Minutes[*]

Senate Committee on Faculty Affairs
Tuesday, September 17, 2002
2:30 – 4:30
238A Morrill Hall

Present: John Fossum (chair), Carole Bland, Carol Carrier, Terence Collins, A. Saari Csallany, Jesse Daniels, Richard Goldstein, Darwin Hendel, Robert Jones, Theodor Litman, Cleon Melsa, Dwight Purdy, Kathleen Sellew, Larry Wallace, Carol Wells, Timothy Wiedmann, Aks Zaheer

Absent: Kent Bales, William Garrard, Wade Savage, Thomas Walsh

Guests: none

[In these minutes: (1) committee business; (2) auto insurance coverage for employees using their own vehicle for University business; (3) institutional privacy policy; (4) faculty salaries (including the Medical School specifically) and salary subcommittee; (5) other pending issues (retiree health care, faculty retirement plan waiting period, work/family issues, post-tenure retirement, policy on research time, climate survey, faculty diversity]

1. Report of the Chair

Professor Fossum convened the meeting at 2:30 and noted that the first scheduled meeting of the Committee, on September 3, had been cancelled because the Committee had no chair. He was asked to serve as chair after Labor Day, when Professor Humphreys announced she had to step down as a result of taking a half-time associate dean position in the Institute of Technology. He recalled that he had been on this Committee 1998-2001 and then had been on sabbatical last year.

Professor Fossum noted that there are several issues pending from last year as well as efforts underway this year on several fronts; he said he would like the Committee to talk about how it will handle its business. One major item is the work of the salary subcommittee, which is charged to determine if units complied with the salary policy set out by the President for 2001-02 and the impact if the policy were to be repeated.

2. Auto Insurance

Professor Fossum drew the attention of Committee members to a letter that Deputy General Counsel William Donohue sent to Professor Goldstein last year outlining the University's policy with respect to use of a personal automobile for University business. The letter came in response to a discussion the Committee had with Mr. Donohue last spring.

[*] 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 represents the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

The University's position is that an individual's personal insurance policy would be primary coverage for an auto accident when someone is driving on University business; the University policy would take over coverage once the personal policy liability had been exhausted. The letter points out that this is similar to the positions taken by other large organizations. Mr. Donohue also noted that the mileage reimbursement provided by the University includes an amount for insurance.

The Faculty Consultative Committee expressed dissatisfaction with this position and asked the Committee to take another look at it, Professor Fossum reported. At the same time, it is unlikely the policy will be changed, so it may not be a fruitful way for the Committee to spend its time.

Professor Melsa noted that Mr. Donohue said there is a cap on what the University will pay as the secondary insurer; asked what would happen if the cap were exceeded, Mr. Donohue said that one cannot be forced to pay more than what the coverage provides. If there is a lawsuit as a result, the University will defend it for the employee.

The letter is unclear about the corresponding situation with homeowner's insurance, Professor Litman observed. Professor Fossum said he would contact Mr. Donohue and ask for a clarification of the homeowner's coverage.

3. Privacy Policy

Professor Fossum noted that while a statement is going to the University Senate about the lack of privacy, there is no institutional statement/policy on privacy. It may be helpful to develop one, based on the Penn State example.

4. Faculty Salaries

The ad hoc committee on faculty salaries was appointed last year to look at the 2001-02 salary increases as well as 10 years of salary increases across colleges and departments and the University's comparative standing nationally for the last 40 years. The subcommittee will also examine salary compression. The subcommittee hired a research assistant to work over the summer developing data, some of which have been prepared. The subcommittee is joint with the Committee on Finance and Planning; it had been chaired by Professor Humphreys but given her administrative appointment, Professor Fossum reported, he and Professor Speaks have appointed Professor Tim Nantell from the School of Management to serve as chair. The subcommittee will work during Fall Semester and provide a report.

The Committee discussed the fact that the Medical School data are not included because it is difficult to make sense of them and various ways that at least portions of the data might be included. Professor Wells said there appear to be a variety of ways in which salaries are increased in the Medical School--augmentation, base increase, increment--and some faculty may not understand that only an increase to the base salary is not at risk in future years. The other increases are, depending on the unit; this vulnerability raises questions about the meaning of tenure. The difficulty is that identifying what is the base can be difficult in the Medical School, Professor Fossum observed. Professor Wells said that the base salaries can be tracked but the question is the relationship of the base to the total salary an individual may receive; it might be possible to get an idea of what is occurring by looking at the salaries of basic scientists. Professor Bland said that whether or not to include the Medical School depends on the purpose of the study, but since it does make up 25% of the University's budget and is the second-largest college, it is a big part of the University.

Professor Hendel suggested looking at the data on salary increases together, rather than simply from year to year. Professor Fossum agreed; one possibility the subcommittee is concerned about is that with large increases over a number of years to a subset of the faculty, there can be extreme differences.

What are the goals of the study, Professor Wells inquired? To see if the policy was implemented as publicized, to evaluate the impact of salary distributions for ten years, how the University has done relative to its competition over the ten years, and the extent to which there has been salary compression, Professor Fossum said.

What policy is in question, Vice President Carrier asked? The one that required about 75-80% of the faculty receive 3% increases and that the remaining 2% of the salary pool be distributed to 20-25% of the faculty, Professor Goldstein said. If one assumes a simple distribution of 75% receiving 3% and 25% receiving the rest, that 25% would receive increases of perhaps 10-11%, Professor Fossum said. The histograms produced as part of the study thus far indicate most faculty received about 3% but the "double hump" that one would have expected did not show up in most colleges.

Are there firm guidelines to units about the money to be used for recurring salary increases, Professor Wells asked? If so, how is it that some units receive zero salary increases, as happened in some units in the Medical School? Can units use the money however they wish? Vice President Carrier said there is a memo each year about salary increases and that the increases are to be recurring. She said she did not understand how a unit could decide there would be no salary increases. Professor Wells related that she has a letter saying a letter from last year containing an announcement that no one in the department would receive a recurring salary increase; rather, all increases were given as an "increment," which is not an increase to base and is thus not covered under the salary protection associated with tenure. Incremental increases can be taken away if the department feels that it cannot afford to continue payment. Where does one go to ask about this? If the increase is figured as a percent of one's recurring salary or base, which is only a small percentage of the total salary, it might not be much of an increase, Professor Bland pointed out.

Vice President Carrier explained that the salary-increase funds are only allocated on the basis of the state funds: if a unit is 10% funded by state funds, it would receive a 3% increase on that 10%. Grant-funded salaries must provide their own increases. So units are penalized if they are successful in obtaining grants, Professor Wells argued. Vice Provost Jones said he was not sure how else the University could operate--with people on grants 25% on year, 50% the next, it could not budget for salary increases. But successful units are penalized, Professor Wells contended; in a lean year, they might have no salary increases because they receive so little support from central administration. This suggests one should tell junior faculty not to get grants because doing so hurts the units. At the same time, however, those grants bring in ICR funds and other benefits. There are also benefits to the individual who brings in the grant, Dr. Carrier observed; it is a mixed bag. The crux of the problem is that once a unit receives fewer funds from central administration, there is no going back; if it is successful, there is no going back. And successful units receive smaller and smaller salary increases.

One way to avoid the problem is not to put one's salary on grants, Professor Bland pointed out, which is the practice in most units. When units do put most of their faculty members' salaries on grants, the result is the University is highly leveraged. These units' salary increases are dependent on their external funding sources not only continuing but increasing. Units work harder and harder and get less money as a result, Professor Wells maintained; those salaries are not tracked. Dr. Jones said that the situation is very fluid with people on grants; the only way the institution can track is state funds. If it provided salary increases to individuals on the basis of their full salary, irrespective of source, the University would not have enough money to provide salary increases for everyone. And faculty in units that do not obtain grants are just as hard-working as those in units that do obtain them, Dr. Carrier said. But those who work harder and get grants do not receive salary increases, Professor Wells said. The University provides the units fewer state dollars but it receives more money in ICR funds. The units receive part of the ICR funds, Professor Zaheer pointed out. The college receives the money and decides whether the department will receive any; the faculty member could receive nothing, Professor Bland said. And those are still temporary funds that are unlikely to go into salaries.

Long ago the health sciences saw that they could get more money from outside, Professor Goldstein said, and by doing so they could also get more faculty. When the state provides salary funds, the health sciences cannot expect state dollars to cover faculty hired on outside funds. No other college outside the Academic Health Center has leveraged funds for faculty, he said. That is true, Professor Bland said, but if they had not done so, the University would not have a medical school because it could not afford it. This arrangement worked when funding was available but it does not work now. It was a good deal for the state--it got a great medical school without investing the dollars it takes to support it, she concluded. But it also took away a number of positions in the University to meet a desperate situation in the Medical School when there was a financial crisis; taking those positions hurt the other colleges, Professor Goldstein responded

Professor Wiedmann said the University faces a decline in funding but also wants to promote scholarship, some of which requires substantial funding and some of which does not. Given the makeup of this Committee, he said, it is unlikely it can come to any decision because the University is made up of units that do not generate outside funds and units that do; units that can raise outside funds are asked to cover more of their expenses.

Will the salary analysis go below the level of colleges, to departments, Professor Hendel asked? It will, Professor Fossum affirmed.

One area in which there is some data difficulty is evaluation of competitive salaries vis-à-vis institutions the University sees as peers. The salary subcommittee has the AAUP data going back to the 1960s but has been unable to obtain the AAU data.

<u>5. Other Issues Before the Committee</u>

Professor Fossum turned next to the ongoing issues.

-- Retiree health care is being considered by the retirement benefits subcommittee, chaired by Professor Goldstein. A proposal is being developed for a post-retirement health care savings account, similar to setting up a separate retirement plan). An account would be set up for health care payments that would continue indefinitely in retirement. Both contributions and withdrawals would be tax-sheltered; the funds go into one's estate if one dies before using it.

The tricky part is figuring out how much to put in the accounts at different stages of a career. All employees must put in the same amount (or the University must put in the same amount for all employees), but the employee groups can be subdivided. So, for example, faculty who have been at the University 0-5 years could put in one amount, 5-10 years a different amount, and so on, but each employee in each subgroup would put in the same. (It is not possible to use proximity to retirement age because there is no mandatory retirement age and the contributions cannot be based on age, so the best proxy is years of service at the University.) Would it be a percentage of salary or a flat amount, Professor Fossum asked? That is not clear, Professor Goldstein said; they are looking at it as a percentage. The hope is to have the plan in place by next summer. Not all will be happy with it--some will think it costs too much, some will think it provides too little, and both groups will prefer not to participate.

Both the Civil Service and P&A staff will face the same questions. In the case of Civil Service employees, they will probably be able to contribute accrued vacation time to their accounts. And each of the employee groups could decide differently on whether to adopt the plan, or how much to contribute, or how to subdivide the group, Dr. Carrier pointed out.

The goal is that an individual should have $100,000 in the plan at the time of retirement, Professor Goldstein said, given the present costs of health care. In addition, if one leaves the University, the money stays in the account and it can be used later for health care (for example, if one loses his or her job). The plan has a lot of pluses, he said; the only disagreements will be about who puts up the money (the University or the faculty) and how much.

All employees must participate if the employee group decides to participate, Professor Goldstein said in response to a query from Professor Bland; one may not opt out. In terms of deciding, Professor Collins said he imagined the decision about participation will be by governance groups--or will it be by direct election? Professor Goldstein said the subcommittee will recommend to this Committee; the administration will decide based on what this Committee recommends.

What amounts might be involved, Professor Wells asked? For the first five years of service, there might be no contribution, then perhaps 1% of salary; those who had already been here 30 years might need to contribute 4-5% of salary, Professor Goldstein said. The numbers could change, but the University has to start sometime. It is an attractive plan; the University just has to figure out how to use it. As with all retirement benefits, the governance structure will make a recommendation and the final decision will rest with the administration and the Board of Regents.

-- Another issue from last year is participation of new faculty in the Faculty Retirement Plan, Professor Fossum recalled. The Committee will continue to pursue the matter; a statement is on the October 3 Senate docket. He said he understood that some deans are interested in the proposal while some are not, but that there is not uniform central administrative opposition. It is an important competitive issue, he said.

-- There are work/family issues and compliance with University policies that need attention, Professor Fossum said, especially with respect to parental leaves. The Committee has received comments to the effect that some departments are not following the leave policy for faculty who become parents; this presents an especial difficulty for women faculty. The Committee needs to pursue these issues.

-- The report on college governance will be on the agenda of the next meeting, Professor Fossum reported.

-- Vice Provost Jones will report at the next meeting on post-tenure review.

-- Professor Bland will present the final report of the Faculty Development Working Group at the next meeting.

Professor Bland urged that the Committee consider the matter of a policy on research time for faculty; this is related to sources of funds, she said. Such a policy gets to the heart of the matter of the kind of faculty the institution will have if it gets to the issues of time for faculty to do research and how they are funded.

For a future meeting, Dr. Carrier said, there have been discussions with the Carlson School about a partnership to routinely conduct surveys of employee groups; the faculty need to decide if they wish to be involved. The survey would address issues of climate, satisfaction, and other specific topics and would be conducted perhaps every two years.

The Committee also discussed its interest in surveying faculty who left the University for another academic institution. There was such a survey conducted as part of the Faculty Development Working Group; the executive summary can be shared with the Committee, Dr. Carrier said. Her office does have nine months of exit surveys, including faculty, that can be reported on.

Professor Bland said she liked the idea of a climate survey; the last one was done several years ago. Professor Hendel noted that such a survey is part of the institutional measures and was intended to be repeated every few years. The earlier survey was very general and addressed to all employee groups, but there was a sense that there were issues specific to faculty life. He said he would support such a survey as well. It would also be helpful if the survey could be connected to national surveys of faculty; comparative data are important. No one knows the extent to which faculty at Minnesota have different opinions compared to faculty at other institutions. Such survey data would provide a benchmark.

-- Another item from the Regents' docket that the Committee has always kept an eye on is faculty diversity, Dr. Jones said. Each year he provides a report on the subject and he has a written report. Professor Goldstein said that the Committee should hear the report and suggested that Professor Fossum take it to the Faculty Consultative Committee, which has also expressed concern about the subject.

Professor Fossum proposed that between now and October 1 the Committee set priorities and a timetable. He asked for volunteers to help move various issues forward. He then adjourned the meeting at 4:00.

-- Gary Engstrand

University of Minnesota