

Minutes\*

**Senate Research Committee  
Monday, April 25, 2011  
2:15 - 4:00  
238A Morrill Hall**

- Present: Melissa Anderson (chair), Mustafa al'Absi, Margaret Catambay, Paul Cleary, Jerry Cohen, Marc Dunham, Greg Haugstad, Seung-Ho Joo, Frances Lawrenz, Jennifer Linde, Randy Moore, Timothy Mulcahy, April Rose, LaDora Thompson, Thomas Vaughan
- Absent: Breanne Byiers, Arlene Carney, Robin Dittman, Tucker LeBien, Kola Okuyemi, Federico Ponce de Leon, Karen Williams, Lynn Zentner
- Guests: Professors John Baker (Soil, Water, and Climate), Roger Becker (Agronomy and Plant Genetics), William Hutchison (Entomology), James Linn (Animal Science), and James Orf (Agronomy and Plant Genetics), Dr. Lois Braun (Research Fellow, Agronomy and Plant Genetics); Vice President Aaron Friedman (Academic Health Center); Peter Radcliffe (Office of Planning and Analysis), John Merritt (Office of the Vice President for Research)

[In these minutes: (1) UMore Park issues; (2) statement on a legislative issue; (3) economic impact study]

**1. UMore Park Issues**

Professor Anderson convened the meeting at 2:15 and welcomed the guests to discuss faculty concerns about research and the future use of the land at UMore Park.

Professor Linn, Head of Animal Science, said that his department has conducted research on land at UMore Park for over 50 years, including with sheep, dairy and beef cows, and swine, and at present it has research facilities for turkey and beef cattle. Their research facilities are on the edge of the area where the proposed gravel mining will start. They have expressed concern all along about the loss of agricultural land and their animal facilities. They are more concerned about the animal unit because it is the only turkey research facility for the state—in a state that leads the nation in turkey production--and it is also the only beef feedlot research unit, also important to the agriculture industry.

What is key for them, Professor Linn said, is replacement of the facilities. There has been no discussion of the loss or replacement. This is a multi-million-dollar problem. Second, this is a primary turkey-producing state, but they have no idea what the effect of mining will be on the research facilities. They bring in \$300,000 – 500,000 per year to support the facilities the research facilities at UMore Park, and the impact of the mining has to be addressed.

Dr. Braun, from Agronomy & Plant Genetics, reported that she works with hybrid hazelnuts, a new crop to UMore Park and a potential new crop for Minnesota. The plants were put in in 2000, and are

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\* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.

a slow-growing woody bush; to eliminate the plants now would set the work back by ten years. UMore Park is useful because it is close; they have to fit fieldwork in with students and the weather, and can do field trips to UMore Park in part of a day. For more distant sites, such trips will take a day or more. Proximity and a long-lived perennial crop (in her case, estimated at 50 years) are important for much agricultural research because they must know the history of the land. In this case, it has been carefully mapped for years. The land is their laboratory, Dr. Braun explained, and UMore Park turns their labs into a gravel mine. The value of the lab far exceeds the value of the gravel mine. They have asked for alternative land but are skeptical that will be provided with the kind of land that is needed.

Professor Baker, with the USDA and the Department of Soil, Water, and Climate, reported that he does research on climate-change, carbon sequestration (which takes a long time to mature), and greenhouse gases, and for that he needs large plots of land, which is why UMore Park has been so valuable. He said that he also was concerned about the loss of research lands close to the campus. The University is abdicating its land-grant mission, and he does not know of another land-grant school that does not have land close to its campus to train undergraduates. To sell off an asset to pay for operations is like selling one's kidney to pay for groceries, he said, which is why they are so upset with the plans for UMore Park. They have also not explored for gravel in the parts of UMore Park that are not suitable for agriculture, such as the area where the munitions plant sat. They cannot simply move their agricultural plots.

Professor Orf, from Agronomy & Plant Genetics, said that their work serves the teaching, research, and outreach missions of the University, and the land is their outdoor lab. The plans for UMore Park are like having labs in biochemistry moved elsewhere. They need long-term data on their plots so they know the potential of the plot land for research. Not all soil is the same. If one looks at the value of research, for example, soybeans are grown on about 7.5 million acres in Minnesota; if a new variety on 1 million acres produces an additional bushel per acre, at the price of \$13 per bushel of soybeans, that is about \$13 million in additional income from the new variety. A new variety of wheat would have a similar impact, perhaps \$5 million per year. Those numbers will continue in the future with respect to the potential from the research they conduct.

The land that has been suggested as an alternative is not equal to what they have now, Professor Orf said, nor does it have the millions of dollars of infrastructure (storage sheds, irrigation, and laboratories for threshing and storage of plants, etc.) that currently exists in the land they use. There was great concern about the impact of the light-rail trains on research on the Minneapolis campus; they have the same concerns about the dust and equipment storage and safety of the people working at their sites. He said that he uses a large area of land, on a 3-4-year rotation, about 40 acres per year, so 120-160 acres that he needs to be in close proximity. The research will take more time if the research plots are widely separated. Moreover, the land is close to campus, he said; he has had about 20 graduate students who have done their thesis work on the land at UMore Park and have gone on to make contributions, the value of which can't be calculated.

Professor Hutchison, the Head of Entomology, said that his department still has active research at UMore Park and they have not seen enough consultation with faculty members; he thanked the Committee for hearing about their concerns. Their faculty see these recent discussions as re-arranging deck chairs on the "Titanic," and he expressed the hope that the Committee could identify a new way to engage University officers and to seek a new approach.

One of the things they research is alternatives uses to pesticides. When a new pest appears that threatens seven million acres of farmland used for soybean production, the chemical companies tell farmers what to spray and when; their faculty develop the guidelines on when and if the pesticides should be used, and have saved farmers about \$50 million per year since 2003. UMore Park research in Entomology also benefits Minnesota Corn Growers. The European corn borer has been the most widespread, damaging pest of corn throughout the Midwest. A recent study published in *Science* was based in part on UMore Park data, and summarized a novel benefits of genetically engineered corn—the areawide suppression of the corn borer over the past 14 years, totaling \$6.9 billion in five states. The land at UMore Park provided one of the important long-term locations necessary for the publication.

Professor Hutchison said he shares the concerns about the plans for the use of UMore Park and said there has been little effort to look at other parts of the land. The best agricultural land is in the west, and they would not be able to do their work if given the land proposed in the southeast. The eastern two-thirds of UMore Park, the land occupied by the abandoned ordinance factory, will remain untouched by mining for the foreseeable future.

A number of faculty members (23) in the College of Food, Agricultural, and Natural Resources Sciences (CFANS) wrote to the Board of Regents in July, 2010 to express their concerns. The Regents wrote back to respectfully disagree about the quality of the land and the lack of a farm for the University.

Professor Becker, a weed scientist, said the research he and his colleagues conduct on agricultural crops at UMore Park is only possible because of decades of work to cultivate and build seed banks of specific weed species, population densities and that occur in managed distribution areas; a task that one would think is simple but that is actually difficult and time-consuming because of the characteristics of weeds. He also works on invasive species in natural areas. The UMore Park land is of a scale that allows invasive species work at the interface of cropped and natural areas. Newly emerging invasive species of concern in Minnesota generally can be found *in situ*, or a suitable habitat can be found to establish research populations. Control of larger landscape areas allows unique research efforts such as research they conducted on wind dispersal of *Cirsium arvense*, (Canada thistle) because they could ensure that contaminating populations were not within a mile radius of the trapping arrays. He also emphasized the ability to conduct intensive sampling studies because of the access to UMore Park, a reasonable distance to the Twin Cities Campus, research not feasible or efficient to conduct at Research and Outreach Centers further out, the closest being at Waseca. He said that he also wished to point to the land-grant mission of the University and that graduate-student activities that take place at UMore Park are critical to that mission. The land adjacent to the St. Paul campus, he added, is fully utilized, and hard to gain access to.

Dr. Becker also noted that when the University received the land at UMore Park after WW II, University Agronomists and Soil Scientists conducted surveys and determined the agricultural plots needed to be where they are because most of the landscape at UMore Park was disturbed in building the munitions plant. Topsoil and subsoil were mixed or significantly altered, rendering those areas wholly unsuitable for research other than reclamation research. We cannot just move onto other lands impacted by the plant construction. Moreover, the first gravel mining to occur will take place where the agricultural research is conducted. They need to move within UMore Park, and are trying to, but have not been given timeframes they can depend on or suitable areas accessible into the future. They cannot plan any long-term studies. They and others have been doing studies for ten years or more and will not be able to continue because of the gravel dust. E.g., photosynthate measurements will be erratic and altered because of widespread gravel dust deposition. There has been plan by administration for our research to

co-existing with the mining operations, but we were told there would be three active mining sites. These sites encompass the entire Agronomy farm research areas, and he would not want to be around them, nor would he want his students working on the land near them. Dust, noise, VOCs from the asphalt plant, conveyors transporting rock overhead, and heavy equipment traffic - they cannot co-exist. The take-home message is that the University has to acquire new land in the area. As Dr. Al Levine, Dean of CFANS put it; it is like taking buildings down on campus and making no alternative arrangements for the faculty who were housed in them.

Professor Anderson asked the Committee's guests if they have the sense that the UMore Park plans are a "done deal" or if they are advocating for revocation of the plans. If it is a done deal, what is the solution? The Committee today has heard about serious problems.

Professor Baker said he did not know if the plans are a done deal, but they have been given the impression there is little they can do. Professor Hutchison said they could not speak for the college. Professor Linn said that the Regents' letter indicates the plans will go forward even though most faculty members on the St. Paul campus oppose them. Dr. Braun reported that the gravel mining has been postponed because of the economic situation (an 80% decline in the demand for gravel), which buys them time to explore alternatives, such as mining on the east side and not disrupting the agricultural land.

Professor Orf said that because the proffered alternative land does not meet their needs in terms of either the land itself or the infrastructure, to move to a new site would solve the problems in the long term. Questions were asked, but there is no plan for any replacement land. They do not believe that is appropriate because the land is their lab; the University does not just take down a building and not provide alternatives for faculty members. The issues also include proximity—and he noted that faculty members have research plots all over the state, some of which require considerable travel to use.

Professor Vaughan asked if the Regents made the decision without consulting the faculty. Essentially they did, Professor Baker said. The Board was led to believe there would be additional discussions about what would serve the research needs of the faculty, but those discussions have not taken place. Is that an oversight, Professor Vaughan asked?

Professor Linn said that from the time the process started and all along, they have said that what is going on there is not acceptable. There will be mining and a new community; the key issue is the lack of responsibility for agricultural research that has been there for 50 years. They are not looking at the importance of how to replace that land—the focus has been on the mining and the new community.

Dr. Braun reported that it was in March 2010 that agricultural researchers were informed about the plans for UMore Park. Many had no idea anything was being planned, even though UMore Park had been in the works for years.

Professor Cohen thanked the guests for bringing up the issues. The last presentation to the Committee (at its previous meeting) was rich but it lacked time for discussion. He had three issues he had wanted to raise. One, what would happen to the plots with perennial plants? Two, what would happen with the plots that require long-term research on the same land. Three, what are the financial resources to move this research. All are important, he said. The implication is that Vice President Mulcahy talked about the cost of relocating the NMR machines because of the light rail trains, which involved a cost in time and expense, including the effect on graduate students. One would have thought they would have

had similar relocation costs as part of the UMore Park project, but apparently they did not, which reflects a misunderstanding of the research enterprise. Doing research in medicine is about the same as a clinical trial: For an herbicide trial, time and place are important. Professor Baker agreed and said that for climate-change research, the research has to be on the same plot of land.

The argument was that things cannot go on like they have been, Professor Cleary said. What does that mean? That the value of the land and gravel outweighs the value of the research? Professor Orf said that, per Professor Baker, some of this research has a history and it would take 15 years to get back to the same point. Will NSF provide funding for another 15 years? That is not likely. Professor Cleary said he could not understand the negative views about the agricultural research being done on the UMore Park land.

The future use of the land for agriculture was never discussed, Professor Linn said; it was all about the new community and not about how to replace what was lost. They have lost a lot in Animal Science that they used for teaching and research. They have land 25 miles away with a lot of experiential learning opportunities; it takes all day and more to go to other sites.

What also bothered them, Professor Orf said, is that when they saw the presentation to this Committee, and the plans, there were provisions for graduate-student raining and money for research in urban planning and other areas but no provision for agricultural research. Labs will be taken away and there will be no opportunity to use any of the revenues from gravel mining to replace them.

What is the scope of the risk, Professor Anderson asked? Harm to entire departments? To how many faculty members? Professor Orf said that in his department, about half the faculty members have research plots on the UMore Park land. About 25% of the Plant Pathology faculty, 5 of 16 faculty members in Entomology, and about one-third of the faculty in Soil, Water, and Climate. In addition, Veterinary Medicine has an entire farm on the site. Professor Linn said about 20% of the faculty in his department use the land; some faculty members using animal facilities on the campus would also be affected because a lot of the feedstock for the St. Paul campus comes from the UMore Park land.

Professor Linde asked if anyone had done a cost-benefit analysis before moving forward on the contract for the gravel mining. Only the benefit of the gravel, at \$1 or \$2 per ton, Professor Hutchison said. If there is a market for it, Professor Linn observed; Professor Hutchison said they have never been told the net revenue from the mining. They did not compare it with corn and soybean research, which certainly says something about the value of sustainable agriculture; this is a short-term solution to a long-term problem.

Professor Linde said that she saw no economists or agricultural economists listed among the people involved in UMore Park. Professor Orf said he was not asked what the short-term impact or what was anticipated in the future, and was not aware that any such question had been considered.

Professor Moore said he appreciated the numbers that the guests provided. He said he was surprised that they were among the last to know about the UMore Park plans. The presentation to the Committee made it seem like they are a done deal—but there were few numbers. He said he has worked at gravel pits—they disappear. These plans seem remarkably short-sighted. The plans indicate that the gravel-mining sites would be turned into housing, retail, and lakes, Professor Anderson recalled, akin to Centennial Lakes in Edina, which was also a former gravel-mining site.

Professor Vaughan said it would be useful to have some cost-benefit analysis in order to compare the possible uses of the land. The Committee heard a sales pitch at its last meeting, that UMore Park would be great for the University, but nothing about the downside to the plans. Dr. Braun said that she and others expressed concern at a hearing on the plans and came away with the sense that the concerns would not be considered and that they were giving lip service to the idea of taking them into account. She said she also knows that some people were prevented from expressing their views about the plans.

Professor Anderson said that if the six guests agreed that the UMore Park plans are going forward no matter what (the six did not so agree), there would be different recommendations from this Committee than if the plans are not set. Professor Hutchison said that based on what he's heard, it's a done deal; Professor Orf concurred. Dr. Braun was less certain.

Professor Cohen said the Committee's recommendation should be that the University come up with a plan to transition the faculty that is agreeable to the faculty members and the costs for which come from the project itself. Even if it is not a done deal, the faculty members involved have not said they are opposed to EVER moving; what they have said is that they need an adequate transition period timeline so there is not damage done to ongoing projects. The Committee is hearing that the effects of the plans would be catastrophic if there is no such plan; research information would be lost. A transition plan would allow research to continue. That solution would not address the need to stay on the same plot of land, Professor Vaughan pointed out. Professor Cohen's solution is more pragmatic, he said, but it seems like the University is selling its future with respect to the land—a commodity that is not easily come by. Who decides, he asked?

Will someone covet their land, even if they relocate, Professor Moore asked? They would, Professor Orf said. There are proposals every four or five years to put the agricultural land around the St. Paul campus to different uses. If they were able to relocate to replace the Rosemount land, that's a smaller target, Professor Becker observed. While the old arsenal area at Rosemount is huge, approaching 7000 acres, the area to replace what is currently utilized for research is relatively small—though it would still be coveted in the seven-county metro area, a smaller target. Professor Cleary said he heard the presentation two weeks ago and now this, and he has been persuaded by the faculty. It would help to have a white paper that outlines the benefits from the present use of the land versus those if the new development plan takes place. The information has been put together in bits and pieces, Professor Orf said, and it is not clear if it should come from the CFANS administration or from the faculty.

If one uses the light-rail analogy, the Office of the Vice President for Research has been heavily involved, Professor Anderson. What is the flaw in the analogy? Dr. Lawrenz said that the light-rail project was forced on the University and it is not making any money on it; it will make money from UMore Park. So analogy is not perfect and some are getting paid for their work. The "can't do research without it" argument is the same, however. The unfolding of the decision-making process was very different. The University is contending with itself in this case, Professor Anderson said.

This is the age-old problem of development versus preserving agricultural land, Professor Cohen commented. Those who support agriculture favor preservation. The land is only lost once; if it is developed, it is not agricultural ever again. There needs to be a University policy on making this kind of assessment. The reason the land adjacent to the St. Paul campus has been preserved is because it was willed to the University for agriculture, and if not used for that purpose it reverts to the family. The

responsibility should be on those who want to change, not those who wish to preserve, and that needs to be established as a precedent or preservation will always lose, because those who favor development can press every year until they prevail. Professor Cohen said, however, that he did not doubt the beliefs of those who advocate development, that it will improve the financial situation of the University.

The University is developing the land to make money, Professor Moore observed. It will make money now, but has overlooked the income from grants and the improvements to state agriculture. He said he would like to see both sides talk about the economics of the matter.

Professor Anderson said the Committee would keep this item on its agenda and decide what it wants to do. She thanked the guests for joining the meeting.

## **2. Statement on a Legislative Issue**

Professor Anderson welcomed Vice President Friedman and accepted a motion to close the meeting. It passed unanimously.

Committee members discussed with Dr. Friedman the legislative proposal dealing with somatic cell nuclear transfer research. The Committee agreed to adopt a statement to send to the legislature. Professor Anderson said she would draft and circulate it for approval.

[Subsequent to the meeting, the Committee voted unanimously in favor of the following statement:

The University of Minnesota Senate Research Committee hereby strongly urges members of the Minnesota Senate and Minnesota House of Representatives to vote "NO" on the Human Cloning Prohibition Act, SF 695/HF 998.

Our recommendation is based on the following points:

- 1) The bill would criminalize all research that involves somatic cell nuclear transfer, whatever the source of funding.
- 2) The University of Minnesota already bans the use of state funds for research involving somatic cell nuclear transfer.
- 3) This research holds significant promise for beneficial therapeutic medicine, such as treatments for paralysis, ALS, Alzheimer's disease, blindness, cystic fibrosis, Parkinson's and spinal cord injuries.
- 4) This research does not result in cloning of a human. The University of Minnesota does not and will not perform research for the purpose of human cloning.
- 5) The bill would criminalize in Minnesota research that scientists are permitted to do in other states, providing incentives for biomedical scientists and companies to leave the state.

We urge the legislature to reject the proposed legislation. If the bill passes, we urge the governor to veto the bill.

Sincerely,

Melissa S. Anderson, Chair

On behalf of the University of Minnesota Senate Research Committee:

Mustafa al-Absi  
Breanne Byiers  
Margaret Catambay  
Anna Clark  
Paul Cleary  
Jerry Cohen  
Marc Dunham  
Demoz Gebre-Egziabher  
Maria Gini  
Greg Haugstad  
Seung-Ho Joo  
Jennifer Linde  
Randy Moore  
Kola Okuyemi  
April Rose  
LaDora Thompson  
J.T. Vaughn]

### **3. Economic Impact Study**

Professor Anderson now welcomed Dr. Peter Radcliffe and John Merritt to the meeting to discuss the economic impact study conducted for the University by Tripp Umbach.

Dr. Radcliffe distributed copies of slides about the economic impact study and walked Committee members through them. He explained that his office was charged by President Bruininks, under the auspices of Vice President Mulcahy, to gather data for the consultant hired to conduct the economic-impact study, Tripp Umbach. This is a statement about the importance of the University to the state that is different from the way the University usually makes the case, because this report is about the economic impact in dollars and cents terms. This is a statement about finances, not about mission or what the University does, and it complements the other approaches. This study demonstrates the University provides a substantial benefit, not WHY it is here. As Vice President Mulcahy has observed, this report documents the bonus to the state from the University delivering on its mission. The study, in short, reports on the value of the work done rather than the value of what the University does.

The University chose to use an outside consultant because it wanted a third party to do the analysis; Tripp Umbach has conducted such studies for a number of the University's peer institutions. Using Tripp Umbach also allows the University to compare the results of its study with those of its peers.

Dr. Radcliffe outlined the goals of the study as well as the methodology and analysis. The goals were these:

- To quantify the economic and employment impacts of the University of Minnesota system on the state of Minnesota;
- To quantify the economic and employment impacts of the University of Minnesota campuses and statewide resources on each region of the state; and
- To better articulate the benefits of a major research institution and its partnership with the community, citizens and the state.

The data collected included capital expenditures, operational expenditures, and payroll and benefits and taxes. The approach was conservative. Ironically, the method for conducting the study, IMPLAN, was developed at the University of Minnesota for work with the U.S. Forest Services and has become an industry standard for evaluating economic impact.

The overall economic impact of the University is \$8.6 billion per year, Dr. Radcliffe reported, including \$4.1 billion in direct expenditures and \$4.5 billion in indirect and induced expenditures. What the University spends is what counts, for these purposes; with respect to revenue, what is important is that the University brings in money from other places.

In terms of impact by component of University activities, research accounts for 17%, operations counts for 53%, and the medical center/University of Minnesota Physicians accounts for 30%. They used a conservative definition of research: They used federal accounting standards, which require that something explicitly be called "research." What is included in the economic impact is operational, capital, and research spending, salaries and benefits, visitor spending, and student spending. What is not included is research commercialization, in-state alumni impact, attraction power, knowledge and expertise, arts and culture, and the libraries.

There are 79,497 jobs supported by the University and Fairview, 42,319 directly and 37,178 indirectly. One in every 43 jobs in Minnesota is attributable to the University. (They did not count any part of the Fairview Health System that is not connected to the University.)

The upshot is that for every \$1 in state investment, the University generates \$13.20 in the statewide economy. The key to these studies, Dr. Radcliffe explained, is the multiplier effects, which are based on data from the Bureau of Economic Analysis, part of the U.S. Department of Commerce. They tried to not magnify the effects beyond a reasonable level. The \$13.20 represents money brought into the state, and is a higher return than other organizations can show because of the University's ability to leverage outside funding.

The University generates \$512.3 million per year in state and local tax revenue, \$136 million of it directly from University activities.

University research is an economic engine for the state; its research expenditures from competitively-awarded funding generate \$1.5 billion in impact and supports 16,193 jobs.

Dr. Radcliffe then noted factors not taken into account in the core Tripp Umbach analysis.

Educating the Future Workforce:

- The U of M educates the workforce that Minnesota needs to succeed in the 21st century.
- The 14,000 students who graduate every year from the U of M are essential to the state's human capital and workforce needs.
- The U of M awards 90% of all STEM doctoral degrees, 85% of all MD degrees, and 100% of all dentistry, pharmacy, and veterinary medicine degrees.
- The U of M is a talent magnet, attracting talented students in a wide range of disciplines—many of whom stay in MN upon graduation.

U of M Alumni play a vital role in Minnesota's economy:

According to alumni surveys conducted in 2004-2006:

- U of M alumni have formed nearly 10,000 companies in Minnesota.
- Nearly 25% of these company founders moved to Minnesota to attend the U of M.
- These companies employed approximately 500,000 people annually and generated some \$100 billion in annual revenues in the state.
  
- The U of M graduating class of 2010 will have an \$8.9 billion impact on future increased earnings. This impact is above and beyond the impact of the University's operations

The U of M is a strong community partner:

The U of M educates children, citizens, future employees, leaders and innovators. The U of M makes the state of Minnesota a better place to live providing more than \$204.0 million in community benefits including:

- \$4.9 million in free care provided by UMMC-Fairview and UM Physicians
- \$71.3 Million donated to local charitable organizations by U of M Faculty, Staff and Students
- Nearly \$127.8 Million in value of volunteer time provided to area communities by U of M Students, Faculty and Staff

Mr. Merritt reported that in terms of communicating the results, the University did a media push at the March Regents' meeting and the website with the study data went live this week. The point is to get the word out about what is going on at the University, and this study helps illustrate the story the institution has already been telling.

Professor Cohen said this is a great study and makes constantly available the information people need. This Committee has dealt with the basic costs of research and the issue of resources that go to teaching versus research; this report indicates the University takes the money to do research—and that benefits the entire state. He said it was inappropriate to not take some research funds because they do not carry sufficient indirect cost recovery funds with them. His argument is that the University should take every dollar it can get for research because doing so benefits the state. The University should support small grants that do not provide overhead funding because they have such a magnifying impact on the state. He said he knows that Vice President Mulcahy may not want to hear him make this argument, but the University needs to find a way to support research so that it need not be so concerned about cost

factors. He said that he constantly asks his dean whether he would have no research dollars or research dollars with low overhead funding.

Professor Vaughan said that Vice President Mulcahy has shown the Committee how research loses the University money, but that is a limited perspective, given the data in the Tripp Umbach study. He said he is not sure it serves the University well to turn down research funding if it really has the impact suggested by these data. Dr. Radcliffe observed that Vice President Mulcahy's point has been that the University needs the state funding in order to leverage other funding. Professor Anderson commented that Vice President Mulcahy would say that that is expensive money.

Professor Anderson said she also was glad the University commissioned the study, and it was discouraging to hear some outside the University discount it because the University commissioned it. The fact that the University used a third party was completely lost in the discussion, and there seems to be a sense that the report is tainted because it used University data. Dr. Radcliffe said the consultants used data balanced to the University's audited financial statements and used standard accounting practices. Mr. Merritt commented that Tripp Umbach has done similar studies on over 100 institutions and it has been in business for over 20 years; it wouldn't be able to stay in business if it were cooking the books.

Dr. Haugstad asked if Tripp Umbach will provide comparative data. They are putting the information in the report, Dr. Radcliffe said; the University has one of the largest economic impacts they have seen, and the return to the state is above average compared to the other institutions Tripp Umbach has studied. Mr. Merritt said that Tripp Umbach has reported it usually expects about a 10:1 return on state investment for a similarly-sized institution; the University was over 13:1.

To whom is the study directed, Professor Vaughan asked? Primarily an external audience, Dr. Radcliffe said, although it also has internal uses. It is directed to the people of State of Minnesota, Professor Anderson said.

Professor Anderson adjourned the meeting at 4:25.

-- Gary Engstrand

University of Minnesota