

Minutes*

Faculty Consultative Committee
Thursday, December 4, 1997
1:00 - 2:30
Room 238 Morrill Hall

Present: Victor Bloomfield (chair), Kent Bales, Mary Dempsey, Gary Gardner, Virginia Gray, M. Janice Hogan, David Hamilton, Laura Coffin Koch, Leonard Kuhi, Michael Korth, Fred Morrison, Matthew Tirrell

Absent: Carole Bland, Gary Davis, Russell Hobbie, Marvin Marshak, Harvey Peterson

Guests: Executive Vice President Robert Bruininks

Others: Martha Kvanbeck (University Senate), Maureen Smith (University Relations)

[In these minutes: Discussion with Dr. Bruininks, focused on the budget, faculty salaries, faculty development and sabbaticals, and administrative computing systems]

1. Discussion with Executive Vice President Bruininks

Professor Bloomfield convened the meeting at 1:00 and welcomed Dr. Bruininks.

Dr. Bruininks began by inviting suggestions for how his office could do a better job for the faculty and for issues that he should pay close attention to.

Much attention is focused on the legislature and the revenue forecast, he remarked. There will be another forecast in February, which all signs suggest will be as good as the one in November. There is strong support for the University in the legislature, and Dr. Bruininks expressed the hope the University would be successful in its capital and supplemental requests.

With respect to faculty salaries, it appears the University made progress at least with respect to its CIC peers; Dr. Bruininks distributed a table containing data on 1996-97 salary and tuition increases at CIC institutions. Minnesota's faculty salary increase was the largest; the average was roughly 4%. He said he remained optimistic that the University would receive help from the legislature for salaries.

If that support does not come, Professor Bloomfield inquired, what other options are there? It appears that some flexibility may have been lost last year by the commitment of recurring funds. Dr. Bruininks explained how the funding had been allocated, and noted that the issue could not be resolved at the meeting. He said it would be difficult to pull funds back but that the administration would look at everything.

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Professor Bloomfield repeated that the administration last year agreed to a commitment of the first dollars available to faculty salary increases. The faculty believe the allocation was made to that item, and that it should be very tough to pull back from it.

Dr. Bruininks said there had been no change in the commitment, but there had been a change in the fiscal realities. He commented on the need to be sure, in the future, that allocations were carefully done, and that recurring funds are not committed to non-recurring or short-term needs, in order to retain flexibility in budgeting. He promised that all possibilities would be considered, and urged the faculty to look at them as well. He pointed out that he has met with the P&A staff, among whom there is a great deal of concern about salaries; the civil service staff received over 4%, the faculty received 8.5%, but they received 2.5%. This must be addressed, or there will be a big morale problem. Professor Bloomfield noted that there is a task force looking at this issue.

Professor Morrison reported that the Finance and Planning Committee heard a preliminary presentation on the budget, and was preparing a statement that would come to this Committee and presumably would then be forwarded to the administration. It will stress the commitment to faculty salaries, and indicate the option is not "whether" but what other things must be done to meet it.

Professor Hamilton said that President Yudof seemed to imply that the commitment to faculty salaries was not a first-dollar commitment. He has received a lot of comment on this since the FCC minutes were distributed, and this will be the main agenda item when the President meets with the AAUP Executive Committee later in the day. The tenor of the AAUP meeting will be "what can we do to help at the legislature and in other ways?" The question here, for FCC, is "what can we do to help?"

It will be important to speak with one voice and to stay with the commitment to improve faculty salaries, Dr. Bruininks responded. All that is possible must be done to argue, publicly, why an extraordinary increment in faculty salaries is needed, using historical, comparative, and competitive data and arguments. The faculty can perhaps speak with more eloquence to this than can administrators, Dr. Bruininks suggested.

Professor Hamilton recalled that he had cautioned the President about faculty expectations about salaries, and said the President may have misunderstood. In the years he has been at the University, the administration has repeatedly made promises about salaries that have not been kept. There is now a huge expectation among the faculty that this will not happen with President Yudof; if he does not carry through, he will be plagued with the same taint as previous administrations.

Dr. Bruininks said he understood the point. The dilemma is that the expectations were not budgeted for, and the legislature cannot be seen as the complete solution. He said the administration is getting the numbers out, talking openly about them, and turning over every stone. There is a problem, but even more important, they want to meet the expectations. The real problem will come if the University is not successful at the legislature; then the commitment must be given more thought. Could it be accomplished over more time? Could it be done internally? (If the latter, faculty must understand there will be tough choices, with trade-offs that will affect their work.)

Professor Tirrell inquired how the University will respond to the argument that it had the money

but spent it. Dr. Bruininks said it was a hard argument to make, but that the switch of funding, by the legislature at the last minute, from recurring to non-recurring did not help. The funds were needed, however, to meet commitments and priorities. It may be, on a line-by-line analysis of the budget, that some of the commitments were not to the highest priority, but they largely met identified needs and priorities--and the funds are now in the colleges, and the administration would have to tell them to use the money for salaries.

Dr. Bruininks said he has pulled some money back that had been earmarked, and will tell the deans that there are X dollars that could go for the earmarked purposes, or withdrawn and used for higher academic purposes. It may also be necessary to swap non-recurring and recurring funds, so that recurring funds are not committed to one-time expenditures.

Dr. Bruininks expressed the hope that the University would not tear itself apart over the issue of salary increases. It has been a tough 18 months, and he sensed that healing has begun; he would like to build on that healing. He said he thinks about this issue every day, and while he cannot say for certain what the percent salary increase will be, there is a strong administrative commitment to do as much as possible. The commitment was based on an objective, not on financial analysis, and more care must be taken when making such commitments and ensure the money is in the budget the second year. President Yudof will not make promises in the future unless the money is available.

Professor Kuhi pointed out that Dr. Bruininks has talked of other commitments that were made, but the greatest good would be achieved by delivering the 8.5%. The perception among faculty is that the raises will be 8.5%, and he agreed with Professor Hamilton that it would be a terrible step for this administration to follow the same path as its predecessors. Some would be affected if other commitments were not funded; it would affect a larger number, and morale, if the 8.5% is not delivered. For once, he said, salaries must be the top priority.

Professor Bloomfield said the point is that year after year, decade after decade, the commitments have been to other things and faculty salaries have been sacrificed, so the University lags behind its peers. For many senior faculty, they do not envision the money going into their own pockets, but want to be competitive with peers so they can recruit new faculty. The University has done better in other things than in salaries.

And tried to do too much, Dr. Bruininks said. There has been no talk of what other choices can be made, such as strengthening some programs and not others in order to retain the quality of the University.

Professor Bales inquired what language would be used with the legislature if they do not like the answer and the CIC data are too soft. There are much better data available.

Dr. Bruininks agreed there is much historical, comparative, and competitive data that can be used, such as demonstrating the University has smaller departments, more students, and there has been faculty shrinkage from a smaller base. He said he sees two or three major retention cases per week, and that a strong case can be made. The problem is not making the arguments, it is selling it to the legislature and public; they have to be persuaded that the extra increment above the average raises people are receiving in society is a good investment. He repeated that the faculty can perhaps speak more eloquently on this point than can the administration.

This is not an issue specifically this year, or last year, or next year, Professor Kuhl said; Minnesota has delivered lower increases for a number of years, and if salaries do not remain important, the University will be back where it was. This is a continuing argument.

Professor Bloomfield suggested it would be useful if the faculty and administration were to agree on the historical and comparative data, and the faculty were provided the data. He suggested that perhaps Dr. Bruininks and Professor Swan could work together to develop the data that could be used.

Professor Bloomfield then asked Dr. Bruininks to talk about faculty development, and sabbaticals in particular, given that there is a faculty committee working on the issue.

Dr. Bruininks said he has talked with Professor Bales about this, and would like to see if something creative could be done with the conversion to semesters so that sabbaticals are more accessible and more money can be invested in faculty renewal. It is a question of cost; the current system benefits larger departments with access to outside funds. But improving sabbaticals should not cost that much. One problem is that there are too many processes required for every decision. He said he is trying to make sense of all faculty development programs and to better coordinate better; if there is no human resource development, he added, the University will not remain vital no matter the salaries.

Faculty are second-guessing whether to take a leave next year, Professor Hogan said, trying to decide if the policy will be better under semesters; what timetable does Dr. Bruininks have in mind? He said he hoped for ideas by winter or spring quarter; Professor Jones is modeling the current and proposed plans with three different colleges. He said he would like to take something to the regents in the spring. The plan would not be an entitlement, but would be more accessible. The only concern he hears is about the possible impact on small departments, but that is a problem with the current system as well, so is not new.

Professor Gray said taking it to the regents in the spring would be too late; Dr. Bruininks said he could try to have something ready by February or March.

Professor Bales said the problems are in the modeling; other sources of funds must be considered. He also said that the faculty involved in developing a new system DO see it as an entitlement, with a contractual obligation on the part of the faculty member to do work during the sabbatical. If it is not an entitlement, deans and chairs of small departments will say they cannot afford to lose someone. The model SCFA is working with assumes there will be an entitlement for years of service. An improved plan that is not an entitlement will be acceptable to the faculty, but not a cause for celebration.

Dr. Bruininks said he would prefer a plan that was worth celebrating, and that he wanted a more generous program than now exists. He cautioned, however, that it should not provide that anyone can be gone without consulting with colleagues; there must be reasonable planning, and it must fit within the University's budget--but that can likely be worked out. This can and should be done, he concluded; the University must renew its most valuable resource.

Professor Kuhl suggested that one source of funding could be the money from the Piper-Jaffray settlement; Dr. Bruininks said that money went into the central reserves, but it could be an option to

consider.

Professor Morrison said there have been repeated questions about the money from the sale of the hospital; Professor Hamilton asked if any of the money were left. Dr. Bruininks said the regents would be receiving a report from Dr. Cerra; some of the funds will be used to remodel space in the Academic Health Center, but there is room for discussion. He has proposed using \$10 million to buy down the cost of the enterprise systems.

Professor Hamilton reported that he understood there to be \$17-20 million uncommitted, of the \$87 million total received, and that there is a clear expectation by the clinical departments that a significant part of the \$87 million would be used to address budgetary problems; \$17 million is not seen as substantial, especially when there were reserves of \$200 million. This, he said, is another faculty expectation that has not been dealt with properly, and urged that there be a meeting with the clinical department heads to talk about the subject. Dr. Bruininks responded that President Yudof has signed off on nothing, that no decisions are final, and that significant amounts will go to the Academic Health Center.

Professor Tirrell inquired how the "dotted line" relationships on the organizational chart are working out. Dr. Bruininks said that in his personal judgment, they are working well. He has a good relationship with the Academic Health Center and meets weekly with Dr. Cerra; they are working jointly on a number of issues. Dr. Cerra has gone to great lengths to include him in discussions, Dr. Bruininks told the Committee. He said he does not know how the promotion and tenure process will work this year, but that it will be evaluated and improved in the future.

Professor Bloomfield next raised the question of what would make faculty life better. One colleague has told him that having more time would help, but it is not clear what that means. Grants management is an example that raises the question of how much investigators are expected to do. How are faculty to gain more uninterrupted time, and not be interrupted every 10 minutes? As faculty development is being considered, this is an issue about which there should be more systematic thought. Professors have always taught and done research, and done the other stuff in the interstices; there is too much new, and annoying, that goes into those interstices now.

Dr. Bruininks agreed. The University creates a lot of processes with high transaction costs. He recalled a small grants program to award legislative funds for distance education and technology that took too much time of too many people for the amounts involved. It would be better to give the money to the colleges to use for leveraging other funds. There are too many processes that take too much time with little gain.

Professor Gray recalled that she had some time ago proposed throwing darts for proposals less than \$500; she would now raise that amount to \$1000. Another new trend, she said, is that faculty are supposed to take care of everything themselves. They used to have secretaries, but those people now serve only the University, not the faculty; faculty have more and more to do, and less and less uninterrupted time.

Professor Koch next raised questions about the Minnesota Global Learning University (MNGLU); she expressed concern about the direction, its connection to the University, and the responsibilities of the

University with respect to it.

Dr. Bruininks said he did not know where it was going. The legislature provided funds to the University and asked it to work with MNSCU to provide an easier "front door" to students and to make life-long learning more accessible. He noted that the University also has a commitment to the Rochester Center that must be honored.

The University will not do a good job in distance education unless the activities are driven by the faculty, departments, and colleges. Some things can be done through University College, but the strength of programs will come from the departments. He said he wanted to see the money brought into the planning process, rather than having pools of money all over the place, and have the action occur in the colleges.

Dr. Bruininks said distance education would be incorporated in the compacts. Like international activities, the right level of centralization has to be identified. The most exciting developments are in the colleges, and the advantage will come from supporting college efforts in distance education. He said there is no plan to build a bureaucracy separate from the colleges. Much of the "virtual university" activities will collapse, he predicted, because there is not enough intellectual power behind them and they are not well grounded. Dr. Bruininks said he would like to find time for a more thorough discussion of the issue.

Dr. Bruininks then commented on the enterprise systems. He said he has spent time considering them (grants management, human resources, student systems, fixing the year 2000 problem), and noted that the University has made a commitment to a more distributed environment. The cost of turning back would be about \$22 million; the cost of going forward to more modern systems is about \$20 million. Installing these systems is essential, he said; the University has lousy business systems. What causes problems is excessive customization of the software, to accommodate every nuance and variation that can be imagined. If the University does not do a good job of implementing the systems, there will be a centralized, hierarchical model of decision-making no matter the strategies and processes that are being sought; they will be faster and more paperless, but not better systems. The regulations and processes must be redone so there is a more decentralized model that also builds in trust and accountability at the same time. If the systems are reformed well, they will provide high quality service at a reasonable cost; if not, there will be no savings and no increase in quality. This will be difficult to achieve, Dr. Bruininks cautioned (why not have nine different grading systems?). If there is no change in the way the University does business, and if people do not hang tough against customization and centralization, the result will be costly.

Professor Gardner maintained that if responsibility is decentralized, so must be authority. Often there is too much responsibility but no authority. Business systems have to support the mission, and faculty and students, not generate a 15% return. Dr. Bruininks agreed, and said there must be a deeper and broader commitment to service, rather than adding systems that do not add value.

There is a lack of trust in the systems, Professor Kuhl maintained, and while there is talk of shifting responsibility and accountability to the colleges, all the paperwork the University requires reflects a lack of trust in the colleges. Dr. Bruininks agreed to this as well. While there must be accountability, he said that 99% of the people who come to work try to do their best every day, and the University does not need

to spend millions of dollars monitoring them every day.

Professor Bloomfield thanked Dr. Bruininks for joining the meeting and adjourned it at 2:30.

-- Gary Engstrand

University of Minnesota