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JANUS is the work of a small group of partly retired and retired faculty designed to provide, each term, a continuing forum to all faculty for thoughtful discussion of University of Montana topics. The editorial board discusses and solicits manuscripts on specific issues but unsolicited manuscripts are very welcome. The success of the journal requires a continuing supply of good manuscripts. To take advantage of low cost reproduction techniques, which will make this journal effort economically feasible, we ask that all manuscripts be limited to 10 pages single spaced and be camera ready without pagination. Manuscripts ready by November 15 should be sent to MA 303. For further information, please call one or other of the following on campus or at home: W. Ballard, M. Chessin, J. Cox, D. Hampton, T. Payne, H Reinhardt, R. Solberg, R. Smith. JANUS is funded with the help of the University of Montana Faculty Senate.

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TRENDS IN PUBLIC EMPLOYEE RETIREMENT PLANS AND THE UNIVERSITY OF MONTANA FACULTY RETIREMENT PLANS: AN ASSESSMENT

by Thomas Payne

A warning shot across the bow alerted University of Montana faculty, whether retired or expecting to retire later, to possible threats to the safety of the retirement system. It came in an article in the December 2, 1991, issue of Barron's entitled "The Great Pension Raid: States and Corporations Hungrily Eye Retirement Nest Eggs". In vivid, attention getting prose, the author, Maggie Mahar, characterized the situation facing public and private pension funds as "a financial time bomb that's ticking away ever more insistently. If and when it goes off, the effects will be felt by millions of Americans relying on either a corporate or public pension. Payouts... are pyramiding, while contributions...are dwindling, and pension investments are averaging only single-digit returns. Worst of all, both corporate chieftains and elected politicians have cast an acquisitive eye on America's nest egg."

Not to be out-done, Fortune a month later published an article by Alan Deutschman entitled "The Great Pension Robbery". In a paper prepared for delivery in March, 1992, to the National Association of State Comptrollers entitled "The Foot Is In The Door", Edward V. Regan, the state Comptroller of New York, echoed a similar theme. Prompted by these national concerns, David Lewis, the Executive Director of Montana's State Board of Investments has organized a conference dealing with the national pension crisis to meet in July at Big Sky.

The purpose of this paper is to review the trends emerging nationally in pension funds and examine comparatively the state of pension funds providing benefits for University of Montana faculty. Clearly, the stakes for present and future retirees covered by Montana retirement plans are substantial. The holdings of all American public and private pension funds in the aggregate add up to $3 trillion. Given the fiscal problems confronting corporate and political executives, this pool of cash has become a tempting source for avoiding bankruptcy and balancing budgets. Some corporate pension funds have vanished already in bankruptcy situations, while officials in state governments are finding ways to tap pension reserves to avoid budget deficits.

The interminable budget crises that have plagued Montana government for more than a decade prompt an inquiry to ascertain the vulnerability of our pension funds to raiding. Most faculty pension fund money in Montana is in the Teachers' Retirement System (TRS) although an optional plan permits the choice of TIAA-CREF. In what follows, the national experience will be reviewed, using five criteria to report deviations from the standards for sound pension administration. The same criteria will be employed in assessing the status of Montana pension plans used by UM faculty. Soundness means that pension funds belong to present and future retirees and should be managed to assure that each retiree will receive all the benefits to which he or she is legally entitled.

The five areas of vulnerability to violation of sound principles of pension management are as follows:

(1) Raiding, or the removal of funds from pension accounts to be used for non-pension purposes;
(2) Investment practices that incur excessive risk;
(3) Failure of public employer to make actuarially determined contributions, in whole or part, to the pension system;
(4) Manipulation of actuarial data to enable public employers to reduce contributions to pension funds, thus freeing public funds for other policy objectives; and
(5) Underfunding liabilities of pension funds, thus posing a threat to the payment of benefits to future retiree recipients.

National Pension Fund Trends

1. Raiding. Confronted with a huge budget deficit in 1991, the Governor of California, Pete Wilson, proposed, and the state legislature approved, using $1.6 billion in state pension funds to balance its budget. The chorus of protests to this act of pension fund raiding resulted in litigation in the courts (outcome pending) and a constitutional initiative measure to appear on the 1992 ballot protecting the pension funds from future raids. Recently, Maine withdrew $27 million from its pension fund which was already 50 percent underfunded. The state of New Jersey has been a major offender by taking money from pension funds to balance a budget in deficit. Illinois legislators recently told Gov. Edgar to withdraw money from the state's special funds. He took $21 million from five retirement systems with no promise to repay. (Barron's)

2. Investment practices. Pension funds are holdings in trust for present or future retirees covered by the system. Given the size of public retirement funds in the aggregate in the U.S.A., currently in excess of $850 billion and expected soon to reach the $1 trillion mark, the manner in which these funds are invested is of crucial importance. It is essential, on the one hand, that pension funds be invested prudently so as to provide a safe return, thus augmenting retiree benefits and reducing costs for public authorities. But, on the other hand, it is equally imperative that risky, speculative, or unsound investments be avoided. In practice, the distinction between sound and unsound investment of funds is often difficult to apply. The tradeoff between rate of return and degree of risk presents a dilemma to fund managers wishing to maximize yield while minimizing risk. In the interest of protecting the assets of beneficiaries, fund managers generally have pursued prudent and cautious courses.

Recently, as pension funds have grown, pressures have mounted to invest some or all of their assets in a manner designed to further some extraneous social purpose or to further state economic development. Edward Regan, state comptroller of New York, notes that 92 public pension funds "sold stock, not to aid their beneficiaries, but to 'protest' apartheid in South Africa...Divestment was a costly proposition for the funds.". (Regan) Moreover, he finds a disturbing trend in the emergence of "Economic Targeted Investments" (ETIs) designed to achieve goals such as "jump starting" state economies.

Governor Cuomo of New York "believes retirees money should be used to promote the economic health of New York State". Cuomo stated "My first year in office, I signed the legislation giving the pension funds the legal leeway to make investments to enhance the economy of New York State". (Barron's)

Connecticut has used pension moneys to finance home mortgages of up to $350,000, with only a 5 percent down payment required. A reduction in yield for the pension funds tapped has resulted, and risk for the safety of the pension funds so employed has increased. (Barron's) Public pension funds nationally now have 43 percent of assets invested in common stocks, and 43 percent in bonds, some of which are high yield "junk" bonds. (Barron's) Six public funds have in excess of $1 billion each in mortgage assets.

3. Failure to contribute sufficient sums. Some state governments have either failed to provide their full share of required state contributions to retirement funds, or, in a few instances, reneged completely on paying the state's share. A notorious example is Illinois, where the legislature determines its annual obligation to the state's pension funds but does not contribute any of the amount due. The Illinois system is 40 percent underfunded. (Barron's)"...sponsors have discovered it is much easier to get at pension assets by not contributing money that is owed rather than retrieving money that has been paid" says Sarah Teslik of the Council of Institutional Investors. (Barron's) But cutting or withholding pension contributions is a costly way for a state to increase its indebtedness, in the

long run more costly than borrowing to meet the pension fund contribution. The state will eventually have to pay the required contribution and also make up for the lost growth in the value of the obligation which would have accrued had it been paid when initially due. But what is unsound in the long run may have benefits for the politicians in the short run. In Texas, the legislature reduced obligatory contributions to its Teacher Retirement system by $84.9 million over two fiscal years, while raising retiree benefits $636 million, thus increasing the system's unfunded liability. During the summer of 1991, 18 state and local pension funds considered reducing or withholding employer contributions. (Barron's) New York State, faced with a large deficit in 1990, withheld $850 million from its required contribution to the teachers pension fund. (Fortune)

4. Manipulation of actuarial data for political purposes. Pension fund long term planning necessitates actuarial calculations if the objectives of providing pre-determined benefits to employee members are to be achieved. Actuaries calculate amounts to be contributed by employer and employee on the basis of data about years of service, life expectancies, estimates of salary increases in future years, expected rates of return from fund investments, and other variables that may enter the calculation of what is needed to assure a certain pension benefit. What is a rational procedure, if not always an exact science, in the private insurance world, may lend itself to manipulation in public pension administration. Expected investment yields can be adjusted upwards in a "rosy scenario" approach, thus reducing required employer contributions.

Authorities in at least a dozen states in 1991 brought pressure on public pension funds to modify actuarial estimates for budgetary purposes. (Regan) The projected rate of return is a critical variable in actuarial determinations. "A basic rule of thumb: If you increase the expected rate of appreciation by one percentage point over 30 years, an employer can cut its current contributions... by 20 percent." (Fortune) Louisiana reduced its contribution to its teacher's pension system by $11 million by arbitrarily raising its estimated return from 7.5 percent to 8.25 percent. Missouri saved $20 million by changing the estimated return on its employees fund from 8 percent to 8.5 percent. New York City saved $40 million on the Transit Employees fund by changing its rate of return estimate from 8.25 percent to 9 percent. (Fortune) A 1991 survey by City-State found that 11 of 28 large funds had their actuarial assumptions adjusted upward by political pressure. A pillar of fiscal integrity, the New York Comptroller, simultaneously raised the expected rate-of-return while reducing salary increase estimates in 1989, by both moves thus reducing the actuarially required contribution of the state. (Barron's)

5. Unfunded pension liabilities. Greenwich Associates, a Connecticut consulting firm which surveys public and private pension funds annually, found that in September, 1991, state and local pension funds had $180 billion of unfunded liabilities in $990 billion of assets. (Barron's) For the past 3 years public and private funds combined have experienced negative cash-flows, paying out $28 billion more in benefits than they received in contributions, although the $28 billion negative cash-flow is accounted for so far by private funds. Taken together, however, with the cavalier manner in which some state officials have treated public funds, the trend towards expanding unfunded liabilities is of serious concern.

The frightening consequences of a failure to redress underfunded pension plans are portrayed starkly in the case of the Illinois higher education retirement system. (Barron's) Without benefit increases, retirement payments are increasing over 10 percent annually. The fund's chief investment officer observes: "We now have 55,000 active pension-plan participants and 20,000 who are retired...the number of retirees is projected to go over 60,000...We'll have more people retired and receiving benefits than working and making payments." The Illinois system has just moved into a negative cash-flow position, with the prospect of a $30,000,000 increase in negative cash-flow

each year unless the state acts. The officer adds; "At some point, we run out of money. The state knows this, but they say: 'We're in a fiscal crisis. We just don't have the money...' It looks like we'll go broke...by the year 2017." The pension plan is now 50 percent funded. The teachers do not have Social Security. The state opted out some years ago.

The University of Montana Retirement Plans

Upon initial appointment, faculty members of The University of Montana may choose either of two retirement plans--Teachers' Retirement system (TRS) or, since January 1, 1988, the Optional Retirement Plan offered through Teachers Insurance and Annuity Association--College Retirement Equities Fund (TIAA-CREF). TRS was established in 1937 and provides pension coverage for public school elementary and secondary teachers, faculty in community colleges, faculty in the six University System units, and employees of nine state agencies. TRS is administered by a seven member Board of Directors, which, in turn, appoints an Executive Secretary who serves as the chief administrative officer. The pension funds which TRS collects are invested and managed by the Montana Board of Investments, as provided by Article VIII, Section 13, of the 1972 Montana Constitution. In sub section 2, the Constitution states: "The public school funds and the permanent funds of the Montana University System...shall be safely and conservatively invested..."

The Board of Investments is directed by a nine member Board of Directors (one member is UM's Professor Maureen Fleming). The Board's Executive Director administers the agency's operations. The Board's investment portfolio had a book value on June 30, 1991, of $3.44 billion and a market value of more than $3.6 billion, reflecting growth in the Board's equity holdings. Over one-half of the portfolio's assets represented retirement funds. Assets in retirement funds included:

Teachers' Retirement Fund (TRS)	$736,810,000.00
Public Employees' Retirement System	895,500,000.00
Other Retirement Systems (7 small)	162,480,000.00

Total yield from all invested funds for fiscal 1991 was $296,946,028.00, of which TRS accounted for $65,948,441.00. These sums seem large, but are modest when compared with the assets of the 34 largest public employee pension funds on <u>Barron's</u> list of the 75 largest pension funds in the U.S. (Sept., 1990), ranging in size from $4.9 billion to $54 billion. The largest fund, TIAA-CREF, had assets of $83.1 billion. (<u>Barron's</u>)

TIAA was established in 1918 as a charitable trust, through a gift of Andrew Carnegie, to provide pension benefits to eligible college and university faculty. The CREF portion, which invests in equities, was added in 1952. Now the largest pension fund in the U.S. with 1.4 million covered members, TIAA-CREF enjoys the status as one of eight American insurance enterprises to receive the top ratings of the three major firms that monitor insurance companies: AAA from Standard & Poor's; Aaa from Moody's; and A+ from A.M. Best. TIAA-CREF has not avoided criticism, however, and readers wishing more information may read the articles by Professors Gerald H. Rosen and Richard T. Garrigan, dealing with TIAA-CREF investments. (AAUP's journal, <u>Academe</u>, January-February, 1992, pp. 8-19, including rebuttals by TIAA-CREF personnel) Those who criticize TIAA-CREF express concern about its management, the inadequacy of its reports, and its questionable investments in real estate mortgages and low quality corporate bonds.

Assessing Montana Pension Fund Management

The criteria used previously to review examples of pension fund mismanagement elsewhere in the U.S. provide the basis for assessing Montana pension policy. The analysis relies on personal interviews with David L. Senn, Executive Secretary of TRS, and David M. Lewis, Executive Director of

the Montana Board of Investments, as well as the published reports of TRS and the Board.

1. Raiding. No incidents of taking pension funds to be used for other purposes of government have occurred. Nor have state officials proposed that pension funds be so exploited. Given the troubled times Montana's fiscal management has experienced recently, it is reassuring that Montana has avoided the pension raiding that has occurred in other states. David Lewis attributes the immunity from raiding to the existence of the state's Coal Tax Trust Fund which has served as a more accessible source, and to the openness of Montana policy making.

2. Investment practices. The Montana legislature has directed the Board of Investments, which manages TRS funds, to adhere to the "'prudent expert principle', which requires the Board to discharge its duties with the care, skill, prudence, and diligence that a prudent person acting in a like capacity...exercises...; to diversify the holdings...to minimize the risk of loss and maximize the rate of return; and to discharge duties solely...for the benefit of the funds managed."

David Lewis maintains that a conservative, prudent investor policy has been followed, and that the portfolio is balanced. The portfolio balance tilts to the cautious side with 90 percent invested in fixed income holdings and only 10 percent in equity, although the equity share is expected to increase. The five year rate of return (1986-1991) for TRS Funds was 10.1 percent, compared with 8.9 percent for Salomom Broad Index and 9.1 percent for Shearson Bond Index. (Board of Investments)

TIAA-CREF has enjoyed an outstanding rate of growth for its equity holdings (CREF), and a rate of return for TIAA exceeding that for leading insurance companies. The quality of portions of its investment portfolio has been questioned, but its high ratings are indicative of its overall quality. Both TRS and TIAA-CREF contrast favorably with pension funds in the other states cited with respect to prudent and effective investment strategy.

3. Failure to contribute sufficient sums. David Senn of TRS reports that the state consistently meets the actuarially required goals. There is no reported instance of failure to do so, as has been true of contributions in other states. However, with respect to TIAA-CREF, the optional plan, the total combined contribution of employer and employee is 10 percent, rather than the 14.5 percent combined contribution to TRS of employee and employer. The other 4.5 percent of the state's share that does not go to TIAA-CREF is paid to TRS to reduce previous unfunded liabilities.

4. Manipulation of actuarial data. No evidence indicating such manipulation could be found either in the required published reports by actuarial audits or the comments of either David Senn of TRS of David Lewis of the Board of Investments.

5. Unfunded pension liabilities. TIAA-CREF benefits are established on an individual member basis, very much as in the case of insurance policies, precluding unfunded liability. TRS does carry an unfunded liability arising at its creation, when benefits were established for prior service without funding the liabilities thus incurred. David Senn points out, and actuarial studies and reports show, that this unfunded liability is being reduced by annual additional state contributions, which will resolve the unfunded problem eventually. As of June 30, 1991, the fund situation was as follows:

Total benefit obligation	$1,320,000,000.00
Total current assets	761,500,000.00
Unfunded obligation	558,500,000.00

The actuary reported that the sum of $30,202,222.00 was paid for the year ending June 30, 1991, towards amortizing the unfunded TRS pension liability. (Millimam & Robertson, Inc., Report of June 30, 1991) In a letter to David

Senn, TRS, dated May 3, 1990, Alton Hendrickson, actuary, projected amortizing the unfunded liabilities of TRS in 36.31 years, assuming continuation of present patterns of contribution. The TRS plan for solving its underfunding must be evaluated favorably.

The Prospect

If judged by the past, the prospects for present and future Montana retirees are encouraging. Those covered by TIAA-CREF are secure from raiding, and as relatively secure from other threats as are those under TRS. The present state of the national economy appears to portend lower rates of return for TIAA-CREF in the coming decade than have prevailed.

The positive responses of those interviewed regarding TRS augur well for its future soundness. Thus far Montana's political leaders have refrained from the practices which have placed public pension systems at risk in other states. Much depends on economic trends and the capacity of Montana's political system to deal with fiscal policy.

Much, too, depends on the vigilance of beneficiaries of the retirement system, present and future retired UM faculty, who must work to prevent the unsound pension virus that has become endemic elsewhere from invading Montana. The words of Brutus from Shakespeare's Julius Caesar are apt:

"There is a tide...
Which, taken at the flood, leads on to fortune;"

Brutus did not say that tides may also lead to misfortune. Which tide is running for present and future Montana retirees? If it be misfortune, the words of Cassius, in Julius Caesar, may haunt us:

"The fault...is not in our stars, But in ourselves..."

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Ms. Teresa Cohea, Legislative Fiscal Analyst
Prof. Maureen Fleming, Member, Montana Board of Investments
Prof. Fred Henningson, Member, State Benefits Board

A FORMER TRUSTEE'S PERSPECTIVES

OF

THE UNIVERSITY OF MONTANA FOUNDATION

When Dick Smith asked me some months ago to write an article about the history of what is now The University of Montana Foundation (herein "Foundation"), I was quick to accept the invitation, not having given any thought to what would interest the readers. After some reflection and in recognition that the "audience" would be primarily retired and active faculty, and a few administrators, it seemed that a history of the Foundation, to have any appeal to such a group, should not revolve around budgets and the success of fund drives. Rather it should attempt to present events relating to social, economic, political and educational stimuli which were major driving forces leading to today's Foundation.

To accomplish this potpourri of my observations regarding an entity which has been somewhat shrouded in mystique, I want to thank Sharen Peters and Kathie Urbanec of our Foundation staff for their contribution of materials, which I have borrowed from extensively. Without their input the subject could be deadly in setting forth a litany of trivia.

The Foundation was organized in the year 1951 as The Endowment Foundation of Montana State University, during the regime of President Carl McFarland - a dedicated, colorful and persuasive administrator, albeit controversial. Innovative financing and a thorough familiarity with how government can and cannot work, were hallmarks of President McFarland's presence. He had spent years in Washington, D.C. leading the effort to enact the Administrative Procedures Act - legislation with which we are still living today.

The backdrop which gave rise to the Foundation was one of financial and academic insecurity. For years the role of higher education had been debated by the Legislature under a constant peripheral attack by business, labor and citizen interests each, in its own way, endeavoring to establish and maintain a quality experience in higher education. The debate over the scope of higher education involved a continuing conflict among such interests - interests which rebelled against the search for intellectual freedom exercised by those within the academic community. Indeed, a study of the longevity of our Montana educational institutions' past presidents has suggested a parallel with the rise and fall of competing forces within our state. It has been often said that "University Presidents come and go, but the Foundation continues forever!"

But to conclude that our Foundation was principally an outgrowth of the reaction to political influences, would not be

accurate. President McFarland brought to the University recognition of the need to utilize the combined efforts of alumni, business, labor and "friends" if the institution were to obtain funding for obvious capital intensive programs. There were many other considerations which led to the Foundation's formation; however, the motivation of a few educationally sensitive individuals was to provide a vehicle which could attract funds for the support of the University unable to be obtained from general fund sources due to either the economics of the times or the vicissitudes of political persuasion, or both.

At its inception the Foundation had close ties to The University of Montana Alumni Association. Most of the original six trustees, if not graduates of the University, had a University contact. They were tapped by President McFarland, and included Ms. Mary Harstad, mother of Kathie Urbanec. Mrs. Harstad was an energetic alumnus from eastern Montana, who maintained, in private conversations with her daughter, that her presence on the first Board was probably the result of President McFarland's token recognition of "some form of EEO requirement." (Gratuitous comments of her daughter!) I doubt that gender was the basic reason for her selection by McFarland.

As one might expect, following a pattern of many charitable or educational organizations founded as non-profit, tax exempt entities under Internal Revenue Code Section 501(c)(3), the Foundation's life is perpetual. Its Board of Trustees has been and continues to be self-perpetuating, a characteristic which has not endeared itself to the academic community. Articles of Incorporation and Bylaws now provide for a thirty-six member Board, sixty percent of whom must be former students of the University. Since its beginning 175 individuals have served either as elected trustees or ex officio members. Trustees who serve two full consecutive terms of three years each, may be granted trustee emeritus status by vote of the Board. On occasion trustees who have been off of the Board one year or more, have been re-elected; however, the trend is to gain broader involvement from individuals new to the Board at the same time elevating trustee emeritus status by encouraging them to attend meetings of the Board, its functions, serve on committees of their choice, engage in fund raising efforts and generally to remain active, but without the right to vote.

For some years wide geographic representation on the Board was not extensive. Part of this was a natural outgrowth of a young organization, and the need for individuals to be "on the scene"; however, gradually successor presidents and nominating committees reached out and enlisted membership of both alumni and non-alumni from considerable distances. Perhaps the reign of President Bob Johns saw the greatest initial influx of non-alumni trustees who brought with them extensive business and foundation experience. It was interesting to see their growing interaction with and admiration for The University of Montana. Some, to their credit, were able to see their own sons and daughters find

an educational home at the University. They have been substantial contributors of both time and money.

In addition to the desire to provide a source of revenue which was not dependent upon a political process, early on there was a pervasive sense that many potential donors would like to see such an "independent" body have some say in the use of its funds. It takes little insight to recognize what such a foundation philosophy might succumb to. Trustees were tempted to establish their own criteria for the allocation of the few available "unrestricted" dollars. Department heads, feeling that they may have been slighted by the Administration's staff, in prioritizing needs, often sought and were accorded direct contact with the Board, receiving agenda time in which to make their appeal. I vividly recall one such instance. A charismatic colleague of yours asked for and received approval to come before the Board to request the allocation of monies for a particular publication project. Before his entrance, a fellow trustee turned to me and wanted to place a bet on "how much I thought he would receive"! My response was "Everything he asked for!" K. Ross Toole had been most persuasive!

But you can readily appreciate that such a process completely bypasses the traditional concepts of establishing preferential needs within an educational institution. Allocation by a board of such needs resulting from individual department requests without Administration recommendations, is not conducive to a coherent plan for campus harmony.

Through the artful guidance of a succession of strong University administrators, and the recognition by the Trustees, themselves, that such a process was counterproductive, there has developed a mature and, for the most part, productive, relationship between the University, Administration, Faculty and the Foundation - a recognition that the raison d'etre of the Foundation is the University, itself; that the Foundation exists solely to provide financial implementation of your causes. The Board, independent of the Administration, should not and does not act without recommendation.

In lieu of individual department head and faculty presentations to the Board for the purpose of initiating trustee approval and allocation mentioned above, there emerged a process of invitation by the Administration for presentation to the Board as a means of acquainting its members with the needs of the various disciplines. This has led to a much strengthened bond between the Foundation and the Administration. While there continues to be the awareness of a degree of independence, and in some quarters a resentment of the same, nevertheless such conviction has been tempered by the results of cooperative effort among all constituencies of the campus community.

Once a modus operandi had been thrashed out between the Administration and Foundation (occurring in the late 1970's),

there surfaced a problem of similar magnitude to that which had been experienced before. This arose from the absence of any coordination of fund raising activities. Alumni, Athletic Department, School of Business, School of Music, Law School, etc., ad infinitum, each saddled up and rode off into its own fund raising sunset, often content with minimal contributions prior to a yet to be announced major effort by the Foundation. This well intentioned, but fractionated effort, was ultimately corralled during the administration of President Richard Bowers. All efforts to raise money for the institution were brought under one umbrella, - the Foundation.

This single purpose approach lasted for approximately ten years. During this period, however, it became evident that donors with a potential for major gifts often were motivated by the identity with their own particular area of interest. Department heads, recognizing that alumni preference for objects of their choice, were being overlooked, turned to the Administration and Foundation, and requested the consent to embark on what we now refer to as "constituency" fund raising. This is essentially what we enjoy today - a timely combination of (1) major fund raising activities with a broad based appeal, and (2) the more narrowly focused "constituency" approach. The key difference to what had been and is now, is <u>coordination</u> and presence of the Foundation staff and its efforts. As this critique is being written, we are experiencing a well organized fund raising environment directed solely at maximizing the ability to obtain meaningful gifts for the implementation and enhancement of higher education needs. Never before has the presence of the Foundation and its efforts been more needed by The University of Montana if the characteristics of access and quality are to survive the year 2000 and beyond. (<u>Report of Governor's Education Commission for the Nineties and Beyond</u>.)

If Foundation trustees had once labored under the mistaken assumption that the formation of a separate, independent Section 501(c)(3) Internal Revenue Code entity could skirt the attention of the Montana Legislature, they were naive. Legislative budget constraints, the historical populace flare of elected representatives, and a host of other pressures provided a catalyst to increasing glances from Helena at Foundation affairs.

Such legislative attention first manifested itself as a request for a legislative audit, and a more accurate accountability of the origin and nature of funds administered by the Foundation. Many hundreds of hours of administrative, accountant and lawyer donated time were spent in determining whether past testamentary and lifetime gifts were legally vested in the State of Montana, the Foundation, or some combination thereof. Equally important was the need to distinguish between pure endowment monies, which might be either restricted, unrestricted or dedicated to "areas of interest," vis-a-vis funds able to be used, in whole or in part, for Foundation current operations. No attempt can be made in this brief presentation, to recognize individuals

who devoted their time and energies to this task; however, the attention given to the project by Sherman V. Lohn, a Missoula attorney known to many of you, should not go without comment.

One of the obvious purposes of such legislative attention, aside from the legitimate inquiry into the spending habits and fiduciary responsibilities of the Foundation, was the never-ending search by the Legislature for an excuse to absorb, directly or indirectly, unrestricted monies of the Foundation into the state budget for higher education. Needless to say, there was and continues to be considerable resistance by the Administration and Foundation to any such efforts by the Legislature - with some success.

There had been nothing to hide from inquiring eyes the state of financial affairs of the Foundation. The exercise in designating the ownership and nature of funds was essential and therapeutic. With that hurdle behind the trustees, the next overture of legislative interest occurred again in President Bower's term. This was the conditional or challenge appropriation of monies for the construction of the new facility to be used by the Department of Fine Arts. The House bill provided for the state to grant certain specified dollars for such a purpose if the University, through the Foundation, could raise the remaining funds needed for such a facility. Considerable debate among Administration, Staff, Faculty and Trustees followed. Was this a precedent that would come back to haunt the campus? Was it a "cop out" by the Legislature in failing to provide the bricks and mortar necessary for a quality program in all phases of the arts? As you are aware, the question was finally resolved by the acceptance of the challenge. There is little doubt but that in times of economic stress, the legislatures of most states will continue to look to foundations attached to their respective units to answer some of the capital needs if facilities are to be built. Hopefully, however, this mind set will not evolve to the point where the placement of primary responsibility is on the campuses to raise such monies, and the partial relief of general fund appropriations from the obligation to defray operational expenses attributable to such facilities. Clearly a combination of public and private funding for all facets of higher education is a sign of the times, and a condition fully recognized by both the Administration and Foundation.

Reference was earlier made about the "mystique" of the Foundation; the "old boy" network and its relationship to the campus. Probably no single event in the history of the Foundation heightened the suspicions of the trustees more than the announcement by the incoming president, Dr. James Koch, in 1986, of the need for a "study" of the Foundation, a suggestion welcomed by some of the Faculty who saw this as a means for Foundation trustees to finally receive their comeuppance! The Administration would invite to the campus James L. Fisher, a gentleman with substantial credentials. To be sure, the ultimate charge to Dr. Fisher was far more comprehensive than just to look at the Foundation.

Nevertheless, the immediate reaction by the vast majority of the Trustees was "Here we go again!" Faculty were interviewed along with others throughout the state. Some restructuring of intra-campus organizations resulted, and which has proven beneficial; however, the Fisher Report first presented, in part, to the Foundation trustees at their 1987 mid-winter meeting, confidential as it was intended to be, proved to be temporarily divisive between a new president and the Foundation. Much effort went into the assurances by the Administration that having the Foundation become an integral part of the University Administration - an unqualified recommendation in the report - was not intended to emasculate the sense of partial independence of the Foundation. Nevertheless it took the new president only one Montana legislative session to fully appreciate some of the rationale which gave rise to the Foundation. In the end Dr. Koch and the Foundation developed a remarkable rapport. It is generally conceded that he became one of the most effective lobbyists for higher education in Montana - an outgrowth of his credibility.

To repeat, I have not attempted to duplicate the content of orientation material compiled by Kathie Urbanec, Sharon Peters and others, which provides new trustees of the Foundation with a more detailed knowledge of the structure of the Board, its committees, the responsibilities of its staff, the function of the Directors of Operation, Planned Giving, Annual Giving, Development Officer for Scholarships, Prospect Research Manager, Major Gift Director, Corporate and Foundation Director, and Director of Advancement Information Services, nor has there been a recitation of the many successful projects of the Foundation. This information is available to you at the Foundation offices, and may be of interest.

Let me sign off on this task by quoting from Kathie Urbanec's comments to the trustees at their most recent orientation meeting:

> "Growth of the UM Foundation in its forty-year history parallels the growth experienced by other public, university-related foundations, which forecasts continued expansion and success for the future. Strength of purpose, capable leadership and solid financial management practices all point to a bright future for the UM Foundation on behalf of The University of Montana."

The close working relationship between President George Dennison and his staff, and the Foundation's Board, the recognition by the Foundation of its place as an "on behalf of" organization, and the opportunity for input by Faculty toward the education of Trustees re the review of the institution, should go a long way in preserving excellence for The University of Montana.

John M. Dietrich
Trustee Emeritus
University of Montana Foundation

The Trickle Down Theory of Education. 1.* The Honors College.

William G. Van Der Sluys, Department of Chemistry

In my opinion to assess the quality of a university, we must first determine if the institution is capable of successfully accomplishing its mission. We are a liberal arts university providing a broad-based education to both undergraduate and graduate students. We serve a wide range of students with an extremely wide range of abilities. We are currently in the process of determining if we should limit enrollment by raising GPA standards, something I favor implementing. We presently perceive ourselves as providing a high quality education given our resources. I think this conclusion is dangerous and suggests that we are fooling ourselves.

How does the Honors College fit into this equation? (Scientists always like equations.) Most people feel, and I concur, that attracting talented students to an institution, generally improves the quality of that institution. This is the intended purpose of an Honors College. By improving the quality of students on campus, we will in turn affect the quality of our faculty. A wiser person than myself once said, "The quality of an answer is limited only by the quality of the question that was asked." Good students make demands on the intellectual abilities of faculty and force them to continue to learn and grow. A faculty member who is no longer challenged by his or her material or students is clearly a liability, not an asset.

The administration of this university has established an Honors College in hopes of achieving these goals, but they seem to have forgotten one very important part, <u>additional faculty to teach these new Honors courses</u>. I was startled by a call for proposals from the Honors College to develop new courses, with the total available funding for one proposal being approximately $1,000. I know salaries are low on this campus, but this is clearly not enough to be used to hire additional staff to cover part of a faculty member's current responsibilities while that person teaches an Honors course. I would dearly love to teach twenty or so motivated young scientists. Unfortunately, I currently have to deal with approximately 200 students (some are very good, some are not so good) on a daily basis. A potential remedy, as I am reminded by my colleagues, is contained in the old chemist's joke, "Dilution is the solution." By taking on too many responsibilities a faculty member (especially a young and inexperienced one) compromises the quality of the entire effort.

How do we get the funding and the support we need? I was very pleased to hear recently that there had been a donation to the Honors College of $1,000,000 for a new building. However, I would like to point out that an Honors College building without faculty to staff the Honors College is not very useful. I do realize that people like to donate money for buildings so they can put their names on the front entrance. Personally, I think several endowed faculty chairs honoring the donor would be much more useful. So what to do? We can not let this gift go unused. At this point I propose a challenge to the faculty and the administration of this university. Can this money be used as matching in grant proposals to private and federal funding agencies, e.g., the National Science Foundation? The goal of this type of proposal would be to hire more faculty who would teach these courses. At this point a proposal of this type looks relatively painless, but it is not.

To receive this funding we will have to do several things: (1) We need to get organized and develop a plan for this proposal. (2) We need to write the proposal. This would require that faculty, staff and/or administrators take on additional responsibilities. This is something which the proposal itself is designed to prevent. Therefore, the administration needs to provide support for the Honors College in the form of organizational activities and release time for individual staff who may be required to help in the preparation of the proposal. <u>These activities cannot be in addition to current responsibilities</u> or the quality of the proposal will suffer. We want to look as good as possible to external referees. (3) We need to get this type of proposal funded.

In closing, I would like to point out that the administration of this university is not totally responsible for providing financial support for this campus. There is a degree of shared responsibility between faculty, staff and administration. It is vital that the administration facilitate the involvement of faculty and staff in the process of obtaining funds from traditional and non-traditional sources. Everyone talks about our funding and its relationship to peer institutions. I suspect that these other schools have similar problems with their legislatures. So what's the difference? It's time to get aggressive and play the game, remembering that just like in Reaganomics, the game is designed such that the rich get richer, the poor get poorer and the middle class is disappearing.

* The Trickle Down Theory of Education. 2. The Graduate School. W. G. Van Der Sluys, will appear in the fall semester issue of JANUS.

A LETTER FROM ROSS

It is not always so difficult to discover who the topnotch teachers are on a campus. Listen to student discussions in the Copper Commons, ask faculty members and departmental secretaries, check to see who gets annual invitations to speak at Rotary and high school commencements, inquire at the Alumni Center to see which teachers are often mentioned in alum correspondences, etc. Of course all of this sounds terribly qualitative, but the academy would be empty without value laden opinions.

I'm of the opinion that Ross Toole was one of those folks who did rather well in the classroom. Well enough, in fact, to be held up as a role model for other classroom teachers. Well enough to receive accolades from colleagues, students, and the general public. I never took a course from Ross. I did hear him hold forth in forums now and again, and he taught me more over coffee than all my graduate school professors put together.

At the June, 1980, commencement exercises, as Dean of the College of Arts and Sciences, I joined the standing ovation given to Ross by the student body for his being chosen as the outstanding teacher at the University. But Ross wasn't there at the time! We all figured he was down and out, fighting that nagging cancer. So I wrote him a note, expressing my pride in him, the standing ovation, how's he doing and a few more platitudes. On June 20, 1980, Ross wrote back to me. I hope you enjoy reading his message, one which I re-read annually.

Cancer felled Ross in August, 1981.

> Dear Dick:
>
> Thank you for your very kind note concerning my award. I just picked the note up today. It wasn't so much that I was dilatory in picking up my mail as it was (is) that at my age and in my condition certain priorities change.
>
> Due either to the ash of St.Helens or some quirk of water temperature, the deep water trout of Flathead Lake were suddenly surfacing. I read of this phenomenon in the <u>Flathead Courier</u>. I have deep-trolled for these monsters for years with no success. Thus with IV and sundry other tubes attached I rushed thither. You will not believe this but from the <u>shore</u> in front of my cabin I caught six (6) bull trout in three hours the smallest of which ran four (4) pounds.
>
> This was (and is) a matter of the highest priority--though my doctor, intent on prolonging my life, failed utterly to understand how I could miss his ministrations for three whole critical days. The poor man has got things all mixed up. I hope he will outgrow his simplistic view of things. He not only doesn't like to catch fish, he doesn't like to eat them--an obviously egregious flaw in his character.
>
> In the proper scheme of things it is I who should be thanking you, not you me. You have most generously

overlooked all the stupid things I have done as a member of the faculty since 1965. I have broken rules, forged signatures, and ignored the proper order of things for years. Your response has been humorously to indulge me. I am very grateful.

As for the students standing up at Commencement when the award was announced, I am glad I was not there because I would not have had the opportunity to respond with the truth. And even if I had it would have seemed maudlin (though in fact it would not have been).

The fact is that if I have taught well, they made me teach well. It did not spring from any talent of my own. They always sat there and expected me to produce. And there were all those expectant faces. Not once since 1965--and all that time dealing with controversial material--was I treated discourteously. I began, thus, to garner great respect for all those people behind all those faces. Very often they did not agree with me. Always they disagreed courteously and rationally. So it came about that I increasingly saw before me not a sea of faces but almost one entity--responsive, rather demanding, decent, curious, always courteous. If they respected me it could only have been because I respected them in at least equal measure. So if they applauded me on the occasion of the award my only conceivable response would have been Russian--to applaud they vociferously in return. That would probably have been misunderstood.

I have put all this in the past tense. I sometimes (but not too often) think that way these days. Lung cancer is not a salubrious affliction. This particular breed of cancer, called "oat cell," is particularly virulent. It happens, however, to be the only type of lung cancer which is responsive both to chemotherapy and radiation. Both are employed, as the doctors put it, "very aggressively." Indeed, it knocks the hell out of the victim. However, it has also produced a total remission. This is a misnomer. It merely means that the x-ray can no longer find the tumor. It is rarely a precursor to a "cure." But it buys time. Whereas at first diagnosis I had between three and four months to go, I have now bought a year and possibly longer. Since the really tough aspects of chemotherapy and radiation will be over by the end of July, that year (or so) can, and will, be a very happy and pleasant one for me.

So I'll be back in September. That's because when I found out that time was short for me damned if I could think of anything I would rather do than what I had been doing. I suppose that is really the definition of a happy man.

Thanks for all your thoughtfulness.

Best regards,

K. Ross Toole
Hammond Professor of Western History

"SULLIVAN'S FOLLY"

Annie Pontrelli, UM Centennial Coordinator

Go to the "Pope Room" in the university's law school and one of the first sights you'll see is the magnificent hanging chandelier and the beautiful matching sconces displayed upon the walls. The first question you may ask yourself is "why would this huge, gorgeous chandelier be hanging in a room with such a low ceiling?" The second question is "why would anything so expensive be displayed in an educational setting?" And then discovering that it's a Waterford chandelier from Ireland, perhaps the third thought that strikes you is, "How the heck did it get here?" Though the Waterford chandelier hanging in the Law School's Pope Room is sometimes known as "Sullivan's Folly," it represents a story worth telling.

During a six week trip to Ireland, Bob Sullivan, the Law School Dean from 1955 until 1978, and his wife Ellie, toured the Waterford Glass Factory. It was there that the wheels started churning in Bob's head, that a chandelier would look great in the law school's library. Not knowing if this was even feasible, the first step in the process was to contact Michael Fitzgerald, the Waterford Glass sales administration manager. With a note explaining his idea, Sullivan sent Fitzgerald blueprints of the library and in return, received a letter saying,"That room does nothing for a Waterford chandelier. It should be a big, arched ceiling with the chandelier coming all the way down, but I bet our design department could work up some designs," which they did. So in February, 1978 Sullivan picked a design and ordered a chandelier to be delivered before the first of December, 1978. (He was scheduled to retire at the end of that month.) Sounds like an easy process but there's more to it.

In a subsequent trip to Ireland, Sullivan again visited the Waterford Glass Factory and heard the story about the "Montana Chandelier" from Michael Fitzgerald himself.

Because of the multitude of requests for chandeliers from all over the world, the Waterford Factory opens their order books the first of every year, take orders for what they can manufacture during the year and then close the books. When Sullivan's request for a chandelier came in February, the books had already been closed on January 10th with enough orders for the year. However, Fitzgerald was either so intrigued or so challenged by the request that he went into his boss to tell him of the order for the University of Montana law school library. His boss's initial response was negative, telling Fitzgerald they didn't need any more orders and that the books were closed. The fighting Irish informed his boss that they ought to diversify and for the first time, try to manufacture a chandelier for such a low-ceiling room. Again, his boss turned him down. However, after Michael got up from his chair, crumpled up the design and threw it in the wastebasket, his boss succumbed saying, "Okay, do it, if you really want to do it that bad." Michael Fitzgerald answered, "Not what I want to do, but what Waterford ought to do." So he retrieved the design from the

waste basket and got to work.

He informed the foreman, the cutters, the polishers and all the people who were part of the process that they had three months to put it together. He then sent Sullivan a memo with a production schedule for the "Montana chandelier." Once a week thereafter Sullivan sent a follow up memo to the foreman, the cutters and the polishers reminding them of the time remaining to finish the chandelier.

In September, Fitzgerald called Sullivan to report how they were going to send this creation and to find out how they were going to support the chandelier from the ceiling. Normally, in a room with a higher ceiling, hanging a chandelier wouldn't cause much of a challenge. Yet because of the way in which the law school was constructed, some creativity came into the picture. The law school was built with pre-fabricated concrete channels about six feet wide and about twenty feet long. If turned upside down, they look like a "U." When inserted they're right side up so they have legs. It was between one of these legs that a hole was cut and a large steel plate was used to cover the hole. A sizable piece of round pipe was then welded into the section of steel and that went down into the room. When the Waterford chandelier was constructed, a sleeve was made to cover the pipe and that's what held the chandelier.

Sullivan received a call the day after Thanksgiving from Michael Fitzgerald informing him that the chandelier was leaving Dublin that day, would arrive in New York the next day and then be transferred to a Northwest flight to arrive in Great Falls a day later. Fitzgerald ended the conversation by stating that this was the first order with such a short deadline that Waterford Glass had ever met.

So the chandelier arrived, with hundreds of pieces in boxes, each piece disassembled and individually wrapped. At the factory, pictures were taken of the pieces and how they went together as a guide for the workmen who assembled it in the Pope Room. It took three electricians a week to put it together and to hook it up. And because the lowest part of the chandelier comes down less than five feet off the floor, a special table had to be made. By the end of December when Sullivan retired, the room was done and the Waterford chandelier glistened in all its glory and still does to this day.

Used by permission. This is from an interview of Bob Sullivan conducted by Annie Pontrelli, as part of the Centennial oral history series available in the Mansfield Library Archives.

CHANGING TO SEMESTERS

Albert W. Stone

The article by Prof. Von Kuster, "Semester Transition: Faculty Governance?" in **JANUS**, No. 1, Winter, 1992, reminds me of a previous administration attempt to impose the semester system on this Unit of the Montana higher education system.

The change was announced by President McFarland at a faculty meeting in May of 1955. Although taken by surprise, the faculty recovered sufficiently to move that first, a committee be appointed to study the matter. By a show of hands the motion carried. The minutes of the meeting, however, reported that the faculty voted in favor of adopting the semester system. (See The Montana Kaimin, Oct. 10, 1956.)

For well over a year no further word was heard of the study or of the announced change until the initial faculty meeting in the fall of 1956, Sept. 24, when President McFarland again announced his decision to implement the change. In support of the President, Dean of the Faculty Dr. Harold Chatland and Dean of the the School of Arts and Sciences Dr. Robert Turner submitted the findings of the "study committee", reporting that the changeover was quite feasible. Faculty members were noticeably disturbed. President McFarland called for a voice vote which he declared favored the changeover. But Dr. Ludvig Browman, professor of zoology, moved that the faculty Elections Committee conduct a secret ballot. His motion carried.

The Elections Committee conducted the plebiscite during the first week of classes. Of the total of 250 faculty members, 187 voted: 100 favored remaining on the quarter system; 87 favored the administration's desire to change to the semester system. Although this was nearly a 3/4ths turnout of the faculty, President McFarland declared it meaningless because over a quarter of the faculty had not expressed their conviction, so it was inconclusive.

"President McFarland then sent a notice to all department and school heads asking for a complete vote within the respective groups." (Kaimin, 10/10/56.) But that action was suspended when the faculty Budget and Policy Committee (predecessor to ECOS) ordered the faculty Elections Committee to conduct another secret ballot, and to make an effort to obtain a more complete vote.

In this final plebiscite there were: 118 votes for remaining on the quarter system; 108 votes for the change favored by the administration; 19 votes expressing no preference; 1 ballot said "not voting"; and just one member failed to cast a vote. (Kaimin, 10/11/56.)

During these developments it became apparent that the original issue was not the only question in controversy. The administration itself had become suspect and was a part of the controversy in the minds of many faculty members. Although President McFarland was not one to be mindful of faculty opinions and concerns, the tension that had surfaced became a concern of the Board of Education (predecessor of the Board of Regents). That Board quieted the immediate controversy by taking the issue away from this campus and ruling that the entire Montana University System would conform to the same academic schedule. Although that left the matter open for changing all units to the semester system (as is being done now), it meant that the quarter system would remain unchanged for the indefinite future, and the immediate controversy was over.

A very significant result of the arrogance shown by the administration in this sequence was the permanent weakening of the administration of President Carl McFarland. There was distrust of the administration by the principal faculty leaders, and so there was tension over subsequent issues. Some Board members had become more sensitive to faculty concerns and listened to faculty members. In the Spring of 1958, while President McFarland was meeting with the Board of Education in Helena on another controversial issue, Vice President Chatland called a faculty meeting to obtain a faculty vote of confidence in the President. Perhaps he succeeded, but there were 48 dissenters whose hands and faces were counted and observed by Vice President Harold Chatland. (Prof. Leslie Fiedler, away from campus, was considered by the dissenters and by himself as a 49th vote). That was President McFarland's last quarter as President of this University.

(Prof. Stone was Chrmn. of the faculty Elections Committee during the events reported herein. The foregoing is a combination of his recollection and the reports in The Montana _Kaimin_.)

Did you know ?

The University of Montana has 3864 parking spaces for automobiles. Of these 3051 are General ("A") parking spaces; the remainder are special purpose--reserved, quick stop, metered, etc. During the fiscal year ending June 30, 1991, 6,970 parking permits were sold.

(Source: Safety and Security)

DOCTORAL DISSERTATION

by Ellis Waldron

Autumn 1957: the sun settled behind the mountains west of Missoula and The Oval was in shadow as I left Main Hall. But something twinkled high in the sky above, reflecting its last rays.

There was SPUTNIK, the orbiting Russian satellite that launched us all into the Space Age. It seemed to chase the sun.

A few months earlier I had accepted the graduate deanship with an explicit reservation: no commitment to initiate doctoral studies on my "watch". I would continue to teach the courses I had developed in Legislative Process and Constitutional Law.

Congress, eager to meet the space challenge, enacted a National Defense Education Act in September 1958. It offered federal largesse to jump-start defense-related academic programs.

Montana State College promptly announced doctoral programs in several agricultural studies. Its ubiquitous and sure-footed president, Roland Renne, missed no chance to promote offerings of his school that might attract legislative support.

This was before "one man, one vote" became law of the land. Agricultural interests enjoyed disproportionate representation and influence in the Montana legislature.

Our president's office had a revolving door. Occupants moved through it in brief, uncertain tenure and groped for a comparable platform from which to encourage budget support.

My professional interest and experience with state government in two other states before Montana had enabled me to spend some time in Helena. I thought I had some sense of what went on there.

At my urging and after lengthy and troubled deliberation, our Graduate Council decided to encourage doctoral studies in a few fields that met two criteria: distinctive research opportunities and staff qualified to direct students at the PhD level.

Zoology and History seemed to meet those requirements. My personal recollection, possibly faulty, is that the staff of those departments did not unanimously embrace the challenge, and that the English Department declined the opportunity.

Now remote in time and place from relevant records, this is my recollection of how a significant curriculum development came about at the University of Montana. In fair measure it was politically driven. For me personally it was a traumatic and unforgettable experience.

My third book on Montana elections and voting behavior is ready for the printer. It identifies and interprets county voting patterns on more than 100 state ballot issues since 1924, including voter response to decennial mill levies for support of the university system. Nothing in it suggests to me that a different course should have been taken in 1957.

Ellis Waldron, Professor Emeritus of Political Science, served on the University of Montana faculty from 1950 until 1979. He lives now in Madison, Wisconsin.

Opinion

I believe that the participation of UM science faculty in policy discussions and shared governance has diminished over the last two decades. In the first issue of Janus Bob McGiffert spoke to the many possible contributing factors affecting all disciplines, and I won't belabor those further.

In this same issue, however, Ron Erickson remarked on the "trend in unit standards toward a downgrading of faculty service", and I would like to enlarge upon some possible reasons that this may have occurred in the sciences. In the '60's, when the competition for available federal grant money was somewhat less intense than now, we hired faculty in the chemical and biological sciences with the expectation that they would apply for and receive research grant money. Most of us did. But those expectations were not codified until departments were required to submit written "Unit Standards" circa 1976. Even with these first documents, it was generally acknowledged that some faculty could contribute more in service and teaching if their research activity was minimal, or that "significant research activity" did not always require major grant support. Several things happened to change the situation: federal grant support became more difficult to obtain, thus requiring more effort to do so; many areas of science advanced to the stage where it is virtually impossible to accomplish much without expensive equipment and research assistants (physics had been there for sometime), thus making significant grant support necessary for meaningful research; and, in some cases, the units of the University rewrote their standards to more clearly require significant research productivity for promotion and the awarding of tenure. While I applaud the desire to tighten up standards, it seems that there developed a concomitant pressure from the administration to increase the grant writing efforts of the faculty to make up, in part, for the absence of state dollars. Recall the recent call to double the grant and contract dollars at UM. Sometimes we feel that the research for which the grant is obtained becomes almost secondary to the overhead money received by the University - the "old cash cow" phenomenon complained about by faculty at major research institutions. The most significant upshot at the University of Montana, I believe, is that new faculty aiming for advancement and tenure, and older faculty trying to keep up (I include myself), perceive a necessity to put in more time seeking grant funds, doing research, and often publishing "unseasoned" research results, than was necessary only 15-20 years ago. In short, I fear that in trying to emulate larger, so-called research universities, we may be in danger of losing something of value that we once had - a science faculty that felt participation in University service and governance was a valid and valued part of their professional responsibilities.

Rich Fevold

What Ever Happened to Bill Feyerharm?

Since leaving Montana, I have worked with the Provost at Kansas State University and am currently back among my kin as a dean in the College of Arts and Sciences. I also try to teach a history course and am chasing an illusive par on the golf course. I have enjoyed my work, but frankly miss my friends at Montana and the special quality of your academic programs.

Howard Rhinehardt described the problems at the University of Montana: long on students, short on funding. So are we. We too are responding to program review and the possibility of an altered funding formula. Perhaps we are better funded than Montana, but possibly have more demands on our resources so we always seem to come up short. And, we have experienced budget cuts. Based on these developments, Howard asked me for my reactions.

First, I have found the planning process at three institutions, Illinois, Montana and Kansas State, to be unproductive and trying. People cannot agree on the "mission" of the University nor the "centrality" of its programs. Everybody disputes statistics. All seek to justify their existence so program statements became exercises in recreating "boiler-plate". The result is frustration among faculty and exasperation among regents and legislators.

Second, I have been frustrated with the imposition of management styles upon the academy. Admittedly as universities grew in numbers and complexity in the last half of this century accountants and managers were bound to appear as universities grew into multi-million dollar businesses. On the scene arose such terms as accountability, SCH's, etc. Faculty ridicule these bean counters who in the end seem to be the only university representatives who talk to regents and legislators. I am sure this portrayal is unfair, but nonetheless widely accepted by faculty and deans. Lost too often is a true discussion of quality and what really matters in academics.

I am not sure there is a solution. But, surely more and more reports are not the only and final answer. Assuredly if enrollment drops dramatically and staffing is not adjusted, then the system is botched. So, numbers have some value. For example, faculty and deans use statistics to attack their low salaries or when enrollments grow to document increased funding. Nevertheless somewhere in this process people, that is the academic community, regents and legislators, need to talk and not to shout. The public generally wants to be proud of its universities, and from recent experiences at K-State many Kansans have come to appreciate excellence in research and undergraduate education. Someone, even overworked and embattled faculty, needs to get out into the state and to explain what universities are about. In the medieval world princes, bishops and the like were patrons of the then emerging universities. Clerics and dons beat a path to their doors. Now the people are our patrons.

Did you know ?

AVERAGE NATIONAL FACULTY SALARIES, 1991-1992

LEVEL	INSTITUTIONS	PROFESSOR	ASSOCIATE PROFESSOR
I (doctoral degrees awarded)	192	$65,860	$46,970
IIA (comprehensive)	453	54,290	43,630
IIB (general baccalaureate)	689	47,360	38,310
III (two-year colleges)	315	48,180	39,890
IV (two-year, unranked)	425	40,820	--
UNIVERSITY OF MONTANA	--	40,000	33,000

In average salaries for Professors and Associate Professors:

- Among Class I schools (University of Montana's level), University of Montana ranks last.
- Among 9 public universities (Montana and four neighboring states), University of Montana ranks last.
- Among 9 member universities, Big Sky Conference, University of Montana ranks last.

Source: *Annual Report on the Economic Status of the Profession, 1991-1992* (*Academe*, Bulletin of the American Association of University Professors, March-April, 1992).

Student Credit Hours per FTE Faculty for Selected Departments of the College of Arts and Sciences

Department	AY 1981-82	AY 1990-91
Anthropology	787	1822
Communications Studies	1441	1394
Computer Science	2046	870
English	778	856
History	902	1684
Philosophy	707	1096
Physics and Astronomy	945	1038
...		
College Total	889	1120

(Source: Institutional Research)

In the 1980-81 Academic Year the University of Montana employed 404 permanent (tenured and tenure track) faculty; their average age was 44.7.

In the current year there are 365 permanent faculty with an average age of 47.7.

(Source: Data by Institutional Research; Arithmetic by Janus Staff)