

Minutes of 27 January 2014 Senate Assembly Meeting
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THE UNIVERSITY OF MICHIGAN
UNIVERSITY SENATE MEETING
SENATE ASSEMBLY MEETING
27 JANUARY 2014

Present: Adunbi, Alderstein, Gonzalez, Bradley, Biteen, Burrow, Campbell, Custer, Dolins, Fagerlin, Fiore, Fenno, Fraser, Garcia, Hayes, Hollingsworth, Jacobsen, Johnson, Jones, Larsen, Koopmann, Lim, Lehman, Masten, Mondro, Mora, Mutschler, Oey, Poulsen, Raphael, Rothman, Schloss, Smith, Staller (Chair), Swain, Szymanski, von Buelow, Wright, Ziff

Requested Alternate, None Available: Baker (LSA), Bayraktar (LSA), Cotera (LSA), Danziger (SocialWork), DiPietro (Medicine), Grosh (Engineering), Muehlberger (LSA), Nielsen(LSA), Swain (Medicine), Winful (Engineering), Wong (Medicine), Young (Engineering)

Alternates: Wraight (Ro-UM Dearborn), Kao (Nursing)

Absent: Adler, Atchade, Barolo, Brown, Cervetti, Christman, Friesen, Hershovitz, Holland, Katapodi, Kee, Kirshner, Lu, Mansfield, Mitchell, , Nevett, Odetola, Pandey, Primus, Princen, Prygoski, Ryan, Sarma, Shah, Silveira, Thompson, Trandafirescu, Turnley

MATERIALS DISTRIBUTED

1. Agenda for Senate Assembly
2. Draft Minutes of the 9 December 2013 Senate Assembly meeting
3. SACUA Nomination Ballot
4. Memorandum from F. Ulaby regarding Revised AST Plan issued by Provost Martha Pollack on January 13, 2014.

SENATE ASSEMBLY

Chair Staller convened the meeting of the Senate Assembly at 3:15 P.M. The proposed agenda was approved.

MINUTES

The draft minutes of 9 December 2013 were approved.

ANNOUNCEMENTS

1. Assembly members will soon receive three email messages from the Faculty Senate Office: (1) a request for award nominations (distributed item 3), (2) a request to volunteer or nominate candidates for Senate Assembly committees, and (3) a request to nominate candidates for election to SACUA.

2. Professor Olsen has resigned from SACUA, and therefore the Assembly will elect four members of SACUA this year, one of whom will serve a two-year term.
3. The next Senate Assembly meeting will be on 17 February 2014, and guests will include Chief Information Officer (CIO) Laura Patterson as well as the UM-Dearborn CIO. An agenda topic will be IT Rationalization, and Assembly members will have the opportunity to question the guests about the topic.
4. Guests today will be President Coleman and Tom Madden, the chief administrator now in charge of the AST initiative.
5. Three new Standard Practice Guides have been developed or are in the process of development: (1) professional responsibility, initiated by the advisory committee to the University Secretary committee in response to workplace bullying concerns; (2) fitness for duty policy, still in draft form; (3) safety of minors on campus.

VISIT OF UNIVERSITY PRESIDENT

The guest arrived at 3:35 P.M. The president noted that Dr. M. Schlissel has been named president-select with a term commencing 1 July 2014. She said that there will be 6 months of overlap in order to effect a smooth transition. She said Dr. Schlissel has already expressed his interest in working with faculty governance.

AST-

The president invited Tom Madden to address the topic. Mr. Madden said that he believes AST is an important strategic initiative for the UM, although it will be difficult and a significant shift for the campus. He acknowledged missteps, and said that the project is being re-evaluated. He said that Professor Mark A. Burns from the College of Engineering is serving as faculty advisor and co-lead on the project.

Phase 1 will involve centralizing two business processes, accounts payable and accounts receivable. The target date for completing Phase 1 is July. Mr. Madden said that these processes are expected to have the least impact on faculty; the goal is to experience no loss in productivity. Phase 2 will involve some Human Resources activities, some of which are centralized already. The deadline for Phase 2 is late July to mid-August. If the deadline is not achieved, implementation will be postponed until early 2015.

Additional shared services consolidation slated for the first calendar quarter of 2015 will include Concur. There may be an opportunity to change some business processes, in particular an effort to Concur. Mr. Madden said that he has met with many faculty groups already to ask about other administrative challenges, and he expressed willingness to arrange further meetings or to engage in email exchanges (thommad@umich.edu).

He concluded his remarks at 3:46 P.M. Professor Smith asked Mr. Madden how he planned to ensure that faculty would not spend additional time dealing with Concur. Madden responded that he did not have an answer yet, but that one possibility would be to install a front end user interface. He added that it might be necessary to reverse the centralization process and make Concur more regional or local. Professor Oey asked whether there would be an opportunity to look at the functionality of Concur itself. Madden replied that nothing is off the table. He said

there are many opportunities to change business processes, and that they can look at the way the tool is configured.

Professor Garcia asked whether faculty would be dealing with different people every time they made contact, with the result that time would be consumed orienting new people to practices that are discipline-specific. Madden responded that unit purchasing functions will not move, though the functions of bill-paying will move. He expressed awareness of the 'horrors' of call centers and said that teams may be assigned to campus sections.

Dr. Fraser asked whether all three UM campuses will use a single center. Mr. Madden replied that AST is specific to the Ann Arbor campus, but that it represents the foundation of a shared services function that might someday be extended.

Professor Oey asked how faculty input would be solicited. Madden responded that mechanisms differ among schools. The College of Engineering has asked for volunteers to become part of the feedback process. He said he will develop a process that is open and transparent. Professor Mora pointed out that Professor Burns from Engineering is on sabbatical, and inquired how he was providing advice. Madden replied that they communicated by Skype and that Professor Burns will fly back at some point.

Professor Mora asked about the extent of staff involvement. Madden acknowledged that to be the biggest failing to date. He said it will change now and the staff will become part of the process. He said there was a significant shakeup in the leadership of the AST project already. Professor Bitten said that consistency and staff retention were significant issues. She described having to deal with three new and different staff as inefficient. Madden acknowledged that staff are being displaced, and that it is not easy. He said he has visited many shared services centers and he characterized them as team oriented. He said the biggest challenge would be ensuring that retained work is meeting the needs.

Executive Compensation-

President Coleman thanked Mr. Madden at 4:00 P.M. and said that she had prepared some background material about the subject of executive compensation as requested by SACUA.

The president pointed out that the UM is significantly larger than its peers in terms of total expenditures: \$6.7 billion for the UM versus \$2.1 billion for UC Berkeley, for example. She ascribed some of the difference to the fact that the University of California system office exists as a superstructure consisting of hundreds of individuals.

President Coleman said that her administration has been trying to bend the cost trajectory for higher education. She said they have been very careful about administrative costs, and she cited a Goldwater Institute study that claimed that the UM reduced the number of administrators from 2003 to 2007 while increasing faculty. Since then, she said, the UM has crept up in administration because of growth in hospital activity and research volume. She said that her own staff has been cut almost in half, duties have expanded, and she pays them more, but total costs have been reduced. She stated that there have been no job freezes or furloughs, and that there has

been a merit program every year. She said that the executive officers took no salary increase for two years, and that the deans received no increase one year.

The president then cited a growing chasm in overall compensation between the best public universities and the best privates. She said faculty salaries have grown by 2% per annum and the UM compared to 5.5% at Columbia, and a median increase of 2.4%. She said her strategy has been to try to keep people and to pay them appropriately. She said the administration uses salary supplements and bonuses for people who have taken on additional duties because those payments do not add to the base salary and are not guaranteed. She emphasized that this has been an area with which she has been deeply involved during her tenure. She said she had to have the best people or else the UM would not be in the financial condition it is.

At 4:10 P.M. she invited questions. Professor Smith cited the growing gap between the pay of executives in corporations and the rest of the workforce, and said that he did not see much difference at the UM. He asked if the UM was following that corporate model. The president replied that she has not done that type of study, but did not think the disparity was as great. She added that the UM is market driven and money is chasing talent. Professor Smith remarked that faculty certainly work as hard as administrators, but they don't get these bonuses and supplements. He said that as a former department chair it was dispiriting to have to divide up such small increases for faculty each year. The president responded that she was proud that the UM had a merit pool every year, and that she would have liked to have more money for faculty.

Professor Garcia pointed out that recent efforts to curb benefits costs focus on evaluating benefits in isolation rather than in the context of total compensation. He said that he, for one, had come to the UM because of its excellent benefits package. The president replied that there is a need to change the cost trajectory, and because education is a people-intensive industry, the cost of people is a central concern. She said the UM tries to use benchmarks to be comparable to peers, and that they will need to look at salaries, too. She said the people doing these studies are trying their best. Professor Koopmann said that the UM should not aim to be average in compensation if it calls itself the Leaders and Best. The president replied that she agreed with the premise, but the reality is that the UM does not have the money, and that it is receiving only half as much funding from the State of Michigan as it did when she began her tenure.

Dr. Fraser pointed out that at UM-Dearborn raises for administrators have always been 1% more than for faculty. The president replied that such was not true at Ann Arbor, but that those decisions are left to the chancellors of the other campuses.

Professor Oey asked the president whether she approves all the administrator bonuses, and whether the Regents were involved. President Coleman said that she approves only the bonuses of people who report to her, and that the Regents are not involved. She said that other administrators have to extract bonuses from their own budgets. She explained that almost all of the money at the UM sits with the colleges and the provost.

A member of the Assembly remarked that recent reports indicate that the UM is not felt to be a welcoming campus for African American students. The president responded that she was deeply distressed to hear of dissatisfaction, and she had opened a dialog on the subject. She said the UM

has been admitting more underrepresented minority students, but they are not coming in larger numbers. She said it was important to listen carefully to the concerns.

Secretary Lehman asked the president if she would provide a copy of the various statistics she had cited as well as the magnitudes of the annual bonuses and salary supplements she mentioned. The president said that she would ask the office of the provost to supply the statistics; she said she did not have information about the magnitudes of the bonuses because they are awarded in the units, but would ask the provost if they had that information. The president concluded her visit at 4:30 P.M. Chair Staller thanked her, and the Assembly offered a round of applause.

ELECTION OF SACUA NOMINATING COMMITTEE

Ballots for election of a Nominating Committee for the AY 2014 SACUA were distributed. Professors Jones and Mutschler served as tellers.

Tellers' Report- Candidates elected to the Nominating Committee were:

- Professor Larsen
- Professor Staller
- Professor Hollingsworth
- Professor Dolins
- Professor Mora
- Professor Bayraktar

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

The meeting was adjourned at 4:55 P.M.

Respectfully submitted

John T. Lehman
Senate Secretary

University of Michigan Bylaws of the Board of Regents, Sec. 4.01:

The University Senate

The senate is authorized to consider any subject pertaining to the interests of the university, and to make recommendations to the Board of Regents in regard thereto. Decisions of the University Senate with respect to matters within its jurisdiction shall constitute the binding action of the university faculties.

University of Michigan Bylaws of the Board of Regents, Sec. 4.04:

The Senate Assembly

The Senate Assembly shall serve as the legislative arm of the senate.

The assembly shall have power to consider and advise regarding all matters within the jurisdiction of the University Senate which affect the functioning of the university as an institution of higher learning, which concern its obligations to the state and to the community at large, and which relate to its internal organization insofar as such matters of internal organization involve general questions of educational policy.

Rules of the University Senate, the Senate Assembly and the Senate Advisory Committee on University Affairs: In all cases not covered by rules adopted by the Senate, the procedure in Robert's Rules of Order shall be followed.