Minutes[*]

Faculty Consultative Committee
Thursday, November 20, 1997
1:00 - 4:00
Room 238 Morrill Hall

Present: Victor Bloomfield (chair), Kent Bales, Carole Bland, Mary Dempsey, Gary Gardner, Virginia Gray, David Hamilton, Russell Hobbie, Laura Coffin Koch, Leonard Kuhi, Michael Korth, Marvin Marshak, Fred Morrison, Harvey Peterson

Absent: Gary Davis, M. Janice Hogan, Matthew Tirrell

Guests: President Mark Yudof

Others: V. J. Agarwal (ACE Fellow), Gerald Klement (Committee on Finance and Planning)

[In these minutes: Reports on academic misconduct and conflict of interest policies; discussion and resolution on the need for faculty and administrator training on policies; discussion of the 1998-99 budget, and options for meeting a shortfall, with the President; briefly, distance education, grading policy change on the "I," graduate and professional teaching award, and relationship with the General Counsel]

1. Committee and Task Force Reports

Professor Bloomfield convened the meeting at 1:00 and began by asking Professor Kuhi for a report from the Senate Research Committee.

Professor Kuhi reported that changes to the academic misconduct policy were completed and would be brought to this Committee in December. Professor Bland inquired if the issue of reimbursement of faculty for attorney's fees, when the faculty member prevails, is in the policy; Professor Bloomfield suggested that it could be included as a policy statement.

Professor Kuhi next reported that the University had received more suggestions from NIH on its Conflict of Interest policy, some of which were extremely picky. One substantive change sought was a requirement that income from books, honoraria, other universities, and so on, be disclosed. University policy has not required disclosure of income from other universities, but the policy has been changed.

Professor Bloomfield inquired if NIH was picking on the University; Professor Kuhi thought it might be making the University a showcase, while Professor Hamilton said NIH was making the University a prototype of what it intends to put in place for all institutions. He said he did not recall that the Conflict of Interest policy was part of the original NIH document, and suggested NIH was extending its authority as far as possible. Professor Bloomfield wondered if there did not come a point when an

[*]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.

organization such as the AAU or the AAUP should stand up for the University and apply pressure.

Professor Kuhi said there were two points in particular that bothered the Research Committee. One was what consequences there were for faculty who do not follow the policy. It is not clear how a problem is resolved, even though the department chair is responsible for dealing with conflict. The second point is how much the faculty actually KNOW about the policies. They are concerned that NIH will do a detailed review of policies and procedures when they make a site visit next year, and will ask faculty what the policies are. A number of Committee members thought it likely the faculty do NOT know the policies.

Professor Gardner suggested that a handbook with the policies faculty needed to know about would be useful, with web sites for the more detailed policies identified. Professor Morrison added that the position of the administration has been to put everything on the web and say that faculty have constructive notice of all 2000 pages, even though one cannot get to them and they are written and indexed incomprehensibly. What is needed is a manual with the high points, and reference to the web; it cannot be assumed people know something just because it is on the web.

Committee discussion then focused on a handbook and related matters.

-- Professor Hamilton reported that NIH knows the University's web pages are opaque and has commented on them. Most at the University admitted the problem, but no one knows how to change it! Who is the webmaster; who controls the pages? And who decided to put it in Acrobat?

-- Professor Bland said that if one wants the faculty to understand the policies, more than a manual is required. Most problems are acts of omission. There is a need both for training AND a manual.

-- Professor Hamilton noted that there is a handbook for grants management; few are aware of it, however.

-- There are a lot of handbooks, Professor Gardner observed; that is the problem. No one has prepared something for the faculty on how to do "x"; there need to be summaries, with detail on the web.

-- Professor Morrison agreed on the need for both training and manuals, and suggested that faculty should be forced to go to training--it is part of the job, not an extra, and some other part of the job falls away--so that the University does not continue to face $50 million lawsuits.

Professor Bloomfield inquired if the Committee wished to encourage Dr. Carrier's office to produce a handbook. Professor Hamilton offered a motion [subsequently refined in email exchanges between Committee members] that read in final form as follows:

> The Faculty Consultative Committee recommends: (1) that there be required orientation in University policies and procedures for new and current faculty, department heads, and deans, with periodic review sessions provided, and that such orientation be discipline-specific where appropriate (i.e., especially for faculty, who may have differential training needs with respect to grants, contracts, and so on); (2) that suitable and high-quality training materials should be developed; (3) that there should be prepared by the

administration a handbook containing the highlights of policies important to the faculty, with appropriate references to web addresses containing the more detailed policies and procedures; and (4) that the web pages containing University policies should be made more accessible and usable and should contain a search engine to help find needed materials.

Discussion continued for some while on whether the training or the handbook was more essential, the varying needs of faculty members in different disciplines, the efficacy of training (it needs to be done better than it has been), the related worry that the administration will agree on the need but not do the training right, the likely faculty opposition to mandatory training when they only need to know about 10% of the policies, the importance of accessible information on the web (along with the disconcerting lack of identification of, and access to, system-wide offices, on the web, and the generally dismal organization of the University's web pages).

Professor Kuhi then continued his report for the Senate Research Committee, reporting that it would be forwarding a resolution suggesting a cost-benefit analysis of regulatory processes, because it is not clear that the benefits outweigh the costs.

He also said that more revisions to the Intellectual Property policy have been forwarded to a small working group.

Professor Dempsey then reported that the post-tenure review policy would soon be coming forward, probably early in December. She said she was disturbed to have heard some believe it will not be necessary to pay attention to it. Professor Hamilton suggested there be consequences to ignoring it; Professor Dempsey said that since it would be coming from the Tenure Subcommittee and the central administration, there should be teeth in it. The document will essentially amplify on what the tenure code requires. The faculty in each department must vote on the process it will use, and if there is a review, there must be elected faculty involved.

Professor Morrison pointed out that the consequences will be cases that go to the Judicial Committee and the unit in error will have to hire back someone it fired and pay back salary. Sooner or later, administrators should feel the consequences; the Committee, he said, should tell the President that some administrators are not following the rules and should be beheaded!

Professor Bloomfield recalled that each department is to have in place, in time for salary decisions next year, a statement on criteria for satisfactory performance, and he urged that the post-tenure review statement from the Tenure Subcommittee/Drs. Bruininks and Cerra should be finished and distributed soon.

Professor Bales then reported for the Committee on Faculty Affairs. A subcommittee of SCFA is close to consensus on consensual relationships; it must now be reviewed by the administration and then put in final order. The new version will bring together policies on nepotism and consensual relationships. What they have concluded is that a "work around" is required in all cases, something that is now required in advance in nepotism cases.

SCFA is also talking about indemnification, Intellectual Property, and sabbaticals. On the last point, they will be called leaves for professional development, and the needs of the faculty will be the number one consideration. The benefits subcommittee is developing a menu of leave possibilities, which they hope to make nearly self-sustaining. This, like earlier models and one being tested by the Provost's office, would permit such possibilities as one semester on half-pay for two years of service, a semester leave on full pay after four years of service, a year's leave at two-thirds pay after six years of service, and up to a full year's leave with full pay after nine years of service. These leaves would be accumulated and used in a manner similar to frequent flier miles; if one took a half-pay semester leave after three years, the clock would start over again for a future leave.

Shorter leaves (a month) for P&A might also be offered (it has been found that P&A staff are usually unable to take longer leaves); it was later clarified that this leave would only be available to P&A staff on continuous appointments.

2. Discussion with President Yudof

Professor Bloomfield now welcomed President Yudof to the meeting.

The President said he wished to review the 1998-99 budget, and distributed a handout. He emphasized that he has made no decisions, and is talking with the deans, FCC, and, in December, the Board of Regents. Nothing will be decided until the legislature's intentions are better known, so there is time to discuss the options.

The President then reviewed the expected revenues and the "expenditure goals." [Those numbers were contained in the minutes of the Finance and Planning Committee minutes of November 18, and only discussion of the numbers will be reported here.] The potential solutions to the difference between the $7 million in new recurring funds that will be available and the expenditure goals of $48 million could include the following:

-- Solutions the University controls

Tuition rate increase of 2.5%	$5,400,000
Tuition rate increase, additional 0.5%	1,080,000
ICR revenue increase of 5%	2,600,000
Central administration cost reductions @ 8%	4,800,000
Central auxiliary enterprise assessment @ 2% of revenue	1,500,000
Collegiate/campus internal savings @ 1% of `99 base	6,000,000
Bridge costs with centrally-allocated operating balances of all units @ 2% of balances	2,900,000
Convert recurring 97-98 allocations to non-recurring	5,000,000

Internal cost savings to cover 2.5% SEE inflation	4,500,000
Revise 8.5% faculty compensation by 1.5% to 7.0%	3,750,000
Revise 8.5% faculty compensation additional 1% to 6%	2,500,000
-- Solutions the University does not control	
New state appropriation, supplemental request	13,000,000

The President mentioned one possibility, such as providing 4.9% for faculty raises (from tuition and ICR increases) and requiring the units to provide the remainder, although this is an approach that would have problems. The central reductions will be transferred on July 1; the President said these will not be devastating, and opined that the administration was overstaffed.

Mr. Pfutzenreuter mentioned that the balances could be used to pick up recurring expenses, but there needs to be an examination of which are restricted. If tuition and ICR funds are given to the colleges, and they hold the funds, it is not unreasonable to expect them to fund part of the faculty salary increases.

Professor Gardner cautioned that the balances are needed by units to hire graduate students and so on, and the balances have been carefully squirreled away for many purposes. It is legal to sweep the balances, but doing so would cause big problems.

The President said it was almost incendiary to have documented $30 million increases in balances, while also needing $15 million for faculty salary increases; some will say the University should sweep the balances. He invited FCC and the Finance and Planning Committee to go through the numbers in detail and advise him on the options.

Discussion touched on a number of points.

-- There is a possibility of a tuition revenue increase from students taking more courses; a one percent increase in student credit load per year per student equals $1.2 million in additional revenue. The deans have no estimates yet and will have to be asked about this in planning discussions. Whether this could affect the 1998-99 budget is unclear.

-- Professor Morrison pointed out that in the last 3-4 months, there have been lots of commitments to new buildings, requiring annual expenditures for a long time. There will be an expectation for the same investment in human capital, and if there is no commitment to raise the University's salary ranking in the top 30 research universities, there will be much unhappiness. Revising the faculty salary increases downward would not be happy solutions, given the other commitments that have been made.

The President disagreed, saying there was a one-year-in-fifty opportunity to fund needed campus repairs. There is also a need for raises, he said, but there is no moral equivalence between the capital request and salary increases. It would be penny wise and pound foolish not to spend $15 million per year to obtain 3/4 of a billion in capital funding.

-- Could the enterprise systems be funded from the approximately $16 million on non-recurring funds that will be available next year?

-- Professor Morrison observed that the step increases in labor contracts will result in additional costs to the colleges; the options include $10 million in internal reductions ($6 million in college/campus savings and $4.5 million in SEE), which essentially amount to pass-throughs to the colleges. These total to about a 2% retrenchment. The President said he did not like those options.

-- With semester conversion, a large number of retirements are expected. A unit with an $80,000 salary item may use it to hire two new faculty at $40,000. The possibility of recapturing the salary increment could be considered (although not require the line to revert). This would provide a rationale for the college/campus savings of $6,000,000. The President agreed that this could be explored.

-- These ideas seem to run counter to IMG, calling for control to be exercised by the colleges, Professor Gray said; if the administration is going to take funds, what incentive is there to generate revenue?

The President said that the University cannot give away the funds and not send the responsibility along with them. The funds for the 8.5% salary increases have to be generated. The administration can make cuts, and obtain more legislative funds, but only the colleges can provide more revenue, make decisions, and generate more efficiencies. His problem is how to treat the colleges that do not receive ICR funds and cannot generate increased tuition revenue; if done right, the process should include differential allocations that recognize hard-working colleges.

-- Professor Gray reinforced Professor Morrison's point: the faculty has plainly asked the administration to make faculty raises the number one priority, the first-dollar priority. That position needs to be adhered to. The University is under-funded all over; with lower raises each year, is no surprise that cumulatively the University has fallen to 29th out of 30 among top research universities.

The President inquired about that datum; Professor Morrison said the University was 29th in 1995-96. Increases in 1996-97 did little, so the problem remained. The 1997-98 increases of 8.5% presumably improved the situation some, but the plan to get to 15th assumed 8% increases for three years. Professor Bloomfield noted that for full professors, the University is $25,000 below the mean; the differences are smaller at other levels.

The President said he was willing to make the hard choices, and asked FCC to help. The administration could sweep the balances, saying that faculty salary increases are more important, and retrench in order to obtain the money. Or the colleges could be told to raise salaries between 6% and 9%, and they must find the money.

-- Professor Marshak maintained that in terms of the salary goal, a major issue is the split between public and private institutions; in the last 15 years, the privates have done much better, and if the stock market continues to do well, it may be difficult for the publics to catch the privates. It may be necessary to change the goal from 15th among the top 30 to among the top five publics (e.g., use Michigan and three of the California schools as the comparison group). This may be more realistic.

The President said he has favored three years of 8% raises, as long as the funds were there, and that the University must be competitive with all its peers.

Professor Marshak said that 8% for three years means an approximate 4% gain for each of three years, putting the University within striking distance of the top publics; if the University is not in that range, there will be consequences. Professor Morrison said the 8-8-8% was necessary to catch the leading publics; if that is not accomplished, NONE of the University's goals will be achieved.

Professor Gardner said that if the commitment to achieving the faculty salary goal will mean it will be hard for faculty to do their jobs, because of diversion of the money from other needs, that will not be helpful. There must be programmatic decisions on how to accomplish this goal.

Professor Kuhi said that the rankings are less important than the ability to recruit new faculty.

Professor Hamilton cautioned the President that he must be careful about faculty expectations; they have been told what to expect, and the last administration made a great hullabaloo about the increases. The President noted that Professor Morrison had pointed out that the funds are not there, and said he needs a plan. The point is caution, Professor Hamilton responded; there needs to be work, but it will be important not to have the administration tainted by not delivering on the promises. The President pointed out that he had not made the promises, he had to fund a budget, and inquired where the admonition to be cautious would take him. He agreed that he did not want the administration tainted.

-- Professor Gray suggested that a long-term solution might be the capital campaign. The last campaign raised money for endowed chairs; other universities use these funds to "top off" faculty lines as a way to address the salary problem. The University will never catch up with the privates if it relies only on state dollars for salaries.

The President emphatically agreed and said he has told Mr. Fischer at the Foundation that he wishes to raise money for salary supplements. The biggest needs are for faculty salaries and research funds, and perhaps some of the money can be raised from donors. In the meantime, it might be possible to use some non-recurring funds for a short time in order to take pressure off departments and colleges.

Asked what could be done to help him, the President said the committees should work with Mr. Pfutzenreuter on the numbers; he assured FCC that he wanted to be completely candid about all of the data. He also asked that FCC consider how far the University should go in achieving the 8.5% salary increases and the tradeoffs that might have to be made (e.g., would 7.6% be enough?). The President agreed that more information was needed before a decision could be made, and that the deans needed to be asked for more information as well.

The President pointed out that this is a governance issue, and related to IMG; if the system is logical, and if the funds are turned over to the colleges, this discussion must take place in each of the colleges--how many RAs will they hire, how many positions will be filled, what raises will be delivered. The answers in the colleges may be different. At what point should he impose a retrenchment--something he would hate to do.

This would be easier to resolve, Professor Morrison said, if there were a clear indication that IMG was real rather than imaginary. If it is real, then FCC and Finance and Planning should talk about the $7 million in new non-recurring funds, and the problems and opportunities are smaller at the central level and most funds will flow through to the colleges. The President said he would not, at this point, backtrack on IMG; he would prefer to let it work for a year or two. Mr. Pfutzenreuter, in response to a comment that the colleges have not believed IMG would actually occur, said the numbers would become evident in the near future.

One question the administration must confront is whether to level the playing field, the President said; should it help the units that do not have the ability to raise revenues in order to deliver the 8.5% salary increases? The President concluded that he would work with the Finance and Planning committee on the numbers.

Professor Bloomfield thanked the President for joining the meeting.

Following President Yudof's departure, Committee members expressed skepticism about the data concerning the cost of administration, maintaining that it was implausible there was such an order of magnitude difference between Texas and Minnesota and that the two institutions are very different in breadth.

1. Reports, continued.

Professor Gray reported that the task force on faculty consultation expects to have a report in early December.

It was agreed, following brief conversation, that there should be proposed a bylaw amendment formally making the chair of the Senate Research Committee an ex officio member of FCC.

Professor Koch reported for the Committee on Educational Policy. It will take up distance education (which is different from the use of technology in the classroom), because there has been no faculty discussion of what the emphasis on it should be, how far the reach should be, and how much should be spent on it. Professor Bloomfield reported that he and the President and Executive Vice President have agreed that the first forum should be on distance education and life-long learning.

Professor Koch also reported on progress in implementing the graduate and professional teaching award, the need to identify funds (a source is probable), and possibly establishing an academy of distinguished teachers (an interest of the President's). SCEP is trying to work out how the Morse-Alumni and new graduate/professional award winners would be in the academy, what the benefits might be, and what it would do.

SCEP has also begun a policy review for the Twin Cities campus, but will wait on the recommendations of a group chaired by Professor Huddleston before taking action. SCEP will bring to the Twin Cities Campus Assembly a package of changes, but will only bring a package upon which it agrees. Some of these policies reach beyond the Twin Cities campus, so will require coordinate campus review as well.

In response to a query, Professor Koch confirmed that SCEP has approved a change in the grading policy, to be brought to the Senate, so that an "I" does not change to an "F" after one quarter for students enrolled in post-baccalaureate programs. It was agreed that in order to make sure the present policy did not have an impact on current students, that SCC would be asked, at its December meeting, to exercise its authority to act on behalf of the Senate.

Discussion then turned to the questionnaire that had been distributed to the Faculty Senators about financial priorities; several Committee members pointed out problems with it. Professor Bloomfield said that changes would be made. It was also agreed that the faculty should be provided information about current expenditures, so they have some base against which to make judgments.

The Committee then considered what action it might take, if any, with respect to the presentation on insurance at an earlier meeting, and the associated issues with respect to settlements that cost the departments money, litigation, the legacy of the Rajender consent decree, and the relationship between faculty governance and the office of the General Counsel. It was agreed that FCC should be responsible for cultivating the relationship with the General Counsel (rather than any other Senate committee, or any new committee); Professor Bloomfield reported that the General Counsel, Mr. Rotenberg, wishes to improve the relationship. It may be that a regular--perhaps quarterly--meeting with the General Counsel should be considered. The possibility of ex officio membership of the General Counsel's office on Senate committees can also be considered, Professor Gray said, because the task force on faculty consultation will suggest that committees carefully consider their ex officio membership.

Professor Bloomfield asked Committee members to send him suggestions about what FCC should do with respect to insurance and indemnification, and adjourned the meeting at 4:00.

-- Gary Engstrand

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