

Minutes*

**Faculty Consultative Committee
December 3, 1991**

Present: Thomas Scott (chair), Mario Bognanno, Judith Garrard, Norman Kerr, Stanford Lehmberg, Karen Seashore Louis, Burton Shapiro, Charlotte Striebel, James VanAlstine

Guests: David Berg, Geoff Gorvin (Footnote), Virginia Gray, President Nils Hasselmo, W. Phillips Shively, Maureen Smith (Brief)

1. Discussion with President Hasselmo

Professor Scott convened the meeting at 10:15 and welcomed the President. The President began his comments by noting his concern about the continued perception of "across-the-boardism" in the 1992-92 budget. He observed that the perception may stem from the fact that the salary increase funds were reserved across the board by vice presidential area, but noted that this was not the case within each VP area or by college. He also noted that in a table prepared for the Regents, showing the combined impact of the restructuring and reallocation and the budget plan, there is considerable variance among the colleges: The range is from a decrease of 8 - 9% to an increase of 15%. He said he didn't know what to do about the perception except to examine the individual plans. The President told the Committee he has heard the voice of the faculty expressing opposition to across-the-board cuts, he has instructed administrative officers not to make cuts in that fashion, and has accepted the college plans with the conviction that they do not impose across the board cuts.

The point was made, by several faculty members, that the concern arises because many units are obtaining the required salary funds through retirements or resignations--which are random rather than programmatic. This is perhaps a necessary short-term approach to current financial conditions but it is not a long-term approach consistent with Academic Priorities. The faculty need to be convinced that programmatic changes will be made and that long-term plans are tied to the short-term actions. The President agreed that such plans were essential and that short-term college actions not tied to future programmatic changes were unacceptable. The President also affirmed that reliance upon retirements and resignations was only a phasing mechanism and that 1992-93 budgets would be carefully watched.

In response to a question, the President told the Committee that about 600 faculty could be expected to retire over the next five years; in combination with resignations, the total percentage of faculty turnover could reach 25 to 30%. This will provide the flexibility to make programmatic changes, the President said, and it is for this reason that he does not believe that units are tied to the opportunism of retirements and resignations this year. The trick will be, it was observed, to keep control of the process; the administration will have to continue to be vigilant.

Also of concern to the faculty is the degree of consultation within the colleges with the faculty. The President acknowledged that he had heard this same concern and has instructed the colleges to consult in accord with their constitutions (which provisions, he noted, vary among the colleges). It was

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suggested by several Committee members that the constitutional provisions may be inadequate for the circumstances confronting the University; it might be appropriate to ask the colleges to take additional steps. The administration can, in any event, inquire of the colleges what consultation took place as its plans were prepared.

One Committee member observed, however, that some responsibility rests on the deans to ensure that the faculty understand what is occurring; the President cannot have the responsibility to be certain all units are acquainted with the plans.

The President next turned to the vetoed State Specials and told the Committee the University is making every effort to communicate with the Governor and legislative leaders about the financial problems of the institution and that the Specials cannot be accommodated in the current budget. If the vetoes stand, the programs are in jeopardy. The University has not identified priorities among the Specials, the President said, and feels that that would be inappropriate. He also noted that the State cuts fall unevenly in Minnesota higher education; the University has been reduced by \$9 million more than what would be considered its "fair share" of the overall State budget reductions.

The President said he was also worried about the next revenue projections and the possibility of a huge shortfall in the 1993-95 biennium. The starting point for discussions, in his view, would be the elimination of the unfair treatment of the University. The University will participate in the State's belt-tightening, but that is different from being singled out for larger cuts. The March revenue forecast may be the important one, as far as the legislature is concerned, so that it may be late in the session before there is any resolution of the question about the vetoed Specials.

There has also been discussion, the President related, about the justification for salary increases for faculty and staff in 1992-93. He said it was the administration's best judgment that it has been "utterly modest" in proposing a 5% increase. Other settlements in the State, he noted, have been greater than 5%; he said he believes there is a VERY strong case to be made for the increases. Professor Scott reported that he had heard from three faculty members about the issue; those three had different reasons for questioning the wisdom of the increase and none seemed inclined seriously to pursue the matter.

Of concern, said one Committee member, is that the vast majority of faculty will not express views--but the best will leave. There should not be differential salary increases, it was said; if assistant professors receive an average 5% salary increase, then so should the full professors. It was also argued that the cost of recruiting new faculty to replace those with high salaries who leave will be greater than the cost of retaining those who are already here. The President responded that he has been impressed with the willingness of faculty and staff to take no salary increase this year; those who have said anything to him have suggested that there should be no increases next year, either. He said that no decisions have been made about the distribution of the 5% increases; it should not be across the board, he said, and it is in the institution's best interest to retain key faculty and staff and to maintain some modicum of fairness in the salary structure. There will need to be additional consultation on the distribution of the increases, he added.

One issue being overlooked, one Committee member said, is that faculty are looking to other sources of income, such as overload teaching, in order to offset frozen salaries. Over the long term, it was

pointed out, this will affect the knowledge-creation function of the University because it distorts the way that faculty spend their time.

The Committee went briefly off the record to discuss related issues with the President.

The President was asked if the administration has any specific plans on what will be done with the programs supported by the vetoed State Specials. The President said that each program has been asked to set aside funds to close and meet its obligations. It is not possible to say whether any of the programs will be considered to be of SUCH crucial importance that they will be supported by O+M funds. The University is already straining to continue with restructuring and reallocation, absorb the budget cut, and deliver a 5% salary increase; he said he did not see that there would be any opportunity to pick up the State Specials with O+M funds. As far as general contingency planning is concerned, he said that no plans have been fully developed. In planning for any additional budget cuts, of course, alternatives previously rejected may have to be reconsidered.

The President reported briefly on discussions at the meeting of the National Association of State Universities and Land Grant Colleges; a lot of other institutions are also doing what the University is. The President said Minnesota was way ahead of most others in not making cuts across the board--although that is small comfort. The news from Washington is also not encouraging: NIH is reconsidering its Indirect Cost Recovery rates. The University already has a very modest rate; any reduction would endanger its ability to support existing research and invest in new research.

The President said he would be reporting to the Council of Ten (the Big Ten) on discussions with the Department of Defense.

One Committee member raised a question about the wisdom and judgment involved in the decision to construct a \$30,000 sign for the St. Paul campus. The President expressed considerable irritation that the issue had received such widespread attention; he noted that it is part of a multiyear campus beautification program begun several years ago. This is an absolute red herring, he declared, where someone picks one item out of a long-term plan. He voiced frustration that attention is paid to such a small item while at the same time it has been impossible to start a coherent debate on higher education in Minnesota. He agreed, however, that the expenditure has a debilitating effect in that it suggests to a few that the University is not managing its money well. The University is not omniscient, either, he said; it may not always make the right decisions at the right time--but the campus beautification plan is useful and necessary--the University cannot do its teaching and research "in a dump."

It was argued by one Committee member that the problem is the lack of clear answers to questions about what the University is doing about the budget; it always says it is planning and that the results will be known later. It is not what is being done that is at issue, it is that the University is not getting the message across. The President responded with some exasperation that he could not understand that view; the University has cut a campus, has cut centers, programs, and departments, and is laying off 500-600 employees; does it, he inquired, require "self-immolation on the Mall" to get the message across? The University has met with education boards, administrators have appeared on talk shows, and succinct summaries have been presented. It may be that the University needs to rely more on networking to communicate the problems. It is nonetheless true, another pointed out, that symbolic things are important; another observed that the message may be lost because EVERYBODY is hurting.

Professor Scott thanked the President for joining the meeting.

2. Discussion with Professor Virginia Gray

The Committee went into executive session for a discussion with Professor Virginia Gray, faculty legislative liaison.

3. Faculty Workload Study

Professor Scott next welcomed Mr. Berg and Professor Shively to the meeting to report on their work with the committee charged to develop information for the legislature on faculty workloads in Minnesota higher education. The genesis of the effort, Mr. Berg explained, was a recurrence in the 1991 legislature of the question whether or not faculty are in fact working hard enough. The question was not directed specifically at the University, he added.

The first legislative proposal called for a report on classroom contact hours; the final proposal called for information on all faculty activities. The information is to be presented to HECB, which will summarize, review, and comment on it to legislative committees. The information will be gathered by a committee consisting of two representatives from each system plus HECB staff; Mr. Berg and Professor Shively are the University of Minnesota representatives.

Mr. Berg reviewed briefly the work that has been done thus far, the likely timetable, and the means by which the information will be gathered. Committee members made several observations about methodology which Mr. Berg accepted. The report is to be made to the 1993 legislature; Mr. Berg speculated that the fact the study is underway should mute criticism during the 1992 session. If need be, he said, the University has a great deal of information which can be presented at the next session and which should answer questions posed in rational discussion.

The Committee conversed for a short time with Professor Shively about workload data and what should be included in the information presented. Several Committee members expressed nervousness about the possibility that only data about contact hours would be presented and the difficulty of capturing the breadth of faculty activities. Professor Shively said that much more than contact hours would be included and that it would be a multi-faceted report. There will not be a survey of faculty; besides being expensive and likely to encounter resistance from faculty, some are skeptical of results that consistently demonstrate a faculty work week of about 56 hours per week, both at Minnesota and nationally.

It was agreed that the Committee would revisit the issue in February, after additional work has been completed.

The Committee adjourned at 11:45.

-- Gary Engstrand