

Minutes of 16 April 2001
Approved 24 September 1 2001

**THE UNIVERSITY OF MICHIGAN
SENATE ASSEMBLY MEETING
MINUTES OF 16 APRIL 2001**

ATTENDANCE

Present: Antonucci, Brown, Burdi, Burns, Drach, Dunkle, Fisher, Green, Guthrie, Harrington, Karr, Ketefian, Lindner, Lubeck, McDonagh, Merchant, Navvab, Perfecto, Powell, Reisch, Riebesell, Robertson, Rosenthal, Rush, Scheiman, Sheil, Uribe, Ward, Yakel

Alternates:

Absent: Alcock, Anderson, Andrews, Atreya, Bhavnani, Bonner, Boyd, Brophy, Brusati, Clark, Deskins, Dick, Erickson, Faerber, Gobetti, Greenberg, Hart, Hills, Jacobsen, Juster, Kalisch, Karni, Karnopp, Malkawi, Marcelo, Masson, Mateo, Moseley, Murphey, Ni, Papadopoulos, Peterson, Rocchini, Savage, Sears, Sedman, Taghaboni, Taylor, Trumpey, Vicinus, Watkins, Winger, Wingrove, Wright, Yeo

MATERIALS DISTRIBUTED

1. Senate Assembly agenda
2. Draft minutes of the Senate Assembly meeting of 26 March 2001
3. Item for Action, dated 16 April 2001
4. Ann Arbor Grading Policy ñ Survey in process

Chair Navvab convened the meeting at 3:30 P.M.

VISIT OF EVPMA OMENN

Chair Navvab introduced Executive Vice President for Medical Affairs G. Omenn. The EVPMA greeted the Senate Assembly and stated that he would report about three areas within his sphere of responsibility.

A. Life Sciences. The EVPMA reviewed activities associated with the 11 April 2001 kickoff event of the Life Sciences Institute. He said that development of a Life Sciences

curriculum is well underway, and that the foundation is presently being poured for the Institute building. He said that space requirements for the health science faculty continue to grow, and that faculty from the Neuroscience building now will have to be relocated. Omenn said that State of Michigan investment in the Life Science Corridor is linked to the educational and economic strength of the State.

B. U-M Hospital and Health Sciences Schools. The EVPMA reported that regular meetings occur between the deans of the health science schools and U-M hospital administrators. He pointed out that the professions of nursing, pharmacy and dentistry all appear to consist of aging cohorts, and that new recruitment is a current challenge. He added that the application pool for medical school students also appears to be declining at the national scale, and that declines are more severe among underrepresented minorities. The EVPMA stated that cost-related pressures continue to increase within the hospital system, and that he has been advised to plan for an 11% increase in costs next year. He added that the hospital budget is in line with projections for the current year, and is operating in black ink. He also said that collaborative health partnership agreements with both Ford and General Motors were proving successful. He said that M-Care was likewise operating in black ink.

The EVPMA reported that health system administrators had recently concluded a 4-year contract with the nurses' collective bargaining union and had avoided any strike or work disruptions.

C. Space. The EVPMA stated that both he and School of Medicine Dean Lichter were concerned about space requirements, and that some combined clinical and research programs were feeling squeezed. He said that he foresaw the need to build a replacement for the U-M C. S. Mott Children's Hospital.

The EVPMA concluded his remarks at 4 P.M. Chair Navvab invited questions from the floor. Professor Brown inquired how future economic conditions would affect budget strategy. The EVPMA replied that the Life Sciences Institute building is being constructed without any debt, and that curricular programs are being endowed with funds from the office of the president. He said that Life Sciences faculty will be required to generate at least 50% of their salaries from grants. He stated that funding was being assembled for a future Biomedical Research Building. He explained that the Dean of Medicine has made arrangements with the clinical chairs for portions of their future revenues, and that additional funding was expected to come from indirect costs on grants. In addition, he said, his office would supply some funding and the additional money would be raised by borrowing.

Omenn stated that he makes the assumption that grant funds will be sufficient to support projected growth. He pointed out, however, that administrators have discovered that for each FTE faculty appointment, the institution has to pay between \$40,000 and \$60,000 per year amortized over the life of the appointment for expenses that can not be charged to grants, including recruitment and setup expenses. He said that in de facto practice, the Medical School is financially self-sufficient. Omenn said that the biggest source of funds

was the NIH, which he said is in the midst of doubling its budget, with the final target expected in 2003. He pointed out that if projected federal budget surpluses are spent in advance on tax cuts, future growth will be affected.

Professor Perfecto commented that Omenn had not mentioned links to private industry. She asked whether guidelines are in place to protect the integrity of scholarship. The EVPMA replied that there has been active discussion about intellectual property in the development of the Life Sciences corridor. He said that the role of industry in the LSI building will be minimal, and that the building is meant mainly for basic science. He said that although the Medical School has an office for technology transfer, there have been relatively few historical patents from universities nationally that yielded large payoffs. He said that patents were only as good as the millions of dollars used to defend them. He suggested another model, whereby corporate partners support research at the university laboratories. He stated that good partnerships with the private sector are important to the credibility of the programs supported by the State, and that they are a condition of State support.

Professor Ketefian remarked that large numbers of nursing faculty across the country will be retiring in the next 3 to 5 years. She said the shortage is compounded by the fact that nurses tend to enter doctoral programs later in life than people do in other fields. Professor Ward commented that the shortage seems to be part of a cyclical phenomenon. EVPMA Omenn responded that in the past there was always a large reservoir of nurses who were inactive temporarily, but that the reservoir now seems to have disappeared.

Chair Navvab asked Omenn to comment about the availability of stipends for students in the Medical School. Omenn replied that the M.D./Ph.D. program is handsomely supported, and that Merck Chemical Co. will provide substantial additional funding. He added that M.D. students receive support based on financial need. Navvab asked how building maintenance costs were budgeted. Omenn replied that the costs are part of the medical system budget. He pointed out that the medical system receives General Fund revenue. Professor Burdi pointed out that the Medical School has become much involved in offering research experience for undergraduate students. Omenn responded that a new program offered within the Living-Learning domain would partner LSA with the health science schools in offering additional opportunities for undergraduates.

Professor Rosenthal asked the EVPMA to comment about the trajectory of prescription drug costs and potential responses to it. Omenn said that direct marketing to consumers is a recent development that is affecting the situation. He added that drug pricing is tremendously obfuscated owing to marketing practices by pharmaceutical companies that include bundling drugs by maker, rebates to Pharmacy Benefits Managers, and other tactics. He said that physicians are now being informed at the U-M hospitals about the costs of prescriptions to their patients and to the health system. He stated that price controls on companies will not work politically. He said that one approach being tried is to provide a lot more information about costs to both prescribers and patients.

The guest left the meeting at 4:45 P.M.

CONSIDERATION OF THE MINUTES OF 26 MARCH 2001

The minutes of 26 March were approved.

FACULTY APPEAL PROCEDURES

Chair Navvab introduced former Senate Assembly Chair L. DiAlecyc and invited him to outline proposed changes in the Faculty Grievance procedures. Professor DiAlecyc informed that Senate Assembly that current policy has weaknesses in that the decisions of Grievance Review Boards (GRB) are not determinative, and that they prove non-functional because of conflicts of interest. He explained that often the GRB recommendations are made to the administrator who is already the respondent in the case, making the administrator both defendant and judge. He pointed out that the faculty had achieved some improvements in the present policy, such as the incorporation of time limits for administrative response, and oversight of the timing through the Senate office, but that existing deficiencies required that the process be revisited.

Professor Burdi commented that aggrieved faculty could appeal the decision of their judge/respondent to the Provost and force an explanation for the decision. Professor DiAlecyc replied that the lopsided situation caused many faculty to reason correctly that the deck was stacked against them. Professor Ketefian remarked that she had seen rancor spread within a unit because of a grievance issue between two faculty. Professor DiAlecyc pointed out that the case described by Ketefian was not the type at issue. He said that the Faculty Appeal Procedures are designed to permit faculty to challenge the actions of, for example, a chair or dean.

Professor Burdi stated that he regarded the issue as tantamount to proposing an amendment process, which he said had adequate precedent within university policy. Professor Riebesell asked whether documentation exists about the numbers of grievances in the past. Mr. Schneider replied that data exist in the Senate office.

Chair Navvab called for a straw poll of the attending Senate Assembly members to ascertain the degree of support for continuing actions by SACUA over the summer months aimed at amending the policy. All but one of the attending members signified their support by raising their hands.

POLICY ON CHANGE OF COURSE GRADES

Chair Navvab reported that the Faculty Senate office was conducting a survey of campus grading practice because SACUA has received complaints that grades are occasionally changed without knowledge or consent of the faculty who awarded the original grades. Navvab stated that both the president and the provost have denied that any such actions could happen. He asked that Assembly members notify SACUA if they know of any cases of grade changes without faculty knowledge. Professor Ketefian pointed out that there are occasional cases when faculty fail to observe grading policy requirements.

Chair Navvab replied that he understood such cases, but that he was referring to different circumstances wherein the grades were entered properly, but were changed later.

OLD BUSINESS

There was no other old business.

NEW BUSINESS

There was no new business.

The meeting adjourned at 5:10 P.M.

Respectfully submitted,

John T. Lehman

Senate Secretary

University of Michigan Bylaws of the Board of Regents, Sec. 5.02:

Governing Bodies in Schools and Colleges

In each school, college, or degree granting division of the University, including those at the University of Michigan-Dearborn and at the University of Michigan-Flint, the governing faculty shall be in charge of the affairs of the school, college, or division, except as delegated to the executive committee, if any, and except that in the School of Graduate Studies the governing board shall be the executive board, and in the Medical School shall be the executive faculty.
