Minutes*

Faculty Consultative Committee
Thursday, March 16, 2000
1:00 – 3:00
Room 238 Morrill Hall

Present: Fred Morrison (chair), Linda Brady, Susan Brorson, Mary Dempsey, Richard Goldstein, Stephen Gudeman, Roberta Humphreys, Leonard Kuhi, Joseph Massey, Marvin Marshak, V. Rama Murthy, Paula Rabinowitz, Jeff Ratliff-Crain

Regrets: Les Drewes, David Hamilton, Mary Jo Kane, Judith Martin

Absent: none

Guests: Executive Vice President Robert Bruininks; Professor Josef Altholz and Professor John Fossum (on behalf of the Committee on Faculty Affairs)

Other: Florence Funk (Office of the Executive Vice President); Maureen Smith (Institutional Relations); Julie Tonneson (Office of Budget and Planning);

[In these minutes: capital request, basketball allegations, University budget (all with Executive Vice President Bruininks); tuition remission for children of University employees; emeritus faculty policy and procedures]

1. Discussion with Executive Vice President Bruininks

Professor Morrison convened the meeting at 1:00 and announced that the President was unable to join the Committee because he had to be in St. Paul for a legislative matter. Dr. Bruininks joined the meeting in his stead.

A. The Capital Request

Professor Marshak then reviewed the status of the University's capital request and the differences between the proposals from the two houses of the legislature. The House proposal is below the Governor's recommendation; the Senate includes most items that the University requested. Dr. Bruininks explained how the University has approached capital funding in the past, when it prepared a capital request.

Committee members discussed with Dr. Bruininks for some time the legislative request, and expressed considerable alarm about the direction events seem to be taking.

B. Basketball Allegations

* 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.

Dr. Bruininks then distributed copies of the interim report from the committee chaired by Professor Warren Ibele to review the allegations against instructors and students arising from the investigation of the men's basketball team. The allegations included eight colleges and 17 students (some of whom are no longer at the University); the colleges have asked to conclude their investigations by late April. Professor Ibele's committee worked long hours, with exceptional skill, under a tight timeline. The faculty leadership on this matter has been extraordinary, he concluded.

Dr. Bruininks said he has been quoted, not accurately, on the question of whether faculty and staff will be treated more leniently than students. They will not, he said; no one will receive preferential treatment.

The final report of the Ibele committee will be brought to this Committee in the spring.

C. The Budget

Professor Morrison next reported that he attends the meetings of the Board of Regents each month and that at the last meeting the President provided the Board with an overview of the budget; he asked that the overview be presented to the Committee.

Dr. Bruininks distributed to the Committee copies of a set of slides containing data about the University's capital request and the 2000-2001 budget. He made a number of points in the presentation.

-- The University requested an increase of $161.8 million for 1999-2000; the Governor's recommendation was $121.8 million and the final appropriation was $104 million, or $57.8 million less than the University's request.

-- The 2000-2001 portion of the request was for $50 million; the final appropriation was $21.1 million.

-- The Budget Management Task Force will be continued in some form and will meet on a regular basis in the future. The original charge to the Task Force included this language: "to review and make recommendations with regard to possible improvements in the University's budgeting framework, and the organization and allocation of costs to address University-wide needs and obligations."

-- The principal needs (the four biggest costs) of the University are compensation (with a shared central and unit responsibility emphasizing merit, market, and equity), academic priorities (investing in new programs), technology (improving service delivery), and facilities (supporting academic programs). It may be necessary to think about a permanent shift in how the University obtains money for compensation, Dr. Bruininks commented. He also noted that the University has directed funds to academic priorities in earlier years, through budget reductions and the assessments on units, and it is necessary to have an all-funds analysis in order to obtain a full picture of the resources that have been allocated to the academic future of the University.

-- The compensation plan calls for "maximum flexibility for chancellors, vice presidents, provosts, and deans to provide increases above required pay plans" and for units to fund part of the pay plan and any enhancements; the emphases are to be on merit, market, and equity. There will be a 3% pool for faculty (except those at Duluth), P&A staff, and graduate assistants and a 3% increase on 7/1/00 and 2%

on 12/18/00 for non-represented civil service staff; bargaining unit employee increases will be determined by bargaining and non-academic and student employee increases have yet to be determined.

Units are permitted to go above the 3% increases, Dr. Bruininks noted, but he surmised that most would not substantially exceed this level.

Of the $21.1 million the University received for 2000-2001 from the legislature, $19.1 million of central resources will go toward the compensation pool. Academic units will contribute another $5.8 million and support units $2.8 million, for a total compensation pool of $28 million (3% with fringe benefit increases).

Professor Morrison noted that non-bargaining civil service employees will receive actual cash increases of 4%--3% on July 1 and an additional 2% in December (which amounts to 1% for the fiscal year); does that come from the 3% compensation pool? It does. So the units must also absorb that additional 1%, he observed.

The Committee discussed with Dr. Bruininks the link between increased tuition and increased salaries; this is bothersome to some people. Dr. Bruininks agreed with the observation that the University must try to increase the quality of education it delivers to students, in return for the tuition increases; Professor Marshak cautioned, however, that the increased funds are what the University needs simply to operate and that it must be careful about promising improvements—because the increased tuition revenues are not “extra” funds.

Dr. Bruininks reviewed examples of investments in new programs, in technology, and in facilities. He pointed out that tuition is 14.5% of the University’s total revenue but that it funds nearly 50% of the University’s instructional costs. He made again the point that Professor Marshak had made: tuition increases are needed to make essential annual investments in faculty and staff, facilities, and technology; he added that the University tries to balance the need to address costs and investments with the importance of maintaining affordability and access for low income students.

Dr. Bruininks drew the attention of Committee members to a slide which he said set the context for the 2000-2001 tuition increases. The current generation of students has been treated fairly in annual tuition plans; students who are seniors in 1999-2000 have seen the lowest increase in tuition from their freshman to senior year in 30 years. In 1999-2000, both undergraduate and graduate tuition and fees at Minnesota are below the mean of Big Ten public institutions. Finally, federal and state grants for low-income students have increased significantly over the last four years, and will be 30% larger next year than they were in 1996-97 (while tuition has increased at the University at only about half that rate). The actual dollar increase for next year will be about $125 per semester for undergraduates, Dr. Bruininks said in response to a query from Professor Kuhi; with the “half price sale” for the 13th and additional credits, the rate increase will be slightly less, and the University remains a very good buy on all campuses. The coordinate campuses, he said, may levy slightly lower increases than the Twin Cities.

Dr. Bruininks then reviewed the budget "challenges" for 2000-2001, and again noted that of the $50 million the University requested for the year, it received only $21.1 million. As the University moves forward, he said, compensation increases will be more consistently shared between the administration (from the biennial request, etc.) and the units.

Professor Kuhi inquired why the University does not do something more drastic, such as cutting something? Dr. Bruininks said the University has cut, and recalled that $6.1 million in recurring central administration funds were cut in the President's first year in office in order that they could be directed to compensation. He also pointed out that the “market basket” for higher education has not increased at the same rate as the CPI; the increases have in some cases been in double digits (such as scientific journals and technology costs). The University must make choices and reductions, difficult in this state, and must cut costs that do not add value (for example, eliminating the paper copy of direct deposits for employees). He also noted additional targeted reductions in other units.

Professor Morrison commented that 4% for civil service employees and 3% for faculty says something about the administration’s and the deans’ priorities.

Professor Rabinowitz noted two bullets on the slide outlining the budget challenges: “each academic and administrative unit must share financial responsibility for the support of University-wide needs” and “support local decision making through decentralization of resources (e.g., tuition revenues), authority, responsibility and accountability.” This is contradictory, she argued; either “we are all in this together” or the units must fight it out under IMG. There is a trend in the direction of atomization of units and less thinking about the whole University, she said. It is demoralizing for faculty to have spend many hours dividing up a small amount of money for salaries, in addition to the endless calls on faculty time to change the way they do things. The small salary increases are a metaphor for a larger set of demoralizing working conditions.

Professor Humphreys agreed, and said she has made the point several times that the University should seek to have its employees treated like state employees so that they automatically receive cost-of-living salary increases. It may be that the University will not receive any MORE money, then, but it doesn’t receive any more money anyway. These small amounts of money are not merit increases, she maintained. The ONLY way to obtain a decent salary increase is to get an outside offer; even if one does not intend to leave, one must play that game.

Dr. Bruininks said he did not think it should be that way and that quality should be compensated. He also agreed with Professor Rabinowitz that quality of life issues are important, such as the quality of classrooms and other forms of academic support. He noted, however, that the state does allocate sufficient support for higher education. Professor Marshak pointed out that the University’s budget for the biennium from the state is approximately $1.1 billion; a 3% increase for the two years equals 9% (3% the first year, recurring the second year, plus 3% the second year), or about $100 million. The University asked for $161 million and received $104 million—or about $4 million above inflation.

Compensation improvement must be a big part of the University’s future legislative request, Dr. Bruininks said in response to Professor Humphreys; that allows the case to be made for the entire University.

Professor Morrison thanked Dr. Bruininks for joining the meeting.

2. Tuition Remission Proposal

Professor Morrison turned next to Regents’ Professor Goldstein, chair of the Committee on Faculty Affairs (SCFA), to lead a discussion of the proposal for tuition remission for University faculty and staff. Professor Goldstein introduced Professor John Fossum, chair of the SCFA benefits subcommittee, who did an analysis of the tuition remission proposal. He said he wished to make three points about it:

-- This is a competitive issue: seven of the eleven Big Ten institutions offer tuition remission that ranges from 50 to 80%.

-- It is an important retention tool that could save the University money.

-- There is a strong implication that it would improve education at the University if there is a significant number of employees with children who are students at the University.

Professor Fossum then outlined the analysis that he had done. There is about 10% turnover in University employees each year. The cost to replace a faculty member is approximately 150% of salary, about 100% for P&A staff, and about 50% for other staff. The lifetime "risk" that a University employee will have a student at the University is about one in four. The subcommittee looked at the impact of reducing turnover by 10% and the potential savings that would result (perhaps $1 million per year). The tuition remission program would also contribute to a sense of community as well as improve retention and increase the quality of instruction. The costs of the program, he added, could be overstated.

SCFA recommends that FCC endorse the proposal for 50% tuition remission for employees with five or more years of service, up to 100% for employees with 10 years of service or more, for students who are regularly admitted to the University in undergraduate programs. (The Committee and Professor Fossum had a brief exchange about whether "dependents" went beyond children; both he and Professor Goldstein said they would not object if the term "children" were substituted for "dependents" in the proposal.)

Professor Rabinowitz inquired if other institutions also provided tuition remission for spouses or partners; they could also use such a benefit, she observed. Professor Fossum reported that some institutions, including MnSCU, do provide at least partial tuition remission for spouses or partners.

Professor Goldstein said the administration was aware of the proposal and had no problem with this Committee forwarding it to the Senate. The administration does not oppose it but does want to do its own cost analysis.

Would the tuition be paid by the University or just waived, asked Professor Ratliff-Crain? The analysis presumed that the tuition would be paid to the unit by the University, Professor Fossum said. Would this be part of a cafeteria plan, asked Professor Kuhi; it will be of more benefit to those who have children than it will to single employees. Professor Goldstein said that difference exists now, with other benefits, and SCFA did not want to get into that issue. The points are a savings for the University, a reduction in the loss of employees, and improved teaching. The idea of a cafeteria plan is dead, at the moment, he said. SCFA is requesting that this proposal be brought to the Senate so it is in the open for discussion.

Professor Massey said that the proposal skirts the issue of increased compensation to faculty—this will be said to be another benefit instead of a salary increase. He also took exception to the claim that the quality of instruction he provides will be improved if some students are children of University faculty and staff. Professor Goldstein said he disagreed strongly with the last point; he noted that when he had children at the University—not in his own department—he took a great deal more interest in their instruction than he would have otherwise.

Professor Morrison asked for a motion to send the proposal to the Faculty Senate with the endorsement of this Committee; the motion passed 7-1, with Professor Massey dissenting. Professor Morrison said the mathematical analysis in the proposal was astounding and quite convincing, and he thanked Professor Fossum for presenting it. Professor Kuhi wondered what a similar analysis would produce if one postulated the impact of a 10% salary increase on faculty turnover.

3. Emeritus Faculty

Professor Morrison turned again to Regents' Professor Goldstein for a review of a Regents' policy proposal (and accompanying administrative procedures) concerning emeritus faculty. Professor Goldstein said that emeritus faculty can provide a lot of service to the University and they should be recognized. Moreover, with the elimination of mandatory retirement, many faculty may put off retirement if they believe they will be immediately gone. He called on Professor Josef Altholz to discuss the proposal.

Professor Altholz noted that the proposal includes both a draft Regents' policy as well as administrative procedures, but that the policy would be incomprehensible without the procedures so they are being presented together. The Committee is only being asked to act on the draft policy, however.

This issue was drawn to his attention because of the inability of emeritus faculty to make use of the grievance procedures (the Senate has recommended policy amendments to the Board of Regents that would change this situation).

Professor Goldstein reported that he had received calls from Vice President Carrier and Vice Provost Jones about the grievance policy that has already passed the Senate, and they asked that this policy be brought for discussion today, not action, in light of that concern. Their concerns, however, are not about this policy directly.

Professor Morrison said it may be necessary to draw a line at some point. He said he finds it abhorrent that the University believes people who have worked for it for 30 or 35 years become a non-person when they retire. That strikes him as outrageous, he said. The Twin Cities deans have a different view, Professor Goldstein observed. It may be, Professor Morrison said, the Committee should invite the Twin Cities deans to discuss the matter with it.

Professor Kuhi inquired what differentiated emeritus and regular faculty, apart from the generous salary increases to those who are still employed? As a department chair, for example, he would sometimes find it difficult to provide office and lab space to retired faculty. Professor Altholz pointed out that the proposal calls for making such provisions "subject to cost and availability." Many departments are already doing many of these things for emeritus faculty, Professor Massey pointed out; the practice varies a great deal, Professor Goldstein replied, and the treatment of emeritus faculty should not be at the whim of a department head.

Professor Morrison asked for a vote on the policy, approving it in principle, subject only to final discussion with the administration about the issue of the grievance policy. The Committee voted unanimously to support the proposal and to forward it to the Senate.

Professor Morrison adjourned the meeting at 2:40.

-- Gary Engstrand

University of Minnesota