

THE UNIVERSITY OF MICHIGAN

SENATE ASSEMBLY

Minutes of Regular Meeting, February 18, 1980

ATTENDANCE

Present: Ackley, Barnett, Baumgarten, Berg, D.B. Brown, D.R. Brown, Browne, Corpron, Dingle, Dixon, Holbrook, Fowler, Frost, Gay, George, Gordon, Hilbert, Edwards, Hinerman, Holland, Hungerman, Juvinall, Kelsey, Kirkpatrick, Koran, Lindberg, Rinne, McClendon, Naylor, Parkinson, Portman, Bacon, Rush, Scarse, Senior, Sinsheimer, Tilly, Outcalt, Trojan, Verhey, Vinter, N. White, Wynne.

Absent: Adbel-Massih, Bishop, M. Brown, Burdi, Carpenter, Cohen, Cooper, Dabich, DeKornfeld, Eckert, Fearn, Friedman, Meisler, Gray, Groves, Gull, Lynch-Sauer, Millard, Morley, Nagy, Nisbett, Porter, L. Powers, Tek, Romani, Rowe, J. White.

Guests: Cecil Nesbitt, Charles Overberger.

MINUTES

The minutes of the Senate Assembly meeting of January 21, 1980 were approved.

ANNOUNCE-
MENTS

Chairman Corpron informed the Assembly that the list of candidates for Vice President for Academic Affairs has been delivered to President Shapiro.

Professor Corpron announced that budget conferences will be held at schools and colleges from March 15 through April 15, 1980. A member of the Budget Priorities Committee will attend each conference.

The chairman informed the Senate Assembly that SACUA has continued its discussion on the Graduate and Professional Student Financial Aid Service (GAPSFAS) with Acting Vice President Sussman.

REPORT OF
CESF
PENSION
SUBCOMMIT-
TEE PROF-
ESSOR
CECIL J.
NESBITT

Chairman Corpron introduced Professor Nesbitt, Chairman of the CESF Pension Subcommittee, who reported on the subcommittee's analysis of the adoption of merged gender actuarial tables by TIAA-CREF.

Professor Nesbitt reviewed highlights of the subcommittee's report (the work also of Professors Gardner

Ackley and Beth Reed). The impetus for forming the subcommittee was a series of court decisions as well as federal and state legislation prohibiting the use of sex-specific annuity tables for members of group annuity plans. Professor Nesbitt described for the Assembly:

- (1) the nature of TIAA's guarantees with respect to annuity payments;
- (2) TIAA's right to modify payments upon proper notification;
- (3) the estimated impact on various annuity options by sex;
- (4) the prospective nature of the changes, i.e., that the merged gender tables would apply to contributions made to TIAA only after the adoption of the new tables.

Finally, he pointed to the recommendation of the subcommittee:

The subcommittee recommends that CESF inform SACUA that it endorses the proposal of TIAA-CREF to apply a merged gender mortality table to equalize annuity incomes from similar future premium payments by males and females of the same age. Thereby a gradual transition to the new basis will result. It also recommends that a CESF subcommittee be charged with maintaining review of TIAA-CREF's experience on the new basis, and of developments in the courts and governmental branches relative to such equalization.

Following his presentation, Professor Nesbitt called for comments and questions.

Professor Naylor asked what had happened to the possibility of having a "cash-out" provision at retirement. Mr. Allmand responded by explaining that institutions in Michigan have considered "cash-out" and "roll-over" concepts but did not favor them because of legal and transfer problems. He noted that cashing the retirement annuity would cause an unfavorable tax burden for the annuitant. Consideration of such an option was discontinued when TIAA-CREF developed its merged gender mortality table plan.

Professor Naylor then asked if the New York Insurance

Department approves of the change to the use of merged gender mortality tables, will we have any choice but to accept such a change? Professor Nesbitt replied that if we stay with TIAA, we will have to abide by the decision.

Professor Dingle expressed his strong opposition to accepting a retirement plan that uses a merged gender mortality table. He felt that such a plan is discriminatory against males. He did not see how the use of the merged mortality tables could be "balanced" when a woman would receive the same amount of income for three months that a man would receive for two months. Professor Nesbitt noted that many retirement plans already provide equal benefits for men and women. He mentioned Social Security as an example. Professor Juvinall agreed with Professor Dingle that the suggested change in TIAA will result in bias against males. He suggested that if the committee's recommendation was approved by Senate Assembly, an amendment be made to demonstrate our concern about the discrimination against males caused by the use of merged mortality figures.

Professor Hungerman disagreed with the suggestion that all males would be discriminated against under the proposed plan. She understands that 8% of men have shorter lives, 8% of women live longer, leaving an 84% overlap group of men and women. All men in the 84% group are at an advantage under a segregated mortality plan, whereas women in the 84% group are disadvantaged. It is not true that all men have shorter lives.

Professor Tilly felt that because the pension plan is a social, not an individual plan, it is more equitable to use merged gender mortality figures. She pointed out that other staff benefits, such as group insurance, already use merged mortality tables, which disadvantages women since they pay the same rates for a relatively smaller pay-off.

Professor Gordon expressed his understanding that it is legally impossible to treat individuals on the basis of gender, so that a group retirement plan cannot use sex or race in determining benefits. Therefore, the changes in the TIAA program for the use of merged mortality figures is not discriminating against men.

Professor Berg noted that the mortality tables are based on the entire population. He asked if there are

other figures more appropriate to our population such as college professors versus total population. He also inquired as to whether TIAA had investigated the effects that would have occurred if merged gender mortality tables had been used in the past. Professor Nesbitt said that TIAA uses now and will use modifications of tables which reflect the mortality experience of their subscribers--not the entire U.S. population.

Professor Gordon made the motion that Senate Assembly accept the recommendation of the CESF Pension Subcommittee. The motion was supported by Professor D.R.Brown.

Responding to the call for discussion, Professor Dingle reiterated his objections to the recommendation on the basis of his opinion that it discriminates against males. Professor N. White commented that Professor Gordon's earlier statement about the illegality of treating individuals on the basis of gender may not be supported by constitutional law.

Senate Assembly voted to accept the subcommittee's recommendation with two dissenting votes.

THE RE-
SEARCH
ENVIRON-
MENT AT
THE
UNIVER-
SITY
OF MICHIGAN--
VICE
PRESI-
DENT
CHARLES
OVERBER-
GER

Chairman Corpron introduced Charles Overberger, Vice President for Research.

Vice President Overberger began his remarks by reviewing his personal background in research. He mentioned that he is currently involved in research and teaching graduate students while serving as Vice President for Research. Therefore, he has the same problems as other faculty members do in association with writing proposals and handling funds from governmental agencies that support graduate and postdoctoral research.

Mr. Overberger believes that the drive for stimulating research must come from within the individual. The University, in turn, must provide suitable conditions, equipment, and a teaching load that does not overtax an individual so that he or she cannot undertake research. He stated that he is interested in providing a healthy research environment, which is an integral part of the goals of a major research university such as ours.

An ideal research environment is difficult to attain at any university, but a great deal of attention

by the administration and faculty working together is needed to reach toward this goal. It requires understanding on the part of administrators and faculty members to identify the key issues.

The Vice President commented on non-supported research activity. He said that all Michigan faculty members are expected to engage in some research. His office is aware that more attention is needed for persons who carry out research on their own.

Mr. Overberger noted that in the 1960's the University's research efforts leaped forward in many areas, with an emphasis on the social sciences. The physical sciences, however, were somewhat neglected because the University failed to provide adequate facilities and equipment. This lack of support is now evident in the physical and natural sciences, and to a lesser extent in the engineering sciences. This situation must be improved upon to maintain the University's reputation for quality research with our peer institutions. The Vice President assured the Assembly that this matter is receiving the highest priority by his office and the central administration.

Mr. Overberger then reviewed what has been done to increase the amount of resources that the University is providing for research in departments, institutes, or research centers, during his eight years in the position of Vice President for Research.

1. Return of Indirect Costs. The Committee on Budget Administration has agreed to release about \$1,400,000 in indirect cost return to units that generate both direct and indirect cost from sponsored research. These monies do not come from the General Fund. As research volume increases, the amount of returned funds should increase.
2. Incentive Scheme. Units which avoid overruns on research contracts receive additional funds.
3. Tuition Grants. Tuition is now paid for research assistants as it has been for teaching assistants.
4. Research Maintenance Accounts. Arrangements were made to establish the research maintenance

account (general funds category), the monies coming from indirect costs. These monies are distributed at the discretion of the Vice President's office to help faculty and staff through difficult periods of funding, special equipment, and release time.

5. Programs to Stimulate Research. Among the several programs that have been carried out through Mr. Overberger's office to stimulate research, he outlined the release-time concept where funds were provided to stimulate activity in proposal preparation or for faculty members to "write-up" data and publish. Eleven research proposals have been prepared and submitted through this effort.
6. Preliminary Research Grants. It has been found that the provision of relatively small grants (i.e., \$2,000-\$7,000) to faculty researchers has been useful in promoting research, and that this program has resulted in very large programs being initiated which receive funding from outside agencies. The Vice President feels that more discretionary funds are needed for this program.
7. Support for Research Equipment. Funds have increased in the last few years for the purchase of research equipment.
8. Stimulation of Interdisciplinary Research. The office of Vice President for Research has made efforts toward stimulating activity in areas which tend to be broad interdisciplinary areas of interest. As an example, Mr. Overberger cited the new office of Energy Research.
9. Office of the Study of Automobile Research (OSAT). The College of Engineering, has set up an office of the Study of Automobile Research (OSAT), which has been created to take advantage of a large program to be funded by the federal government in conjunction with the large automobile companies primarily in Michigan. This program has been strongly supported by the office of the Vice President for Research.
10. Central Computing Facility. Mr. Overberger explained that the Computing Center has in the

past, and will continue to receive the highest priority regarding financial support in order to provide the best possible service for researchers. He mentioned that over 65% of the funds used to operate the Center are generated from grants and contracts.

Vice President Overberger then discussed the classification of primary research groups. He mentioned that primary researchers have been taken out of the professional and administrative structure and undergo peer review for hiring and promotion. This gives them stability. This is not an attempt to force people into tenure-like situations. Mr. Overberger announced that an interim handbook for primary researchers will be published soon.

Vice President Overberger believes that his office has been very active and has made every effort to provide a dynamic research atmosphere and provide research incentives which are beneficial for the faculty and staff. To close his presentation, the Vice President listed the primary objectives for future endeavors which should improve the research establishment and goals of the University in both teaching and research.

1. Increase indirect cost return, based on the incentive principle, to units that generate the direct and indirect costs.
2. Give greater recognition of research done by non-supported faculty, or to those who have only the support of small grants from the University.
3. Development of a program to support departmental research administration based on an incentive formula. (Such a program is being planned but it is difficult to find equitable schemes).
4. Increase discretionary funds for research maintenance.
5. Increase support in the physical and natural sciences, particularly in facilities and equipment.
6. Increase the amount of preliminary research money.

7. Receive the continuing input of interested faculty to provide administrators at all levels with an understanding of faculty interests and concerns.

In closing, Mr. Overberger commented on the Research Policies Committee. He feels that the committee has been effective and is Senate Assembly's best mechanism for conveying its concerns and needs of the faculty in the area of research.

Vice President Overberger thanked the Assembly for their attention and called for questions and comments.

Professor Senior pointed out that although there are positive aspects about the research environment at the University, we are losing ground in sponsored research because of the increasing amount of paperwork. In his opinion, some of this paperwork is required, "in the guise of fiscal responsibility". He noted that by the end of a contract, it is possible to have generated more administrative paperwork than technical information. This may decrease motivation for becoming involved with sponsored research.

Vice President Overberger said that most research universities in this country are trying to fight this. He said that there is no way to defy the system and continue to accept money from the government.

He informed the Assembly that there will soon be a new form that the faculty will be required to complete which will be an account of time, and even include changes that occur during the year. This is called a monitored work-load system. Mr. Overberger is sympathetic with the feeling of "stifling" due to excessive paperwork, but stated that we must live with it.

Professor Naylor asked Vice President Overberger to comment on the Duderstadt Report. Mr. Overberger replied that it was a stimulating report, but that he does not agree with all of its contents. For example, he takes exception to the report's claim that the total amount of research on this campus has decreased. He said that all data supports the fact that the statement is not true.

Professor Naylor asked Vice President Overberger

to explain his quotation, "Indirect cost funds do not cover all costs for research".

Mr. Overberger explained that many grants do not supply indirect costs. The University receives only about 75% of costs for indirect support for research. He said that the University does not discourage persons from accepting funds from agencies that do not provide indirect costs.

Professor Senior said that he feels the researcher is assaulted from two directions, the sponsor and the University. He asked if there is any way the amount of administrative work on grants can be decreased.

Mr. Overberger explained that the Federal Fund Accounting office is currently short on staff and this increases the problem. More accountants are needed.

Professor Hilbert asked if he understood correctly that this situation will become worse soon. The answer was, "Yes, faculty effort reporting will become more involved".

NOMINA-
TIONS
AND
APPOINT-
MENTS

The following nominations and appointments were unanimously approved by the Senate Assembly.

ACADEMIC AFFAIRS
Thomas Senior

CIVIL LIBERTIES BOARD
Patricia Moll

BOARD OF DIRECTORS OF THE UNIVERSITY CELLAR
Fred Shure

HONORARY DEGREES COMMITTEE
C. Paul Bradley

UNIVERSITY COMMITTEE ON BROADCASTING
Marianne Fearn

RULES COMMITTEE
Louise Tilly

PROPOSED
REVISION
OF
REGENT'S
BYLAW
SECTION
7.01

A proposed revision of Section 7.01 of the Regents Bylaws concerning the Committee on Communications was approved unanimously by the Senate Assembly.

COMMITTEE ON COMMUNICATIONS

(1) At any time the President of the University determines the need for a Committee on Communications for the purpose of providing visible channels of communication on any subject or for stimulating discussion of controversial subjects, or for the purpose of promoting discussions when disagreements arise among various segments of the University, he may create such a Committee, using the structure set out below, and may provide for such clerical assistance and facilities as seem appropriate. Should any segment of the University fail to select members in a reasonable time, the President may appoint such members.

(2) Structure. The Committee shall be composed of:

(a) Two students, appointed by the Senate Assembly from a list of four nominees submitted by Student Government Council and representing at least three different colleges;

(b) Two faculty members, appointed by Student Government Council from a list of four nominees submitted by Senate Assembly and representing at least three different colleges;

(c) Two administrators, appointed by the student and faculty members of the Committee from a list of at least four nominees submitted by the President of the University and representing at least three different colleges or administrative units; and

(d) Vacancies shall in all cases be filled in the manner prescribed above.

OLD
BUSINESS

There was no old business.

NEW BUSI-
NESS

Professor Barnett asked about the progress of the 1979-80 Faculty Directory.

Senate Assembly Minutes of 2/18/80
Page Eleven

Chairman Corpron said that it is his understanding
that it will be available soon.

ADJOURNMENT The Assembly adjourned at 5:00 p.m.

Charles C. Kelsey
Senate Secretary