

MINUTES
Faculty Senate Meeting
Thursday, 26 January 2006
Gowen Hall, Room 301, 2:30 p.m.

1. Call to Order and Approval of Agenda.

Chair Ashley Emery called the meeting to order at 2:40 p.m.

Action: The agenda was approved as amended (Faculty Council and Committee Nominations exhibit changed from C to Exhibit B).

2. Introductory Comments – Professor Ashley F. Emery, Chair, Faculty Senate.

The Chair urged senators to encourage colleagues to read chapter 24 before developing a process by which they advise their deans on the distribution of compression salary increases. He noted that not all units may be following the Code.

Second, Professor Emery noted that the ad hoc committee on undergraduate education is exploring the level of students' engagement – a project on which Vice Chair Gail Stygall, who chairs this committee, will be reporting in due course.

3. Report of the President / Opportunity for Questions – Mark A. Emmert.

- *Rhodes Scholar*: President Emmert introduced Eliana Hechter, (Mathematics) who was selected as a 2006 Rhodes Scholar. He noted that Eliana, at 18 the second youngest Rhodes Scholar in history, will pursue a Doctor of Philosophy in mathematics at Oxford. President Emmert said that she had been able to wring from the institution everything wonderful. Hechter, who also has studied dance and in UW's Rome program, noted that her interactions with professors have been crucial. Now a TA, she says that she is learning how very difficult it is to teach.
- *Women's Volley Ball*: President Emmert introduced Todd Turner, Athletic Director, who in turn introduced Jim McLaughlin, Head Coach of the Women's Volley Ball team, winner of this year's national championship. McLaughlin reported that team member Courtney Thompson had recently received the Honda award for best athlete in America.
- *Strategic Risk Initiative*: President Emmert deferred to Ross Heath's remarks later in the meeting on the recommendations of the Strategic Risk Initiative Review Committee.
- *Olympia Update*: President Emmert opined that the Governor is probably being appropriately conservative about spending money. Emmert also noted Tim Eyman's effort to mount Initiative 914, "a civil rights initiative." I-914 would prevent institutions (private as well as public) from collecting any identity information prior to admission.
- *Meeting in Washington, D.C.*: Emmert reported that the U.S. State Department recently hosted a summit meeting of 60 college presidents on the relationship between higher education and international affairs. President Bush and several Secretaries (with the Secretaries of State and Education present most of the time) and the representatives of higher education engaged in frank conversations. Emmert said he had no idea if this meeting would make a difference.

- *Search updates:*
 - *Dean, College of Architecture and Urban Planning.* Candidates completed their interviews and visits to the University in November and December, 2005. Negotiations with a finalist are in progress and a further visit is being planned. Professor Fritz Wagner has agreed to serve as Acting Dean of the College as of January 1, 2006, until the new dean is appointed and in place.
 - *Dean, College of Engineering.* The four candidates selected by the search committee completed their on-campus interviews in November, 2005. Negotiations with a finalist are in progress.
 - *Dean, School of Social Work.* Interviews with four candidates were conducted in December, 2005. Negotiations with a finalist are underway, and an announcement anticipated soon.
 - *Chancellor and Dean, UW Bothell.* The Search Committee, co-chaired by Dr. B. Bruce Bare (Dean, College of Forest Resources) and Dr. Mary Baroni (Director, Nursing Program, UW Bothell) sponsored 11 “stakeholder forums” to solicit input on issues and priorities facing UW Bothell, personal and leadership characteristics that the committee should be looking for in the next chancellor, and resources necessary for success in the position. All feedback was summarized and used to guide the development of criteria for the review of applicants. By October 15, 2005, the Committee had reviewed a total of 76 applicants. The applicant pool was diverse and qualified. Through discussion and review at several meetings, the applicant pool was reduced to eight candidates who were invited to participate in confidential screening interviews held on January 20 and 21, 2006. The Committee anticipates inviting four or five top candidates for two-day campus visits and interviews in late February and early March. At the conclusion of these visits, the Committee hopes to present the President and Provost with the names of at least three highly qualified candidates.

4. Report of the Senate Committee on Planning and Budgeting – Professor G. Ross Heath, Immediate Past Chair and Committee Chair.

Recent issues before the Senate Committee on Planning and Budgeting have been:

- Implementation of the compression salary increases in accord with the Faculty Code section 24-55. Units who did not fully implement the Code in awarding merit increases in the spring should do so before making compression distributions;
- Strategic risk management at UW to address compliance issues and other institutional risks;
- Finalization of A/B salary policy; and
- Impacts of current actions of the legislature on the UW budget.

Professor Heath said that he wanted to take the opportunity to note that the Senate leadership had pressed the President to communicate with the faculty, in the spirit of shared governance, regarding the Storti case. The Senate leadership apologizes for causing the President some embarrassment over that communication.

5. Legislative Report – Professor David Lovell, Faculty Legislative Representative.

Professor Lovell reported as follows: “There is much legislative activity regarding education (WASL requirement, the transfer of community college students to four-year institutions, and the like). However, most such bills are statements of how some wish things would be, with lots of “shots across the bow.” There is much discussion concerning two issues: accountability for producing increasing numbers of graduates, and giving priority to education in science and technology.

"Via "Washington LEARNS") Governor Gregoire wants a set of recommendations that will make a genuine reshaping of how education will be funded, which means that the 2007 session is likely to be quite important. Our role has been to attend these meetings and ensure that both the HEC Board and the Washington Learns members know that we're in the room and have something to say.

"Because of the importance of the 2007 session, it is important to appoint a deputy legislative representative next year, and the Senate is asked to help solicit candidates.

"The Council of Faculty Representatives has reserved an exhibition room in the legislative building on Tuesday, February 28 to showcase faculty research and public service projects that benefit Washington citizens and policy interests."

A Faculty Senator asked whether we are a public institution, with only 11% of budget coming from the state. Professor Lovell responded yes, the University is a public institution because the citizens see it as belonging to them and we have mutual support and service relationships with state government that private institutions don't have. One of the issues that WA Learns must confront is whether the state will continue to support this mission."

6. Summary of Executive Committee Actions and Upcoming Issues and Actions.
 - a. Minutes of the November 14, 2005 Senate Executive Committee meeting and December 1, 2005 Faculty Senate meeting were approved. b. A request was made for a Code interpretation regarding the requirements for implementing the faculty salary compression increase; findings are attached as **{Exhibit A}**. The SEC unanimously approved this interpretation for implementation. By a second vote, the SEC approved a motion to recommend directing schools and colleges to proceed as follows: those that carried out last year's merit reviews in full compliance with Chapter 24, including with the criteria specified in 24-55, should use the results of that process in making compression salary distributions this year; in those colleges where that was not done, a new review adhering to Chapter 24 must be undertaken. (These actions are advisory to the Provost and President.)
7. Memorial Resolution.

BE IT RESOLVED that the minutes of this meeting record the sorrow of the entire faculty upon its loss by death of these friends and colleagues. Lecturer Natalie Tracy of Slavic Languages and Literature who died on December 30, 2005 after having served the University since 1961. *BE IT FURTHER RESOLVED*, that the senate chair be directed to communicate to the immediate survivors the action taken, together with the condolences and sympathy of the faculty. Resolution was approved by a standing vote.

8. Nominations and Appointments.
 - a. **Action: The nominees for Faculty Councils and Committees were approved as {Exhibit B}**
 - b. Statements from candidates for Vice Chair of the Faculty Senate.

Vice Chair Gail Stygall, on behalf of the Senate Executive Committee, nominated Professors James Fridley, James Harrington and Dan Luchtel as candidates for Vice Chair of the Faculty Senate, serving 2006-2007, serving as Chair of the Faculty Senate 2007-2008, and serving as Chair of the Senate Committee on Planning and Budgeting 2008-2009. No nominations were brought from the floor; the chair declared the nominations closed.

Statements were given by each candidate and are attached as **{Exhibit C}**. Remarks will be reproduced and attached to the March Senate agenda and posted on the Faculty Senate Website. Elections will be conducted at the March 2, 2006 Senate meeting.

9. Announcements.

There were no announcements.

10. Requests for Information.

a. Enterprise Risk Management - Ross Heath, Immediate Past Chair. **{Exhibit D}**

Professor Heath offered a brief summary of the attached preliminary report of the Strategic Risk Initiative Review Committee and requested comments and suggestions. The Committee finds "Enterprise Risk Management" appropriate for application in the UW. In a review of root causes of noncompliance at the UW, the committee determined that we need (1) accessible, safe reporting mechanisms, such as a 911 for compliance; (2) a more proactive approach to identifying emerging issues; (3) a metric for gauging progress. He added that we need also to add the category of "compliance with the Faculty Code" to the preliminary report. Likely low-cost measures with high impact (e.g., a stock of liquid nitrogen could have saved research samples in Louisiana when Katrina hit). Professor Heath noted that it is important to be comfortable with the overlying concept before we move forward to implementation. He urged interested persons with concerns to make suggestions to V'ella Warren, Brent Stewart or himself.

b. Faculty Effort Certification – Brent Stewart, Chair, Faculty Council on Research **{Exhibit E}**

Professor Stewart remarked as follows:

"It is poignant that Ross Heath has just presented campus efforts towards Collaborative Enterprise Risk Management. The University's reputation is important not only to those of us who work here, but also the highly distributed web of relationships the UW has outside of campus, including the parents of students, our state and federal governmental allies and peer institutions, to name but a few. With national attention focused on faculty effort reporting of late, with recent large, multi-million dollar university financial settlements and Office of Inspector General draft compliance program guidance out for comment, this raises the risk profile of UW, especially as UW receives more federal research funding than any other American public university (\$996 million in calendar year 2005). We are simply a high-profile target with regard to faculty effort reporting.

"UW is also shy of incurring additional institutional risk after the athletic, medical billing and human subjects findings of late. We would like to stay off the front pages of the Seattle Times and PI in this regard. These are all factors leading to the renewed emphasis on faculty effort reporting instituted last quarter.

"Although effort reporting rules have not substantially changed since the early 1980's, the impetus for Faculty Effort Certification (FEC) review and modification included not only recent major federal settlements with several large research universities (e.g., the \$5.5M settlement with Northwestern University which does not include \$2.5M in legal fees and a \$1M payout to the whistleblower) but also increasing scrutiny and stringent interpretation of these rules by auditors.

"The increased scrutiny and stringent interpretation of these rules by auditors is not only being experienced in the realm of faculty effort reporting, but was also experienced during the Office for Human Research Protections (OHRP) 'not-for-cause' on-site evaluation of UW's system for protecting human subjects early last year. What we are witnessing is a change in the interpretation of the rules by auditors in line, it seems, with efforts of the federal government to limit flexibility and impose bureaucratic structures across a broad swath of agencies. In many cases, such as the "sensitive but unclassified" issues FCR has dealt with the past couple years, one agency or branch of the government doesn't seem to abide by the rules set by another agency or branch.

"We appear to be at a certain extent, somewhat at the mercy of the auditors. Auditors, in general as you might imagine aren't well liked. Theoretically an auditor's job is to do an unbiased evaluation of the books. In reality, their job is to find something that you did wrong. If they don't find something, they aren't doing their job.

"This is why even though A-21 provides for some flexibility and liberality with respect to faculty effort reporting, it is necessary to resort to historical audit case law regarding how A-21 is being enforced by the auditing entities. This is the driver, not A-21 itself.

"The Faculty Council on Research was asked by the Faculty Senate Chair to generate a report regarding the current state of Faculty Effort Certification. This document can be found as Exhibit D. Needless to say, the renewed emphasis on faculty effort reporting has caused quite a stir on campus, but as with any issue that presents itself, some background information helps provide perspective. Also important is what's being done to resolve the challenges that the renewed emphasis on faculty effort reporting has exposed. The FCR FEC report follows a Question and Answer format as it was felt this would best provide focal information transfer to the reader. They also reflect the many questions that have been asked of administration and FCR since the mandatory training program was instituted last quarter. Stewart then reviewed a few of the questions attached in Exhibit E.

"In summary, it is the position of the FCR that there has been faculty participation in the renewed emphasis on faculty effort reporting and that the Office of Executive Vice President and the Office of Research, in consultation with FCR, is making best efforts in addressing the aforementioned challenges on the university and federal levels. FCR will continue direct dialog with the Office of Executive Vice President and the Office of Research with regards to FEC at each FCR meeting through the balance of this academic year."

11. New Business.

Gail Stygall introduced a motion to approve a Class C Resolution Concerning Supporting Student Involvement in Lobby Day that was adopted attached as **{Exhibit F}**.

12. Adjournment.

Meeting was adjourned at 4:23.

PREPARED BY: Donna H. Kerr, Secretary of the Faculty

APPROVED BY: Ashley F. Emery, Chair, Faculty Senate

Ashley F. Emery, Chair Faculty Senate
UW Box 35271
Campus

January 6, 2006

Dear Ashley,

Re: Salary raises to reduce "compression".

The Advisory Committee on Faculty Code and Regulations is authorized by Faculty Code Section 22-61.A.3 to "render advisory opinions on interpretations of the Faculty Code" in aid of the Senate Executive Committee's power to "interpret after consultation with and on the advice of the Advisory Committee . . . the provisions of the *Faculty Code*." (Faculty Code Section 22-60.B.9)

The Committee has been asked for its interpretation of the Faculty Code provisions that bear on the allocation and distribution of funds to address salary "compression." The Committee believes that funds targeted to relieve "compression" are designed to more adequately reflect the true merit of highly meritorious faculty whose salaries have been artificially stunted by the effects of market forces and funding decisions beyond the control of the University. As we explain more fully below, the Advisory Committee concludes that funds to address "compression" should be allocated as "unit-level adjustments" and distributed pursuant to the procedures applicable to "merit" increases to faculty whose salaries, compared to their peers, do not reflect the true value of their contributions to the University.

The use of salary funds to reduce compression is explicitly authorized by Section 24-55, Procedure for Salary Increases Based Upon Merit. Subsection A.4 of which provides that "Salary compression and other inequities, including those resulting from variations in the level of merit funds available over time, may be considered in making merit salary recommendations." We thus turn to the Faculty Salary Policy (Faculty Code Sections 24-70 and 24-71) for the rules applicable to funds allocated for this purpose.

Section 24-70.B describes several ways in which faculty salaries may be increased. The Advisory Committee believes that the contemplated raises fall within Section 24-70.B.5, whereby "A salary increase . . . may be awarded as a result of unit-level adjustment (in accord with Section 24-71.B.2)". Subsection B.2 authorizes the Provost to distribute funds allocated by the President "to address the market 'gap' of an individual unit." Such allocations require "close consideration of individual units and consultation with the Senate Committee on Planning and Budgeting," which, the Committee understands, has been accomplished.

While Section 24-71.B.2 does not refer specifically to "compression" as a basis for the allocation of a "unit-level adjustment", it does not preclude an adjustment for that purpose. It is certainly plausible to view compressed salaries as a particularly pernicious form of "market gap" that affects only a random segment of the unit's faculty. Moreover, the procedures required for

distributing unit-level adjustment funds are well adapted to the distribution of raises to relieve compression. Following the assessment of individual units and consultation with the Senate Committee on Planning and Budgeting, the Provost is instructed to "gather updates on salary information from appropriate sources" and to make those findings available to the faculty. In the opinion of the Advisory Committee, the allocation and distribution of funds to alleviate salary compression in identified units implements the goal, set forth in Section 24-55.A.4 that "Salary recommendations shall seek to minimize salary inequities" and is consistent with the policies and procedures prescribed by the Faculty Salary Policy in Sections 24-70 and 24-71.

Faculty Code Section 24-71.C mandates that "deans of the schools and colleges shall, after consultation with their elected faculty councils (Section 23-45.B), allocate to the faculty of their constituent units of their school/college, all funds made available to provide salary increases under Section 24-70.B."

The role of the faculty in the distribution of such funds is addressed twice in Section 24-71. Subsection B.2 instructs the chair (or dean of an undepartmentalized school/college) to "consult with the unit's voting faculty who are senior (or, in the case of full professors, equal) in rank—or the unit's designated faculty committee(s)—about the appropriate distribution of these funds." Subsection 24-71.C states that "Distribution of [all funds made available to provide salary increases under Section 24-70.B] to individual faculty shall be carried out following the requisite procedures of Chapter 24."

The Advisory Committee believes that because the funds currently available for distribution are designed to augment, retroactively, merit raises already awarded for the 2005-06 academic year, recommendations for salary increases to reduce compression should be based on the evaluations carried out during Spring, 2005, and should not trigger an entirely fresh evaluation of cumulative merit. This does not preclude, however, the need for deans and unit chairs to consult with their faculty councils and appropriate faculty in accordance with Chapter 24 of the Faculty Code.

Respectfully submitted,


John M. Junker, Chair
Miceal F. Vaughan
Sandra V. Silberstein
Steven M. Goldblatt

cc. Donna H. Kerr, Secretary of the Faculty
Ana Mari Cauce, Executive Vice Provost

Faculty Council and Committee Nominations:

Nominate, for Senate appointment, effective immediately, representative members of Faculty Councils and Committees for terms ending September 15, 2006, with voting rights to be determined by the appropriate council:

A. Representatives from the Association of Librarians of the University of Washington:

- Academic Standards Carla Rickerson
- Research Nanette Welton to replace Susan Kane

B. Representatives from the Graduate and Professional Student Senate

- Faculty Affairs Jennifer Patterson
- Instructional Quality..... Ali Rowhani-Rahbar
- Multicultural Affairs..... Sunny Diaz
- Student Affairs..... Rich Nobels

Jim Fridley
Regarding the Faculty Senate Vice-Chair Election.
January 26, 2006

Thank you very much for this opportunity to speak to you today. When I was contacted by the nominating committee recently I was told that I shouldn't be surprised to learn that I was being considered for this nomination. But I was very surprised, and I felt honored. It's taken a lot of careful consideration on my part, though, to get passed my initial reluctance and now stand here and allow you to consider electing me as Vice-Chair of our Faculty Senate.

My name is Jim Fridley and I am a Professor of Forest Resources. I'm in my 18th year on the faculty here and I've spent most of those years running up and down the street between forestry and engineering. My main academic interest is in the area of design and how people design things. I've taught a pretty wide variety of design-related courses in Forestry and in Engineering and I've taught or co-taught courses in other things like Engineering Economics, Professional Ethics, and Restoration Ecology.

Most of my participation in things like the Faculty Senate has occurred only in the past decade. It does date back to my first very quarter though – as a brand new assistant professor at a big Football U in the Southeast. There I was assigned to be a representative to the Faculty Senate and I spent my term on that senate seeing first hand how a lack of respect and credibility, at many different levels, had made what should have been an extremely important organization and process completely ineffective. I became a skeptic but I also learned an important lesson about respect and credibility in shared governance.

Despite my initial introduction to, and skepticism about, shared governance I have become involved in a number of its aspects here at the University of Washington. I've been a senator in this Faculty Senate on a couple of different occasions and a member of the Senate Executive Committee as my group's representative. I was the chair of the nominating committee for the office of the vice chair one time (So how does that go? "Paybacks are what?"). I've also chaired the Faculty Council on Student Affairs and I've been on the Faculty Council on University Relations and the Senate Committee on Legislative Matters, working with Gail and now David. And I've served on the Senate Committee on Planning and Budgeting, once several years ago and now again at the present time.

Outside of UW, one of my biggest personal interests is in increasing our State's funding for education. I'm a graduate of Leadership Tomorrow, an officer on the "Schools First" board and, something I'm kind of proud of; I helped start the League of Education Voters and am a founding member of its executive board.

We formed the LEV to increase funding for all levels of education in our state. You might know us from I-728 – the Student Achievement Act that was overwhelmingly approved in the November 2000 election and resulted in a very substantial investment in critical aspects of K-12. Or more recently, for the Education Trust Fund proposal that became I-884 – it failed in the 2004 election but I'd still like tell you one thing about that project. LEV assembled a large statewide coalition of leaders and advocates of preschool, K-12, the community colleges and the state's four year institutions to develop the specifics of the proposal. That coalition constructed a plan to invest over a billion dollars per year in preschool through higher education – and around 20% of that new money could have ended up at the UW. When our state looks to invest in education as a whole, they look to invest substantially in the UW.

Now I assumed you probably wanted to hear about some of my experiences, but I think it's important that you also get a sense of what I think is important for the Faculty Senate.

First, while we all very clearly share in the responsibility for stewardship of the University we need to remember that we don't all have the same role – we faculty don't hold on to the wheel; the President, the Provost and the Deans do that. But we do need to always be present in the wheel house, we absolutely must be able, willing, and ready – and be called upon to provide ongoing and knowledgeable input to those who do hold onto the wheel. To meet our responsibilities we must maintain a well informed and thoroughly representational body that can be both proactive and reactive in providing relevant, informed, and sometimes urgently needed input. We do this jointly through this Faculty Senate and through

carefully and thoughtfully designed Faculty Councils and College Councils. We have a *Faculty Code* that establishes exactly what and how some of the input is provided, but in the end it still depends on good relationships, mutual respect and a shared commitment to the shared responsibility for stewardship.

Second, to fully meet our responsibility for shared stewardship of the University we must, collectively – both as a Faculty and as a whole University, be a truly outstanding citizen of our community and our state. To do so means we must be an effective and visible advocate for all students and all education, but especially higher education and all that it entails. This in turn means that we must always find ways to achieve a common vision and then agree upon and stick to our strategies in how we present ourselves to the citizens, opinion leaders and decision makers of our state.

Third, I believe providing education, especially higher education, is the biggest and most important long term challenge facing our state. Education really is “the thing.” And higher education needs to be seriously ramped up in this state. Our experiences with the I-884 coalition back this up and so too will the Governor’s Washington Learns project. Making higher education a bigger part of this Region will require way more than we at the University of Washington can do alone – but we need to do our part to make it possible. We, as a faculty, need to promote UW’s growth wherever we can, do what we can to make possible more opportunities for more students, and do what we can to support the advancement of other institutions in the Puget Sound Region.

That might have seemed like just so much “big picture stuff,” but I think it points us toward some extremely important opportunities for our Faculty Senate:

First, as participants in shared governance, we need to be making sure that we have strong healthy working relationships among ourselves and with our new administrative leadership. We need to improve our credibility right here on campus and we need to be sure we are fully representational. We need to be focused on making sure that all of the Councils are relevant, respected, and engaged. The councils need to be such that shared stewardship means turning to them confidently and frequently as able and informed sources of knowledge, ideas and guidance.

Second, we are constantly and continually defining and redefining our university through our processes of student admissions and faculty hiring. With the drastically changing role of higher education in our society, and the recent changes in our administrative leadership, right now is a time that we need to be closely examining ourselves in terms of who and what we are, who and what we want to be, and how we intend to remain or become that – both as a faculty and a student body.

Lastly, we, the collective faculty, need to be seen and known as an important and highly valued citizen of the Greater Seattle/Tacoma Area and of the State of Washington. Some places we might start with are improving our ability to speak more frequently and effectively for the entire faculty, being leaders among the various Faculty Senate organizations in our state, being more consistently and cohesively heard in Olympia and being more visible at important civic events here locally.

I grew up in Davis California and there’s some public art on the UC campus there that pokes fun at us faculty “eggheads.” They are sculptures that look like 3-foot tall eggs with faces. There is one right in front of the administration building that is “upside down,” faces toward the main part of campus and has a big eye in the back of its head. I think the artist was pointing out that we faculty “stand on our heads” for our University but we ALWAYS have an eye on the administration. It’s funny and probably often the view of faculty everywhere. But I don’t really see the Faculty Senate in that way. I see us sharing in the stewardship of the University in a very well thought out way. I’m not an “us versus them” kind of person and, in fact, if that is what you think we need then don’t elect me as Vice-Chair! I think it all depends on trust, respect, and, on our side of the equation, a commitment to a truly representational form of organization. I’d like to see the senate showing a heightened commitment to advancing those things, as well as advancing the overall credibility of the Faculty as a participant in stewardship of the university and as a valued citizen of the state.

I’d be happy to be your Vice-Chair next year and would appreciate your support in that endeavor. Thanks for listening to me.

Statement to the Faculty Senate
Vice-Chair candidate **James W. Harrington, Jr.**
26 January 2006

It is an honor to have been nominated for Vice Chair of the Faculty Senate, and to have this opportunity to speak in front of our Senators and guests.

UW experience:

My time at the University of Washington extends back to 1978, when I began my graduate studies here. I was attracted here by the depth of faculty expertise in my subfield of economic geography, and this has taught me that a research institution, even one as large as this, needs to focus its energy and emphases in order to make real contributions in its selected areas.

When I earned my Ph.D. in 1983, I left UW, taking positions at the University at Buffalo, later at George Mason University, and then the National Science Foundation. I always had in the back of my mind a return to Seattle and the University of Washington, which has one of the best Geography departments in the country, and among the largest and best collection of human geography faculty and graduate students – again, by conscious focus.

Since returning as a Professor in 1997, I have served as department chair, on the advisory boards of the Center for Instructional Development and Research and the Graduate Opportunities and Minority Achievement Program, and the President's Leadership, Community, and Values initiative team. I am currently on the Faculty Council on Tri-Campus Policy.

Three years ago, I began a mid-career self evaluation. I began by identifying the core values that motivate my activities and my predilections. There are two of these, each of which requires the other: a belief in individual self-determination, and a desire for people to hear one another, including the unspoken motivations that we each have. University life should and often does support these two values, as we encourage students to find their own truths and their own ways, and as we create new knowledge and even new wisdom through our interactions across our diverse backgrounds.

The Senate

The Senate is at the center of these interactions among our colleagues and between the faculty and the units of the administration. Since I've returned to UW, it's been very heartening to see the Faculty Senate leadership in improving the clarity of the tenure and promotion process, and in helping to broker a working relationship with our newly unionized graduate service appointees. We have the growing pains – and even the conceptual challenge – of serving three campuses plus a medical complex that spans three hospitals and the majority of our research and clinical faculty. The Senate has led and must continue to lead the clarification of relationships among the three campuses and recognition of the special characteristics of the medical center and hospitals.

My own values and experience lead me to identify a number of goals for the Senate, to improve the development of faculty members as professionals and to improve communication:

- 1) I have become focused on issues of leadership and community among the faculty, working with administrative resources in the Provost's office and our strong Human Resources unit. Might explicit leadership development be more useful for and attractive to faculty if it is organized as *part of* and *for* shared governance? Community and climate are more closely intertwined among faculty, staff, and students, but the Faculty Senate should have a say in assessing and improving community and climate.
- 2) I have had good experiences as an African American here at UW. However, many of our colleagues and students from minority groups find the university – and their own units – to be less than welcoming of their backgrounds, specialties of study, and work with external communities. The results and comments received by the Leadership, Community, and Values work last year suggest that we must do more to allow each of us to achieve our goals of study, research, and professional

development. I am hopeful that the creation of a regular Faculty Council on Multicultural Affairs signals increased Senate guidance of University efforts to improve climate, recruitment, retention, and awareness of the contributions of our diverse faculty. These University efforts include the recently funded Minority Faculty Collective (CORD) and the coming appointment of an Associate Vice Provost for Faculty Development.

- 3) We need to communicate better with deans and chairs so that the Faculty Handbook, Faculty Senate, and the College and university Councils are seen as the first resources for deans and chairs faced with problems and contemplating changes.
- 4) We need to make better use of the Faculty Senate and Senators, as a way to communicate know-*about* and know-*how* outside of the administrative route (Provost to Deans to Chairs): e.g.,
 - a. greater awareness of the faculty code;
 - b. awareness of the conciliation and adjudication mechanisms in the Code (Chs. 27 & 28);
 - c. know-how with respect to dispute resolution (perhaps the Senators could become a key, distributed resource);
 - d. awareness of faculty development opportunities (who's won what fellowships; what's available; clarify the criteria for professional leaves; etc.).
- 5) We might use a Faculty Senate column in *University Week* as part of an overarching communication strategy that emphasizes: the meaning and implications of shared governance at all levels; presenting key legislation under consideration; highlighting key elements in the Faculty Code (perhaps by relating them to current issues before the University); highlighting Class C resolutions, which are the voice of the faculty; and highlighting current or recent deliberations of each Council.
- 6) Finally, much of our leadership's efforts need to entail close work with the administration to deliver unified, thoughtful, effectively worded messages outside the University about the need for adequate support and compensation – documenting what difference these actually make for the State.

Of course, there are many other items on the agenda, and other issues that have yet to come to our attention. But efforts to increase the salience of the faculty and our senate as a source of collective knowledge will help us with all of these matters. Thank you!

Statement by Dan Luchtel
Candidate for Faculty Senate Vice Chair
26 January 2006

Let me say first that I am honored to be nominated for this position. I am a professor in the Dept. of Environmental & Occupational Health Sciences in the School of Public Health and Community Medicine. The School was founded in 1970, originating from the Dept. of Preventive Medicine in the School of Medicine. I have been on the faculty at the Univ. of Washington for just over 30 years. I teach courses in toxicology and do research on mechanisms of toxicity of gaseous and particulate air pollutants. I have served 2 terms in the Faculty Senate and I have served on the FCFA (the Faculty Council on Faculty Affairs) for several years, the last 2 as chair. I am active in the AAUP (the American Association of University Professors)—sometimes referred to derogatorily as a faculty union—but I regard the AAUP as an organization active in the cause of academic freedom and faculty rights.

Throughout all this, it never occurred to me that I might serve in a leadership position in the Faculty Senate. When asked to be a candidate for Vice Chair of the Faculty Senate by the nominating committee, I felt somewhat intimidated. But after thinking about it, I decided that I could serve in this capacity and make a difference. As chair of the FCFA, I had the experience of looking into the 'Medicare over-billing problem' in UW Medicine. I became involved because I was troubled by conversations I had with faculty in the School of Medicine about how various administrative decisions were adversely affecting their lives and careers. As I reported to the Senate, the FCFA's report shed some light on the problems in UW Medicine and Dean Paul Ramsey is acting on the report's recommendations.

But I also noted that it is a journey and much needs to be done to ensure that the situation improves for faculty in the School of Medicine. Likewise, in the Faculty Senate, it is a journey to ensure that faculty interests are advanced in this university.

What guidelines can we use to help us on our way? I propose we use the findings of President Emmert's recent report to the UW Community, *The Leadership, Community and Values Initiative*, published in *University Week* and also available online (<http://www.washington.edu/president/leadership/>). This initiative surveyed the university community on various issues facing the university and while generally laudatory, several findings related to faculty interests were emphatically negative. I have stratified the problem areas into 2 groups. In marked contrast to most other parts of the report, these areas received 30% or less favorable ratings (vs. somewhat favorable or unfavorable ratings) by the faculty.

The first group of problems relate to administrative decision-making and the transparency of such decisions. These problems include:

- Morale among faculty (28% favorable rating)
- Understanding the decision-making process in the central administration (14%)
- Relationship with central administration (30%)
- Procedures to resolve problems with administrators (27%)

The second group relate to problems of work/life balance. These include:

- UW supportive of faculty balancing family & career (31%)
- Faculty with young children can thrive professionally (30%)

What comparisons can be made with other institutions? While not rigorous surveys methodologically, the magazine *The Scientist* publishes annual surveys about working conditions in academia. In its report, *Best Places to Work in Academia, 2005*—in addition to mention of the bedrock values such as adequate resources to do the work and opportunities for advancement—a characteristic that stands out for the very top institutions are statements about the importance of an atmosphere of congeniality and the encouragement of interdisciplinary collaboration. I found this remarkable since it seems to me that a highly collaborative and synergistic environment exists for faculty here at the University of Washington. If so, while we are operating in a supportive environment, two-thirds of us are still unhappy. Why is this? I will have to leave it there for now, but it does suggest that somewhere along the way in the past, the faculty and administration took different paths.

The following are some agenda items that I would like to work on if elected to Vice Chair of the Faculty Senate. They are offered with the caveat that they are at the idea stage and many details still to be addressed, debated, and surely modified.

--Increase the interaction of the Faculty Senate with the Administration with the goal of increasing the transparency of administrative decisions. For example, President Emmert and Provost Wise are currently drafting a "Vision Statement" for the University. This process should be part of the business of the Senate. The administration and faculty need to work together rather than in parallel. And the business of the Senate should involve debates of the issues as well as listening to and approving reports. *The Leadership Initiative*, while a fine report, was largely presented to the Senate as a done deal rather than as a process that worked with the Senate. Only slightly more than a third (36%) of the members of *The Leadership Initiative* were faculty members and only one of the faculty members was from UW Medicine. It is well to remind ourselves that UW Medicine constitutes approximately half of this university.

--That the Faculty Senate elects the Secretary of the Faculty (the Secretary of the Faculty is currently appointed by the President and reports to the Provost).

--That a candidate from the Faculty Senate be elected by the Senate to serve on the Board of Regents (currently the faculty do not have representation on the Board of Regents while the students have a representative).

--Review the Faculty Grievance Procedures and implement changes as deemed necessary.

The above four issues, if implemented, would help establish the Senate as a more active participant in university affairs. As members of the Faculty Senate, we need to counter the perception that the Senate does nothing. For starters, I would encourage each Senator to make it a point to report the issues of Senate meetings to their colleagues at departmental faculty meetings. The next issue addresses the work/life balance issue.

--Since I am in public health, let me introduce the work/life balance problem by talking about 'social determinants of health', one of which is 'wealth inequality'. Studies have shown that the greater the degree of wealth inequality within a country or society, the poorer the health of its population. The situation in the U.S. has become particularly egregious in recent decades with the explosive growth of salary levels for CEO's. CEO salaries are now 440 times the salary of the average worker, having risen from 40 times in 1985. The U.S. spends half the world's expenditures on health care yet ranks only 29th among nations of the world in terms of life expectancy (an overall integrator of a nation's health). Also, numerous studies have shown that community life is stronger and people are much more likely to trust each other in societies where income differences between rich and poor are smaller (see Population Health Forum, <http://depts.washington.edu/eqhlth/>). Wealth inequality has infiltrated into the academy. It is a problem at this university in that there are some highly paid administrators and faculty and also, there are inequalities among departmental units.

Getting back to the work/life problem at this institution, it seems to me that a major factor in the work/life problem is the lack of adequate childcare facilities on our campuses (a problem also identified by the Provost). Childcare for faculty and staff is expensive and severely limited (for example, it is my understanding that there are waiting periods of up to 2 years to get a child into childcare). In addition, for students, childcare is off campus on Sandpoint Way.

Can something be done about the first problem (wealth inequality) to help address the second problem (inadequate childcare)? Here's one idea. What if the most highly paid members of our community (as a starting talking point, administrators with salaries greater than \$200,000 and with some ratio of matching dollars from faculty with salaries greater than \$100,000) established a fund to provide for adequate, relatively inexpensive on-campus childcare for faculty, staff and students? This would surely boost morale and help address the problems of work/life balance. Concerning the problem of wealth inequality in academia, I don't know how there can be any solution unless individuals in at least one institution are willing to take the first step (we are back to that journey again).

--And who can run for a leadership position in the Faculty Senate without promising to do something about parking? How about instituting a policy that on-campus parking is free during off-hours (6 p.m. to 7 a.m.) for students and postdocs who need to be on campus for activities such as completing laboratory experiments that continue into the night. It is my understanding that parking at night used to be free for students and postdocs but that policy was changed for some reason.

Nevertheless, despite the above problems, it needs to be acknowledged that we are doing something right. The University of Washington is one of the top public universities in the country (tied for 12th in the nation as reported in the *U.S. News & World Report, American's Best Colleges 2006*) and in the world (17th overall according to a 2005 report from *The Economist*). The University of Washington receives more federal research funding than any other American public university and, in 2005, the university's total research-related awards increased to a record \$997 million (*UW Research Facts*, UW Office of Research).

For faculty, the University of Washington is a dynamic place to work, a place where one is energized by talented faculty colleagues, supportive staff and idealistic students. I feel incredibly lucky to have spent my career at the University of Washington and can't really explain my good fortune other than perhaps being in the right place at the right time.

Finally, I would like to end with a comment about a column by Joel Connelly "A fond farewell to UW advocate Simpson" in yesterday's Seattle P-I that was about W. Hunter Simpson, a former member of the Board of Regents who died last week. Connelly wrote: "In Simpson, always, there was the clearly articulated theme of giving back to a place that has been good to you. Wouldn't it be great if we all came to feel good about this place and embraced that same theme? Thank you."

Managing Risk and Compliance at the University of Washington A Proposal

Earlier this year, President Emmert observed

“With the most recent example of compliance issues, we have again been reminded that we have not yet created the culture of compliance that we have discussed on many occasions. ...Clearly, the creation of a culture of compliance needs to be driven by our core values and commitment to doing things the right way, to being the best at all we do. ...we need to know that the manner in which we manage regulatory affairs is consistent with the best practices in existence.”

He then charged a Strategic Risk Initiative Review Committee, co-chaired by V’Ella Warren and David Hodge, to prepare a set of recommendations that would best serve the University. This committee has completed its preliminary work and now seeks public input on its recommendations before formally submitting them to the President.

Most importantly, the Committee recommends that the University adopt an institution-wide Enterprise Risk Model (ERM) as the guiding structure for dealing with issues related to compliance and institutional integrity. This model will 1) foster institution-wide perspectives on compliance and integrity, 2) ensure that regulatory management is consistent with best practices, and 3) protect UW’s decentralized, collaborative, entrepreneurial culture.

Secondly, the Committee recommends the formation of a Presidential Advisory Committee that is charged with guiding the creation of the ERM, working collaboratively with a Compliance Council. The committee will be made up of senior administrators, representatives from the Faculty Senate, and student leaders.

Thirdly, the committee offers a set of preliminary operational recommendations. The oversight committee will be charged with thoroughly evaluating and implementing these recommendations.

The executive summary and full text of their report are available on line at <http://www.washington.edu/admin/finmgmt/erm/>. Comments may be directed to V’Ella Warren (vwarren@u.washington.edu) by January 31, 2006.

EXECUTIVE SUMMARY
DRAFT—December 27, 2005

COLLABORATIVE ENTERPRISE RISK MANAGEMENT

For the University of Washington

Objective. **The objective of this paper is to ensure that the University of Washington (UW) creates an exemplary compliance structure built on best practices, while protecting its decentralized, collaborative and entrepreneurial culture.** The paper lays out a conceptual framework for thinking about risk management, followed by information on models used by other universities--- including four case studies. The paper then provides an evaluation of the UW's current situation. Finally, the paper presents the case that a collaborative, institution-wide model works the best, and proposes actions for implementing that approach.

Recommendations. The UW should create an integrated, university-wide enterprise risk management approach, led by a Presidential Advisory Committee of senior campus leaders. This Committee will identify and track significant risks and recommend corrective actions. An annual risk dialogue among senior leaders and Regents will be initiated by the Advisory Committee to share progress on risk mitigation initiatives. A Compliance Council will advise the Advisory Committee and stimulate communication on campus-wide compliance issues. A central compliance website should provide timely information to the campus community on emerging risk issues, links to individuals and hotlines for expressing concerns, and helpful information on best practices and institutional policies. A compliance helpline and web-contact service should provide a safe place to go with problems. An early intervention program is proposed to handle issues of grave institutional concern in an expedited manner. Tools to support self-assessment of risk should be made available to managers. The internal audit function should be staffed at levels appropriate to the UW's size, complexity, and mission. Data on key risks should be collected and analyzed; and used to develop metrics on critical factors contributing to risk.

Reputation. The UW is a decentralized yet collaborative entity with an energetic, entrepreneurial culture. The community members are committed to rigor, integrity, innovation, collegiality, inclusiveness and connectedness. "We should acknowledge that these values are important to the institution's continued excellence..."¹

The UW's excellence is reflected in the institution's reputation, "the bottom line" which links members to the community. Each individual contributes to that reputation and benefits from the contributions of others. The opposite can also be true. This shared reputation can slide into a downward spiral. When this happens, stakeholders lose confidence in the ability of the institution to serve as a good steward of the public trust. It is, therefore, in the interest of everyone in the UW community to minimize and manage risks that affect the quality and reputation of the University.

Conceptual Framework. There are two models which might serve as a framework for the UW. The first, and recommended approach, is enterprise risk management (ERM)² which views risk holistically rather than functionally, covers all risk types, and takes an institution-wide perspective. This approach integrates risk into the strategic deliberations of senior leaders and

¹ President Mark Emmert, "Emmert Launches Leadership Initiative," University Week, April 7, 2005.

² This approach is also called strategic risk management.

Board members. The second is a centralized compliance model, built on guidelines in federal law (the Federal Sentencing Guidelines). This approach, while institution-wide, focuses exclusively on compliance.

Although both models are university-wide approaches, they vary in a number of important aspects, including scope, objectives and benefits. Integrated compliance programs are concerned about compliance with law and regulation; ERM focuses broadly across all risks: compliance, finance, operations, and strategic. Integrated compliance programs seek to control all of the institution's compliance activities. ERM, on the other hand, integrates risk into an institution's strategic plans with the goal of achieving an appropriate balance of risk and return. Integrated compliance programs, if based on the Federal Sentencing Guidelines, provide potential protection from federal penalties. ERM does not necessarily provide that benefit, although it can if integrated compliance programs, such as the one emerging in UW Medicine, are sheltered under its umbrella. ERM benefits include improved communication on risk among the senior leaders and Regents which leads to more informed decisions, better allocation of resources, and stronger governance practices.³

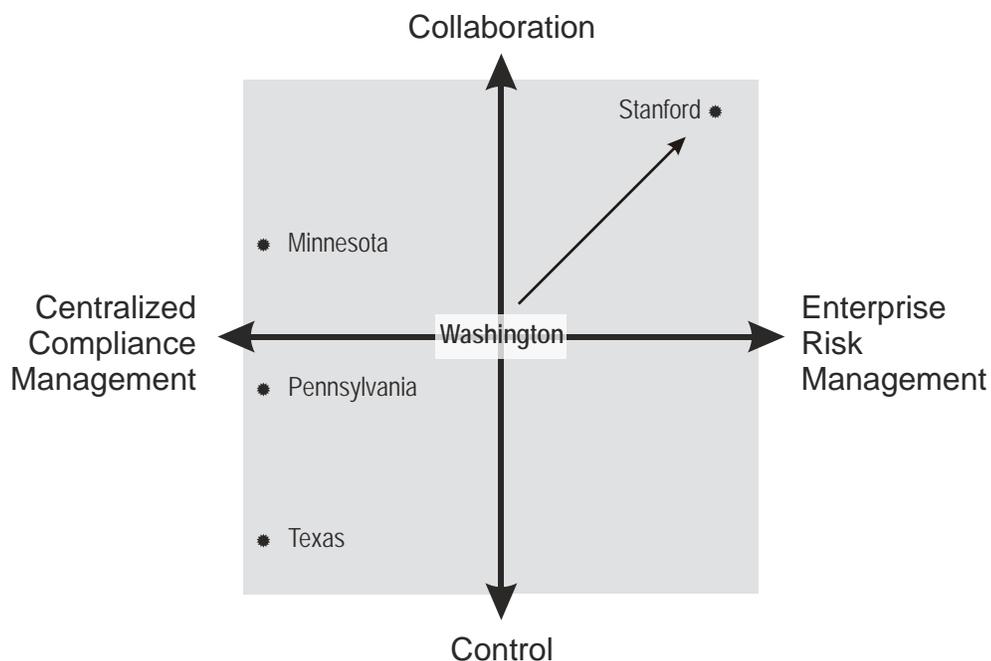
Peer Universities. Peer universities select different approaches to compliance based on choices about philosophy, model and organization. This paper details the approaches of four benchmark universities: Stanford University, University of Texas System, University of Minnesota, and University of Pennsylvania.

Stanford University has used collaborative institution-wide risk management at its hospitals for some time. On September 12, 2005, after discussion at Board and senior leadership levels, Stanford decided to implement a similar approach university-wide. Stanford refers to its framework as enterprise risk management (ERM). *University of Texas System* takes a different point of view, having a rich, structured approach to compliance, which closely resembles a corporate compliance program. It is hierarchical and relies heavily on a substantial network of compliance officers. Without constant monitoring, UT System leadership and Board believe that the cultural pressures are too strong to prevent noncompliant behavior. At *the University of Minnesota*, there is a small institutional compliance office run by a lawyer and former litigator which provides collaborative support to faculty and administrators on compliance. No monitoring is done. *The University of Pennsylvania* developed its compliance program in response to a string of problems. Finding no comprehensive higher education models, Penn turned to corporate best practices for guidance, adopting a structured program with a central focus. Since that time, the approach has become more collaborative.

While Stanford is the only institution which describes its approach as enterprise risk management, the other three universities have elements of this approach. Minnesota has had a series of broad-ranging risk discussions with its Board. Both Texas and Minnesota have Compliance Councils, which bring together leaders to assess risk and share information across compliance silos. Penn is considering reconstituting its Compliance Advisory Board.

³ Risk and Insurance Management Society, Inc (RIMS) and Marsh, Inc. Excellence in Risk Management: A Qualitative Survey of Enterprise Risk Management Programs, April 2005.

Approaches to Compliance

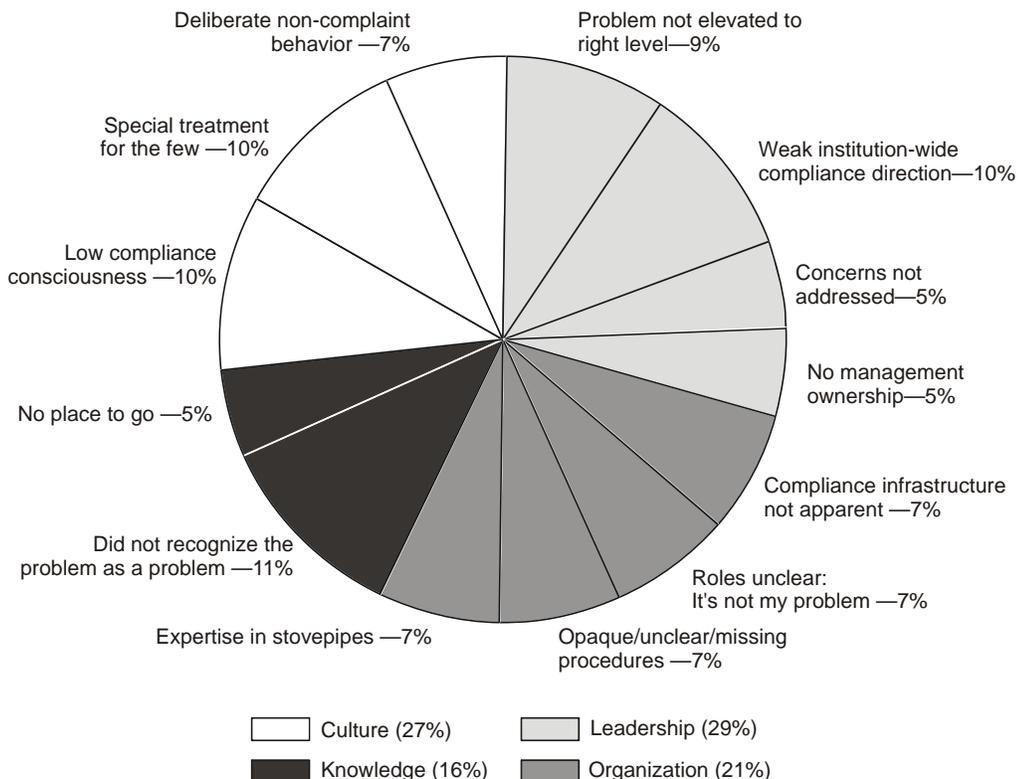


University of Washington. Like Stanford and Minnesota, the UW has developed a collaborative, decentralized approach to management, including management of compliance and risk. The UW proactively identifies and manages specific risks; as is typical for this approach, responsibility for these specific risks is distributed among the institution's organizational silos. These separate efforts are done well. "Mistakes" are corrected; procedures, business rules and processes are re-engineered to reduce the likelihood of "risky business." The central audit and risk management staffs work across these institutional silos, providing independent advice and expertise to campus administrators.

However, the UW does not formally integrate risk and compliance into its strategic conversations at the university-wide level, there is little, if any "cross-silo" communication, and there is no dedicated audit or compliance committee of the Board of Regents to provide oversight, unlike the universities described above.

Lessons Learned. An analysis of seven recent UW compliance problems was undertaken. That study revealed persistent patterns, coming from thirteen root causes, which can be classified into one of four categories: leadership, organization, knowledge and culture. A successful institutional risk structure must address the systematic problems revealed in this analysis.

Root Causes for Noncompliance at the UW



A Collaborative Enterprise Risk Management for the UW. In evaluating the framework proposed below, three guiding principles are advanced as criteria: the successful proposal must (1) foster an institution-wide perspective, (2) ensure that regulatory management is consistent with best practices, and (3) protect UW's decentralized, collaborative, entrepreneurial culture. The proposal should also address systematic problems inherent in the UW's present risk structure.

Recommendation #1: Integrate key risks into the decision-making deliberations of senior leaders and Regents.

1a. Charter a Presidential Advisory Committee of senior leaders to oversee and focus attention on efforts to improve the UW's culture of integrity and compliance. This Committee will

- Engage in a risk mapping process at least annually, developing and tracking plans to address issues with "high impact" and "high likelihood."
- Initiate an annual risk dialogue with President's Cabinet, Board of Deans, Faculty

Senate, and other key bodies for the purpose of sharing major risks (UW Risk Map), seeking feedback, and reporting on progress (UW Risk Plan and Risk Dashboard).

- Analyze events of unethical or noncompliant behavior, recommending changes in policy, organization, or information to prevent repetition.
- Coordinate with other initiatives (such as Leadership, Culture and Values and Undergraduate Student Experience) to strengthen the leadership and culture of integrity and compliance. Possible common work might include a UW Code of Conduct.
- Update the Board of Regents periodically.

Recommendation #2: Create an integrated, institution-wide approach to compliance:

2a. Designate the Director of Audit as the central person responsible for coordinating compliance awareness across campuses, with the title of Director of Audits and Compliance.

2b. Establish a Compliance Council chaired by the Director of Audit and Compliance, which will

- Identify and prioritize current and emerging compliance issues, recommending appropriate actions to the issue owner and/or senior leaders.
- Identify issue owners and establish a matrix of responsible parties for each risk area (UW Risk Matrix).
- Support and advise the President's Advisory Committee (see #1 above) as subject matter experts on compliance.
- Ensure that all senior administrators are educated and aware of compliance and risk issues.

Recommendation #3: Ensure that good information is available for campus community.

3a. Introduce a brief electronic newsletter on emerging issues.

3b. Establish a website on key compliance issues. Include newsletters, hotlinks to related websites, the UW Risk Map(s), the UW Risk Plan, and the UW Risk Matrix.

3c. Include training, communication, policies and expected behavior in action plans for key risks.

3d. Share information among the stovepipes through the Compliance Council.

Recommendation #4: Create a safe way for interested parties to report problems.

4a. Contract with an outside party to manage an anonymous hotline (phone and web).

4b. Set up a website with information on where to take problems.

4c. Introduce an early intervention program.

Recommendation #5: Minimize surprises by identifying emerging compliance and risk issues.

5a. Provide an automated tool for self-assessment to campus leaders.⁴

5b. Monitor the effectiveness of the Compliance Council, hotline, website and early intervention program in minimizing surprises.

⁴ Seattle Cancer Care Alliance has licensed a tool developed by the University of Minnesota.

Recommendation #6: Maintain strong audit team with ability to proactively identify problems and collaboratively recommend solutions to appropriate decision-makers.

6a. Benchmark the UW audit function against peer universities to advise resource allocation decisions.

Recommendation #7: Check progress on compliance and risk initiatives.

7a. Develop and analyze data for key risks.

7b. Develop metrics for senior leadership (risk dashboard).

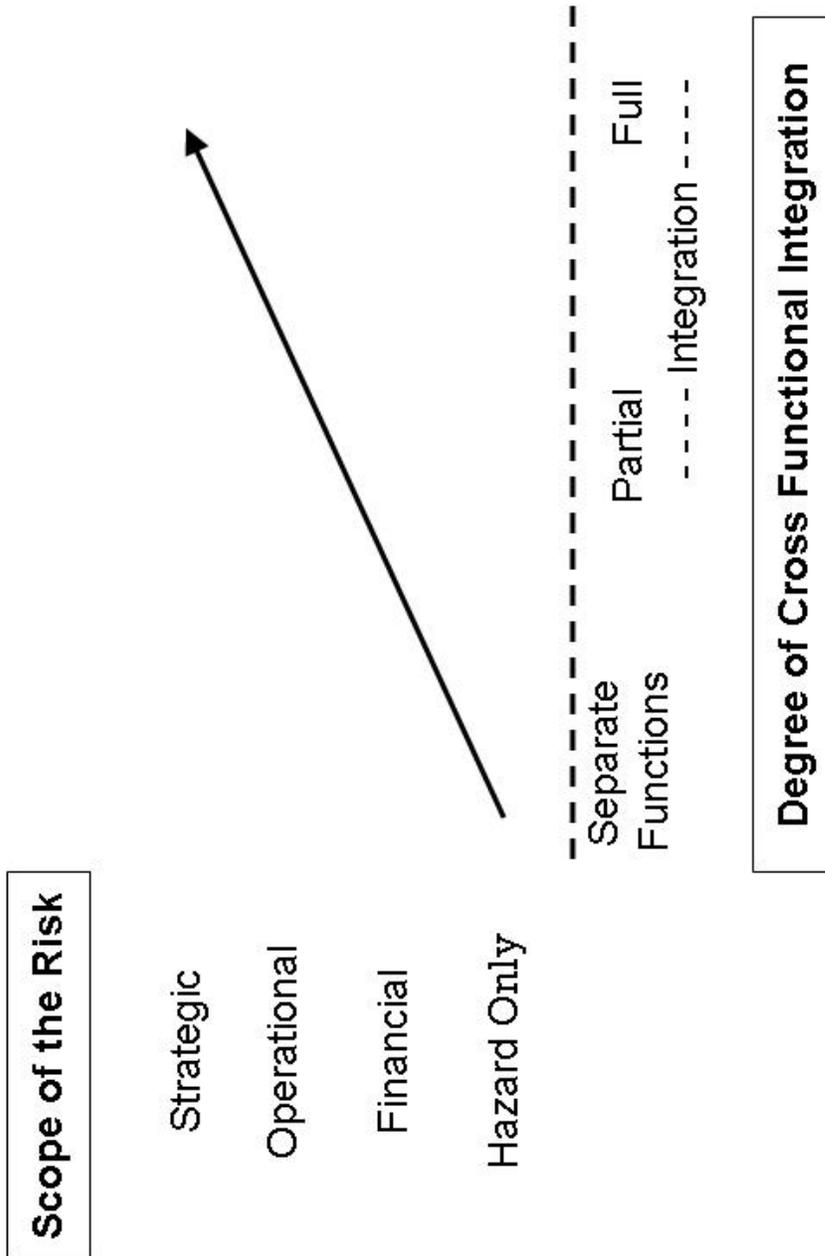
Conclusion. These seven recommendations are consistent with the guiding principles and best principles among peer universities and businesses. Furthermore, if implemented, many of the recent issues with leadership, organization, knowledge and culture will be corrected. A detailed discussion of effectiveness is included in the full report.

Nonetheless, it should be recognized that risk management and compliance are a journey, not a destination. These suggestions are intended to continue that journey—which was started long ago—and in the process put in place a framework that will encourage further suggestions from others in the community. The proposed changes are not intended to replace what already works across the university. Rather they are intended to augment the existing organization with thoughtful direction, collaboration, and communication on strategic risks.

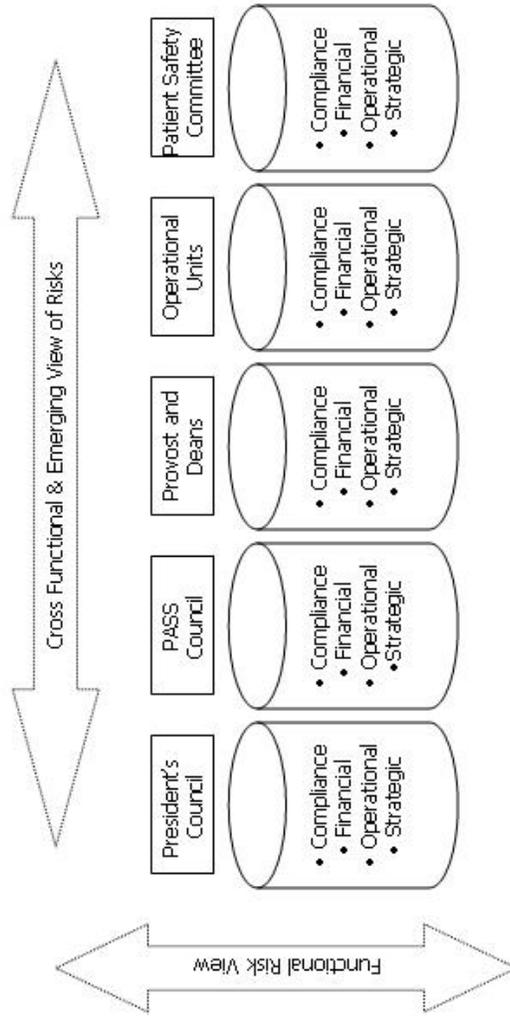
The University is strong and vital. It is a place where people learn and grow. Intuitively, then, it makes sense to adapt when the environment requires it. At the same time, it is important to protect the distinguishing qualities of the institution. This paper is offered as fuel for a good conversation about how to accomplish those objectives.

2/16/2006

Typical Evolution of ERM



UW Risk Management Environment



Silos: The UW has deep functional risk identification and risk assessment.

Our challenge is to establish a cross functional and emerging view of risks.

Enterprise-wide Risk Map

LIKELIHOOD 	IMPACT 		
	Low	Medium	High
High	O1, O2 S1, S3	C1, C3	
Medium	F1, F2, C2	S2, O4, F3	
Low			

Strategic Risks

- S1 – Research & Development
- S2 – Affiliate Relationships
- S3 – New Product Launch
- S4 –

Financial Risks

- F1 – Interest Rate
- F2 – Strategic Investment
- F3 – Nonpayment
- F4 –

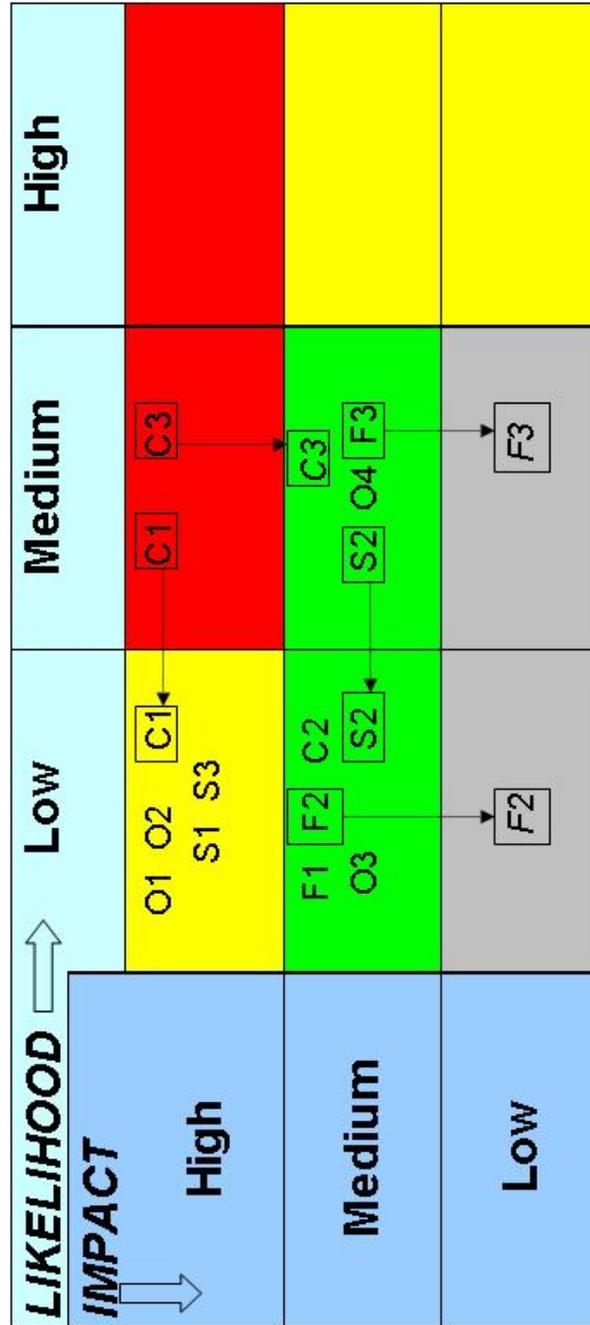
Operational Risks

- O1 – IT Security
- O2 – Natural Disaster
- O3 – Business Continuity Planning
- O4 – Theft

Compliance Risks

- C1 – Research Compliance
- C2 – Intellectual Property
- C3 – Securities Law Compliance
- C4 –

Enterprise-wide Risk Map with Mitigation



Strategic Risks
 S1 – Research & Development
 S2 – Affiliate Relationships
 S3 – New Product Launch
 S4 –

Financial Risks
 F1 – Interest Rate
 F2 – Strategic Investment
 F3 – Nonpayment
 F4 –

Operational Risks
 O1 – IT Security
 O2 – Natural Disaster
 O3 – Business Continuity Planning
 O4 – Theft

Compliance Risks
 C1 – Research Compliance
 C2 – Intellectual Property
 C3 – Securities Law Compliance
 C4 –

**Faculty Council on Research Report to the Faculty Senate regarding Faculty Effort Certification
Brent K Stewart, PhD; Chair, FCR, 19 January 2006**

Q: Why the sudden emphasis on faculty effort reporting?

A: Although effort reporting rules have not substantially changed since the early 1980s (A-21, see below), the impetus for review included recent major federal settlements with several large research universities (e.g., \$5.5M with Northwestern University) and increasing scrutiny and stringent interpretation of these rules by auditors. With the assistance of legal counsel, the University of Washington (UW) began Faculty Effort Certification (FEC) Compliance Review during 2004/2005, including review of related organizations and internal practices. Ross Heath, then Faculty Senate Chair and Brent Stewart (FCR Chair) met with several high-level members of UW Administration a couple times over the summer of 2005 to discuss proposed modifications of the then current UW FEC policy. Mandatory on-line FEC training was instituted during autumn quarter 2005. The new FEC policy can be found in Grants Information Memoranda (GIM) 35 (<http://www.washington.edu/research/osp/gim/gim35.html>).

Q: What are faculty effort and faculty effort certification reports?

A: Faculty effort is the time that faculty spend on University instruction, research, patient care, administration, etc. FEC reports are forms faculty complete to document effort paid from and cost sharing performed on both federally and non-federally sponsored projects, which include grants and contracts.

Q: What are the faculty effort reporting rules?

A: The faculty effort reporting rules given in the Office of Management and Budget (OMB) Circular A-21 (Cost Principles for Educational Institutions; http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html) have been the product of compromise designed to free faculty as much as possible from the trouble and indignity of periodic timekeeping (e.g., punching timecards), while at the same time providing the federal government with some assurance that the faculty effort it is paying grantee institutions is in fact delivered.

Despite the relative liberality of the rules regarding faculty effort, or some would say because of that liberality, the accuracy of faculty effort reporting and the adequacy of its documentation represent a significant continuing compliance problem for research universities. The government states in A-21 that the process cannot be exact and there may be any number of acceptable methods of allocating effort and salary. However, A-21 does prescribe "Criteria for Acceptable Methods." This leaves the general details of a faculty effort reporting program up to the grantee institution, as long as they abide by A-21.

Under A-21, the proper base for determining an individual's effort percentages is the total activity for which the individual is compensated by the grantee institution. Requiring *total effort* to be the base for effort reporting purposes also makes it necessary to address the difficult question of what *total effort* is. This leads to anomalous results in some cases. For example, two faculty members receiving equal salaries and expending equal percent effort on a sponsored project (e.g., 50%) may expend very different amounts of effort if their total effort is significantly different (e.g., 80 hours/week versus 40 hours/week), even though they are paid the same for their efforts.

Using a standard 40 hour work week as the base for effort reporting - an approach often erroneously suggested by some program officers and, unfortunately followed at some institutions - also leads to anomalous results. For instance, a faculty member works 30 hours per week on a sponsored project (e.g., NIH K award) and 30 hours per week covering teaching responsibilities. Under the 'standard' 40 hour work week, this leads to a reporting base of 150%. This is not only a red flag anomaly for auditors, but also an impossibility from a cost accounting standpoint. If alternatively, 75% of the salary were charged to the sponsored project and only 25% allocated to the teaching effort, there would be a disproportionate charge to the granting agency. The expression of research effort based on the standard 40 hour work week will almost always be inconsistent with A-21 if the individual in question works more

than 40 hours/week [1]. The UW FEC webpage Frequently Asked Questions (FAQ) section provides further effort allocation scenarios (<http://www.washington.edu/research/maa/fec/#FAQs>).

Materially inaccurate faculty effort reporting in connection with federal research is an area of great potential danger for universities, especially UW as we receive more federal research funding than any other American public university (\$996 million in calendar year 2005). At best, the process of estimating and reporting effort associated with university research is an inexact process, as there are many different ways of considering what effort is and how it relates to particular sponsored projects.

Effort report forms must account for all University faculty effort. This normally would include all effort expended on university-related effort, including sponsored research, administration, instruction and *unsponsored scholarly activity*, clinical activity and other activities. Even where the number of hours of effort the individual expends each week substantially exceeds a 'standard' work week of 40 hours, it is necessary to base effort percentages on actual total effort, not just 'standard' effort [1].

Q: How much of this is University of Washington interpretation of the rules?

A: As stated previously, the government leaves the general details of a faculty effort reporting program up to the grantee institution, as long as they abide by A-21. There are a host of challenging issues that need be considered in any FEC program: definition of the institutional base salary, faculty work week (determined by % federal effort), proposal preparation costs, 9 month faculty, deciding what's 'in' and what's 'out' of the effort calculations, related organizations and their FEC systems, conflicting guidance from sponsors, 100% research faculty and faculty perception of salary allocation. What is considered effort 'in': research, instruction, administration, service, clinical activity and proposal preparation. What is considered effort 'out': outside professional work, volunteer community or public service, interdepartmental consulting ('over and above'), sponsor review panels or other advisory activities for federal sponsors and other activities 'over and above' or separate from assigned University responsibilities.

Taking all these issues into account by and large, UW Administration has worked with its legal counsel Hogan & Hartson LLP in Washington, DC and in consultation with Ross Heath (then Faculty Senate Chair), Brent Stewart (Chair FCR) and the FCR (22 November 2005 and 15 December 2005 meetings) to formulate a training program and policy (see GIM 35) regarding FEC. To minimize risk and ensure that everyone was apprised of and would participate in the FEC process appropriately, a mandatory training program was instituted, required of all FEC faculty, deans, chairs and administrators (<http://depts.washington.edu/fecnon>). Also, an extensive (and growing) FAQ page was created (<http://www.washington.edu/research/maa/fec/#FAQs>). UW policy regarding FEC can be found in Grants Information Memoranda (GIM) 35 (<http://www.washington.edu/research/osp/gim/gim35.html>). GIM 35 also provides UW definitions for faculty effort, institutional base salary, faculty work week, distribution of effort and rules (OMB Circular A-110) regarding changes in level of effort.

Q: What are the major challenges?

A: Although nothing has substantially changed in terms of A-21, the more stringent interpretation thereof by auditors has fostered UW to relate current best practices regarding FEC to the faculty, not only to adhere to the new practice, but also to reduce institutional risk and raise consciousness regarding the issues involved. One of the major challenges regards faculty not being able to 'volunteer' or 'donate' time to the University for processes such as grant writing or curriculum development. Currently, there is no generally accepted solution to this problem.

A second issue regards 100% research faculty participation in events such as faculty elections, faculty senate and departmental faculty meetings. To the extent such activities are *de minimis* in nature, meaning that in the aggregate their inclusion in or exclusion from total effort would not affect the percentages of effort allocated to sponsored research, separate tracking and funding is not required. However, should such become greater than *de minimis* in nature for any reason, it may be necessary to reflect them in an administrative or other category of total effort. Questions about whether activities come

within this guideline may require consultation. You may wish to consult the FEC EAQ webpage (<http://www.washington.edu/research/maa/fec/#FAQs>). Also, your departmental administrator, Management Accounting and Analysis (Executive Director, 6-1379) and Grant and Contract Accounting (Assistant VP, Research Accounting and Analysis, 3-8951) are available to assist in this consultation as needed.

Thirdly, efforts are underway through Administration, the Deans and department Chairs to ensure that the approximately three hundred 100% research funded faculty are paid on non-federal funds when they write new and competitive renewal grant or contract applications.

Q: What are our peer institutions doing?

A: Most are in the process of accomplishing what UW has already achieved: clarifying and/or developing policies, developing mandatory or voluntary faculty training programs and implementing new effort reporting systems. A recent anonymous survey of eight peer institutions found that none allowed any administrative, clinical or teaching activity to be considered 'non-university' (volunteered) work. Also, six don't allow any proposal writing (new or competing) to be considered 'non-university' (volunteered) work (the other two were checking but didn't think so). When asked whether research faculty participate in governance, all responded yes, but also stated that the time required to participate was funded through sources other than grants.

Q: What is being done to resolve these challenges?

A: All institutions of higher learning in this country are hamstrung and are seeking relief from the consequences of the current state of affairs regarding FEC interpretation which strike at the core of who we are as scholars. Some UW administrators are members of the Council on Governmental Relations (COGR, an association of research universities), the Association of American Medical Colleges (AAMC) and the Association of American Universities' (AAU) Committee on Effort Reporting, which are all actively seeking remedies to these problems with the government, though this is expected to be a long-term process with no quick-fix in sight.

Reference:

[1] Kenney, RJ. Reimbursement of Faculty Compensation under Federal Research Grants. Medical Research Law & Policy Report, 2003; 2(4): 155-161.

Class C Resolution Concerning Supporting Student Involvement in Lobby Day

WHEREAS, Lobby Day will be held Wednesday, February 1st, 2006, and

WHEREAS, this is an opportunity for all University of Washington students to present their opinions regarding higher education to their legislators, and

WHEREAS, Wednesday, February 1st, 2006 is a scheduled class day,

BE IT RESOLVED, that the faculty of the University of Washington make every effort to facilitate student involvement in Lobby Day by excusing them from class on Wednesday, February 1st, 2006, except in the case of an exam, lab or other important class related event, and

BE IT FURTHER RESOLVED, that in the case of such important class events every effort be made by the faculty of the University of Washington to accommodate student involvement with Lobby Day by rescheduling said event.

*Submitted by:
Gail Stygall, Vice Chair
Faculty Senate
January 26, 2006*