

Minutes\*

**Senate Committee on Faculty Affairs**  
**Tuesday, March 21, 2006**  
**2:30 – 4:15**  
**238A Morrill Hall**

Present: Morris Kleiner (chair), Carol Carrier, Vladimir Cherkassky, A. Saari Csallany, Will Durfee, Patricia Frazier, Theodor Litman, Steven McLoon, Kelly Risbey, Rod Squires, Lori-Anne Williams, Aks Zaheer, Virginia Zuiker

Absent: Arlene Carney, Dann Chapman, Janet Ericksen, John Fossum, Eric Gupta, Darwin Hendel, Jane Miller, Oriol Valls, Larry Wallace, Timothy Wiedmann

Guests: Robert Jones, Richard Bianco, Jackie Singer

Other: Karen Chapin, Melinda Sewell

[In these minutes: (1) Rochester; (2) Overview, Human Resources Policies, Regental and Administrative; (3) Changes to Outside Consulting Policy; (4) Benefit Issues Relative to Other Institutions]

Professor Kleiner convened the meeting at 2:35 pm.

**1. Rochester**

Professor Kleiner welcomed Senior Vice President Jones, who discussed his recent meeting with the Rochester Higher Education Development Committee, and the report to Governor Pawlenty and the Minnesota legislature. Senior Vice President Jones distributed a presentation and noted that the committee wanted to focus and grow the University's current presence in Rochester. The vision, as explicated in the presentation, indicates advancing world class higher education that leverages the University of Minnesota's research capability, in partnership with IBM, Mayo Clinic and other industry leaders, to build signature academic and research programs that complement southeast Minnesota's existing leadership roles in health sciences, biosciences, engineering and technology. The institution would have a distinct identity and one governing entity, and would be designated as the University of Minnesota, Rochester Campus. Dr. Jones discussed the committee's report and partnerships with other institutions in the area, stressing that it was important that efforts not be duplicated. The Rochester campus would focus on upper division and graduate courses, and Senior Vice President Jones pointed out that many of its offerings would leverage current programs and leverage partnerships with Mayo and IBM. He cited this as a unique opportunity for the confluence of medicine/biology and engineering/information technology. Dr. Jones noted that \$3 million had been allocated by the state when the committee was formed, and that the legislature was being asked for \$16 million over three years to support the growth of new academic programs. This would be a public mechanism to provide technology development and transfer, as well as management skills development and workforce skill development. Senior Vice President Jones said the University would move away from its presence at the Rochester Community and Technical College as it is not very visible there. The committee's proposal would move the facility to downtown Rochester, but there are no plans to move the extension service. In addition to the \$16 million, the Rochester City

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Council voted to allocate \$11.3 million in sales tax to capital projects. Senior Vice President Jones said the committee felt strongly that academic programs would drive capital projects, and he reiterated the support of the Rochester City Council, saying that community involvement was crucial. In the proposal to grow higher education in Rochester, Dr. Jones highlighted the opportunities to partner with other major institutions in the area so it becomes not just a regional effort but a statewide effort. He said that it had been made clear to the Rochester Higher Education Committee that the committee would have to take the lead in lobbying for the effort, and that no University of Minnesota funds would be allocated nor would any campuses be closed to further the initiative.

Professor McLoon asked if the funding request for this project could affect funding the University has requested, and if there was a way to protect against that money being taken for this initiative. Senior Vice President Jones said that it couldn't be guaranteed how the legislature will deal with the request, but that they'd tried to be consistent with the message in reiterating that no funds would be reallocated nor would any campus be closing. He said all they can do is stay on message and hope that the legislature will fund this separately. Professor McLoon also asked about faculty for the new campus. Dr. Jones said that a large portion of the \$16 million request will be towards developing and growing faculty. Ms. Williams asked if the separation of funding for Rochester included the bio-sciences initiative, and Dr. Jones said that that yes, that was separate funding as well. Professor Durfee asked where the tenure home of the new faculty would be, and Senior Vice President Jones said that these would be Twin Cities-based degrees and that most associated tenured faculty would be from the Twin Cities. He emphasized that this was a hybrid program and that many of its courses are envisioned to be from a technology platform, i.e., internet, until the capacity to house faculty is generated. Professor Csallany asked if it was a good idea to decentralize bio-sciences, considering the University's drive to be a top three research institution. She pointed out that there are attendant issues including communication among faculty, students and staff. Dr. Jones said he felt that this was not regarded as a problem as there was already a strong partnership in place with the Mayo Clinic. Professor Csallany asked why it wasn't just kept here, since it was already well-established. Senior Vice President Jones said that the distance from the Twin Cities to Rochester limited partnership opportunities. He described the partnership between Mayo and Arizona State as an example, and said that Mayo as a strategic partner does not harm the University's bio-sciences initiative. He said that the educational needs of the current workforce were not being met, and that signature programs in engineering/technology and health sciences would be created. The goal was to create an educational presence for professionals already in the area, and develop a signature program to attract other students. Senior Vice President Jones emphasized that it was a hybrid institution to develop undergraduate and professional programs, and that it was being regarded as more of teaching facility. He reiterated that this was contingent on funding; otherwise the goals in the committee's recommendations would not be met. Professor Kleiner thanked Senior Vice President Jones for the update.

## **2. Overview, Human Resources Policies, Regental and Administrative**

Professor Kleiner asked Vice President Carrier to present an update on developments with the Board of Regents Human Resources Policy. She distributed a summary of guiding principles and a policy page. Ms. Carrier noted that some policies had been created as far back as the 1940s, and some had been developed in response to a crisis. Overall, many of the human resources policies are unevenly written and often inconsistent and the goal over the next 24 months was to streamline the policies. Vice President Carrier emphasized that some policies would not be touched, such as the tenure policy. Vice President Carrier said that this was a broad look at regental policies, and that in the policy reviews much of the administrative detail is omitted and iterated in companion documents. She also said that the documents were available on the web for further review, and that the policy she distributed was for example purposes

only. She referred to the example she had distributed of the nepotism policy, and said that it had been brought to the board for revision.

Vice President Carrier continued with the overview of the guiding principles summary, noting that the revisions in the policies shift the details in execution to human resources. She said that most recently, the Board of Regents approved Employee Development, Education and Training as outlined on the summary, saying that the policy reinforces the opportunities offered. For the first time, there will be a policy that addresses employee health benefits. Professor Zaheer asked if these were all existing policies or if the Board of Regents were addressing new ones. Vice President Carrier said that it was a mixed bag, that there had been some new policies at the board level, such as the health benefits policy. Professor Zaheer inquired further about how the policies addressed retirement benefits, and Ms. Carrier responded that many issues surrounding retirement came out of the discussions but it did not seem to make any forward motion, and she would not be surprised to see it come up again. Professor Kleiner asked about the issue that the Faculty Consultative Committee had raised regarding tuition reimbursement for faculty members and asked if this was being addressed in the revisions. Ms. Carrier said that it had been looked at, and noted there were many things surrounding the issue. The general feeling was that this benefit affected a very small group of people. Professor Frazier asked if each of the policies would be vetted by the groups affected. Vice President Carrier said that the Board of Regents was starting at the general level, and that these were theme areas and principles that would eventually become policy. Vice President Carrier acknowledged there were no easy solutions but that the Board of Regents wanted to have the principles in place as they continue to review policy.

Professor McLoon referred to the Employee Compensation and Recognition principle on the summary, for which the proposed policy will support the University's goal to achieve and maintain competitive salary levels as appropriate to institutional peers or other specified labor markets. He asked if the regents' principles corresponded with reality. Professor McLoon pointed out that U.S. research university top administrators had a 3.5% average salary increase in 2005-6 (with inflation at 3.4%) and that tenure track faculty at research universities had a 4.1% increase in 2005-6. The faculty raises at the University of Minnesota have not kept up with inflation over several years, while administrator salary increases, particularly the president's at 5% this year, have exceeded inflation. Professor McLoon said that given the administration's hands-off policy regarding academic pursuits, i.e. teaching and research, it was somewhat surprising that the regents would give administrators higher salary increases than they gave the faculty, particularly in light of their guiding principles. Vice President Carrier acknowledged there were no easy solutions but that the Board of Regents wanted to have the principles in place as they continue to review policy. Professor McLoon pointed out that many of the policies were already falling behind in their intentions. Ms. Carrier said that they help the Board of Regents focus attention on areas of further inquiry. Professor Kleiner asked if the Regents would also be looking at the mechanisms of grievances and arbitration. Vice President Carrier said that that was built in the procedures that they have already examined. Ms. Carrier said that they help the Board of Regents focus attention on areas of further inquiry. Professor Kleiner asked if the Regents would also be looking at the mechanisms of grievances and arbitration. Vice President Carrier said that that was built in the procedures that they have already examined.

Professor McLoon added that there was a MedEx benefit available to faculty but that not many faculty knew about it, and he asked that more communication be forthcoming about the benefit. He asked that that be communicated to faculty as it is an important aspect of benefits. Ms. Chapin and Vice President Carrier acknowledged this and thanked him. Ms. Carrier thanked the committee for their time and said that she would continue to update them on the progress of the Regents' policies.

### **3. Changes to Outside Consulting Policy**

Professor Kleiner welcomed Associate Vice President Richard Bianco, who presented information on changes to the outside consulting policy. Handouts reviewing the information would be distributed to the committee members via e-mail. Mr. Bianco said that the changes were still being worked on and that he was soliciting comments from the committee. He referred to the policy statement which read, *A University employee's outside commitments, if performed within the limits of the following principles, can serve to enhance that individual's teaching, research, or service to the University and the reputation of the University generally. However, during the term of the appointment, that person's outside commitments must not interfere with performance of regular duties. With the exception of part-time instructors, a University employee's outside commitments must not compete with coursework or services offered by the employee's unit. Eligible full-time faculty and academic professional and administrative (P&A) employees may have outside consulting commitments that may not exceed, on the average, one day per week.*

Associate Vice President Bianco went on to review the basic changes, noting that it was still an active document. In terms of reporting, faculty and P&A employees must complete an annual disclosure form, even if there are no outside activities to report. If an activity could pose a conflict of interest, it would be handled according to the Regents' Individual Business or Financial Conflict of Interest Policy. Associate Vice President Bianco noted specific changes, in that a day will be defined as up to ten hours and that for the purposes of the policy, full-time is considered 75%-100% time. Ms. Williams said that the University defined full-time as 67%, and Mr. Bianco said that they had deferred to Human Resources on the matter. He went on to say that there was going to be a consulting agreement that addresses legal issues, and addresses issues in teaching courses as full-time faculty. Professor Zaheer asked about the guidelines for summer work, and pointed out that if one is a nine-month employee, and then what one does in the three-month duration is not the University's concern. Professor Kleiner said that for a nine-month appointment, if one is not in fact working for the University in the three-month period, the policy does not apply. Ms. Sewell said that the policy only applies to the appointment term of employment agreement. The committee discussed the terms of the policy with respect to "A" and "B" appointees.

Professor McLoon asked how the policy dealt with federal advisory board appointments, and Mr. Bianco referred to the elucidation of the policy in the handout. Professor McLoon clarified that that was not considered "outside" work, as many departments view it as part of the workload, and said that he'd like to see this specifically addressed in the policy. Professor Squires asked about a nine-month appointment that was paid over twelve months, and Vice President Carrier said that this was still considered a nine-month appointment. Professor Zaheer asked for an example of an activity that would be considered a conflict of interest, and Mr. Bianco offered the example of an identical course taught elsewhere. Professor Durfee asked for clarification as to what counted as consulting work. For instance, he pointed out, a service may offer an honorarium, and that the committee ought to consider the type of work and pay vs. no pay or nominal stipends. Associate Vice President Richard Bianco said that that too was open to discussion, and he emphasized that the policy was a generous one and that the spirit of the policy had not been changed. Ms. Williams asked how elected offices fit into the policy, and Mr. Bianco replied that that was a separate policy, which generally states that one cannot speak on behalf of the University unless one is on official University business. To Professor Csallany's request for clarification about the ten hour day, Mr. Bianco said that the policy defines a day as ten hours but that it would up to department heads to establish qualifying parameters. Professor Kleiner thanked Mr. Bianco for the informative discussion.

#### **4. Benefit Issues Relative to Other Institutions**

Professor Kleiner said that the Faculty Consultative Committee (FCC) had asked SCFA to address the issues of benefits at the University of Minnesota as they compare to other institutions. He welcomed Jackie Singer, Office of Human Resources, who distributed information on academic benefit comparisons. Professor Kleiner also noted that the FCC had requested to know who Human Resources and the University of Minnesota are comparing itself to, and said that it would be helpful to have that information as well. Vice President Carrier said that the competitive lists vary from campus to campus, and that for the purposes of comparison, the Big 10 is always included, but beyond that there is no definitive set of colleges. Ms. Singer began by reviewing the annual medical and dental rates. She noted that the University ranked 7<sup>th</sup> of 11 in employee-only benefits, and 8<sup>th</sup> out of 11 in family benefits. As medical and dental plan designs vary significantly across Universities, she said it was difficult to compare apples to apples. Ms. Singer also pointed out that the family cost is reduced by a \$300 lump sum payment, but neither rate was reduced by the \$130 wellness incentive payment available in 2006. She discussed retirement income replacement and noted that the numbers had not changed significantly, and retirement contribution rates, explaining how the figures had been determined. Ms. Singer addressed tuition benefits as charted in the materials, and said that within the Big 10, the University of Minnesota appears to be under market. However, of thirty top research institutions, this was not the case. Again she pointed out, the definition of our comparison group would be important and relevant to this. Ms. Singer discussed holidays and annual vacations, saying that Indiana has "paid time off" with no distinctions for vacation or sick days. With long-term disability, Ms. Singer noted that the Wisconsin is the only institution that pays a larger benefit, although with a lower cap. Ms. Singer noted that they were looking at enhancements to the benefit that would be cost neutral, and she discussed different possibilities in the changes. She said that she would return to SCFA to present the options. In short-term disability, the University ranks high. She discussed formal and informal sick leaves. Continuing on to paid life insurance, the University offers a very competitive benefit in this area, and she pointed that Penn State appears very low.

Professor Csallany said that she felt tuition benefits were important to recruitment efforts, noting that the University of Minnesota offers nothing. Vice President Carrier said the issue was undergoing analysis and she noted that tuition at 50% cost would cost the University more than \$1 million. She said that it actually affects a very small number of employees, less than 2%, and that was difficult to quantify in the formula. Professor Kleiner said he and the committee would like to see the numbers and that they looked forward to reviewing that information. Professor McLoon said he did not feel that it was an important recruiting tool. Ms. Singer reiterated that the issue was still being looked at, and Professor Kleiner said that John Fossum was working on this with Ms. Carrier. He thanked Ms. Singer for the information and suggested that the FCC consider the issue as well.

The meeting adjourned at 4:10 pm.

--Mary Jo Pehl

University of Minnesota