FACULTY SENATE
September 23, 2009
SUB 235
4:10 PM – 5:00 PM
MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA
Minutes

Members Present: Bessen, Cherry, Fields, Gee, Gerlach, Jacobsen, Kaiser, Locke, Lynch, Marshall for D. Weaver, Meade, Merzdorf for Eiger, Neumeier, Schachman, Seymour, David Singel, Thompson, Versaevel, Wisner, Zhu

Members Absent: Bangert, Chen, Eitle, Fischer, Frick, Lansverk, Fleck, Larson, Livingston, Mech & Industrial Eng, Mokwa, Osborne, Political Science, Savoie, Sowell, Waller, T. Weaver, Wojtowicz

Others Present: Tom McCoy, Jeralyn Brodowy, Jeanne Wilkinson, Richard Smith, Tom Hughes, Shannon Taylor

Chair Wes Lynch called the meeting to order at 4:10 PM. A quorum was present.

Announcements –Chair Lynch

- Chair Lynch sent out a request for comments on the two system-wide proposals for budget reductions; consolidation of holiday schedules (Christmas and New Year) for eight (8) day; and, a 4/10 work week. Please respond and send back.
- A test message was sent to all faculty using the new faculty list serv. However, because it was not yet populated, it was not transmitted; the list has since been populated and should work.
- Tenure-at-Hire – Faculty Affairs has a resolution and Chair Taylor will propose how to handle the eight (8) pending cases on campus at the next meeting.
- The NWCCU team evaluators would like open meetings with faculty, staff and professionals. Faculty will meet with them on Monday, October 5, 2009, 3:00 PM, Procrastinator Theatre.
- The new Committee on Grievance chair is Dr. George Haynes, Ag Econ/Econ.
- Chair Lynch asked that FS members and their constituents fill out the survey sent by the OCHE entitled, "Reinventing and Reforming the Montana University System."

F&A Redistribution – Thomas McCoy, VP for Research

- Tom McCoy, VP for Research, explained the necessity of the new, procedures for central fund investments and distribution of recovered F&A funds. He noted that this is not a new "policy."
    - The F&A Investment Committee (FAIC) will annually identify the central investments, which should be made with recovered F&A funds, and the procedure for distribution of the balance of funds. The plan for central investments and distribution will be discussed with the VPR Faculty Advisory Committee, Faculty Senate, and College Deans, and then presented to UPBAC for input. The FAIC will make a recommendation to the President for final approval.
    - The VPR Office will calculate each department's share of the central costs for the current year, based on their percentage of expenditures the previous year. To receive an F&A distribution, a department must generate enough F&A in the previous year to cover more than the department's share of central costs.
        - Example: If a department had expenditures of $2M out of an MSU total of $100M last year, their share of the central costs this year would be 2%.
        - If the total central costs for the current year are $13M, the department would receive a distribution this year if the department generated more than $260,000 in F&A returns last year.
    - The excess amount, beyond the department's share of the central costs, will be distributed with 50% retained centrally, 25% to the department and 25% to the Dean.
    - Deans and department heads are then responsible for distributing funds to the PI's, with the expectation that PIs generating F&A will receive some funding.
    - Questions followed:
        - *Could you explain how departments pay F&A?* If $12M is the total fixed costs for the entire campus, and a department has to pay fixed costs out of its F&A (The dept's total F&A is a

function of its expenditures), which were $100M, the dept would be responsible for 2% of the $12M fixed costs or $240,000. If a department generates $480,000 in F&A, it would receive a return of $120,000.

- *You aren't addressing any of the policies in place coming out of PI indirect returns; the PI's responsibilities. For example, fixing a faucet in a lab costs too much when Facilities performs the work. I could get a cheaper plumber off campus, but a system is in place that does not allow PI's to do so.* PI's should not be paying those indirect costs. It should be coming out of the departmental F&A account. We will be having a meeting with the deans to address those issues next month.
- *We are not in agreement with cutting costs. I would like to cut ITC and Facilities, as they have an incentive to charge more.* We are trying to change the central overhead costs. For example, the 4% admin fee is being expended out of F&A account and that is a classic example of "robbing Peter to pay Paul." That is politically and legally questionable.
- *Who is defining the appropriate use of F&A's that are being distributed? I wanted to pay for new licenses for my SPSS software and was told to take it out of my grant even though I generate F&A.* Our general rule of thumb is that F&A should be invested to support research. We cannot open up the F&A accounts and because of the nature and coding of these accounts, Helena can view how we spend the money, and they can decide to not return money.
- *Is there a formula, now, for how much the VPRs are going to retain; how much the deans are going to get; how much the departments are going to get and then it's the department heads' responsibility, I understand, to distribute it? The reason I am asking this is I still have a problem with this $2M, $240,000 example. Are the departments receiving less and when will they receive it?* Calculations should be done about mid-August. By September the money will be distributed; the total amount you'd get for the year is going to be the same, it's just that there wouldn't be anything for the first three months.

  We won't be sending anything to individual PI's. The deans will distribute to the departments. For example, we know exactly what Mechanical Engineering or M&IE generated last year, and there will be a table that Robert Marley will get. The formula for this year, based on the calculation of $16M, is how much we feel we can return to the units that generated it; it was approximately 50% of the difference.

  If we generate more F&A next year that amount that will be distributed relative to the difference to the share and the total that was recovered. Suppose 2010 is a banner year and instead of only $16m, which is our projection, we get $18M. Then, it might be 75% of what that difference is. The dean will see the exact number for each of their departments as will the department heads.
- *And what is the formula and how much goes back to the dean and how much goes back to the department?* Fifty percent is going back to the unit. It's not 50% of the total; it's 50% of the difference. If we're going to go this way, we have to make a decision in two weeks. There is the distribution to the unit itself, and then there will be 25% relative to the deans, [as we see it] at the present time. That's where we generate it as of this week. We still give some colleges/departments funding through the Block Grant approach, and we will still fund special requests that the dean might have relative to the support of faculty and what are we funding.
- *A lot of this F&A distribution was based on budget mis-projections. We thought we were going to bring in a lot more than we did. How are we going to protect ourselves from doing that again? Isn't there a way, with the current interest rates, to refinance some of those loans to a lower rate?* The only loan we have is a fixed 30-year loan for the Chemistry Building at 4.29%. Regarding leases, the lessor is in control, and the only way you could receive a renegotiated lease, is to forego the lease on VMB and move them into the chemistry building. Both VMB and WTI have ten years left on their leases and once you sign a lease, you must pay whether you occupy the building or not. Finding a sub-lessee is non-existent with all the other vacant space in town. And the lessor will not renegotiate down the lease.
- *What kind of growth or sustainable development are we predicting for MSU research?* We hope it is significant during stimulus time, but unless the federal government is willing to increase funding for research, I don't see growth at the same rate as it was a couple if years ago. We are not alone and there are a lot more universities struggling and worse off than we are.

The Faculty Senate meeting ended at 5:00 PM, as there was no further business.

Signature

Wes Lynch, Chair

Signature

Gale R. Gough, Secretary