Minutes[*]

Faculty Consultative Committee
Thursday, June 30, 2011
1:00 – 3:00
319 Coffman Union

Present: Chris Cramer (chair), Colin Campbell, Nancy Carpenter, Carol Chomsky, Shawn Curley, George Sheets, Kathryn VandenBosch

Absent: None counted for a summer meeting

Guests: Provost E. Thomas Sullivan; Chief of Staff Amy Phenix (President's Office); Vice President Richard Pfutzenreuter; Michele Gross (Policy Office)

Other: none

[In these minutes: (1) comments of the chairs; (2) discussion with Provost Sullivan; (3) inauguration; (4) media matters; (5) EFS update and budget issues; (6) policy matters]

1.   **Comments of the Chairs**

        Professor Cramer convened the meeting at 1:05 and reported that Professor VandenBosch wished to say a few words.

        Professor VandenBosch said that the opportunity to make some remarks had not presented itself at the last meeting, when she stepped aside as chair. She expressed appreciation for the work of the Committee and said she had learned a great deal about the University and herself during her term as chair. She extended thanks to the Senate staff members for all of their work in supporting the work of the Committee and the governance system.

        Professor Cramer commented that it had been a privilege to serve as vice chair with Professor VandenBosch. He said that he had learned much from her masterful balancing of many interest groups and that it had been a great year in terms of communication between the governance system and the administration. He said he believed the Committee had been served extraordinarily well by Professor VandenBosch's service as chair.

2.   **Discussion with Provost Sullivan**

        Professor Cramer welcomed Provost Sullivan to the meeting to discuss how the compact process played out during the last academic year.

        Provost Sullivan briefly reviewed the calendar for and nature of the compact process. He noted that there are scores of meetings as part of the process and that no decisions are made before the Board of Regents has approved final recommendations from the President. There are, however, judgments made

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        [*] These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.

along the way that go into those recommendations to the Board. The process this year was slightly different because of the recommendations from the blue-ribbon committees in the colleges, which were very helpful. The Board of Regents approved the tentative University budget for 2011-12; how it eventually settles depends on the legislature and Governor.

Provost Sullivan related that Professors VandenBosch and Cramer asked that he share with the Committee a brief summary of the results of the budget-making process. The budget reductions were not across-the-board but rather differential; there were low, medium, and high cuts to both support units and academic units. For the support units, the cuts were mostly in cost-pool allocations. For academic units, the focus is on net position after all revenues and cuts are taken into account.

For support units, there was an average 5% cut in allocations as part of the cost pools. At the low end (-2% to -3% in allocations) were the libraries (-2.9%), public safety (-2.9%), and international programs (-3.0%). They have tried to avoid cuts in the acquisitions budget in the libraries. In the mid-range of cuts were Human Resources (-4.2%), Office of the General Counsel (-4.3%), and Environmental Health and Safety (-4.6%). At the higher end of cuts were Auxiliary Services (-7.36%), Capital Planning and Project Management (-6.78%), University Relations (-5.08%), Student Affairs (-5.08%), and Facilities Management (-5.05%). One unit, the Graduate School (which counts as a support unit), was an outlier; it was reduced 55% because there were considerable redundancies in operations, but that reduction did not affect financial aid. The cuts were only on the operational side.

For academic units, the net position takes into account all revenue enhancements, tuition, new O&M investments, minus cuts. The average reduction in net position for academic units was 1.3%. Again, there were cuts at the low, medium, and high end. At the "low" end, which were actually increases in some cases, were Public Health (+8.2%), Research (+2.5%), Nursing (-.01%), and Medical School (+.017%). In the middle range were changes in net position of 1-2%: Vet Medicine, Humphrey Institute, Education and Human Development, and Biological Sciences. At the high end were changes of -3% to -6%: Carlson School, Design, AHC Shared, Morris, Student Affairs (the academic side), and the largest reduction was to the Provost's office (at -6.39%). Three academic units need special monitoring (Veterinary Medicine, Dentistry, and Continuing Education). In the case of the first two, the clinic income is fragile because in a depressed economy, people tend not to use the clinics as much. In the case of Continuing Education, the market is affecting its revenue stream. The administration is helping these three units until the market improves, and with Continuing Education with new strategies and a new business model.

Provost Sullivan also itemized a few specific investments that were made through the compact process: Funds for the College of Biological Sciences for key faculty hires; for three new mental health advisors; to cover the NSF fellowship gap, (which is similar to the gap for NIH fellows, which will also need to be addressed in the future); a spousal hire in CLA; a start-up lab for a multi-college senior faculty member; help for support for graduate assistants in CLA; for the St. Anthony lab; and bio-health informatics.

In response to questions and comments from Committee members, Provost Sullivan affirmed that the significant majority of support-unit budgets are personnel, although it varies among the units, and that where academic units improved their net budget position, it was due to increases in both revenues and new O&M investment funds but primarily the former. Professor Cramer said he could imagine complaints from units that while they increased revenues X%, their net position only improved Y% (Y <

X), because the administration decided that for the greater good of the institution, some funds were withdrawn. Without additional revenues, the cuts would have been much larger, the Provost said. In the case of Public Health, for example, they increased both the rates and the numbers of students. Is there an incentive or a disincentive to increase revenue, Professor Cramer asked? Does the administration recognize units that have increased revenues as more meritorious, or does the administration take money away from those units? The answer is more complicated, Provost Sullivan said. They take an "all funds" approach as they look at all revenues and all the costs, the base budget and its sources of revenue, and review the compact discussion of priorities. It is not one or the other; it is a complicated, more holistic unit-by-unit approach.

Professor Sheets suggested that another baseline might be not the previous year but instead what the budget would have been if there had been across-the-board cuts and no additional revenue. Provost Sullivan agreed that such an analysis might be useful. He noted, however, that the Law School (for example) is moving toward self-sufficiency, as other units may also, so illustrating cuts in O&M funding would be for them irrelevant. At present, a unit can compare its net position with the average, net percentages.

Professor Chomsky recalled that in conversations the Committee has had with deans in the past, the deans said that they did not know their relative positions (but knew the numbers for their own college). How much information about the differential cuts is provided to the deans? And reasons why the cuts were as they were? The deans have said they do not always know why cuts were made. Provost Sullivan said the deans have had individual explanations from him over the last two budget cycles and the data are all available, accessible, and translatable—although perhaps not all of it is fully understood.

Professor VandenBosch recalled that the original goal was to save $1 million as a result of changes in the Graduate School, with the funds saved to go to student support. Provost Sullivan said that goal of $1 million savings had been achieved and that the funds were designated to go to three places: student support, the colleges for administrative support of graduate programs, and bottom-line cuts. He did not have available the amounts that went to each of those three but pointed out that the administration committed very early to avoid reductions in financial aid and no reductions to financial aid have occurred.

Professor VandenBosch noted that she and Professor Cramer had sat in on a number of the compact meetings. She said it seemed that there was considerable focus on revenue and that colleges were encouraged to be more entrepreneurial. One outcome is that one is seeing more degree programs, especially professional Master's degrees. Some of those may be created to generate revenue; how is quality considered? That is a great question, the Provost said, and a number of units want to offer professional or terminal Master's programs, and some want to use the web to do so. He said he appreciates the entrepreneurialism because there could be many opportunities, but they also need to think about course and mission creep. The college sends proposals to the Provost's office, where they are evaluated very carefully with the appropriate constituents, and the college is asked about quality, market, demand, and capacity. He receives a report with recommendations and makes a decision about whether to bring a recommendation to the Board of Regents. The Provost's office manages the process. Vice Provost Schroeder is also involved for graduate programs, and Vice Provost McMaster for undergraduate programs. Moreover, as they move through the reorganization of the Graduate school, and provide fellowship funds and block grants to programs, Dr. Schroeder is creating metrics to measure performance and quality; they will use those metrics when a college proposes to add Master's programs so that program quality is carefully considered.

Professor VandenBosch said it had been interesting to see, when she attended compact meetings, how different the approaches were. Everyone was thinking about revenue increases, but the degree to which units were examining their scope and making cuts varied a great deal. Provost Sullivan agreed. Some units are having the difficult conversations, Professor VandenBosch observed, some are planning to and developing criteria for making decisions, and some are not having them. Provost Sullivan agreed with this observation as well. A further impediment to the conversations is that savings are for the long term but the pain is immediate.

Professor Cramer commented that seven criteria were laid out for decision making as part of the Transforming the U process (see http://www1.umn.edu/systemwide/strategic_positioning/decision.html). He said he did not believe that most units were guided in their compact presentations by these criteria. Instead, there was a sense of, "Since we're here, we must be mission-critical." Put differently, there may be units that are very good at what they do—but what they do is not critical to the mission (or to what the mission is evolving to be). He said he felt that he did get a deep look at a college when he sat in on the compact discussions, and he also came to appreciate how difficult it is to compare colleges one to another.

Professor Chomsky asked for clarification whether the budget presented to the Regents was based on the legislative budget, the Governor's proposal, or something in between. It was based on the worst-case scenario, the conference committee report, Provost Sullivan said, and if the final budget decision comes out better, then President Kaler will have the opportunity to make new or readjusted recommendations to the Board of Regents.

Professor Cramer thanked the Provost for joining the meeting.

3.   Inauguration

Professor Cramer now welcomed Ms. Phenix to the meeting to inform the Committee about the inauguration ceremonies for President Kaler.

Ms. Phenix said Dr. Kaler wants the celebration to shine the spotlight on the University for the people of the state; they are also conscious that it must be economical and modest, and it will cost less than President Yudof's inauguration 15 years ago. An honorary advisory team, chaired by Professor Frank Bates, is guiding the planning and a staff-driven operations committee is focusing on logistics.

Ms. Phenix provided a handout summarizing the approach that will be taken, including opportunities for broad engagement, an inclusive theme, the planning process, and the logistics. The inauguration itself will be held in the Ted Mann Theater, on September 22, with overflow in Rarig, CSOM, Coffman, and the St. Paul Student Center, and will include live feeds to each of the coordinate campuses. She also provided a draft schedule of events for the week of September 19, which will include a focus on faculty, staff, students, and alumni, and the impact of the University in communities.

Professor Carpenter asked if there was a way to engage coordinate campuses in activities on the Twin Cities campus during inaugural week. Ms. Phenix agreed that the "campus crawl" events could be a good opportunity and she'll have the operations team follow up.

4.   Media Matters

Professor Cramer turned the conversation with Ms. Phenix to media issues, and noted an article that had appeared in one of the local newspapers about the size of the administrative staff at the University and another op-ed piece in an outstate paper claiming that the University has 40 vice presidents [that error has since been addressed through a letter to the editor from Vice President Kathryn Brown providing correct numbers]. The perception that there is administrative top-heaviness at the University is a whack-a-mole game, he said. He recalled that the Committee has heard about, as has the Board of Regents, an effort to create job families, with promotion ladders, in order better to identify staff who engage in teaching, research, student support, and so on so that they are not misinterpreted in some super-high-level spreadsheet as "administrators." He said that the Committee would like to know what priority that project has and when the job families will be created.

Ms. Phenix said she did not know the timeline but agreed that it is a big step to be taken in order to develop a more accurate analysis of the staff composition of the University. President Kaler has said that that is a priority because the institution must be able to answer questions about its staff. She said she thought the local article left the impression that it is a complicated issue and that there are different points of view. Professor Cramer agreed that it was a balanced report; the problem is that the University would like to be able to answer the questions but it cannot (yet) because of the job classification issue. Part of the answer is stories about what people do to help carry out the teaching and research missions. There is a tendency to separate from the mission the critical activities that staff carry out and a tendency to denigrate the roles that staff members play.

Professor Curley said there are two parts to the issue: general administrative staff and upper administration. Both parts have to be addressed.

Professor Campbell opined that the focus on the issue is silly because much of the administrative staff is involved in research or teaching in some way. He lost a coordinator and cannot do his job without someone in that job. He wondered if the people pushing on the issue have an agenda. Professor Cramer surmised that they do but commented that this is a $3-billion organization and it may actually need a few levels of administration. It is also a highly-regulated organization, Ms. Phenix added, that requires staff support.

Professor Cramer said he was glad to hear that President Kaler is interested in more accurate job descriptions, and he thanked Ms. Phenix for joining the meeting.

5.   EFS Update and Budget Issues

Professor Cramer turned now to Vice President Pfutzenreuter for an update on the Enterprise Finance System (EFS) and a budget update. He recalled that the Committee had talked earlier in the year about EFS and that there had been initiatives taken in response to comments from department chairs.

Mr. Pfutzenreuter began with an update on events at the Capitol and noted that "there is no white smoke" indicating an agreement. He and the Committee discussed the implications of a state shut-down and the politics of the situation.

As for EFS, Mr. Pfutzenreuter recalled that he and Vice President Mulcahy sent a message in late December describing three "buckets" of changes that were needed: improvements in reporting, a punch list of about 300 items that people asked be fixed (not all of which are critical), and foundational issues (for which they put together a group). All three buckets are being actively addressed, Mr. Pfutzenreuter said, and reporting was the most important one. They spent a lot of time in listening sessions, especially with PIs, and there should be new reports within the next two weeks. There will be performance improvements, better reports, links to payroll data, etc. Most of the effort has been directed to sponsored research, but the improvements will also be brought to non-sponsored research. Professor Cramer reported that he was involved in the process and saw the intended report forms, and they are a substantial improvement. He said he appreciated the changes. Mr. Pfutzenreuter said he believed people would be pleased and that he and Vice President Mulcahy will be sending an update to the University community well before fall.

Business Intelligence, the system for super-users, will also be improved, and people will be able to mine data in order to help make decisions. Some have suggested that it could someday replace UM Reports, but Mr. Pfutzenreuter said he was skeptical that could occur.

In terms of the punch list, some of what they learned in improving reporting also went on the punch list, Mr. Pfutzenreuter recalled. They have appointed a user group to help them set priorities for items on the punch list—and Mr. Pfutzenreuter noted that they had a punch list up until a few weeks before the University shut down CUFS. There is always a punch list; the one for EFS got huge so they have devoted more resources to deal with the items on it. They spent considerable time and energy the last six months on reporting issues, and the pace should pick up on punch list items providing that the new PI reports come through the testing phase without major technical programming issues.

There is a group of 10-12 University finance people dealing with foundational issues. The group has made three recommendations so far, which will be implemented.

Professor Chomsky noted that it shouldn't have taken pressure from the governance system to generate this significant response. She asked if people had learned anything that would help inform the next big system change. Have they thought about lessons learned as one of the outcomes?

Mr. Pfutzenreuter said that one mistake they made (and not all would agree that it was a mistake) was that perhaps they tried to get too much input; they could have listened better to smaller groups with greater needs or expertise providing more focused comments, as they have during the current effort. He said he holds himself responsible; there were supposed to be adequate financial reports reflective of what users needed to manage their budgets when EFS was turned on but there were not. That is why they are now spending so much time on them. He related that he was at the University in the early 1990s when CUFS was turned on and the University had inadequate reports; they learned nothing from that experience, and many new reports were designed after CUFS was turned on.

There is another big upgrade coming, Mr. Pfutzenreuter said. The EFS upgrade is related to the Human Resources and Student upgrade, and some level of EFS upgrade will also be necessary at the time of the HR and Student upgrade. Staff members are working on the issues for HR and Student but one challenge is the EFS part. For example, the financial users are still reacting to the current system but will also potentially need to evaluate the impact of any EFS upgrade, and one clear challenge is for the financial users to keep pace with the HR and Student upgrade and the OIT staff working on those

upgrades. When big upgrades need to be completed, they often "staff up" with contractors in the Office of Information Technology, but the financial users have ongoing responsibilities in their day jobs and it takes longer to consult, set meetings, define processes and set priorities.

Professor Cramer thanked Vice President Pfutzenreuter for his report.

6. Policy Matters

Professor Cramer welcomed Ms. Gross from the policy office and noted that the Committee had received a copy of the proposed revision to the Policy on Policies.

The audience for that policy is the policy owners and University executives, Ms. Gross related. One provision that was of concern to the Committee—that all must know of the all policies that apply to them—has been removed because the audience for this particular policy are policy owners and Responsible Officers. The expectation to know policies that pertain to individuals still exists in Board of Regents Policy: *Code of Conduct*. Provost Sullivan asked for a clear statement in the policy as to an expectation of consultation with key audiences when developing a policy, and that the monitoring and enforcement are appropriate for the level of risk involved.

Professor Chomsky noted one provision of the policy, which requires that policies either require or prohibit actions by faculty, staff, or students. There are statements in educational policies, in particular, that do not require or prohibit specific actions, she said, and use words like "may." Ms. Gross said that as long as a policy has a requirement in it, somewhere, it satisfies the language; it may have additional provisions that are advisory or guiding. The policy must require or prohibit some action but can also contain other elements.

Incorporating better risk language in the policy was a challenge, Ms. Gross said. The individuals completing the requests for policy often perceive the level of risk for their policies as high. One thing they decided was that they did not want to have a University policy if the requirements could be adequately addressed elsewhere.

Committee members made a few minor editorial suggestions which Ms. Gross accepted as improvements to the policy language.

Ms. Gross next said she wished to respond to a comment Professor Cramer made at a recent meeting: They have created the ability for anyone to find out what policies typically apply to someone like them (i.e., faculty, staff, student). One picks the category, such as faculty, and sees what Human Resources, Regental, and other policies apply to most faculty members. One can also pick an activity, or more than one activity—research, teaching, etc.—and find out what policies apply for those areas.

Professor Chomsky inquired if it would be possible for someone, once they have the list, to get rid of some and retain a core personalized set. They probably have the capability, Ms. Gross said, but if one looks at the number of people at the University, each of whom could develop a personalized core set of policies, they would need to consider the resource implications. She pointed out that these categories only provide the key policies, not all of them that might apply. Professor Cramer suggested that this project could be tied in with a personalized MyU page—if people could embed policies in that page, that

would be a help. Ms. Gross noted that the customized pages (faculty, staff, student) are not designed for people who work with policies all the time, but rather for the occasional user.

Committee members expressed appreciation to Ms. Gross for developing the customized web sites. The customized lists access is at http://policy.umn.edu/categories/polaudienceform.cfm.

Professor Cramer thanked Ms. Gross and adjourned the meeting at 3:00.

-- Gary Engstrand

University of Minnesota