatives in the next year, one is DONE for three more years. If one selects \$7.5 million in one-time expenditures, the money could be spent again the following year. This does not leave a new president and administration very much flexibility for change during years two to four. Especially, when there might cuts of ten times that size in reallocation, Professor Evans added.

Professor Morrison agreed, but pointed out that if there were a cut of \$79 million the first year, it would not have to be repeated. If there were a smaller cut, then there would be additional cuts in subsequent years.

Professor Gray asked if there had been any discussion of the savings from the Hospital transaction. Professor Morrison said the documents do not reflect the Hospital transaction, because they were completed before it was done, but it should have an impact. In addition, the Committee asked about other savings from the transaction, but nothing appears to have happened. (Except that perhaps the University Police will be contracted to serve the Hospital, so may not shrink but would receive outside funding.)

Professor Bloomfield said he shared the concern that the request did not have nearly enough focus on academic programs. What shape should such a focus have? What would constitute a suitable answer? The Committee saw the difficulty in trying to establish a "signature" for the University. It has to say some generic things, but it is not clear what those are. One can say that building the technology infrastructure of the University has academic implications, but it would be worth it for the Committee to provide more guidance for those who will be at the biennial request retreat.

Professor (John) Adams agreed. When the budget comes along, the Finance and Operations units know what they want to do next and have a shopping list. On the academic side, who takes the initiative? It's individual faculty. When individual faculty do so, they are told to go out and find the resources they

need--it is not assumed the institution has the responsibility for going after support. To be fair, if the dean's offices assume that all they have to work with is what they get, hat in hand, from the central administration, that is all there is. What do the deans say to each other about academic initiatives that need to be taken?

When Dr. Infante was in office, he used to insist on certain things, but the University has always been very circumspect about not going to the Political Science department and saying "what you need to do is X." They wait for faculty in a department to come forward and say what they want--but that hardly ever happens. Research groups will go to the administration and make demands, Professor Adams noted, but as Professor Bloomfield pointed out, there is no counterbalance to the initiatives on the Finance side. There is a juggernaut that is often designed less to support academic missions than it is to support the individual units of Finance and Operations.

Professor Bloomfield said he wanted to follow up on Professor Adams' thought. The Committee should propose an intellectual venture capital pool of X million per year--some large amount, not \$7.5 million. Something commensurate in size with the amount being spent on buildings. What the money would be spent on is not known, because there is a group of individual entrepreneurs on the faculty. There are three provostries; give each of them \$15 million per year in intellectual venture capital. Is that the sort of thing the Committee should ask for?

Professor Bland supported the idea, but recalled that each dean goes to the provost with what their college needs; that is, theoretically, money for academic programs. It cannot be that those needs only add up to \$7.5 million. The Committee should be looking at the college documents.

Professor Morrison said that at the same meeting the biennial request data were presented, and the \$7.5 million for academic programs, there was also a proposal for the Undergraduate Initiative II for \$8.5 million in recurring funds. That would leave nothing else for four years. The proponents recognized they would not get all the money, and would have to seek other support, but it should be known there is a single proposal in existence which is larger than the \$7.5 million for the whole four year period.

Where are the proposals from the provosts and deans, asked Professor Bland? They are not there, Professor Morrison said. Professor Humphreys asked Professor Hobbie, lately of the IT dean's office, where the proposals were? They were often research initiatives, he said, and how they relate to this request is not clear. Presumably some of the technology requests are from IT, Professor Humphreys said; it would be helpful to know if any of those requests are incorporated in these data.

Professor Hobbie recalled that he was on a networking committee ten years ago. The equipment is very expensive and becomes obsolete very quickly, he said, and it has grown faster than he had envisioned it would. As a national phenomenon, it will be unable to continue to feed on itself, BECAUSE it is too expensive and because the University cannot afford the latest bell and whistle or the latest platforms and software. It will fizzle by itself. But were he the officer requesting money for technology, knowing that the University never gets what it asks for, he would put in the largest number possible. If everyone has done that in all the components of this request, the University is probably not in a lot of trouble. The problem is that there is no balance here.

It has been said for several years, in central planning, that the size of the faculty will decline,

Professor Hobbie pointed out. If that fact could be converted into departmental supply money, he would support the move. But if it is going to go to someone telling him what fiber optics he needs, he would not support it.

Professor Gray said that when these biennial request meetings are held, the faculty should ask what will happen when the University does not get all the money it requests from the legislature and which items will have priority. What usually happens is that faculty salaries go and buildings stay.

Professor Evans said that this discussion needed a long conversation and much more information before the faculty could press for a viable alternative. They need to know the content of each of the categories and how much is related to improving teaching, undergraduate education, research entrepreneurship, and so on. But these items should be taken into account when white papers are developed; the faculty need to lay the groundwork for pressing for greater investment in the academic side, and some understandable priorities and goals.

Professor Bloomfield asked once again about money for the academic side, and alluded to the figures Professor Morrison had introduced earlier that identified proposed additions to the base budget:

Compensation goal	140.3
Strategic investments	30.0
Technology/Equipment and Systems	235.0
Facilities Operations and Maintenance	107.7
Facilities Renewal	360.0
Scholarship/Fellowships/Merit Aid	26.3
Offset to Declining Revenue Sources	65.0
Reserves/Contingencies	55.0

Total	1,019.3

If the Committee believes the compensation goals are desirable, as an investment in faculty, the next three add up to \$372 million. The Committee might say that half of that money should go into academic programs, or \$185 million, or \$45 million per year. Is that reasonable? To say there should be a \$45 million per year intellectual venture capital pool?

What they do not know, Professor (John) Adams said, is whether the deans asked for such money; the Committee never hears about it.

Professor Bloomfield said his college was operating on the assumption it would lose 2.5% per year for the next five years; that is what all of the Arts, Sciences, and Engineering colleges assume. That is part of the \$79 million retrenchment.

The strategic investments of \$30 million would be a place to go, Professor Evans asked, for funds during reallocation? It would, Professor Morrison affirmed; it should, however, be \$185 million, not \$30 million, Professor Bloomfield maintained. There will be some strategic investments under some of the headings, Professor Morrison observed (such as in technology), and he emphasized that this is a request,

not a budget. Professor Gray's point about priorities, however, is also VERY important.

When and how will there be a decision on the reallocations? That is something the Committee will have to be vigilant about.

Professor (Carl) Adams said that Professor Gray's point about priorities is important, but once the legislature has the request, the University's ability to deal with priorities is gone because the legislature will establish priorities.

Professor Swan expressed disagreement with this statement. Professor Gray said her question was what the University would do once the legislature had provided an aggregate sum less than what had been requested.

Professor (Carl) Adams said once the University asked for X million, and emphasized that money for A was more important than for B, the legislature is free to say the money should be spent on B, not A. Once the University has asked for a set of things, the legislature has leeway in picking among the priorities.

In terms of the kind of fund that Professor Bloomfield has proposed, would it be one-time funds to change things or incremental increases? One does not think of academic programs as growing, unless there are more students, but there might be a need to make transitions from what exists to something new. Professor Bloomfield said he had characterized it as venture capital, and that is what he meant: money to help make changes in productive ways. There was considerable Committee enthusiasm for this idea.

Professor Gray thanked the Committee for its comments.

5. Campus Master Plan

Professor Gray turned once again to Professor Morrison, who apologized for burdening the Committee with so much business. He reported that the Finance and Planning Committee would be meeting next week and would talk again about the master plan. It was on the Regents' agenda for discussion in July and will be on for action in September.

Two of the pieces of the campus master plan are disturbing to the members of the Finance and Planning. The first element, still in the master plan, is to take the top level off the Washington Avenue bridge, and create sidewalks along the street, so the automobiles will have a better view of the Art Museum. Professor Morrison conceded that may be a somewhat prejudiced view.

The walkway would be approximately one-third to one-half its present width, Professor Gray added, so not only will pedestrians have open air, they will be more closely packed together--or at least those few who venture out to walk in January would be closer together. Not to mention that they would be on the same level as the traffic, which will splash everyone walking along.

The Committee erupted in hostile remarks. There is NO WAY, said one Committee member. What is the rationale for such a plan, exclaimed another Committee member? That IS the rationale, Professor Morrison explained: that the second level of the bridge impedes the aesthetic impression of the

campus when driving in from the west. The Committee reacted with disbelief.

The Committee needs to come down loud and strong on this point. Since there are no regular FCC meetings in the summer, Professor Morrison said, he assumed the Finance and Planning Committee will have to send the appropriate letter. Professor Gray said it would.

The second issue that is of concern about the master plan, which the Finance and Planning Committee raised before without result, is that the plan shows extensive new construction. More buildings, so there can be more custodial work!

Where, inquired one Committee member? Coffman will be torn down and there will be two parallel rows of buildings down to riverfront. One of them has just been built: the new Basic Sciences building. There will be a run of buildings from it to the river, and the same on the other side, creating a double mall from Northrop down to the Showboat. This was Cass Gilbert's original plan. There are also more buildings proposed for the West Bank. Professor Morrison said the University may need space, but not this much.

What he has been told, he said, is that the plan is simply an articulation of where space ought to be constructed IF space is to be built, not that space SHOULD be built. But another underlying element of the plan is that this is an urban university and there should be a more dense system of structures, so it would be more like Marquette and Nicollet Avenues rather than with green spaces. The model that the consultants used is the University of Toronto; they are from Toronto, and Toronto is such an urban university that it is right in the center city with nothing around it other than heavily traveled business streets.

Professor Bland said she thought the idea of the mall to the river was to take advantage of the natural environment. One sees the river, Professor Morrison agreed, but the disadvantage is that there are four new buildings in that picture, each of which carries \$1 million operating costs, along with bonded indebtedness. Once these plans are adopted, there is pressure to build.

Professor (John) Adams asked if Professor Morrison's committee had said anything about the fact the plan proposes to get rid of the Union but does not propose to build anything in its place. Professor Morrison said the Committee had spoken on this.

Professor Hobbie asked what happened to the plan of a few years ago that said there would be no new buildings, and only "in fill"?

Does this Committee wish to take any action, Professor Morrison asked? (Finance and Planning should act on its behalf, it was agreed.) To whom should a communication be sent? (Directly to the Regents, since this an item already on their docket.) It was agreed that any resolution could be circulated to FCC for review, so the communication would say that any Finance and Planning resolution carried the endorsement of FCC.

If that is done, email copies should be sent to the faculty, Professor Bloomfield said.

It is also important for the faculty to say that the student union should not be torn down without a

replacement, Professor Evans said. Replacement of the Campus Club will also be important, Professor Gray added.

The third element of the plan, at least in its original version, called for "re-urbanization" of the campus, which means re-extending the city street grid back through the Minneapolis campus. This would mean re-opening Church Street and the street that runs in front of Nicholson Hall.

Professor Gray concluded that the Committee had no praise for the plan.

Professor Humphreys asked that a summary of these proposals be provided to the faculty.

Professor Gray thanked everyone for coming, and adjourned the meeting at 3:30.

-- Gary Engstrand

University of Minnesota