

Minutes*

Senate Committee on Faculty Affairs
Tuesday, October 25, 2005
2:30 – 4:15
238A Morrill Hall

- Present: Morris Kleiner (chair), Matthew Bribitzer-Stull, Carol Carrier, Vladimir Cherkassky A. Saari Csallany, Will Durfee, Janet Ericksen, Theodor Litman, Steven McLoon, Jane Miller, Geoffrey Sirc, Virginia Zuiker
- Absent: Arlene Carney, Dann Chapman, Penny Edgell, John Fossum, Patricia Frazier, Darwin Hendel, Kelly Risbey, Oriol Valls, Larry Wallace, Timothy Wiedmann, Lori-Anne Williams, Aks Zaheer
- Guests: Peter Mitsch, Patricia Mulcahy (Medical School); Jackie Singer (Director of Retirement Benefits)

[In these minutes: (1) XYZ salary system; (2) workload implications of distance education and technology-enhanced learning]

1. XYZ Salary System

Professor Kleiner convened the meeting at 2:30 and welcomed Mr. Mitsch and Ms. Mulcahy from the Medical School to discuss the XYZ salary system. He recalled that the Faculty Consultative Committee had asked this Committee to examine the XYZ salary system and report back. The Committee received a little information at its last meeting; today it has guests to provide more detail.

In the XYZ salary system, Professor Kleiner noted, only the "X" portion of a salary is guaranteed (e.g., for a tenured faculty member). Y and Z are at risk, and can be used to provide incentives for faculty to generate support.

Mr. Mitsch provided a brief history. The XYZ system has its roots in the days when clinical departments could pay faculty for their patient care activities, and when each department had its own practice plan. There were two different categories of full-time appointments: strict full-time and geographic full-time. The strict full-time people received their entire salary from the University; the geographic full-time faculty received part of their salary from the University and part from the private practice plan. Five Medical School departments opted for a strict full-time system. But over time, the Regents and the Medical School decided to move all practice plans into one group, which happened in 1998. It was at that point the XYZ salary system came into existence.

The system used to be XZ, and the Y component was added later. The X component of a salary is the University base. The Z component is the clinical income portion of a salary. The Y component is compensation that can go up and down each year and the amount depends on department-specific criteria. The use of the Y component allows the Medical School to shift salaries as effort shifts; if a faculty

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member, for example, shifts emphasis from patient care to research (or vice versa), the Medical School can shift payroll responsibility accordingly. These changes, Mr. Mitsch said, cannot be made without justification and must be made at designated points in time.

Over time, even the basic science faculty have had a Y component added to their salaries. The Association of American Medical Schools does a faculty salary survey; in the 2002 survey, it was clear that most medical schools had added an incentive component to basic science faculty salaries. This element of salaries is not guaranteed.

Each year the University issues guidelines on salaries, Mr. Mitsch noted. Senior Vice President Cerra adds elements for the Academic Health Center, as does the Dean of the Medical School for Medical School faculty. Medical School departments must list each faculty member's compensation history and what he or she will be paid. This includes an estimate of clinical income.

Ms. Mulcahy distributed copies of Senior Vice President Cerra's salary instructions for 2005-06 and reviewed the XYZ components as outlined in the memo. As had been explained, the X component is described as base salary, paid by the University, and is the only portion guaranteed. The Y component can be an increment, an augmentation, or lump sum, paid by the University, but is not guaranteed by tenure and is not technically recurring. The Z component is payment from the practice plan.

Professor McLoon inquired if the proposed XYZ system would apply only to new hires or to everyone currently on the faculty. Mr. Mitsch said that there are proposed changes to the system, which have not been approved, that departments would be asked to implement because there is a need for guidelines: How big can the Y component of a salary be? Can it be delivered in a lump sum? And so on. The salary plan must also comply with Federal regulations. There might be some aspects of a new plan that would apply only to new hires, he said, but there proposal is not yet at the point of being new policy.

At the extreme end of the spectrum, Professor Kleiner reported, there was a tenured faculty member at one Big Ten university whose X portion was zero, so that person's entire salary was at risk. Could that happen at the University? It could not, Mr. Mitsch said; the University has salary floors for faculty appointments. Those institutional floors are quite low, Vice President Carrier said; it is about \$25,000 for a nine-month appointment. From a recruiting standpoint, Mr. Mitsch said, the Medical School would have difficulty attracting new faculty if it offered such a low guaranteed salary; the institution in question might be able to offer no X component but that would not work at the University of Minnesota.

How discretionary is the Y component, Professor Sirc asked? If a faculty member wins a national award, how much does that affect the amount? That is why the current discussions are taking place, Ms. Mulcahy said; departments have been asked to set standards so that if the Y component is to be changed, the department should have something it can point to as a reason for the change. The Medical School is decentralized, Mr. Mitsch added; in most departments, the department head will set the amounts for the Y component but the faculty will set the standards and criteria. Departments, however, could vary in what they choose to value.

Professor McLoon said that while this kind of system can be set up to provide incentives, as it does in the University of California system, the University's Medical School's proposed plan is only punitive. Here one is provided half a salary and must earn the rest in order to get up to a reasonable

amount. If he does not raise half his salary, the Medical School will cut his salary. Mr. Mitsch said that the less money there is tied up in guaranteed salaries the more the Medical School can use for the discretionary portion. If one already has 2-3 grants, then one worries if one's salary will go down when one is no longer successful in obtaining external funding. For those who do not have grants, the system provides an incentive to obtain external funding, and a mechanism to increase salary. Part of this is economic reality: there are fewer and fewer hard dollars available; if revenues fluctuate, can the Medical School guarantee salaries? They must strike a balance; there has to be a sufficient guaranteed salary to allow recruiting and retention, but they must also deal with the finances of the Medical School. In any event, it is not clear yet what a final proposal will look like.

Is the Y component set at the beginning of the year or can it fluctuate, Dr. Carrier asked? It is set for at least a full year, Mr. Mitsch said, and it can be set for longer.

What percentage of Medical School faculty bring in 50% or more of their salary, Professor McLoon asked. Mr. Mitsch said he did not know, but external funding makes up about 30% of the total faculty salaries paid.

Professor McLoon said the XYZ system penalizes basic scientists. Professor Litman agreed that basic scientists cannot take advantage of it. The system may make institutional sense but individual faculty have real questions about it. Mr. Mitsch said it is becoming the norm among medical schools but not in other fields. Minnesota's system may be a little different, but a faculty member being recruited will see this kind of system at most medical schools.

What long-term effect will this have on getting people into the sciences, Professor McLoon asked. After spending 4 years getting an undergraduate degree, 6 more years in graduate school, and 5-10 years in a postdoc, who will take a position where half their salary is at risk? Most medical schools use this system, Mr. Mitsch repeated. He also pointed out that the model does not specify that 50% of a faculty member's salary be at risk, as has been asserted at this meeting on several occasions. Although that is possible, in all likelihood a smaller percent of a given faculty member's salary will be at risk, from year to year. But the medical schools are not the only market, Professor Litman said; they are also competing with the private sector.

Is the Y component of salary intended to be an incentive or a hedge against risk, Professor McLoon asked. It is both, Mr. Mitsch said. Professor McLoon said he didn't know of any other place where one has half one's salary at risk. Mr. Mitsch said that almost no one has half their salary at risk, and in the private sector one's entire salary is at risk.

Professor Csallany observed that the University wants to be among the top three public research universities in the world. This is a very bad system with respect to achieving that goal, she said, because it will discourage productivity. One can write a lot of grant proposals, but with federal dollars for research declining, the result will be decreased productivity. This is a bad model for basic scientists. Mr. Mitsch said that if the Medical School had guaranteed funding streams, it would pay guaranteed salaries. Professor Csallany said the University should look for other revenue streams for the basic sciences (both in and beyond the Medical School). She said she would not want to work in a setting that used this system.

The dean and department heads are not draconian about this, Mr. Mitsch said. If someone's salary is 30% Y and 20% Z, the Medical School is not going to take away the entire 50% in a short time. The plan could have provisions for catastrophe; so not all the Y component is at risk and there are also bridge funds available. Losing a grant does not mean one is not a good scientist and the Medical School recognizes that. If, however, one has no grant for ten years, then it is a different situation. The system is intended to be a motivator to get grants, but when one already has 3-4 grants, then the worry is about losing them and seeing a salary decrease.

Professor Csallany said there should be guidelines so that, for example, if one is not funded for one or two years, one can lose no more than 20% of one's salary. The system otherwise is unfair, counterproductive, and will not help the University produce better research. Department heads and faculty members have different perspectives on this, Mr. Mitsch said. For a faculty member who has had one grant for many years, the XYZ system sets the bar higher and provides an incentive to obtain more grants. It is seen as one factor in motivating faculty. Ms. Mulcahy said that in the department head discussions she is aware of, no one has talked about cutting a salary by 50%. Professor Csallany said she sees the system as financial management by higher administration, not as a way to encourage science. The long-term effect will damage science, Professor McLoon said.

Professor Csallany said that it can take two years to obtain preliminary data needed to apply for a big grant, and then the federal government might slash grant funding so there is no chance of getting the money that the work had been done for. One can always try to continue the work without funding, but that is very difficult. Mr. Mitsch said he believed such people would be valued in departments. The question is whether there will be a guarantee of every salary dollar for as long as someone is in the Medical School. That won't happen, he said.

So there would be a guaranteed base of about \$34,000 (for a 12-month appointment, rather than \$25,000 for a nine-month appointment), Professor Kleiner said. Mr. Mitsch said basic science departments would not use that low a number because it would not work in recruiting faculty. They could use it if they were looking for entrepreneurial faculty rather than ones with basic science skills, Professor Kleiner responded.

What effect will this system have on teaching, Professor McLoon asked. Mr. Mitsch said the Medical School now has a funding stream explicitly for teaching. Departments receive money for teaching and the hope is that this will mean teachers are rewarded more than they have been in the past. Professor McLoon asked if a faculty member has a choice between putting in time on five lectures for future doctors and working on a grant that will raise his or her salary, which is it likely the faculty member will work on? The system will allow departments to reward teaching, Mr. Mitsch said, although faculty may not believe that.

The XYZ system is an incentive for shallow research, Professor Csallany said. One's entire effort will be to getting dollars, no matter where they are from or what they are for; money is most important. High-quality research is expensive and time-consuming. This is a business model for obtaining money no matter the source. Often it is necessary to bootleg good research that can be published onto what one can get funding for. If there is no financial incentive, would science improve, Mr. Mitsch asked. Definitely, Professor Csallany replied. Professor McLoon agreed, and said that faculty are turning to contract research because that is where the money is.

Is the problem that there are a lot of slackers, Professor Zuiker asked. This feels like faculty are being slapped on the hand because they are not doing their work. Ms. Mulcahy said there are not a lot of slackers; the model works because department faculty decide what they value and what will be rewarded. But this system is geared to punishment, not reward, Professor Cherkassky said. Mr. Mitsch said the Medical School is not going to cut base salaries of current faculty, but in the future, increases will be based on performance. The increases, however, will be in the at-risk portion of the salary, not the base, Professor Kleiner said. The system allows increases in either portion, Mr. Mitsch said, and if a department wants to retain a faculty member it will not cut his or her salary. If they do not want to retain someone, the XYZ system can be used to reduce his or her salary. And department heads can redirect the activities of a faculty member if his or her research productivity declines, Ms. Mulcahy added. Professor Litman commented that she and Mr. Mitsch have more faith in department heads than he does.

Professor Csallany emphasized her point. It may be that the best research is not something one can obtain money for and it can be that shallow questions receive funding. The XYZ system will not increase productivity in good research. That is why the faculty decide what to reward, Mr. Mitsch responded. The department head says there are X dollars; the faculty decide what will be rewarded. If someone is chasing money for shallow research, the faculty will know that. In many cases, however, it is the department head or dean who decides, not the faculty, Professor Kleiner said. Professor McLoon agreed and said things do not work the way Mr. Mitsch described, although everything on paper may say that it does.

Was there any faculty voice in the development of this system, Professor Zuiker asked? They could get a better sense of what is acceptable if there were discussions with those who will be affected by it, she said. The Faculty Advisory Committee in the Medical School has seen the proposal once and they will again, although there are no plans to put it up for a mass vote, Mr. Mitsch said.

Professor Kleiner thanked Mr. Mitsch and Ms. Mulcahy for joining the meeting and providing information.

Following the departure of the Committee's guests, Committee members had a discussion about the XYZ salary system. Several points were made:

- The Committee should be part of the discussion, not just learn about what will be done. It is reasonable to ask for a presentation when there is a proposal developed.
- The Committee needs to know if faculty were involved in the planning and if they will get a chance to voice approval or not.
- The XYZ system marginalizes teaching.
- Any proposal should be brought from this Committee to the Faculty Senate.

It was moved, seconded, and unanimously voted that that Professor Kleiner should write to the Dean of the Medical School to invite a presentation to the Committee and to request that no action be taken before the Committee and the Senate have a chance to express their views.

2. Workload Implications of Distance Education and Technology-Enhanced Learning

Professor Kleiner said he would like the Committee to discuss the workload implications of technology-enhanced learning (TEL) and distance education (DE) and decide whether it wished to inquire further about the issue. This is a question that the Faculty Consultative Committee and other committees want this Committee to look at. Should it be explored further? Should others be brought in for a discussion? The underlying question is the extent to which learning is enhanced by technology. Another question is the extent to which the University is involved in distance education.

In part this may depend on how the XYZ salary system is used, Professor McLoon observed. Professor Litman agreed that using XYZ could have a big impact on TEL/DE.

Ms. Miller said that this issue sounds like one at the interface of two strategic positioning task forces, faculty culture and technology. It would involve exploring the technologies that are available, what technologies enhance learning, and what competition there is in the higher education marketplace. That ties into Professor McLoon's comment, Professor Kleiner said: to the extent competition might be changing, an XYZ system could be used to get faculty to do what is more beneficial for the institution.

It takes an inordinate amount of time to prepare a DE course, Professor Litman said, so the question is how to reduce that time, which gets to the issue of best practices so that DE does not burn faculty out—or put them in a position that they can be replaced with DE courses. The increased time required, Professor Britzter-Stull said, is spent without salary or recognition and it takes away from time that can be spent on research. It could also be shifting the way time is spent on courses, Ms. Miller said, with more front-end loading what is usually spread out over the semester. Ultimately it will come down to faculty rewards, she said.

Professor Zuiker said she did not believe new faculty on a tenure-track appointment should spend time on DE and TEL. It takes a lot of time and requires that one be a technology person as well as an instructional designer. Students expect DE instructors to be available 24/7. But faculty must do other courses as well plus do research. An entire course must be prepared before it is put online and then it must be tweaked as it goes along. One is never done with these courses, she said.

Professor McLoon asked if Professor Kleiner saw Committee discussion leading to policy. Professor Kleiner thought it could, such as requiring work on DE and TEL to be taken into account. He has heard, for example, that there are large up-front costs of DE courses but that they take no greater effort to maintain than a regular course. If the world is moving in this direction, what are the implications for faculty?

It is not just distance education, Ms. Miller said; one is expected to be familiar with technology and changes that come along. Support varies. Dr. Carrier agreed, saying that colleges have different models. Some have funds to help faculty with technology while in others faculty must do everything on their own.

Professor Kleiner said he would ask someone at the University level to talk about DE and TEL and also identify someone who could talk about best practices in the colleges.

Professor McLoon said he would play the devil's advocate. Faculty workload and pay have no rhyme or reason now and it is not clear that the Committee can bring rationality to the salary and

workload implications of DE and TEL. But there is something to be said for taking the principled road, Professor Sirc rejoined, and saying that junior faculty are badly treated if they spend a lot of time on TEL and DE, and the Committee should go on record saying what should be done. Professor Kleiner said the Committee could consider if it can, or should, work toward an over-arching policy. Or, Professor McLoon said, be sure that someone is collecting data to determine if there is a problem.

Professor Durfee said this is in part a question of how much time is spent on educational activities versus research. If a department requires that faculty spend time on DE or TEL, one would hope the department would have an appropriate reward and recognition system.

Is the question worth the Committee's time, Professor Kleiner asked. It would be valuable to find out if junior faculty are disserved by spending time on TEL and DE, Professor Durfee said. Professor Cherkassky said there are a number of issues involved: incentives from the faculty point of view, the effect of technology in teaching, and the limitations on technology. Professor Csallany said the Committee should gather information and decide whether to pursue the issue further.

There is a related issue, more general, related to the limitations of technology, Professor Cherkassky said. Producing software is a business and it is not the goal to make something that is consistent and reliable (because there would then be less business); companies make something that needs upgrades every couple of years. So it will be difficult for faculty, who have to deal with changes in technology every couple of years, as long as this is business model for instructional software.

Professor Kleiner said he would ask appropriate individuals to join the Committee at a future meeting, and adjourned this one at 3:50.

-- Gary Engstrand

University of Minnesota