

THE UNIVERSITY OF MICHIGAN
SENATE ASSEMBLY

Minutes of Assembly Meeting, October 17, 1977

ATTENDANCE Present: Members Aupperle, Barnett, Bornstein, M. Brown, Browne, Butler, Caldwell, Christensen, Cooper, Corpron, Crichton, Diamond, Dingle, Downen, Elving, Fowler, Gay, Gordon, Gray, J. Harris, R. Harris, Heers, Herbert, Hildebrandt, Hungerman, Jones, Kaplan, Kish, Leary, Livermore, Merte, Morley, Naylor, Saxonhouse, Portman, Gedney, Romani, Schanck, Shannon, Simonds, Sinsheimer, Tilly, Tonsor, Votaw, Schulze, Lehmann

Absent: Angus, P. Jones, Olken, Uttal, B. Cohen, P. Cohen, Coon, A. Edwards, O. Edwards, Fekety, Gelehrter, Juvinal, Lindberg, Millard, Penner, Proctor, Wight, Stross, Trojan, West, White, Winans, Northcutt

Guest: Professor William Neenan, Chairman CESF

CALL TO ORDER The meeting was called to order at 3:15 p.m.

APPROVAL OF MINUTES The minutes of September 19, 1977 were approved without change.

ANNOUNCEMENT The next meeting of the Assembly will be followed by a meeting of the Senate. There will be a preliminary report by the Tenure Committee.

COMMITTEE ON COMMUNICATIONS The Assembly elected Robert Cutler and Heidi Oottfried, as student members of the Committee.

REPORT OF THE CHAIRMAN OF CESF Professor Neenan divided his remarks into two parts: a review of the highlights of the Committee's work during 1976-77, and a summary of the rationale for the compensation request for 1978-79. He thanked Olivia Birdsall, Research Associate of CESF for her work in preparing the Committee's report, a report that included new data and commentary, and that, he felt, was considerably improved.

He began his review by citing the fact that last year the University funded distinguished professorships for the first time. The University also funded thirty-six faculty projects through the Center for Research on Learning and Teaching. The dollar amounts employed in these programs were perhaps not great, but their funding shows proper sensitivity. The programs represent ways of increasing faculty morale.

CESF studied and reported on the impact of faculty salaries on collective bargaining. Neenan acknowledged that the study was circumscribed by time considerations, but suggested that longer study would probably not have changed its conclusions. The data, especially data that compares collective bargaining with other forms of faculty salary negotiations, are quite limited.

The data such as they are, permitted two inferences: 1) that in the first year of a collective bargaining contract faculty salaries increased slightly more than they might otherwise; and 2) that the discrepancy tapers off after the first year.

He pointed out that in preparing this year's report new data were collected on compensation for primary researchers, librarians, and curators.

A final important topic discussed over the year was the establishment of a Health Maintenance Organization. Dean Wegman's report on the feasibility of an HMO here was generally favorable, and CESF thinks it ought to become an alternative health plan for the faculty. The Administration is studying it sympathetically. Professor Ralph Loomis and the ad hoc committee for HMO deserves most of the credit for spurring interest in the plan.

Neenan explained that CESF sees the HMO as part of a larger program of flexible benefits, which the Administration ought also to consider. There are few paradigms for this concept in academic life, but CESF has studied one in place at the ETS in Princeton. The concept of flexible benefits is simple. It comprises a "core" which all subscribers use, and a series of options. Each member may choose options up to a certain fixed dollar limit. Neenan then explained that two major problems have arisen. First, adverse selection of certain options may have the effect of raising the cost of those options. Second, if there are too many options, the IRS may decide that some are not allowable fringe benefits and hence treat the money as income. Despite these problems, Neenan concluded, CESF urges the University to adopt a limited form of flexible benefits.

He then turned to the compensation request for 1978-79. He thought it was too harsh to say that the Administrations's attitude to CESF requests over the years has been indifference. Yet, the fact that the Administration has been favorable to the request for several years has not led to actual improvement in compensation. We received 5% in 1976, a figure that was below the rate of inflation, and meant that we lost in real income. Last year we thought that because the Michigan economy had bottomed out, our fate would be better. We asked for 11.5%. The legislature voted us 9.8% and tuition was raised by 8.5%, resulting in a 9.1% increase in the General Fund. Still, faculty compensation averaged an increase of only 5.75%. The rise in energy costs has been blamed.

Relative to our peer universities, our position has been deteriorating. The average compensation increases for the two years for our peers have been 7.2 and 5.6%. We have fallen more than two points behind. In preparing our request for this year we did not, however, restrict ourselves to peer comparisons. We examined also grades 12, 13 and 15 of the

federal civil service. The percentage increase for GS 12 (equivalent to assistant professor) between 1972 and 1977 has been 2.5% per year higher than ours. In addition, GS 12's receive step (merit) increases over and above the annual increment. They are, as it were, walking up an escalator.

The CESF request for 1978-79 is based on a two-part formula. One part is a maintenance factor. The average increase for our peer universities has been figured as 7%. Add to that a shortfall figure of 1.25% to represent the erosion of this year. We then arrive at a maintenance figure of 8.25%. The other part of the formula is restoration factor. Using the Civil Service as a peer group, we compute a shortfall of 12.9% over the last five years. Because restoration of the entire amount would be too difficult in a single year, one-third of the amount only, or 4.3%, is taken as the restoration factor. Hence the total request is for 12.55% (8.25 maintenance, 4.3 restoration). This is the figure the administrative officers have accepted and will recommend to the Regents.

Professor Neenan now called for questions and comments.

Elving said that he appreciated these reports, but was perturbed by the discrepancy over the years between the request of the Committee and the actual budgets finally approved. The faculty seems regularly to get one-half of what it asks for; why not, then, ask for 25% if we wish to receive 12.55%. The Regents appear to buy the report every year, but then fail to allocate what the report asks for. Finally, Elving asked, what can the faculty do to improve this situation.

Neenan responded by first explaining that data exist on the discrepancy between what is requested and what received. He then said that in his view the responsibility of CESF was to make the facts of the faculty's economic status as clear as possible, and make recommendations that stated what is required to keep a quality university. When the Regents adopt CESF recommendations they are also adopting the strategy of stating what is needed to maintain quality. In other words, politics does not enter into the request. In the political arena, in Lansing, the University may be able to exert pressure, but the faculty itself can do little.

Elving then lamented that it seems that one has to reach the equivalence of a strike before recognition of needs is granted.

Neenan, in response, offered some consolation. A growing dissatisfaction among faculty may well influence the behavior of the University--whether in its presentation in Lansing or in its internal allocation. It may encourage the tapping of other than public sources of income, the launching of another capital funds drive.

Gordon asked if it were possible that the Regents might commit themselves to a goal of restoration--for example 12.9% above maintenance over three years. Neenan doubted it because the annual cycle of the budget makes long-term commitments difficult. If a contingency were to arise that conflicted with the commitment, there would be no choice but to handle the contingency.

Gordon objected that the departments and units of the University were asked to file five-year plans. Couldn't the same planning apply to the Regents? Neenan replied that five-year plans are not rigid. Departments scrap goals when new circumstances appear that make the goals irrelevant. He thought the best tactic for the faculty was to show its dissatisfaction.

M. Brown noted that the CESF report focuses on the maintenance of quality as crucial. Is the Administration making the legislature aware of the reality of this crisis? Is it as real to them as the energy crisis? Perhaps we can get money for utilities but not to maintain faculty quality.

Neenan replied that the legislative recognition of our utility costs was special. Our dependence on natural gas makes us significantly different from the other universities in the State--thus the special funds should be justified easily. Faculty compensation requests tend to be thought equally justified by the State's universities. It would then be difficult for the legislature to give our request special treatment.

Hildebrandt asked if CESF had considered realism as a strategy in making its request. For example, an 8% rise this year would be welcomed. Why ask for a restoration factor which we can not expect reasonably to gain. Neenan explained that many different strategies are considered in the Committee. The argument that has prevailed so far is that the Committee should make a justifiable but not a political request. In other words, the request must have a factual basis, but ought not to pretend to know political realities. At the State level our request competes with requests for funds from totally different areas of the State's economy. Political activity properly belongs there.

Romani wondered if we might not have better articulation of our share of what the University receives from Lansing. Can we influence allocations at various levels of the University? Neenan thought that many faculty do not understand how allocations are made. CESF urges that faculty should be informed about what happens to allocations in their units.

Romani continued, however, to stress that critical judgments are made when the appropriation comes from Lansing, and that it is then that the faculty needs to exercise some leverage. Neenan asserted that the Budget Priorities Committee is the vehicle for such decisions.

Romani then asked if the changes forthcoming in the amount of social security taxes had an important role in the CESF computation of its request. Neenan said the changes had not been estimated.

Kaplan then commented on the budget process in general. First, higher education funding as a whole is weak. It is politically weak in comparison to other constituencies claiming attention. Secondly, the State is moving towards formula funding. It seems that whatever formula is devised, and they keep changing, the position of the University inevitably slips.

Dingle asked if the legislature is convinced that the State needs a premier institution. He has seen little evidence of it in recent years. Perhaps, he said, it is time for the faculty to concentrate on supplying good reasons for receiving quality support.

Kish, observing the tables in the CESF report, asked what had happened two years ago in Minnesota that accounted for their jump in compensation. Neenan called attention to Table Six that shows Minnesota rate of growth in compensation over the past decade to have been consistently good. Nobody knew the source of their apparent good fortune.

Lehmann then called an end to the question period and thanked Professor Neenan for his work.

NOMINATIONS
AND APPOINT-
MENTS

The Assembly approved the following nominations:

Tenure Committee - Emily Cloyd - 3-year term
Charles Hucker - 2-year term
Richard O. Lempert - 2-year term
Stephen M. Pollock - 1-year term
William Uttal - 1-year term

State Relations - John Penner and Kenneth Ludema,
Committee both one-year terms

Student Relations - Thomas W. Downen - 1-year term
Committee

ANNUAL
REPORT OF
ASSEMBLY
COMMITTEES

The reports were distributed to the Assembly with the call to the meeting and Lehmann now asked for comments. He especially welcomed suggestions for discussion at future meetings.

Elving suggested that the Financial Affairs Committee might study the way allocations are made.

Corpron reported that the Civil Liberties Board recommendations on the student evaluation of teaching will be an item of future interest.

Naylor thought several items in the report of the Research Policies Committee were worth attention, e.g. tuition of graduate students, and indirect costs of research. Kaplan explained that two procedural recommendations concerning the Review Panel for Classified Research were endorsed by SACUA. Naylor wished to hear more about them, and it was decided that implementation should await the appearance of the Chairman of Research Policies at the Assembly in the near future.

Caldwell asked if the Budget Priorities Committee might become a regular committee of the Assembly. Lehmann responded that the matter has been frequently considered in SACUA. This year SACUA liaison members were appointed to Budget Priorities and Program Evaluation for the first time. This will guarantee a flow of information. Because the chairmen of those committees have always been willing to speak to the Assembly and provide reports, we have had no problem with communications. The problem if it exists, is of authority, and here we are on uncertain ground. The Committee is only partly made up of faculty and could not be made an Assembly committee without changing its constitution.

NEW
BUSINESS

Lehmann now introduced Professor Gordon who has raised the issue of poor attendance at Assembly meetings. Gordon explained that we weaken our voice and position by low attendance. He suggested two possible mechanisms: 1. to give attendance reports to the Deans; 2. to report attendance to the constituencies. He preferred the latter. He recognized also the possibility of making continual absence tantamount to resignation.

Lehmann reported that average attendance over the last eighteen months has been 47, or about 65%. Elving supported both the suggestion that attendance be reported and the principle of compulsory resignation. Jones asked about the mechanism for appointing alternates used in LS&A, and Lehmann responded that it was satisfactory. Kish suggested that Mrs. Downs look into our procedures for dealing with absences and for appointing alternates. R. Browne supported Kish's suggestion and asked if there were uniform methods for reporting to the units. Lehmann replied that the methods of reporting were various. Votaw suggested that SACUA develop mechanisms for appointing alternates and report to the Assembly next month. Lehmann accepted the charge.

There was no more business, and the Assembly adjourned at 4:50 p.m.

Earl J. Schulze
Senate Secretary