

Minutes*

A Meeting to Discuss Post-1993 Planning The President and Some Faculty June 28, 1990

Present: Ellen Berscheid (CLA), Mark Brenner (Agriculture), David Dittman (Management), Margaret Etter (IT), Edward Foster (Academic Affairs), Philip Frickey (Law), Richard Goldstein (IT), David Hamilton (Medical School), Nils Hasselmo, Robert Jones (Agriculture), Kathy O'Brien (President's Office), W. Phillips Shively (CLA)

Professor Shively opened the meeting by reporting that the President had asked him to gather a small group of faculty to talk about the University generally, concerns, and specifically about planning in the 1990s.

The President told the group that his first 18 months in office would soon be completed; it is, in combination with his own review, a time to take stock. It is also a time to peer beyond 1993. When he first returned to the University, he recalled, he felt that Commitment to Focus was "an enormously good thing for the University of Minnesota" and wanted to find ways to make it politically possible to implement it. The agenda for the first 18 months set itself, in a way, because there was a programmatic agenda which needed to be interpreted and reinterpreted. He spent a lot of time going around the state establishing links with the various publics and developing confidence in the institution; that period has drawn to a close.

He has a number of concerns, the President related, about the way business is done, the way communication occurs, and especially where the University goes after the current planning period. What should the priorities be and what profile of the University should be communicated? To begin to try to answer those questions is the reason the meeting was called; there will be two additional such meetings later in the summer.

The President drew the attention of those present to a set of three questions which had been distributed (attached to these minutes).

One of the questions related to program flexibility and the 2% annual retrenchments. The President noted that the Board of Regents has strongly endorsed the need to continue reallocation; the administration is of the view that the University must do major reallocation. He said he was "absolutely baffled by the fact that the 2% approach is being regarded as an across-the-board, easy-out approach to reallocation--when we are sharply focussing and reallocating resources in very targeted areas."

The President also commented that when the undergraduate initiative was started there was a fear was that it would be seen as a reorientation of the University--to the neglect of graduate education, research, and public service. His original suggestion was a set of several initiatives to ensure a balanced

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

view of the University; he was, he reported, talked out of that. It would have been too complicated and would appear that the University was continuing to try to do everything for everybody. The undergraduate initiative was seen as the best way to approach a serious concern for the University, the area where there was the greatest over-extension and overcrowding, and where we had a special responsibility because of the opportunity provided by the legislature to reduce enrollment. We needed to go back to tell the legislature what the quality improvements in undergraduate education were going to be. The danger is there, however, that the initiative will be seen as a reorientation of the University which takes it away from what is unique about it.

That, the President averred, is not the intent. The basic philosophy of Commitment to Focus remains, the basic balance among the major activities remains.

The President then asked the faculty present to each indicate the major concern they have about where the University is and the major issue that needs to be addressed, both in the coming year and after 1993.

Professor Hamilton said that one of the major issues he faces as a department head is the infrastructure. Although perhaps not the kind of academic issue which the President may wish to address, on an every-day basis there are difficult problems with support services, with Physical Plant, with maintenance of buildings. It seems that support services are pushing more and more work onto the department at a time when the administration is, for good reasons, taking money from the departments.

The flexibility that he hoped would come about has disappeared. There is no flexibility. Most of the department heads in the Medical School, he reported, share this view. Every faculty will have different needs for support of its activities; some will require less than others. In order for Medical School faculty to bring in the money they do--for research and in indirect costs--they need facilities, support of Physical Plant, support of Purchasing--units which seem to be increasing the costs of running a department at a time when the department is losing funds.

It is more than just the charge-backs to the departments, Professor Hamilton said. For example, he pointed out, all invoice auditing must now be conducted by the departments; previously this function was performed by purchasing. Professor Hamilton said that his accounting people already had enough to do without adding responsibility for all of the invoices which come through--and departments do not have the money to hire additional staff to do the work. This is a function which has been performed centrally for many years--and now is thrust upon the departments. Professor Hamilton concurred with the President's comment that the changes in the management of the infrastructure are going in the wrong direction, putting more work on the departments rather than facilitating their work.

Professor Goldstein opined that decentralization is a great idea--but the way it is done at the University is to pass the costs on to the department along with a little money for that year. Then the costs escalate rapidly but the support to the department does not increase correspondingly; a classic example is telephones. Professor Shively observed that supply budgets have not increased; Professor Goldstein responded that the reason the departments are hurt is because things have been decentralized so that they pay for things which at one time were paid by the University.

Professor Dittman said part of the problem was an inappropriate organizational structure. If the University is going to decentralize decisions, it must also decentralize the authority to make the decisions.

What has happened, however, is that when departments try to use their discretionary decision-making authority there are a lot of road-blocks put in the way. Construction or remodeling of a faculty office is a prime example: The department head cannot simply obtain bids from a contractor--which would allow the low-cost bid and save the University money. The department must go through the Planning Office, pay them to do a cost estimate, then get bids--by which time you have been delayed six months. It cost \$18,000 to knock down a wall and the contractor didn't follow the blueprints. A local contractor could probably have done the same job for \$7,000. The same is true, he pointed out, for purchasing office furniture. The centralized procedures cost the departments "an arm and a leg."

There are a lot of people along the way who can second-guess a department as it tries to make decisions, people who have vested interests in the projects--if "they don't get their piece of the action then they can't show their worth to the University."

The trick, the President said, is to simplify the management and decentralize in a meaningful way within the constraints of accountability. It is accountability which is the cause of these procedures and processes; the question is how much is appropriate accountability and how much is unnecessary bureaucratization.

Professor Jones echoed the comment about Physical Plant, noting how long it is taking he and Professor Brenner to remodel a laboratory in Agronomy. It could have been accomplished in far less time and at a fraction of the cost had they gone through any supply company. It is bothersome to see the department taxed heavily and then be obligated to find a way to pay these high support costs. These structural problems are a major issue, he said, because the expense erodes the resources of the department.

Professor Hamilton also observed to the President that in planning a new building, which he is, 30% of the costs "are in your planning office. I disavow that Planning Office because they do ridiculous things."

In addition to the support services, Professor Hamilton continued, infrastructure includes buildings. The faculty, to do their research, need functioning laboratories. They don't have them half the time. He had to spend money out of his supply budget to put in such things as electrical outlets and air conditioning. Physical Plant makes no effort to keep things working; there is no preventive maintenance. It has a lot of money but will never replace a light bulb. He recited other problems that he has had with Physical Plant and commented that "I think it's mismanagement at middle levels." Those staff need to be looked at very, very carefully. The President noted that there was a new director; Professor Hamilton commented that that is high-level management and there needs to be a look further down.

Professor Brenner said that the 2% cuts are related to the matter of infrastructure and departmental operation. The 2% cut is a reasonable idea but what seems to be happening is that most people are not viewing it as a long-range plan. We keep changing the way we do retrenchment and reallocation every couple of years; because of the unpredictability people take small cuts right now. They have been told that we are going to stay the course for a while; if they knew they were going to stay the 2% course it is to be hoped they would realize they have to do some genuine programmatic planning. Right now everybody is cutting at the margins of departmental operations--which is at the same time, as Professor Hamilton pointed out, that costs are being passed on to the departments--from all kinds of levels. Any one cost, by itself, is manageable, but when added all together they are overwhelming.

If we knew, Professor Brenner concluded, that we would have to do this for awhile we would realize that we have to start changing faculty lines--and people are not cutting faculty lines, they are cutting everything but. Professor Hamilton pointed out, however, that he lost a faculty line from his department last year because of the 2%. Professor Brenner agreed, and recalled that his department had also given up a line; now they wonder if they should give up another, to prepare for the next several years, or if they should just worry about the short term. Other units are cutting support activities, which puts more and more pressure on faculty trying to do their jobs.

President Hasselmo acknowledged that there is a major issue on the functioning of the infrastructure. He reported that he had discussed with the chair and vice-chair of the Board whether or not there should be another overall management audit of the institution. He said he was reluctant to do that and wondered if it would be better to rely on more targeted reviews of special functions. He noted that personnel management would be reviewed, as would student affairs. There have changes in Physical Plant with the new director, but he agreed that a major issue which has to be addressed is management, particularly Physical Plant.

The President turned next to Professor Shively for his comments. The most basic problem or issue he saw is the maintenance of quality faculty, quality faculty as scholars--which is critical to both teaching and research. Over the past 15 or 20 years it has been a buyer's market for faculty; there is a sense that the University did not do a very good job and did not improve the quality of its faculty--and it may have slipped in some areas. Now we are entering a seller's market, where it will be very difficult to recruit capable faculty. Unfortunately, compared to the infrastructure question--where one can figure out how to do it--maintenance of quality in the faculty is diffuse and occurs in many little pockets all over the institution. It is hard to see what the University should be doing.

Professor Frickey joined in, saying that he intended to raise exactly the same point. Although not a department chair and perhaps removed from some of the issues which press them, it seemed to him that faculty retention is a major issue--development of a strategy for retaining the best people--who are going to be attracted elsewhere--when there are very severe limits on funds. There are also serious equity questions: Does the University make people obtain good offers from elsewhere before we improve their compensation? There is a small amount of money available for retention; has the University already fallen into the trap of making it available only to match other offers? Or are we more seriously looking at our quality faculty and attempting to compensate them on a national scale independent of their ability to seek out offers.

Professor Dittman observed that the University has to compensate top-quality people who might be hired away. But it also has to compensate the people who work with them, who they value, who may not be the national star but who are very solid colleagues who keep the superstar in your department. If those people's salaries slip and the unit breaks up, then it is easier for the high quality faculty member to leave.

President Hasselmo said the University is trying to move away from the retention approach and is trying, rather, to allocate resources for preventive retention. Faculty compensation will be the top item on the legislative request; it has to be orchestrated carefully because there is the trap about how many hours faculty members work--"why should they work only five hours a week?" This also, he said, brings up the questions of review of faculty and productivity. What are the key factors, the President inquired, in

faculty morale and in keeping and attracting faculty. Compensation is one item; working relationships is another. The infrastructure is another. He suggested the conversation should return to this point later.

Next, Professor Berscheid said that an important but intangible item for faculty is an atmosphere of optimism, that things are going to be better in the future, that quality will be increasing rather than decreasing. She expressed gratification at learning that the undergraduate initiative does not mean the fundamentals of Commitment to Focus have been amended. She said that many faculty, herself among them, had misinterpreted the President's intentions. Some have gotten the feeling that because the idea of getting faculty back in the classroom sells better at the legislature and the public, that because the initiative would get better press, than [tape is unintelligible].

Professor Berscheid expressed concern about the message getting to the faculty--that the initiative does not undermine or change Commitment to Focus.

The President reflected that he had learned, through his years in academic administration, the difficulty of getting the right message through; perceptions seem to somehow go on their merry way, separate from reality; this university has been through the worst case he could think of. It is important to get the right messages out. They anticipated problems when they seized on the undergraduate initiative as a vehicle to restore balance; recalled that he had been to countless dinner parties where he met legislators who asked him "do you really think it is a good idea for the University of Minnesota to get out of undergraduate education?" The President related that he kept saying that with 32,000 undergraduates--somehow we had to wrench people back into the proper perception of the fact that the University would be the major undergraduate institution in the state, among the major ones in the country. The risk was exactly the one we have suffered from, he noted, that the University seems to be veering off its course. The President agreed that it is important to send the message about quality, about nationally-prominent research, graduate and professional programs, and compatible high quality undergraduate programs, and that they constitute what the University will be.

Next Professor Dittman explained he had been impressed how Minnesotans are conscientious about their educational systems; they can especially differentiate among schools at the primary and secondary levels. Something happens, however, when children graduate from high school and must choose colleges; in the average Minnesotan's mind there is no difference between the University and the state universities.

Part of that, he said, is the University's fault, because it has not differentiated itself vis-a-vis Mankato State or St. Cloud. This could be seen in the initial response to the announcement of Commitment to Focus--where everybody started to jockey within the Twin Cities to set up MBA programs, undergraduate accounting programs--they were going to fill the void. The University has not done a good job of communicating its market analysis--the products needed in the State, where the University adds value to the State, and what its role is in the higher education system.

His program, Professor Dittman said, is not getting the same quality of students, in the same numbers, that it was 15 or 20 years ago. Part of the reason is the information put out by the University--that it was de-emphasizing business. The number of students applying has dropped without any shift in the mean to higher quality students.

The second point, more specific, is that the University says it will rely more on junior/community college transfers into the system. An analysis of how those students fare in his program demonstrates that they lose almost a full grade point once they are in the program--they cannot maintain their GPA once they enter the University. A Minnesota student's GPA remains stable. As a result they concentrate on getting more Minnesota students into the program.

A problem, however, is that a lot of highly talented students go east for their education--which is upsetting because, for instance, in Accounting they have one of the top five faculties in the country. Kids are going east to get accounting educations at significantly inferior schools. The University is simply not communicating this message--and there are probably a lot of other high-quality departments within the University where kids would get a much better education than they will if they go to an eastern school.

Most people in the State do not understand the role of the University in the higher education system in the state. This in part is because the University has perhaps been afraid to "rock the boat" and to say where we sit--or to negotiate with the state system and with the coordinate campuses where this campus sits in higher education in Minnesota. Everything else follows from this, Professor Dittman said; once it is understood what Mankato State can do to help the citizens of Minnesota, it helps the University understand what it can do better to help the citizens--and can take the message to the legislature to explain why the University needs to be funded at a higher level.

The President observed that if attraction of top-notch students is not working in Management, where enrollment is being sharply limited in order to improve quality, then there is a severe problem.

The reason, Professor Dittman said, was in part because the School of Management communicated the wrong message (one needs a 3.5 GPA to get in); kids go to another school where they know they can get it. Another part is that they have to be in the system here for two years before they can get in--which means drawing from shrinking base. Transfer students are becoming a larger part of their classes--and those students do not bring the same level of quality to the program, especially when outcomes are examined. GPAs of incoming students has not dropped, but they have for graduates. Management is taking steps to ensure that Minnesota students are retained.

Professor Dittman agreed with the President's observation that the increased preparation standards would help.

Another element of this issue, Professor Dittman said, is declining enrollments in what might be high quality programs--declines occurring primarily because the University is not communicating about its existence and that it might be better than colleges in the east.

The President recalled that the University has not been active in recruiting students but has rather been a passive recipient of everyone who wanted to come. That, he said, will have to change, dramatically. Professor Dittman agreed; how the University fits into the educational system--perhaps in the tri-state area--and how it views itself fitting into that system will be important in setting plans and priorities. Perhaps the ones already set simply need to be communicated better. Professor Dittman added that he had not talked with anyone in the state who does not want the University to be among the best--they do not want to be average.

Ms. O'Brien agreed that the University has not been the place of choice for a student; it is where they went. The majority of the students come from the Twin Cities. Admissions, recruitment, and the composition of the student body need to be seriously examined.

Another part of this is the bureaucracy for the student body, akin to the problems of the faculty--the campus must be made more user-friendly. Because there are so many commuters there must also be attention to the development of a sense of community.

Professor Dittman guessed that if the current composition of the student body were compared with the student body of 20 years ago, a much larger portion now are holding 20-hour-per-week jobs and going to school part-time. These students view the University as the alternative to obtaining a high-quality education--those who cannot afford it and must work. Those who can afford it, and go straight through in four years, go elsewhere. He said he could see this in the Accounting program.

The conversation next turned to Professor Brenner, who said that he had a couple of ideas. One which has been discussed for a long time, but on which the University has not delivered, is mid-career faculty development. There are a number of programs for new faculty, and a couple more being planned, but nothing is being developed to meet the needs of mid-career faculty.

One exciting part of being at Minnesota is the fact that it is truly a mega-university--there are present all the major units one thinks of in higher education. This should be a strength, although most people do not realize the potential; the problem is the reward structure in which we operate, especially at the department and collegiate level. The colleges often operate as little fiefdoms; to do things across colleges, unless there is a benevolent dean, does not happen as often as it should. There must be an enhancement of opportunities and atmosphere for interaction of faculty across the University. There are over 1,000 faculty in the biological sciences; it is difficult to get to know them. There must be ways to encourage communication and a support for those faculty working together; more funds for the support of interdisciplinary centers would be an example--and it need not be a lot of money.

One idea that arose during the planning process, Dr. Hamilton recalled, was that laboratory centers would be set up so that people from Minneapolis could work temporarily with colleagues in St. Paul, and vice-versa. Cross-campus collaboration is almost impossible--and the new transit system will not help at all.

Dr. Brenner said that his other major point, as he reflected on the Campbell Committee report--its benefits and failures--is recognizing that the University caused itself tremendous problems by the way it went about proposing the elimination of two collegiate units. The idea of closing units is not the issue; how the University goes about it is. There were no alternatives offered to those interest groups which were going to lose a program. The University, however, will not be able to continue to do everything it does; it should have a well-developed plan, as it considers elimination or reduction of units, and active pursuit of regional planning is one alternative. It may be more likely that departments or subsets of departments might be shifted to other institutions, rather than collegiate units. He cited examples from his own unit where some work is now centered at Wisconsin; department heads meet to plan this sort of division of labor. The University would, then, be able to reduce its activities but perform those better--while still providing the services to students and the people of Minnesota through reliance on colleagues at the other institutions.

Professor Brenner agreed with the observation of the President that such alternatives would have a direct bearing on the reallocation process. The President also concurred that these kinds of changes would have to be made in such a way that the University would not confront a major political battle which it could not win. Professor Brenner said he thought some programs would have to be taken away but that troubles could be finessed by methodically building better programs here and providing alternatives through regional activities.

Professor Brenner also pointed out that he was convinced that faculty must be added to the core but that it was also necessarily to be mindful of the original issues discussed: the sense of frustration and the need to support the faculty who are already here. They have to have reasonable resources, which is not just salary but resources to do their jobs.

Dr. Foster, on the question of regional planning, pointed out that IT several years ago decided to abandon meteorology; there is not that great a need and Wisconsin has a superb program. Mankato State is now starting a meteorology program. This, Professor Dittman interjected, is what he was talking about: the lack of coordination and the inability of the University or the HEAC to control.

This, the President observed, is what is called "mission drift": every institution seeks to be at the next level. The University happens to be at the top, of course. This is also why, he commented, that he sometimes takes the enthusiasm for Commitment to Focus with a grain of salt--other systems see wonderful opportunities when the University withdraws within its walls. This creates difficult political issues when it comes to competing for resources; the University has to strike a balance between shaping its profile while making sure it does not erode its opportunities for financial support.

Professor Goldstein next spoke, about quality of students and quality of faculty. Both are key, he said, and he expressed doubt that the University approaches either in the right way. You do not get better students, he pointed out, by saying that you will only take students above a certain GPA--that gets cause and effect mixed up. If one looks at schools like Berkeley, they get better students not because they have higher admissions standards but because students think that if they attend Berkeley they will get a better education and be recognized as graduates of a good institution. The University cannot get better standards by raising requirements; it will get better students by convincing them this is the place to go and their degree will mean something and that their education will be better.

In terms of quality of faculty, salaries are important but, he said, Dr. Berscheid was correct: It is the mood that faculty see here. Faculty rarely leave an institution because of a better position; they almost always leave because they are unhappy, for one reason or another, with where they are. The unhappiness is often related to many things other than salary--it may be load, support services, type of colleagues, type of students, etc. The University must work much more on these issues.

Professor Goldstein then took up the Campbell report. There was an old joke, he recalled, about military intelligence being the classic oxymoron. "I think academic management is an oxymoron." It appears that the Campbell committee report had two major effects: One, it discouraged Chuck Campbell from participating in academic matters. Two, almost all of the departments or colleges which were identified as units which should be cut or eliminated received a lot more money--"because they hollered so much." The same thing is true about the 2% reallocation--he said saw no one reallocating the way one

should, through the use of quantitative or qualitative analysis of a field and a questioning of whether or not it needed the resources or the faculty positions. Everyone is afraid at every level, he said, of antagonizing those below; it is apparently the nature of academic institutions. It is very difficult to get someone to make the hard decisions. It may not be possible to change that.

Professor Shively commented that he thought Professor Goldstein was going to make a different point--one which he endorsed. He said he had concerns about the governance of the University, how cumbersome it is, and how much it acts to retard change rather than generate change. Henry Rosovsky, in his new book, has elucidated a good general principle of governance: That no one should be making decisions about something in which they have a personal stake. The University, he said, operates on the directly opposite principle: When there is a question before the University, we ask who has an interest in it and make sure that those groups are consulted. "Consulting" comes close to offering a veto. If you consult and they say no and then you go ahead and do it, they say you haven't consulted. That is part of the culture of the place; the University is very tied up with this kind of process.

Professor Goldstein agreed that the University has more faculty governance than most places, and generally, he said, he thought it was good. But decisions must still be made, he said, and they should not be made by a committee of faculty who are vitally concerned. If the University really wants to improve quality it will have to concentrate on fewer things and putting resources in them. The University, as the President said, may be at the top of the pyramid--but that's in the state of Minnesota, which is a little pond. The University should try to emulate some of the state universities, such as Berkeley or places in the Big Ten. At Wisconsin, he noted, their funds are much tighter but their faculty mood and morale is extremely good.

This, the President said, raises a question about the method of reallocation. The 2% reallocation hinges on the willingness and ability of the deans to set priorities within their colleges, through the departmental structure, and to make true programmatic priority decisions--and then make the case that the money has to stay where it is and there should be no retrenchment or that the money should be shifted into new initiatives which need to begin. The Academic Vice President then compares and decides among the proposals across the colleges--on the basis of information and choices coming from the colleges.

The alternative, the President said, is to set up a mechanism where central administration can determine where the cuts should be made and instruct units to implement them. That is difficult to do; it requires a lot of information and the University is not organized so that informed choices can be made by central administration. But the choice of method will have to be made--because programmatic choices will have to be made. And they will have to be made in an orchestrated way where alternatives are present, including perspectives from higher education in the state--so that all of a sudden the state universities do not move into a vacuum created and take the resources that the University could have kept.

Professor Goldstein pointed out that much of this may be unnecessary; there are certain departments which are "vanishingly small" because of the market and students have moved away from them. Even there, however, no decisions are made to significantly reduce the resources of those departments. It is mostly, Professor Goldstein commented, because every administrator comes up through the ranks and thinks that one day he or she may end up going back down the ranks--and is therefore very sensitive to concerns. The President responded that there are, nonetheless, a number of

units which believe they are being decimated--they have only half the students they once did but still feel they are being decimated.

Ms. O'Brien reported that she and Gus Donhowe had discussed University governance shortly after they had both come here; Gus, she reported, said he was surprised that everyone at the institution has a veto. She had agreed and said it reminded her of the Polish Diet, where every decision had to be unanimous. Everybody knows what happened to Poland--it was divided up by three empires.

She related that when she had considered coming to the University (from the Minneapolis City Council) she had assumed that reforming management would be a major task. They are instead, she reported, "about the process of birthing management in the administration." It will be important to do that, she said, without building new bureaucracies or exacerbating the problems raised at this meeting. The University must develop financial and human resource management systems and policies which assist the institution and which provide the Regents a real role as a governing body. These are almost inseparable from the other issues raised at the meeting, she said, and the administration will need the support of the faculty as it develops these management systems.

In terms of political discipline, whether from HEAC or legislators, and system differentiation, it was the leadership in the Senate which devised the plan for making the institutions responsible for one-third of the debt service for capital projects. The University views that as very onerous; the political leadership views it as a mechanism for adding discipline to a system which has not shown much in the past. It will be critical for University leaders to recognize what the political leaders are trying to accomplish and to work with them to build on the discipline.

Professor Berscheid noted that many of the faculty have been waiting for administrators to review themselves, and for the reviews to have some consequences; thus far, she said, they have not seen that. Ms. O'Brien said that everyone she knew in Morrill Hall had been reviewed in the past six months; Dr. Berscheid said the faculty did not know that. Who did the reviews and what were the inputs, she inquired.

The President pointed out that the reviews have been discussed with the Consultative Committee and the Board of Regents; how the information is to be communicated to the entire University, rather than small pockets, is a puzzle. He recalled incidents where he was astonished at what the faculty have not known. He has written letters to the Daily on some issues and is considering the idea of reviving the letters to the faculty once sent by President Magrath. There seemed to be agreement that the best vehicle might be Footnote.

Professor Etter next spoke and related that when she came to the University six years ago she was very enthusiastic about the opportunity to teach--and was even looking forward to classes of 250. In the intervening six years, as a result of the stresses of the job, she is now looking forward to a sabbatical year primarily because it will mean she will not have to teach. It would be hard to imagine anyone coming in with much more enthusiasm for teaching, she said, and there are two reasons why it has been dampened so effectively.

One is the federal grant situation--it is so serious in the sciences, and it almost seems as though the individual investigators are alone in responding to the situation. It appears that the University and

colleges do not understand how devastating this is. One problem is having to write 7-8-9 grants in order to get one funded--where before she used to have to write three or four. As a result, she said, she goes into her class of 250 students angry--having been up the night before writing her 7th grant. If the University could communicate that it understood, and that the volatility of the situation could be absorbed here, so that the graduate students and post-docs funded by substantial grant income were not endangered. She could, she noted, have no income in another year or two. She is less excited about the future of her group than she is scared she will not be able to pay salaries and her equipment will go unused.

The President reported that both through the national associations as well as the Minnesota Congressional delegation there is constant pressure on Congress and the agencies to maintain NIH and NSF funding. The last \$6.5 million of the Indirect Cost Recovery funds would also be sought from the legislature for such things as matching and bridge funding as well. The President also recalled that he has many times spoken about faculty entrepreneurship and the funds brought into the state by grant recipients; one must guard only against the tendency of people to then think about the University purely in terms of economic return to the State. The risk must be taken, however, because it is a powerful argument; it also better communicates the range of faculty responsibilities outside the classroom.

Professor Etter said that her second point has to do with the change in the demographics of the graduate students; almost one-half of the incoming class will be foreign students. Six years ago that number was 25%. These people, she said, are very bright--but they are not acculturated and thus become a drain on the departments. The problem is viewing them as a drain on the department; they should be seen as an opportunity, and the services should be provided so that they can be as productive as their talents permit. The support services presently in place are not good. The language difficulties are one example--the foreign students go through a well-structured program in English language training--but while they are doing so the American students must pick up the load, which makes them resentful of the foreign students. If the support were in place to acculturate them more rapidly, so they could more quickly begin to help, the situation would improve. The problem, she added, has hardly been identified at all yet it is one which has an impact across research groups and across entire departments.

President Hasselmo reported that NSF is throwing its support behind a massive effort to recruit more minority students and women into the sciences. Stopping the tenure clock, for women, may be another possibility the University will consider; reaching into pre-college education is another effort which must be strengthened. Professor Etter reported that the competition for graduate students in chemistry is extremely intense; some west coast schools are reportedly offering "signing bonuses."

Professor Jones next took up the issues of rising tuition and retrenchments. In light of the Undergraduate Initiative, and the commitments to recruit additional minority students and faculty, it does not seem likely that the University will be able to meet those recruiting goals given the retrenchments the departments are facing. When positions are being used to meet retrenchment departments will not have the resources to attract minority faculty members.

As far as students in general, he said, the University has in the past had the luxury of not needing to recruit. That attitude cannot continue; students will not be attracted solely to the track record and reputation of the University. Recruitment will have to be re-thought. Coupled with rising tuition, what plans are being put in place to be certain that attractive financial packages can be offered to students? The group most hurt by rising tuition will be minority and disadvantaged students; if the goal of

recruiting high-quality students from all backgrounds is to be met there must be the right financial aid program in place in order to be competitive with other universities.

Cannibalizing faculty positions, the President agreed, is a matter of serious concern; it is "eating our seed corn." That is why it is urgent that the University obtain a compensation package for faculty that will meet institutional needs and not require further internal reallocation. Most of the \$13.9 million in reallocation this year went into the compensation package; that, he said, cannot continue.

In terms of minority faculty hiring, he said, he would like to try to approach it in terms of cluster hiring--recruit several, spanning several disciplines, in the hope that Minnesota will be a more attractive place. There is also a standing commitment to "target of opportunity" hiring--when there is a no vacancy in a department but an opportunity to recruit a minority or a woman or an individual who is outstanding, funding should be provided to recruit that individual. This practice, however, is on a collision course with existing practice of recruitment; there must, he said, be a relaxation of the way the University recruits in order to do it effectively. Some in the University, he recognized, see the procedures as a safeguard against unacceptable administrative action--but the University is so procedure-bound that it is almost impossible for administrators to do what everyone wants done.

This activity, in turn, is related to accountability and review of performance and insisting academic administrators take the consequences of not moving toward established goals.

The President thanked those present for their views and said he found the session useful.

In the time remaining the President said he would like views on the 2% reallocation as a method; reallocation must continue but what is the best way to approach it? What are the alternatives?

Dr. Foster pointed out that even though most of the money went to compensation increases there was nonetheless some programmatic reallocation; there will be more in the future if the funds are not put into compensation. A large part of the reallocations, he reported, were from support units to academic units; support units are not getting back any of the 2% they lose. This may, however, the President commented, have an impact on those units to deliver the services which were noted as a problem at the beginning of the meeting.

In CLA, Professor Berscheid observed, faculty travel funds were part of the 2% reallocation; her comment provoked several to exclaim that that is exactly the way the reallocation should not occur. Reductions in the number of faculty in a department, because of a substantial drop in the number of students, makes sense. The cuts need to be justified--and that is not being done.

Another issue, Professor Dittman suggested, is the possible duplication of courses around the University; can aerospace engineering teach accounting as well as the accounting department? Management several years ago found that there were over a hundred business courses taught elsewhere in the University. Efficiencies could likely be achieved in this manner; a central review would be useful. The role of continuing education is another subject which bears scrutiny, he said, as is the possibility of moving to outside contractors in order to control costs and performance--which is not possible at present.

Professor Hamilton concurred with the comments about duplication of courses; the primary reason

it has occurred, he said, is because of access to courses.

The 2% reallocation, Professor Hamilton added, is certainly not providing flexibility at the department level; it is making life harder rather than easier. All of the basic science units in the Medical School have lost positions this year as a result of the 2%. This might be palatable, he said, if faculty understood where the money was going. All they see is that an associate professorship is lost with no consequent gain or reason for the loss. In the midst of building one of the best departments in the country, they suddenly lose a position--which upsets the entire faculty. This, he said, comes back to the issue of communication.

Professor Dittman joined the comments by noting the barriers and roadblocks which exist in the administration of the academic and civil service personnel systems. Efficiency is blocked. Others concurred with these observations; Professor Berscheid observed that the bureaucracies lose sight completely of the spirit of the rules; those must execute them instead make sure the t's are crossed and i's are dotted--without regard to whether the decision makes sense or furthers the cause of the University. They, another observed, are the "no sayers." Professor Dittman concluded that if an administrator says "yes," responsibility must be taken for the decision; it is easier to say "no" because it adheres to the rules. As a result in one case, he observed, his unit is obligated to spend an additional \$30,000.

The President responded that the University is starting to draw on its own expertise to help in quality management; mechanisms have been put in place to try to deal with such issues--especially a "customer orientation" among support service units.

Professor Berscheid next cautioned the President about "punishing" deans who ignore the strictures about how the reallocation should be implemented (who, for instance, rely on across-the-board cuts); it is, she said, the faculty who will suffer, not the deans. The President said that while he may have appeared more "macho" than he intended in recent FCC minutes, he nonetheless did agree that it is the responsibility of central administration to ensure that if there is failure on the part of a college administration that action be taken. While that action might consist of withholding resources for one year, that alternative cannot recur and steps would have to be taken to ensure that the academic enterprise were sustained and academic priorities are met. Dr. Foster also observed that the "punishment" has not been withholding of funds but rather a tighter central control over how funds can be spent.

Professor Goldstein commented that there is an enormous amount of information available in the University, both qualitative and quantitative, about departments; very little of it, he said, is used in academic management--especially in assessing whether or not a unit should be down-sized. The President noted that the implementation of Academic Priorities involves reallocation of significant amounts of money; identified "underfunding" totalled about \$35 million. By 1993, with current and planned reallocation and proposed funding, that \$35 million will have been made up. This accomplishment is largely hidden, he said, although the proposed budget shifts money around in significant amounts. Whether or not it is being done in the optimal way, and whether or not the 2% is the right way, is the question.

Professor Shively observed that the University, as a result of the pain of the last several years, has at least become much more sophisticated in thinking about itself; the discussions are better informed both in terms of information as well as how decisions are made and how the University relates to the rest of the

state. One positive part of Commitment to Focus, the President agreed, was that it held out the possibility and necessity for change. He said he was anxious that the opportunity not be missed. The negative aspect was that there were such hopes and expectations--which "crashed"--and faculty morale and hopes must be restored so that the University can be once again be seen as moving in the right direction.

The meeting adjourned at 11:10.

-- Gary Engstrand

University of Minnesota