

Minutes*

**Faculty Consultative Committee
Thursday, December 6, 2012
12:00 – 1:45
25 Humphrey Center**

- Present: Sally Gregory Kohlstedt (chair), Linda Bearinger, Avner Ben-Ner, Peter Bitterman, Brian Buhr, James Cloyd, Chris Cramer, Will Durfee, Nancy Ehlke, Michael Hancher, Scott Lanyon, Russell Luepker, Elaine Tyler May, Alon McCormick, James Pacala, Ned Patterson, Jeff Ratliff-Crain, Rebecca Ropers-Huilman, George Sheets, Richard Ziegler
- Absent: none
- Guests: Channing Riggs, Jason Rohloff (Office of the President); President Eric Kaler, members of the Senate Consultative Committee, the Advisory Committee on Athletics, and the Faculty Academic Oversight Committee for Intercollegiate Athletics
- Other: Vickie Courtney (Senate Office), Liz Eull, Amy Phenix, Jon Steadland (Office of the President), Ken Savary (Office of the Board of Regents); Vice Provost Robert McMaster (Office of Undergraduate Education)

[In these minutes: (1) discussion of election outcome implications with Ms. Riggs and Mr. Rohloff; (2) expansion of the Big Ten Conference]

1. Discussion of Election Outcome Implications with Ms. Riggs and Mr. Rohloff

Professor Kohlstedt convened the meeting at noon and welcomed Ms. Riggs and Mr. Rohloff, Director of Federal Relations and Special Assistant to the President for Government Relations, respectively, to discuss the implications of the recent elections for the University. She accepted a motion to close the meeting, which was adopted unanimously.

Ms. Riggs identified major issues before Congress and the White House that affect higher education, in particular the possible outcomes of the negotiations about the "fiscal cliff." She suggested that there may be potential changes to the tax code that would be of interest to the University. Mr. Rohloff discussed the changes in the Minnesota legislature and how they might affect the University. Committee members discussed a number of points with both of them.

Professor Kohlstedt thanked Mr. Rohloff and Ms. Riggs for joining the meeting.

2. Expansion of the Big Ten Conference

Prior to President Kaler's arrival at the meeting, Professor Kohlstedt explained that there was considerable interest in the Big Ten decision to expand to include the University of Maryland and Rutgers University, so she invited the members of the Senate Consultative Committee (that is, the student and

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staff members; the faculty as FCC were already present), the Advisory Committee on Athletics, and the Faculty Academic Oversight Committee to a discussion with the president about the process. The primary questions that were raised were about the consultation that took place before the decision was made and the impact of the decision on student-athletes.

Professor Kohlstedt related that she and Professor Hancher had attended the annual meeting of the CIC [Committee on Institutional Cooperation, the Big Ten institutions plus the University of Chicago] faculty senate leaders the preceding weekend [in effect, the Big Ten faculty leaders because the University of Chicago was not represented] and the question of the Big Ten expansion was on the minds of colleagues from the other schools as well. It appeared that none of the faculty leaders around the Big Ten were consulted. Maryland and Rutgers will also become members of the CIC, and the opportunity to become CIC members may have played a part in their decisions to seek membership in the Big Ten.

Professor Bitterman asked for a highlight of CIC functions. Professor Kohlstedt that it was created so that the member schools had a presence and influence nationally and to provide ways for administrators, faculty and, students to learn from each other across the institutions. The CIC is often a source of collaboration, most notably in the sciences and engineering with shared facilities. Dr. McMaster reported that it provides the auspices for various groups to meet, such as the CIC undergraduate deans, the graduate deans, the librarians, the liberal arts deans, etc. [Information about the CIC can be found at <http://www.cic.net/Home.aspx>.]

Professor Durfee inquired if, with two more members, the CIC would have less flexibility because it will have gotten too large. Professor Kohlstedt said she surmised there would be some culture change (e.g., the CIC will no longer be composed entirely of Midwestern institutions and the scale is undoubtedly important). If, indeed, it eventually includes 16 members, which it is widely speculated will happen, the increased size will likely have an impact on the functioning of the CIC.

Professor Kohlstedt now welcomed President Kaler to the meeting to discuss the Big Ten Conference. She noted that the president had been provided a set of questions prior to the meeting, assembled in consultation with the members of this Committee, the Advisory Committee on Athletics, and the Faculty Academic Oversight Committee on Intercollegiate Athletics.

The first question: Can you explain the process by which the decision to admit Maryland and Rutgers was made and why? Did the Presidents consult with their boards and their governance groups? Was there a reason that the discussion was not open? Did the Presidents have independent authority? Who do you think ought to be involved?

President Kaler began by explaining that the process to expand the Conference happened very quickly. The presidents and chancellors of the Big Ten institutions had a conference call late in the week; Maryland was invited to join the Conference on the following Monday and Rutgers on Tuesday. There was sensitivity about publicity for the two institutions, the president related. He did speak with the chair of the Board of Regents, but in the Big Ten institutions, boards of regents/trustees have delegated to the president/chancellor the authority to make membership decisions, so legally it was his decision to make. The pace of the process and the need for confidentiality meant he was unable to consult very extensively.

The primary concern of the Big Ten presidents was about academic quality, President Kaler said. In discussions over the preceding months, they were clear that if the Conference were to expand, they

wanted AAU flagship schools [<http://www.aau.edu/>] or AAU-equivalent schools—and preferably the former. When Maryland and Rutgers indicated an interest in joining the Big Ten, the presidents were advised to act quickly to secure their admission and prevent counter-offers from other conferences. In an ideal world, he would have consulted further with the senior officers of the University and the appropriate committees of the Senate, but the pace allowed neither.

The president went on to say that there is a drive in Division I intercollegiate athletics to grow the size of conferences. The admission of Maryland and Rutgers was a long-term, strategic decision for two reasons. One, it consolidates the eastern front and avoids the problem of the Big Ten being regionally bound. Two, in terms of "brand," by gaining access to the New York City and Washington, D.C. markets, it increases by about one-third the television reach for the Conference, which is a huge benefit. Rutgers is a popular institution in New York, for example, and Minnesota will benefit from playing games with them. When the Big Ten network contract is up for renegotiation in 2017, they expect the larger market will also result in additional ability to drive revenues through that contract.

The second question: Given the rumors that the conference expansion may not be over, how likely is continued expansion? If there will be two additional schools added to make 16 members, what are the issues to be weighed if and when this expansion is continued?

President Kaler said he thought it possible that the Big Ten will add two more institutions at some point to reach 16 members, but there is no specific plan to do so and there have been no formal talks about which institutions might join.

The president said he wished to apologize if people believe he should have consulted more about the decision, but he hopes they understand the constraints the Big Ten presidents and chancellors were under. He said that he believed the decisions were on the mark in that the new members were AAU flagship schools.

The third question: What is the net financial effect of these two schools joining the Big Ten? How will any new money generated from the expansion be used? Will it be used to reduce tuition for students? Will it be used to reduce the escalating costs of tickets for athletics events?

President Kaler explained that at present the Big Ten Conference pays its members about \$24 million per year from its television contract—that's about a third of the intercollegiate athletics department budget at Minnesota, and those payments will continue for the next three years. The best financial opportunity will come when the media contracts are renegotiated in 2017 with the addition of the NY and DC media markets.

As for new money reducing tuition, the president said that, last year, for the first time in the Big Ten, media revenues exceeded revenues from venue ticket sales. His goal for Minnesota is to allow the athletic department to be fully financially independent and to support appropriately the non-revenue sports. Ideally, he would like to see the department generate revenues for the University.

The fourth question: What are the implications for the University of Minnesota particularly if these schools are integrated into the CIC (as well as the Big Ten)? What are the non-athletic (i.e., academic) ramifications of the expansion?

The provosts voted to admit Maryland and Rutgers, President Kaler explained. He believes that there are some very interesting academic and research opportunities. Think about having access to the Smithsonian and other resources at both Maryland and Rutgers.

The fifth question: What do you think may be the impact on time and money in relationship to sports with these schools at a distance?

a) Travel time for athletes is likely to be extended and the number of overnight stays is also likely to increase, which poses additional challenges for them in terms of class and study time. How will expansion affect student-athletes? Will student-athletes need more time off to travel? Will the ever-expanding Big 10 Network push for more games during the week? Will the length of season expand to accommodate additional games?

b) Will there be additional expenses related to travel to the East Coast for competition? How will this affect the budgets for non-revenue-generating sports? Will these budget issues in any way affect the U's ability to continue supporting as many teams as it does now? In what sports (women's as well as men's) will Maryland and Rutgers be competing in the Big 10?

c) Are mega-conferences in the best interest of the student-athlete or fans, particularly if the schools involved are not geographically close to each other? What effect will this have on fan loyalty if there is a reduction in the number of traditional rivalry games?

In terms of geography, President Kaler said the presidents were concerned about the impact of the expansion on student-athlete travel. He said he thought it possible that the athletic directors would subdivide the Conference differently, so there might be, for example, eastern and western divisions, in which case the amount of travel time for students might actually be reduced.

Currently, the president said his goal for the University is not to reduce the number of sports in the athletic department, but they also are not contemplating adding sports. He said he believed all non-revenue sports are of value to the student-athletes.

The question about mega-conferences is a good one, the president observed. He said he believed the effect on the University is positive, in the case of the Big Ten expansion, because it increases the University's exposure in non-Midwestern markets and also may allow recruitment of student-athletes, and students, from a broader area. He added that the Big Ten will work to protect its traditional rivalries.

The sixth question: Will the conference name change to reflect the increases?

Probably not, the president said.

Professor Siliciano, chair of the Advisory Committee on Athletics, said one point was unclear to him. If the Conference splits into eastern and western divisions, then Minnesota would not play Rutgers and Maryland that often, so would it obtain much East Coast exposure? The president said there are clear eastern and western teams, with some in the middle, and there would likely be a rotation among eastern and western schools. But he agreed that it would be unlikely that Minnesota would play Maryland and Rutgers in the same year.

Professor Bitterman asked if the Conference expansion provided an opportunity to raise the profile of the CIC. The opportunities are enormous, President Kaler responded, because (for example) it provides the opportunity to gain access to New York museums, the Smithsonian, and so on. The other presidents saw that same opportunity. The irony is that it was an athletically-driven decision but almost all of the conversations have been around academic opportunities and issues. Professor Bitterman said he did not believe the CIC is as high-profile as it could be but that there is much potential in it. The president agreed and said the opportunities for collaboration are a great untapped resource.

Professor Lanyon said he was less concerned about the lack of on-campus consultation than about the inability of the presidents to be able to take much time. That is a concern, President Kaler agreed, and said the presidents place a great deal of trust in the commissioner. He was operating under very clear constraints, both academic (the AAU requirement) and financial (any expansion should have a financial upside if possible but at the least no downside). When the opportunities with Maryland and Rutgers came along, he had the license to proceed.

Professor Durfee commented that the financial forecasts seem optimistic; given the short time to make projections, does the president have a lot of confidence in them? The president noted the value of several college sports media contracts and said it was highly probable that the value of the Big Ten television contract will increase significantly. All the advice they have received is that the Big Ten is seen as a high-quality product. It also has very competitive football teams and men's and women's basketball teams. Is this a business guess? Yes, but all the indicators are positive, the president concluded.

One of the committee members inquired if, with the juggling of conference memberships, the Big Ten might lose an institution or might decide to remove one. That is part of Commissioner Delaney's job, President Kaler said—to worry about which Big Ten institution might get picked off by another conference. He said he did not believe the Conference would vote anyone out.

Student Senate member Moshe Volovik inquired if sports that previously needed one day for a meet will now need two, so student-athletes will miss more class time. That could be an issue, the president agreed.

Another committee member asked how revenue distributions from New York and Washington, D.C. would affect Minnesota, and if any new facilities in athletics would increase the separation of athletics from the rest of the campus. The President said, on the second point, that the department of athletics is in the process of developing a master plan and he would be concerned if it envisioned greater separation. He said the administration will keep an eye on facilities planning and added that he does not believe segregation of athletics is a good idea. But there are significant facility needs that the new revenues can help pay for.

Professor Siliciano asked what the process for responding would be if the networks want a Tuesday night football game, for example. The president said the athletic directors are in charge of that conversation; it would be discussed among the schools, Ms. Eull said. In his view, President Kaler said, the 750 student-athletes are at the University to get an education and be provided the opportunity to play high-level sports. He would not favor more constraints on the ability of the student-athletes to pursue their education. He said he could not over-emphasize the fact that the dollars are important but the conversation is about the student-athletes and the academic quality of the institutions.

Professor Kohlstedt thanked the president for joining the meeting and adjourned it at 1:45 so everyone could attend the Senate meeting.

-- Gary Engstrand

University of Minnesota