University of Missouri System
Intercampus Faculty Council

Minutes of the Meeting of May 28, 2003

President’s Conference Room (321 University Hall)
Columbia, Missouri

Members in Attendance: Sudarshan Loyalka, Chairman, MU; Michael Devaney, MU; Eileen Porter, Secretary, MU; Jakob Waterborg, UMKC; Kathleen Schweitzberger, UMKC; Max Skidmore, UMKC; Van Reidhead, UMSL; Rocco Cottone, UMSL; and Ralph Wilkerson, UMR. Lois Pierce, UMSL; Todd Hubing, UMR; and Leonard Koederitz, UMR were unable to attend.

Call to Order: S. Loyalka convened the meeting at 9:30 a.m. He greeted Curator Mary James, who was present throughout the meeting.

Approval of Minutes: The minutes of March 19, 2003 were approved as previously circulated (moved M. Devaney/seconded R. Wilkerson/consensus). E. Porter will send the minutes to K. Volle to be posted on the IFC website.

Agenda Items

1. Faculty Workload Committee Report
2. Grievance Procedure Draft Proposal
3. Merger Proposal
4. Promotion & Tenure Procedures
5. Budgetary Situation

Review of the Agenda of May 28, 2003:
Discussion of promotion and tenure procedures was held until a later meeting. R. Cottone mentioned that he had obtained the promotion and tenure procedures of the University of California at Berkeley, as President Floyd had suggested. He noted that there was an abridged version, and this will be distributed to the IFC.
J. Waterborg suggested that planning for the IFC summer workshop be added to the agenda. V. Reidhead suggested that we thank the President and the Board of Curators (in the form of a resolution) for the decision to add the tuition benefit for faculty and staff dependents. M. Devaney suggested that we work with the Staff Council in this matter. S. Loyalka thanked V. Reidhead for bringing this matter to the attention of the IFC this year. V. Reidhead pointed out that many IFC colleagues had worked on this as had the Vice Presidents. E. Porter suggested that V. Reidhead prepare the resolutions with the Intercampus Staff Council. V. Reidhead expressed the gratitude to Curator James, who acknowledged the leadership of President Floyd.
V. Reidhead requested that we discuss the retirement benefit with VP Hutchinson today.
Discussion of Agenda Items:

Faculty Workload Committee Report

Reporting for the Workload Task Force, E. Porter introduced the “Rationale for the Proposed Executive Guideline for Faculty Workload Models of Academic Units” (attached), which L. Pierce had prepared in part from ideas suggested by J. Waterborg in review of earlier drafts of the primary document. The primary document of the task force report (attached), is “Executive Guideline SS (Draft 5.23.03), Implementing the Faculty Workload Models of Academic Units.” E. Porter asked J. Waterborg to summarize the document. J. Waterborg noted that the System does not have standardized reports of workload data from academic units. He noted the need for unit-based data relevant to all facets of the mission of the university that can be used by the General Officers in various forums. In line with this, E. Porter noted the omission of the reference in the preamble of previous versions of the document to “instructional goals” in favor of a reference to “goals” as specified in Section 310.080, as these goals pertain to each facet of the workload. M. Skidmore noted that problems associated with data aggregation from small units. E. Porter pointed out that in the proposed guideline, the entire burden for system-wide data collection does not fall upon the System. Although the System’s responsibility is mentioned in Section D, there is reference in Section A to the responsibility of each chief academic officer to report data so as to enable System-wide data comparison. She noted that the Task Force had acted upon J. Waterborg’s suggestion to hold discussion of the specifics of the reporting system until the IFC summer workshop, when (at J. Waterborg’s request), VP Caruso will present the Faculty Accomplishments System currently in use at MU.

It was decided (moved E. Porter/ seconded J. Waterborg / consensus) that the document and rationale be sent forward from IFC for review by VP Lehmkuhle and the General Officers. R. Cottone asked about the fact that instructional waivers are not included in this document. J. Waterborg noted that this document would not preclude the addition of that, but that there could be problems with implementing the waivers, as had been previously discussed. S. Loyalka noted the inclusion in Section C of the documentation by the department chair of the rationale for any major departures from the average workload. R. Cottone inquired as to whether the Task Force had viewed the documentation of rationale as more manageable than the waiver. E. Porter noted that the Task Force had considered the burden associated with instructional waivers, but that the main reason for suggesting omission of the waiver was to focus more directly, as President Floyd had suggested, on unit workload and unit productivity rather than individual faculty. K. Schweitzberger suggested that the Task Force write a rationale for section C to incorporate that reasoning. To increase the specificity of the third sentence of Section C., M. Devaney suggested that the word “substantially” be inserted, so that the sentence would read: “If a faculty member is assigned substantially less than the unit average . . .”. These changes were agreed upon. E. Porter will work with the Task Force to make the changes and submit the documents to VP Lehmkuhle.

Vice President S. Lehmkuhle and Associate Vice President S. Graham joined the meeting at 10:15 a.m. VP Lehmkuhle introduced Dr. Peter Wilden, who is a faculty fellow in his office.
Grievance Procedure Draft Proposal

M. Devaney brought forward a request for a 3-year trial of a new grievance procedure for the MU Campus. It has been approved by the Faculty Council; the administration is currently reviewing it. M. Skidmore wondered whether it was necessary to bring this to IFC. R. Cottone asked whether there was a precedent for having a change in one rule for one campus and he inquired about the mechanics of this. S. Loyalka explained the need for the effort. J. Waterborg noted that if it works for MU, then there would be pressure on the other campuses to go along, noting that it could be problematic to have one campus continuing to operate in a different manner on such an important issue. UMKC has not had some of the problems that MU has had, so he noted the hesitancy to just agree that this should go forward. He pointed out that while he fully agrees with some of the provisions, he pointed out that he could not judge the others, because they are not part of his experience. M. Devaney explained that the long-term goal would be to have a system-wide grievance procedure, noting that if MU has the opportunity to evaluate it, this would be helpful to the other campuses. R. Cottone wondered which set of rules would be in operation legally. M. Skidmore suggested that the IFC take the position that because this is a campus-specific matter, it be so designated, and that the matter be set aside as not directly relevant to the IFC without prejudicing the contents in any way. V. Reidhead suggested that the IFC do nothing to act upon it, without restricting MU’s effort to move forward.

VP Lehmkuhle recommended consideration of a plan whereby the grievance procedures would be come part of the bylaws of each campus to enable maximum clarity and provide the opportunity for each campus to operate under a grievance procedure suited to that specific situation. This would obviate the need to refer to a “pilot” or “trial” program, as such a reference is an inappropriate intimation that more than one set of rules is operative at any one time. It would also allow any campus to simply refer to or adopt the system-wide policies now in place. If grievance procedures become part of a campus’ bylaws, he also recommended incorporating a commitment to periodic review and revision. He noted the importance of mediation in these situations to avoid the “winner” and “loser” situation. V. Reidhead supported the idea of having different models available for each campus. E. Porter pointed out that there is a precedent for campus-specific policies because there are campus-specific rules for promotion and tenure in the bylaws of each campus in the C R & R, although there is also a general reference to the matter on a system-wide basis in the C R & R. M. Devaney pointed out the importance of all communication going through the Chair of the Hearing Panel. S. Loyalka mentioned that the authority of the Chancellor and the President is not modified in any way. E. Porter pointed out the innovation of the inclusion of the suggestion of informal mediation prior to filing a grievance. VP Lehmkuhle noted that he plans to discuss the idea of campus-specific grievance procedures with the General Counsel. J. Waterborg noted that if the IFC should discuss this issue, this can be done next year.

VP Lehmkuhle requested that these items be added to the agenda: program viability audits, conflict of interest, and the IFC summer meeting.

Grant Incentive Plan

VP Lehmkuhle discussed the “Report of the Grant Incentive Committee” (attached). In a recent meeting with the General Officers, the pros and cons of the proposal were discussed. The
Chancellors are “solidly on the fence on this one.” He is not certain that they will be ready to initiate this next fall, as it does impact many people who have different opinions. S. Loyalka recommended that there be sufficient time to thoroughly review this. VP Lehmkuhle suggested that this could be considered as a “pilot,” as there some campuses will find it more useful and appropriate.

VP Lehmkuhle noted that this proposal is not an incentive to get external grants. It is an incentive for faculty to structure their operations so as to recover the full allowable indirect. Attaining more indirect return would save the university money out of general operating dollars that are currently used to support the research endeavor. The idea is to offset general operating funds. This is linked back to the Report of the Reducing Academic Costs Task Force. The university now recovers no more than 20% of indirect costs. The idea is to reduce the stress on the general operating budget. If indirect cost recovery is improved by 50%, the university could gain $20 million. In answer to the question about whether this same outcome could occur by increasing compliance with policies governing indirect return, he responded that this has been the thrust of the effort thus far, and it has not been successful in his view. The new proposal would impact about 25-30% of the faculty (regular and non-regular). The average payment would be about $3000 a year, and there would be caps of amount and percentage. The money from the incentive could go to a research account or directly to the faculty member. The proposal does not stipulate how this would be funded, due to variability in the sharing mechanism for indirect between departments and faculty members. J. Waterborg asked for an explanation of the “funding question.” VP Lehmkuhle said it could be “taken off the top” of the compensation package. The funds involved are GO dollars, not indirect return dollars, which are used to support the research enterprise. The university will not see the benefits of such a program immediately. It is based on the assumption that faculty members do want to put some money in their pockets, and he is not sure that this is the case. He invited the response of the IFC.

S. Loyalka indicated that his first priority had been to support his graduate students, and VP Lehmkuhle indicated that the money could go to the research account to do this. It is premised on the notion that faculty will change their behavior. E. Porter asked whether the change in faculty behavior expected with this new proposal would be identical to that expected through efforts to increase faculty compliance with seeking indirect return. VP Lehmkuhle acknowledged some relationship; he went on to note the difficulties of retaining quality faculty in view of market dynamics. R. Cottone supported the idea of rewarding behavior other than encouraging compliance. J. Waterborg wondered whether the amount involved would really be an incentive, and he wondered whether the variance across campuses should be considered. P. Wilden noted 80% of the faculty that are projected to be involved could have considerably more incentive than $3000. He noted that federal earmarks (i.e., the institutionally driven requests) would not be included. It is the competitive awards that are to be targeted in this proposal.

President Elson Floyd joined the IFC at 11:20 a.m.

S. Loyalka expressed the gratitude of the IFC to President Floyd for the decision concerning the tuition benefit for faculty and staff dependents. President Floyd reviewed the evidence supporting the decision. He was grateful to the Board of Curators for endorsing it.

Campus Reports:
M. Devaney reported for MU.
He noted that G. Christensen was elected as Chair, and E. Porter was elected as Vice-Chair of Faculty Council for 2003-2004. Faculty Council has approved a revision of the grievance procedure, which is currently being considered by the administration and will be put to a vote of the faculty in the fall before further reporting to the General Officers and the UM System. S. Loyalka announced that the Nuclear Science and Engineering Institute on the MU campus has been notified by the Department of Energy that it had been selected for a competitive five-year multi-million dollar award. The Institute has also received a Department of Education GAANN Award for $160,000 per year for three years. S. Loyalka acknowledged the support of Chancellor R. Wallace in establishing the institute.

R. Wilkerson reported for UMR.
The dominant issue is accommodating the cut in rate dollars. The chairs are meeting weekly to discern how to do this. The biggest news that will affect Academic Council will be changes to the committee structure that were approved by faculty recently via a bylaws change. They looked at UMKC’s model in creating this new structure. There will be fewer committees and more opportunity to develop historical perspective in committee work. The grant incentive matter has led to dialogue about how to award high quality teaching. Dr. Harvest Collier’s office has formulated a plan to award outstanding teaching through monetary awards.

K. Schweitzberger reported for UMKC.
M. Skidmore recently received the very prestigious Thomas Jefferson Award. The Budgeting for Excellence Committee has received a national award from the Government Finance Officers Association for the “Budgeting for Excellence” Plan. The strategic planning facet of the plan was commended, among other things. A pharmacy professor, Simon Friedman, received a large grant from NIH. Faculty, staff, and community were involved in a ground-breaking effort for a new residence hall; a recent gift of $2 million was received. A Faculty Senate committee is now considering the awarding of Latin honors. The search for the Executive Director of Diversity in Action was a failed search, perhaps because of the innovative model of the position. They will be revising the search strategy. The second annual Day of Learning/Convocation is being planned for September 4, 2003. The theme is Po Bronson’s *What Should I Do With My Life*.

V. Reidhead reported for UMSL.
The chair of Faculty Senate has a one-year term, and V. Reidhead was re-elected to that position. He had hoped to improve the quality of dialogue between faculty and administration, and he believes that this has been achieved. He had also hoped to broaden the involvement of the faculty in committees; he believes that additional progress on this is anticipated for the 2003-2004 academic year. Students have a greater involvement in the committees now than in the past also. The President’s appointment of the two principal student leaders to the search committee for the Chancellor, and V. Reidhead believes that this was an important message to all UMSL students. With regard to the Chancellor’s search, he indicated that it has gone well in part due to the diversity of representation on the 19-person committee. The achievement of consensus by a group of this size is particularly powerful. They need a person who will build a strong leadership team of competing constituencies at UMSL as well as a person who will work well as a member of President Floyd’s team.
Comments by President Floyd:
1. His office has cleared the backlog of grievance communications. They have responded to each and every grievance.
2. The Hunter Group at University Health System will report to the President. This was felt to be necessary in view of the financial situation. He sees this as a temporary measure.
3. Upon review of the System’s leadership team, Dr. Floyd plans to present a revised organizational chart to the Board of Curators, which he views as role clarification. He is relying more heavily on VP Lehmkuhle. S. Loyalka thanked President Floyd for this recognition of VP Lehmkuhle’s contributions and on behalf of the IFC, requested the continued opportunity to work with VP Lehmkuhle.
4. President Floyd has asked VP Lehmkuhle to lead a detailed analysis of economic development activities to enable creation of a common door for faculty to engage regarding intellectual property issues.
5. The UM System has hired someone to help with cultivating agency relationships at the federal level.
6. President Floyd is very concerned about retaining faculty. He wants more concrete data about why faculty are leaving the university. It is likely that there are reasons other than budgetary problems. A systematic view is needed so that mechanisms can be put into place to enhance retention.

Discussions with President Floyd:

Budgetary Situation
President Floyd is extremely concerned about the budgetary issues. The total loss is $124 million over the past 24 months. He remarked upon the onset of the new special legislative session. We are at the core of our mission with regard to the budget. We cannot do more without a significant restructuring. This was why they had to recommend a 20% increase in tuition, but still, we cannot continue to cut around the edges. A $4 million gap remains. There will be further discussions with the General Officers and the Board about the tuition policy.

Merger Proposal:
M. Devaney inquired about the status of the merger with Northwest Missouri State University. President Floyd reviewed the history of the effort. He believes it is important for the university to serve all of the citizens of our state. The community of St. Joseph is engaged in a lot of life sciences work, and extending the university’s footprint there is important. Secondly, it will also build a political base for the university. Furthermore, there is an established pattern of ongoing academic work with Northwest. VP Lehmkuhle noted that Northwest is looking more for collaboration; they are not a comprehensive research university. Northwest has done a very good job of looking at performance of individual units, and the System can benefit from reviewing these procedures as well. The merger would provide some stratification within the System in view of admission requirements and so forth. He believes it would benefit the citizens to have more than one type of door for entry into the University of Missouri. He noted that if the merger occurs, Northwest would bring their budget into the University of Missouri System.

President Floyd left the meeting at 11:50 a.m.
Luncheon Session: After a short break, S. Loyalka convened the IFC at 12:00 p.m. VP Ken Hutchinson and VP Ralph Caruso joined the group.

Discussions with Vice President Ken Hutchinson

S. Loyalka expressed the gratitude of the IFC for VP Hutchinson’s effort with regard to the tuition benefit. In turn he expressed gratitude to the IFC for supporting this wise investment.

1. Faculty Benefits/Salary Adjustments. He provided some information in writing in response to S. Loyalka’s request for information on faculty salaries (see attached). In about a week, the most recent version will be on the web. In Table 3.31, the negative changes over the last year in terms of average nine-month equivalent salary reflect several factors, including VERIP, the loss of other faculty with high salaries for other reasons, and the relatively lower salaries of the pool of remaining faculty. Regarding Table 3.33, he noted that the ranks reflected here are for standard comparisons typically made to the various campuses. Several questions were raised about the data for particular campuses. These questions can be addressed at the campus level, and VP Hutchinson will assist with these questions.

2. Progress concerning “the rule of 85.” He noted that it would cost between .7 and .8 of payroll. They have done the background work on this matter, although it might have to be updated if discussions move forward in the future. In view of the current situation, it has not risen to the forefront. The liability assumed by such a program would be amortized over 20 years. A decision to implement such a plan would be considered independent of the trust. The decision has to be a wise one for the university.

3. Funding of the retirement benefit. The Board recently had a complete overview of the financial structure of the plan. 6.91% is the normal rate for annual accrual of liabilities. When there are unfunded liabilities, the cost to fund the retirement benefit is higher. During the years when the liabilities were lower than the normal cost, the university saved much money. The Board and President Floyd will follow the actuary’s advise regarding the annual contribution, as has been done in the past. This year it will be the normal cost of 6.91% this year, but perhaps it will be 9% next year, and it could even go higher for another year, before returning to the normal cost. For next year, the university will need to make a greater contribution to the tune of about $28 million to keep the plan actuarially sound. The necessary 15% increase in medical cost was also built in, but the largest share of the increase was for the retirement fund. R. Cottone wondered whether Northwest was under the Moser’s plan, and VP Hutchinson said that this was correct. They are about 80% funded; the liabilities will come our way, along with a comparable funding. They have the rule of 85 and more liberal actuarial assumptions, but they also have a lower percentage benefit. The System would provide options for the Northwest faculty and staff to be part of the university’s retirement system. Assoc. VP S. Graham wondered about the departure of persons in the professor range; persons who do this (even if they return to the university later) are loosing major benefits in terms of retirement, according to VP Hutchinson.

VP Caruso left the meeting at 12:15 p.m.
Discussions with VP Lehmkuhle, VP Hutchinson, and Associate VP Graham:

Grant Incentive Plan (continued):
VP Lehmkuhle reviewed the earlier discussion. He suggested that the Faculty Performance Shares system be considered as a model for the teaching incentive plan under consideration at UMR. VP Lehmkuhle noted that this program would not benefit all of the units, and it will cost some units some money. However, he views this as a non-optional program; it will have to be system-wide if it is operationalized. S. Loyalka noted the concern that this could lead to an emphasis on non-instructional activities. R. Wilkerson noted that this was exactly the reason that UMR seeks to implement a teaching incentive. There are a variety of imbalances created (or exacerbated) by such a program, in his view. S. Loyalka also wondered how this would fit in with the workload model in relation to rewards of faculty for particular facets of the workload only. The proposal is that this supplemental money is to be considered differently from merit pay, but it is not clear that this differentiation can be made a reality. S Loyalka inquired as to whether there were other ways to accomplish cost recovery. M. Skidmore noted the importance of trying to provide incentives for faculty. E. Porter pointed out the need for faculty development in terms of opportunities to recover indirect costs. V. Reidhead wondered whether there could be a problematic impact in terms of scholarship if a funded researcher elects to increase salary by working with foundations (and simply writing the necessary evaluation reports to secure continued funding) rather than reporting in the professional literature. R. Cottone wondered whether this would happen if the merit pool remains distinct. If the institution indicates (through this proposed policy), that securing money for money’s sake, then the faculty will go that direction. S. Loyalka asked for information about the academic medical centers that have an incentive plan, as R. Cottone had inquired about other schools where such an incentive was operative. VP Lehmkuhle asked for feedback about this matter from individual members of the IFC. He plans to tell the General Officers that there is the same variability of opinion on the IFC that there has been among the General Officers. If a critical mass of faculty and administrators on any one campus are in favor of proceeding, they might try a “pilot” program on one campus. Perhaps they will consider balancing it with the program of Faculty Performance Shares.

401 A:
The Board approved this supplemental retirement plan in 1999 contingent upon a favorable ruling by the IRS. In 2002, the IRB approved this unusual program, which is the first one of its type to be approved by IRS. Information will be coming out about this. It allows another opportunity for tax sheltering.

VP Hutchinson left the meeting at 1:50 p.m.

Program Viability Audit:
Referring to p. 2 of 3, 2. a of Executive Guideline No. 25, “Program Assessment and Viability Audit,” VP Lehmkuhle noted that they are creating the necessary database now for campuses to engage in program viability audits. Among the data-points captured are (a) cost per credit hour per unit, (b) percentage of instructional cost recouped, (c) instructional productivity, (d) research productivity in relation to grant funding, (e) historical trends in terms of SCHs, and (f) service course credit hours delivered. This is not a full assessment of a department, but he is looking for outliers, such as departments that are (a) extremely expensive, (b) far below any research
parameters, (c) producing fewer degrees, or (d) producing less SCH over time. A list of candidates for the program viability audit will go from System to each campus, and the Provost will make a determination as to whether the viability audit will be conducted. This is not being done to save money, but rather to manage the degree inventory so enable growth by substitution.

J. Waterborg wondered whether faculty would have access to these data. VP Lehmkuhle noted that faculty will sit on the Program Viability Audit Committee on each campus. He also said that the IFC representatives could visit with him to look at the data or seek it from the Provost. R. Wilkerson noted a concern that some budget decisions will be made based on the program viability audits. VP Lehmkuhle indicated that this is a possibility but it is not the central purpose of the effort. Assoc. VP S. Graham noted that some such decisions can be made (and have been made) based on criteria other than data; although the data might not be complete, data-driven decisions are to be preferred. The involvement of faculty on the Program Viability Audit Committee on each campus will be critical.

**Conflict of Interest:**
P. Wilden discussed the projected makeup of the System-wide Conflict of Interest Committee, which will be diverse. He will be spearheading this effort through VP Lehmkuhle’s office. The relevant policies will be reviewed in light of new regulations, new issues, and the trajectories of procedures developed on each campus to address these issues. Policies about COI have been quite variable from campus to campus. There are essentially three types of potential problems: (a) conflict of commitment (such as could arise due to consulting), (b) conflict of interest in the classic sense, and (c) conflict of interest in the institutional sense (such as with regard to start-up of companies, licensing, and so forth). They will try to consider all ongoing situations and propose issues that need further work. A call for faculty representatives will be issued to IFC.

**Planning for Summer IFC Workshop**
VP Lehmkuhle suggested that we return to Lake of the Ozark again this year for the summer workshop. S. Loyalka will arrange dates for the workshop with K. Volle.

**Adjournment:** S. Loyalka adjourned the meeting at 2:15 p.m.

Respectfully submitted,

Eileen J. Porter, Secretary