

Preliminary report from the 0.75 FTE advisory team for budget realignment  
Feb. 9, 2007

Team members: Barbara Bond (chair), David Zahler, Kaichang Li, Hailemariam Temesgen, Clair Montgomery (FEC representative)

Original charge to the committee: develop and evaluate options for voluntarily restructuring of faculty FTEs to .75 on tenure/tenure track for those that might want the option to do so

Comment: early discussions about this charge revealed that it may be too narrow. The intent is to reduce COF financial obligations for faculty salary, and there may be other ways to do this than by reduction of tenure/tenure track FTE to 0.75. Therefore, we developed a revised goal:

Goal: develop and evaluate options for reducing COF financial obligations for tenure/tenure track faculty salaries to 75% of its current level.

Summary of ideas and findings as of 2/9/07

Option	Impacts/Comments
<p>Compulsory reduction of all faculty to 0.75 FTE</p>	<p>Although the Committee’s charge explicitly stated “voluntary restructuring”, many people in the COF are discussing the possibility of compulsory FTE reduction, so we also explored this alternative. The following information is based on phone conversations between Caroline Kerl and Barbara Bond on 2/2/07 and between Becky Johnson and Barbara Bond on 2/5/07.</p> <p>Compulsory FTE reduction for tenured faculty is governed by the same Oregon Administrative Rules at those governing termination without cause (OAR 580-021-0315). This requires either 1) a declaration of financial exigency by the OSU president (according to Kerl he would not do this), or 2) elimination of a program. Option 2 would terminate faculty appointments rather than reduce them.</p> <p>For tenure track faculty it is possible to reduce FTE with 1 year notice, at the time of annual renewal. In considering this option it is important to recognize that, a) most tenure-track faculty are already have less-than-100% FTE appointments, and b) reducing FTE of tenure track employees after hiring would be likely to have negative consequences in future recruiting in addition to negative impacts of morale on the tenure track employess, especially if they perceive that they are bearing a disproportionately large financial burden in the restructuring process.</p>
<p>Compulsory one- or</p>	<p>This is an option used by many commercial industries in budget</p>

<p>two-month leave of absence for all faculty, taken at staggered intervals</p>	<p>crises. It is probably not allowable for the same reasons as the compulsory FTE reduction, discussed above, but the Committee has not yet explored this option explicitly.</p>
<p>Terminate programs and rehire faculty at lower FTE</p>	<p>If this process could be accomplished, the end result would be the same as compulsory FTE reduction for all faculty. However, this option would be very difficult to accomplish. Kerl said that if faculty are terminated due to program elimination, they must be considered for rehiring in order of seniority, and she does not think that they can be rehired at an FTE less than their previously-held appointment.</p>
<p>Offer incentives for voluntary FTE reduction</p>	<p>I. <u>Offer an increase in base salary in return for a voluntary reduction in FTE.</u> We conducted a small poll of tenure/tenure track faculty in the Forest Science Department to find out what kind of incentive they might respond to. Faculty were asked whether they would voluntarily reduce their FTE to 0.75 if they were offered either a 25% or a 33% increase in base salary. (Note that it would take a 33% increase in base salary to equal the amount relinquished in going from a 1.0 to a 0.75 appointment). Seven people responded to the poll (less than half of those contacted). None said they would be willing to voluntarily reduce their appointment to 0.75 in return for a 25% salary increase, although one said he would be interested in a 0.75 appointment if job expectations were realistically set at the 0.75 level. Some said they might be willing to reduce FTE to 0.75 for an equal increase in salary (33%). This would result in no net salary savings for the College, although it might result in a small increase in returned overhead if more salary were added to full-overhead grants. Also, most faculty who responded to the poll said that the amount of money available in grants is typically fixed. They said that if they added salary to grants it would probably be subtracted from other line items (such as graduate student support), so it is possible that even if faculty generate more salary support, the total amount of grant money received might not change substantially.</p> <p>II. <u>Eliminate limits to how much salary faculty could pay themselves off of grants in return of voluntary reduction to 0.75 FTE</u></p> <p>III. <u>Relax rules of faculty consulting in return for a voluntary FTE reduction</u></p> <p>The Committee will consider additional options for our final report. Also, we will consider other important information and tradeoffs such as:</p>

	<ul style="list-style-type: none"> <li>• Faculty perceptions of their ability to generate more grant money given other workloads. Would training in grantsmanship help (the College of HHS tried this a few years ago)? Would a reduction in workloads help?</li> <li>• Current availability of funds from granting agencies in disciplines represented by COF faculty.</li> <li>• How would the culture and mission of the College change if faculty spent a substantially greater proportion of their time writing grants, and if they became increasingly focused on the missions and priorities of funding agencies?</li> </ul>
<p>Keep faculty at current FTE and require them to obtain a portion of their salary as part of a job expectation</p>	<p>Kerl said this is not allowed under the Oregon Administrative Rules</p>
<p>Require faculty to include one or more months of salary on any new proposal before it is signed off by the COF.</p>	<p>As far as we know, this is allowable under current administrative rules. In the small poll we conducted, virtually all respondents said that any increases in money for their own salary support would come at the expense of other budget items, especially for graduate support. In addition, it is important to recognize that extramural support for many (and perhaps most – we need to check on this) faculty comes in the form of grants and contracts that do not pay full overhead. In a phone conversation with Barbara Bond on 2/7/07, Becky Johnson pointed out that even if faculty bring in salary support, the university as a whole may come out at a financial disadvantage if the granting or contracting agency does not pay full overhead.</p>
<p>Voluntary inclusion of salary on grants and contracts, with all or part of salary savings to the department</p>	<p>This should be allowable within Oregon Administrative Rules. The committee needs to explore further to determine what incentives, if any, might encourage faculty to do this.</p>
<p>Allow extra compensation to faculty who own patents</p>	<p>This approach would not result in any immediate salary savings, but it would encourage faculty to maximize their entrepreneurial efforts, potentially resulting in financial returns in the long run. (Apparently the approach has been successful at the Universities of Montana and West Virginia. This may need revision of policies and procedures at OSU.)</p> <p>At present, about one third of royalty income from a patent is kicked back to department with the intention of supporting</p>

	inventor's research program. The OSU policy could explicitly state that the royalty income should be at inventor's discretion.
A long-term option: Diversify the research funding base of the college	When new faculty are hired, make it a high priority to hire people who have strong potential to be successful in obtaining full-overhead grants.