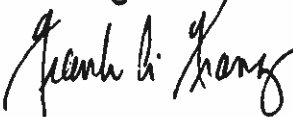




May 8, 1992

**MEMORANDUM**

TO: Faculty and Staff Colleagues  
FROM: Frank A. Franz   
SUBJECT: Some Problems Facing UAH  
and Some Possible Solutions

Tax reform, tax increases, and proposals for increased investment in education have been issues on which many of us concerned with higher education have devoted considerable effort over the past several months. We have tried to explain to the people of Alabama how our state's economic development and quality of life are closely linked to the quality of education our state has to offer. We have attempted to show how severely underfunded all of public education, kindergarten through 12th grade through graduate study is, and how urgent it is that additional help be provided. We have tried to demonstrate how important it is to modify, broaden, and increase our tax base; to reduce its regressivity; and to make it less susceptible to the vagaries of an uncertain economy.

There have been heroes and champions among our state's leaders in this endeavor. There have been others whose support has been less than enthusiastic. The final outcome is still uncertain. Even with the most optimistic estimates, however, the help that would be provided to higher education in general, and to UAH in particular, falls far short of the needs. Regardless of the success or failure of the tax reform effort, much has to be done locally if we are to improve our situation. I want to describe to you some of the actions we already are taking, and some others that I believe we need to take to attack this problem. No single effort will carry us nearly as far as we need to go, but each of them may provide a part of the solution. While any individual action may appear to address primarily the needs of a particular segment of our campus community, the package promises substantial benefit for our University as a whole.

In assembling this agenda, I have had the following conditions and assumptions in mind:

- UAH is a University known both for its remarkably successful research efforts, and for the quality of its undergraduate and graduate instruction. Our externally funded research is in excess of \$25M/year, and we enjoy top ranking as a regional university

by U. S. News and World Report. Our paramount goal must be to maintain these distinctions and to improve upon them.

- UAH is the most undersupported research university in Alabama. The formula employed by the Alabama Commission on Higher Education shows the present State appropriation for UAH to be at only 55% of the target level for the Southern region.
- Most faculty and staff salaries at UAH are significantly below those of persons at comparable institutions in comparable fields and positions.
- Faculty in some disciplines, particularly in those granting Ph.D's, find the number of courses taught each year per faculty member to be high for a research university.
- Researchers capable of generating substantial grant and contract support express frustration over what they perceive to be incommensurate rewards for their efforts.
- Many faculty and students complain about the lack of graduate student assistants to help provide teaching support through discussion sections, tutoring, grading, etc.
- Fixed costs such as debt burden are disturbingly high. The comparison between UAH and Tuscaloosa is noteworthy. UAH has an annual unrestricted budget of \$58M and of long term debt of \$40M, while Tuscaloosa has an unrestricted budget of more than \$200M but only \$63M of debt.
- Actions taken at the Federal level have reduced indirect cost recovery rates on grants and contracts at UAH, reducing reimbursement for investment in research related activities.
- Very few options exist for extensive reallocation of resources. With present funding at only 55% of the target level for the State appropriation prescribed by the ACHE formula, UAH already is an extraordinarily efficient operation.
- Annual tuition costs at UAH for Alabama residents are high by Alabama standards; there is little flexibility to raise resident fees to attend to budget problems.

These are clearly severe restrictions and weighty concerns, and there are others as well. It is little consolation that they are shared, more or less, by many of our peer institutions around the country.

In this memorandum I describe a set of coordinated actions that I propose to take, each of which provides benefit to some segment of our academic community. These actions include:

- A carefully focused enrollment initiative to expand our resource base.
- A definition, justification, and rationalization of the typical faculty work load at a research university such as UAH.
- An expansion of the number of graduate student teaching assistantships to assist in discussion sections, teaching, grading, etc.
- A modest program for salary improvement in 1992-93 for faculty and staff, preferentially benefitting low paid employees.
- A program of research incentive payments to enable those faculty who are able to secure externally funded grants and contracts to "buy out" part of their time, thereby to secure some salary enhancement.
- The lifting of the freeze on salary increases for research faculty and research staff who are funded on grants and contracts.
- A program to ensure that some indirect cost recovery funds from grants and contracts are returned directly to principal investigators, and that these funds remain available to them for expenditure.
- Expansion of off-campus credit course offerings through Continuing Education, with provision of enhanced overload payments to participating faculty.

In putting these plans before you, I have had the benefit of the counsel, critique, and advice of numerous colleagues within the faculty, staff, and administration. I invite further comment, both directly and through the Faculty and Staff Senates. I hope to take final action on these matters by June 1, 1992.

#### Enrollment Initiative: Enhanced Recruitment and Retention of Students

One of the recurrent questions that I have encountered during my visits around the campus involves whether our deprivation of resources is shared equitably by all units. Often this is not a particularly useful or necessarily relevant discussion, but to some extent it helps to illuminate an important problem and suggest a possible solution.

The concern about distribution of resources can take numerous forms and involve various parties; one example is as follows. Some people believe that the College of Engineering handles the brunt of instruction, develops a major share of the "need" displayed by the ACHE formula, and yet is more underfunded compared to peer colleges at other universities than are its compatriot colleges at UAH. These people tend to believe that resources "rightfully" belonging to Engineering perhaps are being channeled to other units on campus. Other people compare staffing patterns and faculty salaries in the College of Liberal Arts to norms at other universities, and find the levels at UAH to be severely depressed. They conclude that it is the College of Liberal Arts that is especially disadvantaged.

Which set of observations is correct? In fact, both are. Engineering indeed generates a substantial part of the "need" in the ACHE formula and its support, on a per student basis, is far from the average for comparable schools. Faculty salaries in Liberal Arts, on average, are indeed further from the relevant disciplinary averages than are those in Engineering. Neither problem can be solved by reallocation of resources. Staffing patterns in Liberal Arts (and elsewhere) generally are barely sufficient to meet program needs: reallocation cannot be undertaken, if the programs are to be continued. If one offers a particular curriculum of study, a certain array of courses is required to support it. It does not matter whether a hundred, or fifty, or five students are enrolled; a professor's time, effort, and salary must be provided for each such course, regardless of size of enrollment.

There is an answer to this problem, however, and it lies in the fact that for the scope of the programs we offer, we have too few students. If we had more tuition revenue, with essentially the same course structure, we would have more resources to help attend to our needs. As I have discussed in numerous meetings across campus, if one compares our present credit hour production with research university norms, one finds that we have the potential to accommodate a larger student body.

We have embarked upon an intensive effort to recruit more high achieving, highly motivated students to UAH. The campaign is focused (Georgia, Florida, Tennessee, selected regions on the eastern seaboard, Chicago, etc.), and carries little risk. The potential rewards, however, are large. If we were able to increase our future freshman classes by just 100-200 new non-resident students over present norms, the potential increase in annual base revenues (at current tuition levels) ultimately would be \$1.75M to \$3.5M.

A goal to increase our enrollment is not unrealistic; there is much at UAH that should be attractive to such students if we all work together to make it so. For example, over the past year the faculty and staff of the College of Nursing worked hard to produce increases both in the numbers of applications for admission and number of students actually matriculating at UAH; their success has been dramatic. There is no reason that, with similar effort, similar results cannot be achieved throughout the campus. I do not expect instantaneous success this coming fall, but the groundwork is being laid for the years following.

There is another even more important enrollment initiative to which all of us can contribute. Students who come to UAH are among the brightest in Alabama. They ought to do well here, and they ought to remain here for their entire collegiate careers. Whether or not they do so, however, depends strongly upon the quality of the instruction they receive; the courtesy, respect, and encouragement accorded them; the availability and usefulness of tutorial and counseling help; and the general responsiveness and helpfulness of the faculty and staff members whom they encounter. We need to become even more of a place that has the welfare and success of its students as its highest priority, and that demonstrates that commitment daily. Achieving it is not only a worthy and necessary goal; it's also clearly in our own best interests!

**Faculty Workload**

For many reasons, including the stimulation of research and scholarship, garnering of additional opportunities for support, and the effective utilization of academic resources, it is important for us to develop a better basis for understanding the faculty work load at UAH. By work load I mean not only the number of courses taught, but also the distribution of effort within teaching, research and service.

The Faculty Handbook states that the normal faculty course responsibility is 24 semester hours per academic year, with various possibilities for "release," or reduction from that level. It is instructive to consider how this criterion most likely came about, and how work loads and course responsibilities generally are structured in the various disciplines at other universities.

The latter point is particularly crucial. All of our analyses and expectations of support and funding are based on comparisons with other research universities; the ACHE formula itself is based on such comparisons. Our distribution of effort surely also should parallel norms at other universities like ours.

The variation in teaching responsibilities depends heavily on the degree to which an institution's responsibilities involve research and graduate education, and also upon discipline. Course responsibilities generally fall something like this:

<u>Institute Type</u>	<u>Courses/Semester</u>
Community Colleges	5 or 4
Four Year Colleges	4 or 3
Comprehensive Universities (some programs with Ph.D.)	3 or 2
Research Universities (most programs with Ph.D.)	3 or 2 (sometimes 1)

The numbers above refer to the typical number of actual courses taught; credit for graduate student supervision is already taken into consideration in the lower standard course responsibility expected at research and comprehensive universities. The lower numbers tend to be in the sciences; the higher numbers in business, education, engineering, and the humanities.

The probable origin of the specification in our Faculty Handbook now becomes clear; four courses of three credits each per semester, a typical teaching responsibility at a non-research college, yields twenty-four semester hours per year. As a university emerges into a research university, however, it becomes appropriate and necessary to recognize the equivalence of effort spent in research, and supervision and mentoring of graduate students, to that spent in offering traditional courses. That sort of evolution has occurred at almost every research university, and it has occurred also at UAH.

In order to construct a model for the distribution of effort among teaching, research, and service at a research university such as UAH, consider first the case of a person at a community college whose sole responsibility is for teaching, with some allowance for service. Recalling that such a person will normally teach four courses per semester, the distribution of effort each semester would look something like this:

Teaching	20%
Teaching	20%
Teaching	20%
Teaching	20%
Service	20%

The amount of time dedicated to each course during a semester, on average, is 20%. Consider the 20% figure to be a basis on which to build our model, with appropriate transformation to our term system. A normal semester lasts 15 weeks; our term lasts 10 weeks. The total amount of time dedicated to instruction in a course is the same over our term as over a semester; the major difference is that the semester course is compressed into our term by the factor of 15/10. But the total number of hours available in a week has not changed! This means that if one spent 20% of one's time delivering a course in the semester format, one should spend 30% of one's time giving the same course in the term format.

Here is how a typical work load for a research active faculty member might look at UAH for the three terms of an academic year in a non Ph.D. granting department:

Teaching	30%	Teaching	30%	Teaching	30%
Teaching	30%	Teaching	30%	Teaching	30%
Grad. Stud. Supv.	10%	Grad. Stud. Supv.	10%	Grad. Stud. Supv.	10%
Research	20%	Research	20%	Research	20%
Service	10%	Service	10%	Service	10%
Term I		Term II		Term III	

The teaching load (6 courses per year) is equivalent to loads at comparable universities in comparable disciplines not having the Ph.D. Someone who is not active in scholarship or research or creative activity might have smaller designated responsibilities for research or graduate student supervision and hence might teach a third course some terms or have an increased responsibility for service.

The ACHE formula and common experience around the country recognize that a greater proportion of time is allocated in graduate student supervision and research in Ph.D. granting departments. The appropriate model for a research active faculty member in such departments might be:

Teaching	30%	Teaching	30%	Teaching	30%
Grad. Stud. Supv.	20%	Teaching	30%	Grad. Stud. Supv.	20%
Research	40%	Grad. Stud. Supv.	20%	Research	40%
		Research	10%		
Service	10%	Service	10%	Service	10%
Term I		Term II		Term III	

I believe that with reasonable adjustment of section sizes and frequency of offerings, we are within striking distance of adopting such models as guidelines for the apportionment of faculty effort. By working toward these models, we can better foster and encourage faculty who are dedicated and proficient both in the classroom and in research, creative activity, and scholarship. In addition, we need to provide ways for those who have more to offer in one area than another to make their best contributions to the University. Further, the models allow us to create opportunities for many persons to enhance their incomes, as I shall discuss below.

### Graduate Teaching Assistants

Part of the success of the enrollment initiative, and of the rationalization of the faculty work load, depends upon filling more of our sections to their current upper limits, and teaching somewhat larger sections in those instances in which increased class size is consistent with maintaining the quality of instruction. Any extra burden associated with larger sections, either for the faculty or for the students, can be ameliorated by providing more graduate student assistants for discussion sections, tutoring, or grading. Expansion of the number of graduate student assistantships also bolsters graduate education, helps the research mission of the University, and ultimately is reflected advantageously in the "need" calculations for UAH by the ACHE formula. Additional graduate teaching assistantships represent a highly leveraged investment that is an advantageous one for the University to make; it is an investment that ultimately more than pays for itself. We plan to place very high priority on the expansion of the number of graduate teaching assistantships in next year's budget, and to continue to expand allocations for this purpose in subsequent years.

### Salary Improvement for Faculty and Staff

Faculty salaries at UAH are an average of 15% below the norms for colleagues in similar disciplines at research universities within the Southern region. The comparison is even worse with regard to national norms. Staff salaries in many categories fall 25% or more below the Huntsville area market. It is not any surprise that salary improvement was UAH's highest priority in its budget request to the Board of Trustees and the State.

Unhappily, assistance from the State in 1992-93 is expected to decline rather than to increase in comparison to the original 1991-92 appropriation. That leaves scant opportunity for salary increases, let alone a chance for increases of substantial magnitude. That does not diminish the need to have some positive movement on salaries for everyone, even if it is small.

The Faculty Senate, Staff Senate, Administrative Council, and other voices of the University have indicated on numerous occasions their particular concern for our employees receiving the lowest salaries. In the spirit of that concern, if funds are available, I suggest that we give modest recognition to all of our employees, but more



meaningful help to the neediest, by providing a flat dollar increase, perhaps \$300, to each full-time employee this year. The only persons excluded would be those whose performance has been found to be unsatisfactory. Although a \$300 raise for an individual earning \$30,000 or more would be small, for a person earning \$10,000 it would be a raise of 3%. To illustrate our problem in doing anything more substantial, even a modest increase of \$300 per person would cost the University about \$350,000.

In the longer term, it is important to seek salary improvement with a strong emphasis on merit and equity. Different persons will have different perspectives on "equity," of course, but I suggest that one promising way to achieve a "fair" distribution of money for salaries is to have the goal that each college, on average, should meet the median Southern regional average salary level for the group of disciplines represented within that college. A somewhat similar approach tied to regional averages might be taken also for the staff. I have asked the vice presidents to work during the next year to draft such a plan for consideration and comment by the Faculty and Staff Senates. Success of any salary improvement plan will depend, of course, upon the provision of resources to implement it.

### Research Incentive Payment Plan

A recurrent complaint of many faculty who have been proficient at securing externally funded grants and contracts is that the personal rewards and incentives given to them in recognition of their successful efforts have been diminishing. These colleagues view themselves, correctly, as important generators of additional resources for the University through the creation of research and training opportunities, not only for themselves, but also for students, staff, and other faculty. Moreover, since the total continuing obligations of the University far exceed its state-funded ability to pay, several colleges depend upon these persons to seek grants and contracts to "buy-out" a portion of their time. Without such buy-outs, we would have an even more difficult time finding ways to balance the operating budget. Many of our faculty researchers have helped us tackle this problem out of a sense of commitment and responsibility to the University, but are frustrated by a growing lack of personal incentives to continue to do so. Not only have merit-based base salary increases not been available to them (or to anyone else) recently, but the investment-based sharing of indirect cost recovery funds directly with principal investigators also has been provided only sporadically.

It clearly is in the best interests of the entire campus to foster and encourage those persons who are adept at securing external grant and contract support. It is important, too, to maintain reasonable equity in base salary levels among all ranks of faculty and staff. I believe that there is a way to approach both goals.

I propose that a faculty member be allowed to buy out part of his or her time with contract funds, as can be done at present. With the distribution of effort discussed above, however, the buy-out can be described more appropriately, and can be used as a basis to qualify the faculty member for a research incentive payment.

Consider a typical academic term in the diagram shown on Page 7. Assume that a faculty member obtains a grant or contract whereby he or she can buy out 50% of his or her time. The buy-out would consist of 30% for reduction of teaching, and 20% to replace the state supported time for research. In accord with the model, the 30% portion would reduce the faculty member's teaching obligation by one course that term. If all these funds were not required to replace the teaching, the extra funds would be available for other budgetary needs in the college, as is the case at present.

The state funds made available by the research time buy-out above would be dedicated in part to a "research incentive payment" through which salary supplements of up to 20% of a term's salary would be paid. If one bought out the full 50% of time, the salary supplement would be 20%; if one bought out only the 20% research time, the salary supplement would be 10%, with the remainder being made available for the budgetary needs of the department. These awards would be extra payment; the continuing base salary rates of the recipients would not be increased. The payments would be made available for any term for which a buy-out would occur.

For the program not to be an undue burden upon University resources, additional grants and contracts need to be generated. That takes time. The program therefore will have to be phased-in, with research incentive payments paid at perhaps half of the projected ultimate rate during the first year.

The research incentive payment concept is not new; it has been in place at some other universities for years. It offers a way to reward persons who are adept at generating external support, without disadvantaging in any way those to whom such support is not available. If it thereby plays an effective role in sustaining or improving our research base, it will provide direct or indirect benefits to all of us.

### Salary Increases for Research Faculty and Research Staff

As all of you are aware, UAH also has an important group of prominent researchers who do not have continuing appointments as tenured or tenure-track faculty. These persons are expected to develop their own support through the acquisition of external grants and contracts. They thus are not eligible for participation in the research incentive plan described above. They also have received no increase in salary during the past year, sharing in the freeze on salaries for other University personnel.

It is not in the best interest of the University to allow the salaries of research personnel, supported by external grants and contracts, to fall further below levels that are competitive with other institutions. We need to allow reasonable rewards to be given to these colleagues who contribute so much to our overall research effort, and who do so without the stability and protection of tenure.

Accordingly, I plan to lift the freeze on salary increases for research faculty and research associates, engineers, and scientists, permitting reasonable, market related increases for these research personnel supported by external grants and contracts. This

change in policy cannot be extended to classified personnel, however; equity considerations demand that people in fully equivalent positions on our campus not be compensated differently merely because one's source of salary is a grant or contract, whereas another's comes from State funds.

### Return of Indirect Cost Recovery Funds to Principal Investigators

In my letter of August 11, 1991, I discussed at length some of the principles and issues relating to the payment of indirect costs to the University by contracts and grants, and the subsequent use of these funds by the University. As I remarked in that letter, indirect cost payments are reimbursements made to the University for expenditures made by the University in support of research; they in no sense are monies owned by or owed to the grant or contract recipients.

The primary motivation to providing indirect cost recovery return to generating units is to provide some flexible research funding to the faculty and research staff who, as principal investigators, are primarily responsible for acquiring and overseeing the grants and contracts. In the course of several years, however, the funds for many P.I.'s have not found their way to these individuals. While I want to continue to take a hard look at our policy of return of indirect cost recovery funds, it is clear to me that we must do something now to insure the investment nature of this distribution of resources, particularly with regard to supporting the efforts of the P.I.'s. Accordingly, I have asked Dr. Harwell and Mr. Quick to set up an appropriate system so that, beginning October 1, amounts equal to 4% of the indirect cost recovery funds earned on each grant or contract will be channeled directly into accounts held by and for each P.I., rather than being allocated through an intermediary. These funds will not be subject to reallocation by a vice president, dean, or chairperson. They will be freely expendable for research purposes, with appropriate approvals, and will not be subject to freezes.

### Expansion of Off-Campus Credit Courses through Continuing Education

Provost Yost, Dr. Oliver, several deans, and numerous others have observed that we could be considerably more proactive in serving the needs of prospective students, particularly graduate students, by offering courses off campus on the Arsenal grounds, and possibly at one or more other major industrial locations within the Huntsville/Madison County area. It is clear that there is a substantial market here; indeed, we are confronted by the presence of twenty or more competitors right at our doorstep. Dr. Oliver is confident that we can expand our share of this demand for instruction, given an aggressive campaign to do so.

There are clearly costs and benefits to be weighed in encouraging such a program. On the negative side, the University is already stretched in presenting its panoply of courses on campus; off site offerings would require additional sections. Moreover, additional instruction offered as an overload could cut into time that might more appropriately be dedicated to research or scholarship. On the positive side, a

service could be rendered to the community, contacts could be broadened, thesis candidates could be recruited, and additional opportunities for compensation can be created.

Provost Yost and I have asked Dr. Oliver to work with the deans and faculties of the appropriate colleges to see what offerings can be made off-campus in areas of particular demand. Instruction might occasionally be done within load with appropriate compensation paid to the department, but more generally would be made available as a paid overload. In order to protect the research and scholarship interests of both the faculty and the University, a faculty member usually would be restricted to one such overload course per year.

Provost Yost also intends to investigate the possibility of expanding summer session activity and opportunities through similar means.

### Concluding Remarks

The plan presented here suggests several ways for us to use local initiatives to begin to solve some of our most urgent problems. It is not a panacea, and it leaves many issues unaddressed. But it does, I hope, offer help and direction in moving toward a successful future. The key factor in achieving that success, certainly, will be the continued cooperation and mutual support of all of those involved with UAH. As always, I welcome your further ideas, suggestions, and help.

FAF:vc