FACULTY SENATE
November 5, 2008
REID HALL 101
4:10 PM – 5:00 PM
MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA
Minutes

Members Present: Amin, Catoira, Cherry, Eitle, Fields, Fischer, Gee, Gerlach, Jacobs, Lansverk, Lei, Livingston, Maskiell, C. McClure, Lynch, Marshall for D. Weaver, Neumeier, Prawdzienski, Snider for Becker, Sowell, Versaevel, Watson, Wisner, Wojtowicz, Zhu

Members Absent: Bangert, Bennett, Fleck, HHD, Igo, Jackson, Jacobsen, Larson, Mokwa, Political Science, Varricchio, T. Weaver

Others Present: Tom McCoy, Cathy Conover, Dave Dooley, David Klumpar, Shannon Taylor

Chair Wes Lynch called the meeting to order at 4:10 PM. A quorum was present. The October 22, 2008 and October 29, 2008 minutes were unanimously approved.

ANNOUNCEMENTS
and OTHER ISSUES OF CONCERN TO FACULTY MEMBERS - Chair Lynch,

- The P&T workgroups presented details of the new P&T document to Joe Fedock to review. Once Dr. Fedock has approved the document, it will be reviewed by Provost Dave Dooley→Faculty Affairs→ FS for final approval.
- The sick leave reporting form is still being crafted. Chair Lynch and Chair-elect Lansverk will meet with Provost Dooley and Leslie Taylor when the form has been finalized. FS members are encouraged to send concerns/questions to wlynch@montana.edu
- For MSU's accreditation, data is collected from faculty in two ways; through the faculty survey (recently emailed to some faculty), and through focus groups. Faculty Senate will count as a focus group. On November 12, 2008, questions will be posed to FS members, which will be responded to, with notes taken by the FS secretary.
- A Faculty Senate member is needed for membership on the Sustainability Advisory Committee. Information about the committee may be viewed at: http://www.montana.edu/opa/coms/csac.html If FS members are interested, please email to Gale: gough@montana.edu
- Provost Dooley will be reporting on the 2009 salary distribution to FS. The date has not been set.
- There is no budget proposal, yet, from the governor's office for 2010-2011.

F&A REDISTRIBUTION – Tom McCoy

- All indirect costs used to be retained by the legislature. Many years ago, those costs were returned to campus to benefit and stimulate MSU's research. Over the years, the distribution of these costs have evolved and been used for start-up packages (variable costs that were previously the responsibility of the departments and came from the general budget), costs in the Vice President Research's office; some was returned to departments, colleges, and PI's. Initially, of the returned F&A costs, 50% went to the VPR; of the remaining 50% - approximately, 10% to college, 10% to investigator and 30% to Departments. Subsequently, the 55% was retained by the VPR and 45% was distributed to colleges (9%), PIs (9%) and departments (27%). Before the F&A redistribution, the general budget paid O&M.
- Since 2003, fixed commitments have tripled and are the main thrust for F&A redistribution. Fixed commitments are used to solve critical space issues on campus. Projections are made regarding the future of grant income, and decisions are made based on those projections.
- In 2003, NIH, NSF and other governmental grants were doubled. But that was the last time they were increased, and MSU was making projections and decisions based on increases from the previous five years; examples include the Chemistry Building, the lease of Molecular Biosciences for VMB, and the lease for WTI space. These are all fixed costs that must be paid. MSU has experienced many years of dramatic increases in grant income to cover these costs. Although grant income is still high, it is short of projections this year and likely will be for at least another year. Projections for FY08 close were $135M in expenditures, but the actual expenditures show it was flat at $96M. Dr. McCoy stated that it was important to note that there is not a deficit, but a smaller margin of income vs. fixed costs so much so, that no distributions are going to be made for awhile. Dr. McCoy also pointed out that no accounts are in the negative at this time.

- Models of F&A distribution from other institutions were studied by the F&A Advisory Committee and results show that, in some instances, all fixed costs are covered centrally. The way MSU is currently distributing F&A may not be the best way. Some departments benefit greatly from current methodology and, according to VPR McCoy, are not paying their fair share of fixed costs. Perhaps one outcome of the new F&A redistribution might mean greater equity for all departments. In the past, departments who had been paying for the spaces, benefited from them. With the new policy and distribution, those costs will be spread more evenly across campus and not just to those who have been benefiting from those spaces since the time the building was constructed.
- Dr. McCoy stated that for the two largest fixed commitments ($3.9M for debt service and leases, and $1.2M for O&M), those costs were previously taken out of the *returns* to the units (10% college; 30% department; 10% PI). Now, those costs are taken *off the top* of the F&A income.
- The number of actual positions impacted by this change is small; however, it is still large enough to affect flexibility to stimulate research (more space, startups, etc.), and may manifest as a faculty recruiting and retention issue. Dr. McCoy indicated that the administration may find ways to assist those people who are paid fully from F&A.
- Presenting fixed costs and taking them off the top does indeed make it clear how those funds are critical to MSU.
- It is difficult to predict, month-to-month, what F&As one will have because it is a highly variable entity; there are some things you may collect F&A on, and some things you may not collect F&A on; there are different start dates of grants and variable time frames of duration; also, the accounting cycles in BANNER record payment of F&A salaries two months out and not in the actual month in which they occur.
- A FS member suggested the VPR's office calculate, more exactly, what the variable costs would be and not hold back the same percentage each year, regardless.
- A FS member read emails from his department:
    - PI's run, basically, a small business and F&A's are major factors in planning their research programs. F&A redistribution puts those research programs in jeopardy.
    - PI's are concerned that the redistribution has been done without any announcement. There is no official scheme that faculty have been able to see, despite information to the contrary (Dr. McCoy stated that deans have been given the information.), and this has made it impossible to budget.
- In the spirit of shared governance, Chair Lynch requested that someone from Faculty Senate have membership on the F&A Advisory Committee. Dr. McCoy concurred.

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

Signature
Wes Lynch, Chair

Signature
Gale R. Gough, Secretary