

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

February 12, 2004

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, February 12, 2004 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Peter Bell, Frank Berman, Richard McNamara, David Metzen, and Lakeesha Ransom.

Staff present: President Robert Bruininks; Chancellors Kathryn Martin and Samuel Schuman; Executive Vice President and Provost Christine Maziar; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Carol Carrier, Sandra Gardebring, and Robert Jones; Executive Director Ann Cieslak; and Provost David Carl.

Student Representatives: Jacob Elo and Johanna Farmer.

BOARD OF REGENTS POLICY: *AWARDS, HONORS, AND RECOGNITION*

Vice President Brown reviewed the proposed addition of an Award of Distinction to the Board of Regents Policy: *Awards, Honors, and Recognition*, as presented in the docket materials and on file in the Board Office. She noted that this policy was brought before the committee for review in December. Further revisions to the policy may be brought to the committee in the future.

Professor Shirley Garner, Chair, All-University Honors Committee, explained that the requirements of the Award of Distinction mirror those of the Outstanding Achievement Award, except that it is to be conferred upon individuals who are not or have not been students or employees of the University of Minnesota. The Award of Distinction recognizes volunteer service as well as public service.

Chancellor Martin expressed a number of concerns about representation on, and procedures followed by, the Honors Committee.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the amendments to the Board of Regents Policy: *Awards, Honors, and Recognition*.

NEW MODELS FOR COMPENSATION IN HEALTH PROFESSIONS

Senior Vice President Cerra presented the compensation models for faculty in the Academic Health Center (AHC). Cerra outlined policy considerations for the committee to consider, the different guaranteed and non guaranteed sources of faculty compensation, and how compensation is funded. He noted that AHC compensation differs from other departments because of the need for clinical practice among faculty, the importance of health research, and the fact that innovation is such a major part of the mission. For these reasons, state dollars and tuition are not sufficient to fully support education and research. Cerra also highlighted the differences between the compensation models of the schools of medicine, dentistry, nursing, and pharmacy. Two Board of Regents policies provide oversight for the outside clinical practice of AHC faculty. The goal is to bring together all the professions in the clinical service lines under one consolidated practice model.

In response to questions, Cerra responded that most faculty participate in all three AHC priorities - teaching, research, and practice - but they are able to focus on two. Regarding compensation, he maintained that while faculty could

devote more time to non-guaranteed compensation areas in order to enhance their pay, the internal controls of the AHC are able to curb such activities. Regent Simmons commented that since faculty salaries are lower than those of practicing health professionals, faculty make the choice to teach. This mitigates the problem of focusing too greatly on outside activities.

Regent Metzen requested a similar analysis of compensation models for other units within the University.

STUDENT EXPERIENCE: FINANCIAL CHALLENGES & POLICIES

Vice Provost Craig Swan and Associate Vice Provost Jerry Rinehart presented data on various financial challenges faced by University of Minnesota students and the University's responses to those challenges. The discussion included the cost of attendance, funding sources available to students, and trends associated with financial aid composition and parental income and contribution.

Swan identified two broad policy questions: What is the appropriate mix of funding sources for students? What is the University's responsibility with regard to that mix? He clarified that the majority of the presentation focuses on undergraduate students, since graduate and professional students' finances are modeled differently.

Recent data demonstrates that tuition and fees for students have risen faster than inflation, while other expenses, such as books and housing, have risen less than inflation, moderating the overall increase in the cost of attendance. Regarding expected family contribution, which is derived from parental income, Swan reported that, while parental income for University students is comparable to similar institutions around the country, the amount of parental support is significantly lower at the University. Students also expect to work more than do students at other institutions.

Swan highlighted the following:

- The University is serving well lowest-income students who have the greatest need;
- Students with moderate need are not as well-served since the University ranks low in scholarships;
- Increasing loans are an important source of funding for students.

In response to several questions, Swan agreed that it appears that more students from all income levels are applying, attending, and graduating from the University. In regard to out-of-pocket expenses he concluded that all students are paying more for their education, but low-income students have faced a lesser increase.

In response to a question from Student Representative Farmer regarding a correlation between financial aid and enrollment on the Morris campus, Swan cautioned that enrollment declines at Morris are complicated. He believes the campus' renewed efforts in recruiting will improve enrollment over time, and noted its aggressive use of work study to assist students.

Rinehart presented information regarding efforts to assist students with money management, specifically for credit card debt. Noting a 2002 study by Boynton Health Service that showed 25% of students have credit card debt of over \$1,000, Rinehart profiled two initiatives that University has undertaken: a partnership with a financial consulting firm to provide free financial counseling services and a one-credit course. Parents have shown a great interest in these efforts to educate students and plans are being developed with Minnesota State Colleges and Universities to expand these activities statewide.

Regents Simmons requested a future presentation on whether the University has both the policy and the funding in place to effectively leverage financial aid and scholarships.

CONSENT REPORT

President Bruininks addressed the committee on the proposed reorganization of central administration and how it relates to the appointment of three senior administrators contained within the Consent Report.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Consent Report, which included the following:

- Appointment of Christine Maziar as Senior Vice President for Academic Affairs and Provost effective March 1, 2004.
- Appointment of Robert J. Jones as Senior Vice President for System Administration effective March 1, 2004.
- Appointment of Richard Pfutzenreuter as Vice President and Chief Financial Officer effective March 1, 2004.
- Appointment of Beverly Brucciani and David L. Cole to the Minnesota Landscape Arboretum Foundation.

INFORMATION ITEMS

Vice President Carrier referred the committee to the Information Items contained in the docket. She particularly noted the appointments of Mark Becker as Assistant Vice President for Public Health and Jose Morales as Associate Vice Chancellor for Enrollment at Morris.

The meeting adjourned at 11:36 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary