

THE UNIVERSITY OF MICHIGAN
SENATE ASSEMBLY

Minutes of Regular Meeting, January 15, 1979

ATTENDANCE

Present: Aupperle, Barnett, Bowker, Berg, McClendon, Brazer, D. Brown, M. Brown, Scearse, Caldwell, Cohen, Cooper, Corpron, Crichton, Diamond, Dingle, Downen, Elving, Fekety, Holbrook, Fowler, Gay, Friedman, George, Gordon, Harris, Rush, Hinerman, Hungerman, Jones, Juvinall, Koran, Leary, Lindberg, Lynch-Sauer, Merte, Morley, Naylor, Gabrielson, Parkinson, Porter, Portman, Poznanski, Rabkin, Romani, Rowe, Burckhalter, Tilly, Tonsor, Trojan, Grassmuck, Verhey, White.

Absent: Angus, Browne, Coon, Dabich, Eckert, Edwards, Gull, Herbert, Nisbett, Penner, Powers, Abdel-Massih, Simonds, Vasse, Winans, Zorn.

MINUTES

The Minutes of December 18 were corrected and approved.

ANNOUNCEMENTS

Vice President Shapiro has received the advice of the Assembly on Program Discontinuance. SACUA will inform the Assembly of any developments.

REMARKS BY INTERIM PRESIDENT
ALLAN F. SMITH

Mr. Smith began by reference to the Peter Principle (roughly paraphrased, that men are promoted to the level of their incompetence) and to the fact that his colleagues in the Law School have singled him out as one to whom the Principle has been twice applied.

He said that there were several theories about how to behave as an interim president. One holds that the role is ceremonial and should be characterized by graceful performance and graceful departure when the "real" president arrives. Another theory holds that the interim preparation may consist either in performance so bad that any newcomer would be welcomed as a relief, or in tackling all the tough decisions so that the "real" president will have clear sledding for a while. Neither of these theories quite fits his own theory. He promised that whatever decisions he might undertake would be communicated fully to SACUA. He assured the Assembly that his opinion of the University's Vice Presidents is very high, and that there would be no stagnation while he is in office.

President Smith then described a few issues of immediate concern. The budget process is underway. We await the Governor's message, after which the construction of the '79-'80 budget will progress. The hospital replacement project will consume a great deal of time in the next few months. A variety of negotiations must be conducted, including the filing of a need-application. He said it was obvious to him that a good Medical School and good hospital were necessities, and that the State would recognize this. The present hospital is overwhelmingly obsolete, and cheaper to replace than to repair. The cost will be large, but, he said, he did not think it would adversely affect State support for other parts of the University.

Several factors contributed to his optimism. First, the Legislature traditionally has separated capital expenditures from operating expenditures -- different committees, different lines of review. Second, the bulk of the state-supported portion of the project is to be financed by revenue bonds already appropriated, and these bonds will not be labeled "University of Michigan", for their proceeds go directly to the State Building Authority. He admitted the possibility that some part of the '79-'80 appropriation will be used for the project, but he did not believe that such use would have a debilitating effect on other UM requests.

President Smith noted that SACUA had in its meeting with the Regents identified salaries and the presidential search as the highest priorities of the faculty. He affirmed that salaries would receive the highest priority in our budget making. The problem is to get more dollars. He acknowledged President Carter's inflation guidelines, but said there is not enough information at present to know if the guidelines will be a problem. He noted the concern SACUA expressed with the distribution of salaries among faculty ranks -- with the fact that our top people have comparatively low salaries. He promised that he and Vice President Shapiro would discuss this matter with CESF. He concluded by expressing his own interest in the search for a new president. He was impressed with the Faculty Committee's statement on the University's needs, and looked forward to today's report by its chairman.

He then called for questions from the Assembly, but there were none. Chairman Livermore thanked President Smith for his remarks.

FACULTY COMMIT-
TEE ON THE PRE-
SIDENCY

Professor Harold Johnson, Chairman of the Committee, began his monthly report to the Assembly by encouraging faculty members to comment on the Committee's statement

on the needs of the University. Copies of the statement have been mailed to all members of the Assembly. He said that the Committee was now beginning to put together a statement on the criteria that should govern the choice of the new President. It should be ready in two weeks for submission to the Regents. He reported that the Committee has received a substantial number of recommendations, and will be delighted to receive more in the following weeks. He cautioned, however, that when the statement of criteria is finished, the Committee will begin screening names immediately.

NOMINATIONS AND APPOINTMENTS

The Assembly approved the nomination of Professor Warner G. Rice to serve as Annuitant Liaison to CESF, replacing Professor Solomon Axelrod, from January 1 to March 31, 1979.

LIBRARY COUNCIL PROPOSAL

Chairman Livermore introduced the proposal and its history. He pointed out that it calls for a change in the constitution of the membership of the council that had been approved by the Assembly last year. On the advice of Library Director Dougherty, SACUA recommended that two students, one undergraduate, one graduate, be added to the nine faculty members on the council. The students will be named by MSA.

Professor Lindberg asked if Rackham rather than MSA should appoint the graduate student member. Professor Livermore assured the Assembly of MSA's authority in this case.

Professor Elving and others corrected the grammar of the proposal, and Professor Friedman asked if thought had been given to reducing the size of the council. He thought eleven members might be too many to be effective. Professor Livermore cited the need for the council to be representative as a reason for its size. Professor Grassmuck suggested that a two-year term for students might be more appropriate because it generally takes a year for people to learn enough to be able to contribute. It was pointed out that all MSA appointments are apparently for one-year, but that reappointment was possible.

The proposal passed unanimously, and will be sent to the Regents.

DISCLOSURE OF FACULTY SALARIES

Professor Tonsor was recognized for extended remarks. He said that complex issues were involved to which there were no absolute answers. Yet, the causes of equity and efficiency are badly served by a policy of administrative secrecy.

He said that it is argued that if salaries are published the State will intrude upon the autonomy of the University. In fact, however, this would not be the case. Secrecy and autonomy are quite distinct. The autonomy of the University is like that of a philanthropic foundation, which may dispose of its income in the way that it sees fit, but has a public responsibility and purpose. It must, therefore, make its expenditures public. The analogy holds for the University.

It is argued, he went on, that inefficiency will occur with disclosure. But the opposite is closer to the truth. Faculty committees are now charged with most of the important hiring in the University, and without knowing comparable salaries must operate in the dark. It is our current system that is inefficient, he said.

Arguments have been raised concerning invasion of privacy, and the poll of the faculty a few years ago has been cited as a reason for continuing a policy of secrecy. Professor Tonsor disparaged the data collected from the poll as reflecting isolated and partial opinion. Most professors, he said, live modestly, and they should be proud of it.

Who suffers from disclosure of salaries? There are inequities, he asserted. There is a mandarin class that receives favored treatment. Indeed, one would like to know what the rules are for belonging to the elite. It is neither the idea nor the desirability of an existing elite that is threatened by disclosure of salaries.

He thought that the greatest inequity, however, might be found in administrative salaries. He guessed that administrative salaries were vastly superior to faculty salaries.

Professor Tonsor then offered a resolution:

Resolved that Senate Assembly go on record as favoring the publication without name or other identification of every individual academic-year salary, exclusive of fringe benefits, together with rank and length of service. Administrative salaries shall be for the full year together with the academic rank that the administrator enjoys.

Professor Hinerman spoke in opposition to the resolution. He explained that he was chairman of SACUA when the

poll of faculty opinion on this issue was taken. The faculty voted (in 1973) two to one against disclosure. The University agreed at that time to publish salary ranges and averages. He thought that seemed adequate.

Professor Hinerman also questioned what the term full salary entailed. An infringement on privacy might be involved. He noted the argument that the salary of public employees should be public, but noted, too, that that University is a public-assisted institution. Less than half our funds, and therefore, presumably, less than half our salaries, comes from state sources. He concluded by saying the issue of disclosure was very complex, and ought not to be decided hastily.

Professor Cooper, after ascertaining that the faculty poll had been taken in 1973, suggested that the Assembly investigate current faculty opinion before acting. He suggested a substitute proposal: that SACUA form a study committee to investigate faculty opinion on the disclosure of salaries.

Professor Cohen objected. He said some things are not subject to a vote -- for example, the right of privacy. He thought that the public right to know was adequately secured by publication of our average salaries, or our average state-supported salaries.

Professor Jones asked if Professor Tonsor meant to exclude department identification in his resolution. Professor Tonsor said "Certainly not". Department and college identification would be included. There are inequities in the University, which is a tax-exempt corporation operating in the public interest. There is a public right to know.

Professor Corpron asked if consultative fees were to be included. Professor Tonsor responded that they were not to be included. Proceeds from books, for example, are a private matter.

Chairman Livermore then asked Assembly if it wished to vote on the Cooper substitution, or carry the discussion over to the next meeting.

Professor Gordon, reflecting on the suggestion of a new poll of faculty, said that such surveys are not reliable instruments when they are not accompanied by a presentation of facts and arguments. Reactions are likely to be superficial. Professor Tilly remarked that the 1973 survey needed analysis. She is doubtful of its accuracy.

Assembly then agreed to carry the discussion over to the February meeting.

IE SPIVEY
REPORT

Chairman Livermore introduced Professor Allen Spivey, Chairman of the ad hoc vice presidential Committee on Administrative Costs.

Professor Spivey began by praising his colleagues on the Committee and wishing that some name might be found for the report of the Committee. He explained that the Committee was formed by Vice President Shapiro, and it is he who has urged that its findings be made public.

Before turning to the Tables of Expenditures that illustrate the findings of the Committee, Professor Spivey reviewed the problems encountered in making the study. First, he said, no optimality principle exists for the comparison of administrative and instructional costs in a university. Nobody knows how much administration ought to go on, or needs to go on. There is no global percentage that has been established as ideal. Second, the Committee recognized the desirability of comparing our expenditures with those of peer institutions. No comparison proved possible, however, because no two institutions identify their administrative activity in the same way. Every University seems to have its own classification system. Third, it even proved difficult to compare ourselves with ourselves because in 1972-73 a large reclassification took place here, and many positions formerly considered instructional were shifted to the administrative side. Hence, to make its comparison the Committee had to readjust the data collected for an earlier year to the current classifications. That meant a job-by-job analysis. The years compared were 1969-70, the last really prosperous year in terms of state appropriations, and 1977-78.

These difficulties had to be surmounted (or laid aside) in order to make the study at all. Other difficulties occurred while the study was in progress. For example, he said, budget expenditures are derived from four separate funds, three of which, like the Expendable Restricted Fund that goes mainly for research, tend to flow into special parts of the University. Therefore, only the largest of the funds, the General Fund, out of which most salaries come, was chosen for examination. Only in the General Fund are administrative and instructional costs clearly differentiated.

A final difficulty was the bloating of the budget because of inflation. The Committee, he explained, calculated compounded growth rates in the budget in relation to the Consumer Price Index. It could then cite for each category the percentage of the total budget for each year. Hence while the difference in dollar amounts would be vast, the percentages of General Fund expenditures would be comparable.

He noted that the Committee did not reflect in its report all the data it collected, which were complex and voluminous. Hence, the report has taken the form of a summary plus appendices. Details of changes in administrative costs at the college and unit level are available although the report focuses on changes at the University level. Committee members, he said, would be glad to respond to questions about local findings.

Professor Spivey proceeded to review the major findings of the report.

Some major facts pointed out were these:

- . The General Fund budget grew from \$105 million to \$188 million, an average annual growth of 7.5%.
- . Teaching staff grew from 2,146 to 2,300, at an annual growth rate of .87%.
- . Administrative staff grew from 1,343 to 1,563, at an annual growth rate of 1.91%.
- . Teaching staff salaries grew at a rate of 6.21%, and fringe benefits at a rate of 9.24%.
- . Administrative staff salaries grew at a rate of 5.65%, and fringe benefits at a rate of 9.74%.
- . Total pay and benefits for teaching staff grew at a rate of 6.62% and for administrative staff at a rate of 6.17%.
- . General Fund allocations for instruction rose from \$58.9 million to \$103.9 million, a growth rate of 7.34%. Those for administration rose from \$47.3 to \$85.5 million, a growth rate of 7.66%.
- . The percentage of the total general fund budget spent on instruction fell from 56% to 55.2%; the percentage spent on administration rose from 45.0 to 45.4%.

Professor Spivey noted the relatively heavy absorption of compensation increases by fringe benefits. He noted particularly the increase in costs for student aid -- a rise of 292% in nine years, or a growth rate of 18.2%; for utilities - a rise of 573.7%, or a growth rate of 26.9%; and the decrease in expenditures for Plant improvement of 73.3%, an annual rate of decline of 15.2%. He pointed out that central administration expenditures remained a stable 1.1% of the total general fund budget,

growing at an annual rate of 7.5%. He concluded his review by citing Exhibit E of the report, which deals with schools and colleges. It shows that the amounts allocated to administration differs radically from college to college.

Professor Brazer asked about salary trends. Has there been a parallel movement in instructional and non-instructional salaries? He noted that Table 4 shows only the total amounts allocated to each salary budget. Professor Elving seconded the spirit of Professor Brazer's question. He said, we have ranges and averages, but they tell us nothing of what happens to the people actually receiving the compensation.

Professor Spivey answered that the Committee's cut into the data was much more gross. The Committee sought aggregate or global figures. They did not develop personnel profiles or analyze individual salaries.

It was noted by several members that the lower growth rate in administrative salaries probably reflected a higher turnover rate than that for teaching staff.

Professor Friedman asked if it were possible that more instructional staff were performing non-instructional functions these days. The possibility was acknowledged. Professor Jones said that the CESF report of average salaries over time helps to answer previous questions by Professors Brazer and Elving. Professor Rabkin asked what functions were included under instruction. He saw libraries, for example, as instructional costs, but in the report they appear under administrative costs.

Professor Spivey called attention in response to "Notes for Exhibit A", which contains a fairly comprehensive listing of the functions included in the two categories.

Professor Cooper asked, what is your conclusion?

Professor Spivey cited three things: 1) there has been little change in percentages of the global budget as between instructional and non-instructional costs; 2) there are more bodies performing administration than previously; and 3) the increase in administrative costs at the unit level masks great differences in these costs from unit to unit.

Chairman Livermore thanked Professor Spivey for his report and the work of this Committee.

REPORT OF THE
SENATE ADVISORY
REVIEW COMMIT-
TEE

Chairman Livermore introduced Professor Frederick Bartman, chairman of SARC. Professor Bartman began by posing a major question: is SARC effective as a last resort for faculty members with grievances? He said that SARC seeks the advice of the Assembly.

He noted that in 1976 SARC raised concern about its effectiveness. At that time, as now, the concern was precipitated by the failure of the administration to implement a set of SARC recommendations. It was concluded in 1976 that SARC's effectiveness had to be viewed in a broad perspective. The failure to implement recommendations in a particular case has to be measured against SARC's achievements in modifying and improving grievance procedures in the various units. That was what was held in 1976. Professor Bartman pursued the point.

He explained that from its inception through 1976 SARC heard seven appeals. It judged in favor of four of the faculty members appealing. In two of these four cases, the grievants had already left the university; hence, any willingness on the part of the administration to implement SARC's recommendations was rendered meaningless. In one of the other two, the administration offered a cash settlement, which SARC had not recommended explicitly, but may have played some role in obtaining. In only one case did the administration actually implement SARC's recommendation.

Since 1976 SARC has found in favor of four of the five faculty members whose cases have been heard. In one a financial settlement was offered but turned down. The grievant went to court instead and lost the case. In another case the SARC recommendations were simply rejected. The other two cases are pending. So far, however, responses have been negative.

Professor Bartman summed up SARC's record. In eight of twelve cases heard SARC found for the faculty member-grievant. In only one case, however, has there been positive implementation of SARC's recommendations. One explanation of this record, he said, may be found by consulting the Regents By-Laws. Authority for promotion and tenure is delegated to Department Chairmen and Deans. SARC's recommendations are advisory to the Deans who have the final authority. It is also the case, he went on, that when a grievant comes to SARC he has already exhausted the appeals procedure of his Department and College. Thus, while SARC procedures are informal, a quasi-adversarial atmosphere often develops because the parties to the case have in the course of many appeals assumed fixed positions. It is obviously difficult, he observed, to convince admini-

strators and executive committees that they have been wrong in cases that they have considered and reconsidered.

What change, he asked, would improve our situation? He cited some examples of changes that might be tried. The policy of observing confidentiality might be abandoned so that SARC's recommendations would at least have publicity. Or SARC's report might be made directly to the Vice President for Academic Affairs, who now receives but a copy of reports that go to the units. In this way the Deans might feel more pressure. The obvious drawback to this proposal is that it destroys the identification of SARC with faculty opinion, and the power of the faculty to act on its own behalf in matters of grievance. Perhaps, he said, SARC's recommendations can be made binding. Such a change, he concluded, would mean that SARC would have to be differently constituted. SARC now asks the Assembly for its advice, he said.

Professor Berg opened the discussion by asking for a description of the procedures of a SARC hearing. Professor Bartman then outlined SARC's procedures. First, there is a decision on whether a case deserves serious attention. If it is so judged, each party is asked to prepare a brief, which is then read by SARC and becomes the basis for communication with both parties. An opportunity for additional information is provided, and lists of witnesses gathered. Finally, there is the hearing itself. The hearing consists of statements of the case by both parties, both of whom may employ spokesmen. Members of SARC are then free to question the parties and witnesses. When SARC members are finished, the parties themselves are free to question each other and members of SARC. Finally, there are closing statements. The entire hearing, sometimes lasting many hours, is recorded on tape. After the hearing SARC meets for discussion, and is free to ask for more information and additional witnesses. Then the report is prepared. A draft is discussed by the whole committee and amended. Occasionally, there are minority reports. Reports and recommendations are then sent to the appropriate Deans.

Professor Juvinal said that the issue was too important for hasty decision. He noted, however, that in the past SARC had been less favorable to the grievants. Professor Corpron observed that an accurate picture would have to include the number of cases SARC turns down, which is a considerable number.

Professor D. Brown said that the most important problem was to see to it that SARC recommendations got a fair hearing in the administration.

Professor Hinerman then spoke in sympathy with the tenor of Professor Bartman's report. He said that in 1972-73 the Assembly had attempted to strengthen the work of SARC by adding unit representatives who were to help grievants with their problems. Apparently that move has been ineffective. It is a long road to get to SARC, and every year there seems to be a greater number of complaints. He thought the present condition of SARC reflected the general erosion of the rights and responsibilities of the faculty in the University.

Professor Elving suggested that a large part of the problem might be the increased layers of appeal that now exist. He asked, do we want all these layers and the extraordinary length of time it takes to exhaust them? He added that given the litigious nature of so much these days, there were a surprisingly small number of complaints. Maybe executive committees should be credited with doing their job well.

Professor Friedman said that he doubted that the number of complaints to SARC represented more than the tip of the iceberg. Professor Rabkin said that an important deterrent to going to SARC is the fear of endangering one's reputation in the profession. Professor Tonsor, dismayed, wondered if the governance of the University was going to pass into the courts.

Given the importance of the issues raised, the Assembly decided to give further discussion of them a prominent place in the February meeting.

ADJOURNMENT

Adjournment came at 5:40 p.m.