

THE UNIVERSITY OF MICHIGAN

SENATE ASSEMBLY

MINUTES OF DECEMBER 16, 1991

ATTENDANCE

Present: Birge, Blair, Borgsdorf, M. Brown, Burdi, Chiego, Cole, Cowan, D'Alecy, Debler, Diana, Didier, Duell, Eggertsen, Gidley, Goepfinger, Green, Griffin, Gross, Hayashi, Helling (Alt Tosney), Hollingsworth, Jenkins, E. Jensen, Katehi, Koopmann, Kramer, Larson, Loveland-Cherry, MacAlpine, Marcelo, Montalvo, Mosberg, Mosher, Penchansky, Porter, Silverstein, C. Smith, Steneck (Alt Organski), Tinkle, Veroff, Vinokur, Warner, Whitehouse, Woods; Thorson, Schwartz, Schessler, Heskett.

Absent: Angus, Billi, Bord, A. Brown, Cameron, Cox, Crandall, Douthit, Fellin, Gazda, A. Jensen, Kabamba, Kimeldorf, Kunkel, Morley, Olson, Papalambros, Razzoog, Russell, Schwank, Schwartz, Senkevitch, Simpson, Stein, Tentler, Teske, Watkins, Wheeler, Woo, Yang.

MINUTES

The minutes of November 18 were approved as corrected.

ANNOUNCEMENTS

President Duderstadt will speak on "Science and Mathematics Education: The Federal Role" on January 21, 1992, at 7:30 p.m. in the Rackham Amphitheatre.

The members of the Faculty Legal Services Task Force are: Professors Bruce Frier (Chair), Elizabeth Douvan, Stanley Berent, and Kent Syverud.

There will be not be a Senate Assembly meeting on Martin Luther King Day.

JANICE JENKINS, SENATE PARLIAMENTARIAN

Professor Jenkins reminded the Assembly of several aspects of parliamentary procedures, including: a member must be recognized by the chair before he or she speaks; a motion can be amended; a member cannot speak more than twice on one issue. The Senate Assembly is a deliberative body and everyone needs to be given an opportunity to speak.

CHANGING TERMS OF SENATE ASSEMBLY

Professor Ejner Jensen motioned that, beginning in 1992, the terms of newly elected members of the Assembly would begin in September instead of May; the motion was passed unanimously.

DR. JAYNE THORSON, CHAIR, REPORT OF THE STUDY COMMITTEE
ON THE STATUS OF LESBIANS AND GAY MEN

Dr. Thorson described the composition of the study committee and its work. The study committee reviewed reports from other universities; sought comments, suggestions, and anecdotes from the broad UM community; and interviewed numerous UM students, faculty and staff. The study committee found both positive and negative aspects of the climate for lesbians and gay men at UM. Students are harassed and live double lives; some feared for their safety; some spoke of being ineligible for family housing; and some wonder what kind of impact their sexual orientation will have on their future. Similar experiences were described by gay and lesbian staff, and the lack of health insurance for partners and families was a major concern. Gay and lesbian faculty members are concerned about tenure, health insurance, and access to University services. There is a widespread perception that the University seems less serious about prohibiting harassment against lesbians and gay men than it is about prohibiting other forms of harassment. The University's silence on this issue sends a message that it is more acceptable to discriminate against lesbians and gay men. There is a need for statements from leaders at all levels of the University opposing discrimination on the basis of sexual orientation.

Professor Ejner Jensen made a motion to the Assembly which stated: "The Senate Assembly endorses the Presidential policy issued in 1984 which prohibits discrimination based on sexual orientation. We recommend that schools, colleges, and other units explicitly state their adherence to this policy in their official publications. Finally, we recommend that schools, colleges, and other units work to reduce discrimination based on sexual orientation and to create an environment free of such discrimination for all faculty, students, and staff."

It was clarified that SACUA and the Senate Assembly is not approving the report at this time.

The motion was tabled; and it was moved, seconded, and passed that the Assembly discuss the report.

Jenkins addressed the Assembly and stated that the document doesn't deal with those who disagree with the report's perspective. She described her views of homosexuality based on her religious beliefs. She stated that the document largely ignores that there are more than one point of view about homosexuality. She described the document as pure propaganda, i.e., homosexuality is ok. Jenkins asked how people who hold a different opinion reconcile their principles with the recommendations of the report.

Several of the assumptions presented by Jenkins were challenged by Porter.

Helling disagreed with Jenkins regarding the charge to the study committee and their recommendations. He drew some comparisons with the way society has treated black people and women. He is disappointed by the role of the University administration and the Regents in responding to the report.

Gross stated that some religions discriminate against women and the UM would not incorporate those values into this institution. He said that we need to make our own, secular assessment of this situation, and that this status report has been helpful in progressing towards an open discussion.

Borgsdorf stated that sexual orientation issues get to the heart of multiculturalism.

Montalvo stated that we need to focus on the basic rights due to all people.

Penchansky explained how SACUA chose what it saw as the key points of the report, and that it was not appropriate for us to deal with curricular issues.

Jensen's motion was untabled.

Montalvo offered a friendly amendment to Jensen's motion: the phrase "work to reduce" should be changed to "work to eliminate". The amended motion is: "The Senate Assembly endorses the Presidential policy issued in 1984 which prohibits discrimination based on sexual orientation. We recommend that schools, colleges, and other units explicitly state their adherence to this policy in their official publications. Finally, we recommend that schools, colleges, and other units work to eliminate discrimination based on sexual orientation and to create an environment free of such discrimination for all faculty, students, and staff." The motion was unanimously endorsed by the Assembly.

SACUA NOMINATING COMMITTEE

The Assembly members elected members of the SACUA Nominating Committee: James Diana, Peggie Hollingsworth, Al Burdi, Janice Jenkins, Marc Ross, and Leslie Tentler.

WILLIAM KELLY, VICE PRESIDENT FOR RESEARCH, ON RESEARCH OVERHEAD: INDIRECT COSTS

To show how the University of Michigan compares with other large institutions, Vice President Kelly showed a slide presenting the ranges of the overhead rates of 36 universities; the UM is now near the middle. Indirect cost rates are affected by geography, labor costs, having a Medical School, and the extent and qualifications of services offered via indirect costs. Policies about direct or indirect charging vary among universities, as do the ways federal agencies negotiate these costs. The overhead rate for the UM leveled off for a few years at 59% and has now decreased. The average indirect cost recovery as a proportion of the total research expenditures has leveled off at around 25%.

There have been recent Office of Management and the Budget (OMB) actions, and new definitions of what is and isn't allowable for indirect cost recovery. A committee has been formed consisting of faculty members and several people from Vice President Womack's office to assess these changes. The OMB has put a 26% cap on administration costs at all US universities, which will go into effect July 1, 1992. This will affect university research

volume, and will transfer costs from the government to universities. Smaller schools will have a less significant loss; the UM will be hit hard.

There are illusions that indirect costs are frills that have no relation to research. General and administrative expenditures are for support of the institution's general costs and are not frivolous costs. Less than 1% of all indirect costs at the UM have been questioned.

FARRIS WOMACK, VICE PRESIDENT AND CHIEF FINANCIAL OFFICER: INDIRECT COST RATE CYCLE

Under OMB Circular A-21, end of year costs are assigned to direct and indirect costs. There are space-related and administrative cost pools. Dollars are allocated to instruction and research. UM submitted proposals to Health and Human Services (HHS) for 1990: 60.22% for research, 75% for instruction, a 59% indirect costs rate. We negotiate our rate with the HHS, and that is applied to all proposals. We can expect greater scrutiny of expenditures in the future. A rate cap applies to general and administrative costs, departmental administrative costs, and sponsored projects. As a result of the 26% cap, the UM will receive about \$8 million less in administrative cost recovery. UM will revise its processes for depreciating buildings and equipment, and make other changes to recoup this cost.

QUESTIONS

Birge: Administrative costs at the UM are higher than some peer schools. Is it because we are not as creative or because we are more top heavy with administration?

Kelly: Earlier administrations focussed more on administrative costs. Departmental costs have been higher on the indirect side. Other institutions put these costs on the direct side.

Smith: How does a cap on administrative costs reduce our ability to get research dollars? The University should have an increase in funds available for research.

Kelly: Indirect costs go in to the General Fund, and the cap reduces flow of dollars into General Funds. The Shannon Awards (small grants for borderline proposals that fell short of receiving funding) have a 15% limit on indirect costs. The UM received 7 Shannon Awards. If we accept these awards it could be perceived that we were admitting that we don't really need our full indirect cost rate. The UM is accepting the Shannon Awards. A committee will confer with Womack's staff as to what will be the impact of changes and to help devise ways to communicate with the faculty.

Cowan: Do high research volume institutions have higher rates of indirect costs?

Kelly: Rates should level off.

Silverstein: What is the relationship of the 26% administration rate to the 59% overhead rate?

Womack: The total equals a loss of \$9 million or equals a 3% cut in state appropriations.

Penchansky: What is the relationship to funding sources other than federal agencies?

Kelly: Some foundations and agencies do not permit as high indirect cost recovery rates. If other agencies are forced to use the same rate, there could be very negative effects.

M. Brown: Could the University charge certain expenditures to a discretionary fund?

Womack: Yes, having accounts for unallowables could be problematic also.

OLD BUSINESS

None.

NEW BUSINESS

Dr. Marcelo asked if Dr. Brewer from Human Genetics could raise an item. The chair agreed.

Dr. Brewer began by saying the communication to faculty by administration is now like a corporation. For example, the Intellectual Properties Office (IPO) was reviewed in 1990 and had received an 80% approval rating by the faculty. Yet, there is a rumor that the administration is going to restructure the office. IPO has a faculty advisory committee, and they do not know what is planned. Dr. Brewer asked if it is true that the administration plans changes? Why was the faculty advisory committee excluded, and what is the rationale for the change?

Brewer also cited as an example the proposal for drug testing of new Medical Center employees. No discussion of any proposed policy has occurred.

Brewer then urged Senate Assembly to pass two separate resolutions to include faculty in the discussion of these matters: (1) "Since the IPO has a primary function of faculty service, and since its operations have been highly approved by the faculty, Senate Assembly requests that the Administration make no substantive changes in IPO until adequate faculty review has occurred." (2) "Senate Assembly requests that an employee drug testing policy not be implemented within the University until adequate faculty review has occurred."

Vice President Kelly agreed to respond to questions about these issues.

Brewer: Is it true that the Administration plans fundamental changes in IPO and that these changes have already been defined?

Kelly: It is true that changes are being planned in IPO, but they have not been defined. The survey of the IPO also recommended changes to improve staffing profile, better proactive communication, and more timely responses on patent filings. Duderstadt felt we needed to change the whole program; planning is continuing. I did not want to propose incomplete, unendorsed plans or to upset people in those units. There has been discussion with the deans, they identified faculty members interested in

technological transfer who were then consulted; visits to other institutions; and discussions with bankers and venture capitalists in Ann Arbor. There will be a pilot project in Engineering. There is only a general blueprint for changes and it will take 6-12 months before they are made. Jobs will stay, but duties will change.

Brewer: Shouldn't the faculty be consulted on the process? Why change?

Kelly: We seek to accelerate the process of transferring technology to society. Goldstein and Bole want to test the new process in Medicine.

D'Alecy: Was the primary theme to improve the state's economy?

Kelly: Yes. This is an agenda to help the state.

Smith: This is another example of how faculty have been removed from the decision-making process. I would like to put this on an agenda in the future for more in-depth discussion.

Penchansky: SACUA has been addressing the issue of faculty governance in light of changes of the administration's approach.

Diana asked if anyone wished to move action on either the IPO or drug testing issues.

Smith: This should be discussed further at the February Assembly meeting.

Montalvo requested that a January Senate Assembly meeting be held to discuss these issues.

[NOTE: A Senate Assembly meeting has been scheduled for January 27, at 3:15 p.m., Dental School, 1033 Kellogg.]

The Assembly approved Dr. Peggie Hollingsworth as a replacement for Professor Debler as a member of the Tenure Committee.

ADJOURNMENT

The meeting was adjourned at 5:25 p.m.

Respectfully submitted,

Diane G. Schwartz
Senate Secretary